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4° ICHSS 2014

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About the Conference

The 4° ICHSS 2014 is organized by MCSER—Mediterranean Center of Social and Educational Research in cooperation with the Faculty of Philosophy, University of Montenegro and the Academy of Knowledge of Budva. 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 fourth edition of the ICHSS is held in Budva on May 01 and June 01, 2014.

Vision of the conference

The 4° 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 offer 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; Faculty of Philosophy of the University of Montenegro; Academy of Knowledge—Budva.

Publications

All papers presented in the 4° ICHSS 2014 will be published in the following Journals:

Mediterranean Journal of Social Sciences
Academic Journal of Interdisciplinary Studies
Journal of Educational and Social Research
# TABLE OF CONTENTS

Factors Related to the Mental Health and Suicidal thoughts of Adults Living in Shelters for a Protracted Period Following a Large-Scale Disaster .......................................................................................................... 11
Manami Amagai, Noriko Kobayashi, Mayumi Nitta, Makiko Takahashi, Ikuko Takada, Yumiko Takeuch, Yumiko Sawada, Mayo Hiroshima

The Function of the Constitutional Court of Albania in Exercising Control of Constitutionality Over Administrative Acts ................................................................. 17
Aida Hoxhaj

Generation Y - The Balance between Lifestyle and Work ........................................................................................................................................................................ 24
Agnieszka Stanimir

Administration and Management of the Education System, Performance Quality and Priorities in Socio-Cultural Development Area in Albania ........................................................................................................... 31
Alba Robert Dumi, Borana Koci, Evisa Çelo

Allied Conferences at the End of World War II in the NDH Press: Ustasha Propaganda on Political Relations and Military Cooperation of the USA, the United Kingdom and the USSR ......................................................................... 38
Alan Labus

Labor Market and Managerial Reform in the Albanian Civil Service, Improvements in the Status of Civil Servant under the Recommendations of the European Union ........................................................................... 46
Alba Robert Dumi, Ina Foto Barjamaj

The Role and Importance of Private Accommodation Components: Evidence from Urban Mediterranean Tourism Destination .......................................................................................... 53
Ivana Pavlić, Ana Portolan

Alternative Measures in Macedonia ....................................................................................................................................................................................... 60
Adrian Leka

Equitable Representation of Communities in Public Administration in Republic of Macedonia as One of the Copenhagen Political Criteria for EU Membership .................................................................................. 66
Abdula Azizi

The Necessity and Features of Local Government Reform in Albania ............................................................................................................................... 71
Arben Hysi

Importance of Social Media as Communication Channel in Bank Marketing ......................................................................................................................... 76
Aziz Öztürk, Ömer Faruk Güven

Self – Isolation of Albania and the First Steps Toward Opening to the West ......................................................................................................................... 82
Alida Avdullari

Destination Image and Tourism Satisfaction: The Case of a Mediterranean Destination ........................................................................................................... 86
Barbara Puh

Offshore Outsourcing (O2) and Human Capital ...................................................................................................................................................................................... 93
Armela Anamali

The Role of Economic Diplomacy in Increasing the Value of Exports to Mediterranean Countries – The Case of Slovenia ......................................................................................... 100
Dejan Romih, Klavdij Logožar
<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Challenges Faced by Girls Trafficked, during the Reintegration Process in Albania</td>
<td>106</td>
</tr>
<tr>
<td>Alisa Biçoku</td>
<td></td>
</tr>
<tr>
<td>Participation in the Labour Market - Generation Y and Other Age Groups</td>
<td>111</td>
</tr>
<tr>
<td>Agnieszka Stanimir</td>
<td></td>
</tr>
<tr>
<td>Good Governance and Regulatory Reform, Need Public Participation in all Development Stages in Albania</td>
<td>117</td>
</tr>
<tr>
<td>Alba Robert Dumi, Grigor Dede, Doklejda Roshi</td>
<td></td>
</tr>
<tr>
<td>Steps towards Recognizing the New Albanian State by the United States of America (1921-1922)</td>
<td>124</td>
</tr>
<tr>
<td>Ada Ramaj</td>
<td></td>
</tr>
<tr>
<td>Financial Management for Sustainable Administration and Institution Building</td>
<td>129</td>
</tr>
<tr>
<td>Babatunde Joel Todowede</td>
<td></td>
</tr>
<tr>
<td>Social-Environmental Problematic in the Socio-Geographical Space of Lapraka</td>
<td>134</td>
</tr>
<tr>
<td>Brunilda Osmovi-Bibe, Robert Hykollari</td>
<td></td>
</tr>
<tr>
<td>Evaluation of Shadow Economy Emergence and Development Factors in Service Sector: Greek Case</td>
<td>139</td>
</tr>
<tr>
<td>Ligita Gaspareniene, Jekaterina Kartasova, Rita Remeikiene</td>
<td></td>
</tr>
<tr>
<td>Impact of EU Gender Equality Policy on Albanian Economic Development</td>
<td>146</td>
</tr>
<tr>
<td>Reina Zenelaj Shehi, Erinda Imeraj</td>
<td></td>
</tr>
<tr>
<td>Internalized Stigma among People with Mental Illness in Serbia and the Psychometric Properties of the ISMI Scale</td>
<td>153</td>
</tr>
<tr>
<td>Ivona Milacic Vidovic, Nada Dragovic, Oliver Toskovic, Milica Popovic</td>
<td></td>
</tr>
<tr>
<td>Application of Small Area Estimation of SME in Albania for Survey Research Method of Analyze</td>
<td>163</td>
</tr>
<tr>
<td>Miftir Ramosacaj, Alba Robert Dumi</td>
<td></td>
</tr>
<tr>
<td>Greece and Social Impacts under Economic Crisis: An Example to Avoid?</td>
<td>171</td>
</tr>
<tr>
<td>G. Aspridis, L. Sdrolias, L. Vasiliadis, D. Kyriakou</td>
<td></td>
</tr>
<tr>
<td>An Overview of the Administrative Court and of the Law of Its Establishment in the Republic of Albania</td>
<td>177</td>
</tr>
<tr>
<td>Arjan Qafa</td>
<td></td>
</tr>
<tr>
<td>Consumers Perceived Online Purchasing</td>
<td>185</td>
</tr>
<tr>
<td>Nuh Kurt, Burcu Savaş, Gülay Günay, Hamza Çestepe</td>
<td></td>
</tr>
<tr>
<td>The Effect of Trade Openness on Economic Growth: Albanian Case</td>
<td>193</td>
</tr>
<tr>
<td>Güngör Turan, Dionis Seni</td>
<td></td>
</tr>
<tr>
<td>Osce Mission in Kosovo, Stop or Continue</td>
<td>201</td>
</tr>
<tr>
<td>Shaip Osmani, Halim Bajraktari</td>
<td></td>
</tr>
<tr>
<td>Problems of Authentication of the Declaration of Intention of Co-Owners</td>
<td>205</td>
</tr>
<tr>
<td>Inga Kudeikina</td>
<td></td>
</tr>
<tr>
<td>Socio Economical Effects of Migration in Geographical Migration of Bathore</td>
<td>209</td>
</tr>
<tr>
<td>Evelina Rina</td>
<td></td>
</tr>
<tr>
<td>The Necessity to Precise Defines the Albanian Administrative Courts’ Competences</td>
<td>215</td>
</tr>
<tr>
<td>Aida Hoxha</td>
<td></td>
</tr>
<tr>
<td>Testate Succession” in the French and Lithuanian Legal Systems (Terminological Peculiarities)</td>
<td>218</td>
</tr>
<tr>
<td>Irina Gvelesiani</td>
<td></td>
</tr>
<tr>
<td>Some Gross Violations of Human Rights in Albania, Comparison of Albanian Court’s Decisions and European Court of Human Rights Decisions (Gërdec Case &amp; 21st January Case)</td>
<td>222</td>
</tr>
<tr>
<td>Arsiola Dymishi</td>
<td></td>
</tr>
<tr>
<td>Title</td>
<td>Authors</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>European Crisis and the Effect on Albanian Economy</td>
<td>Güngör Turan, Arlind Bala</td>
</tr>
<tr>
<td>Disabilities and Accessibility: Turkish Sample</td>
<td>Hande Sahin, Burcu Savaş</td>
</tr>
<tr>
<td>The Life Insurance - How Acceptable are for the Albanians and the Factors Affecting their Level</td>
<td>Filloreta Madani, Oltiana Muharemi, Brisejda Ramaj, Erald Pelari</td>
</tr>
<tr>
<td>Corruption and the European Criminal Policy</td>
<td>Basri Shabani</td>
</tr>
<tr>
<td>Analysis of Costs and Benefits of Cloud Computing</td>
<td>Albana Madhi (Kacollja), Gjergji Shqau, Aldi Lekaj</td>
</tr>
<tr>
<td>Swiss “Fiducie” vis-a-vis French “Fiducie” (Terminological “Coincidences”)</td>
<td>Irina Gvelesiani</td>
</tr>
<tr>
<td>Should Change the Main Objective of Bank of Albania</td>
<td>Akqi Naqellari, Elona Shahini, Vladimir Mici</td>
</tr>
<tr>
<td>Accounting for Environmental Liabilities – Case of Albania</td>
<td>Albana Jupe, Lirola Këri, Rajmonda Bircacaj, Alda Taka</td>
</tr>
<tr>
<td>The Effect of Women’s Decision Making Styles on Sustainable Consumption Behaviours</td>
<td>Burcu Savaş, Gülay Günay, Ayfer Aydiner Boylu</td>
</tr>
<tr>
<td>The Efficiency of Small and Medium Enterprises in Albania</td>
<td>Bitila Shosha</td>
</tr>
<tr>
<td>The Ivanaj Reform and Its Impact on the Italian-Albanian Relations</td>
<td>Antoneta Hoxha</td>
</tr>
<tr>
<td>Effects of the Patriarchal Mentality on Domestic Violence Appearance in the Region of Elbasan, Albania</td>
<td>Darina Çoni (Kacollja)</td>
</tr>
<tr>
<td>Forced Tax Collection: Bank Accounts’ Blockage and Its Impact on Taxpayers’ Fiscal Behaviour in Albania</td>
<td>Avenir Lleshanaku</td>
</tr>
<tr>
<td>The Effect of Migration on Inequality: Case of Albania</td>
<td>Güngör Turan, Jerina Podo</td>
</tr>
<tr>
<td>The Variables Brand’s Relationships and Brand Equity:</td>
<td>Vjollca Panajoti (Hysi), Irma Shyle, Mirdaim Axhami</td>
</tr>
<tr>
<td>A Case Study of Mobile Phone Brands Catering to Albanian Consumers</td>
<td>Xhiliola Agaraj, Albert Qarri, Alba Dumi</td>
</tr>
<tr>
<td>Strengthening the Public Administration Management in Albania, Needs Reforms to Counter Growth Slowdown</td>
<td>Brisejda Lala</td>
</tr>
<tr>
<td>Disruption of Albanian-Soviet Relations</td>
<td></td>
</tr>
<tr>
<td>Albanian Parliament and Reforms in the Education Sector in 1928- 1933</td>
<td>Bashkim Boseta</td>
</tr>
<tr>
<td>International Commercial Arbitration as an Alternative Method to Solve International Commercial Disputes</td>
<td>Bledar Biti, Beslinda Rrugia</td>
</tr>
</tbody>
</table>
Investigating Entrepreneurship Resilience and their Adaptive Capacities to Extreme Events:
The Review of the Stabilisation and Association Agreement (Saa) Priorities .............................................................. 358
Zamira Sinaj, Ismail Zejneli, Alba Robert Dumi, Hava Mucollari

The Paradoxes of Situations in the Work “Odin Mondvalsen” ........................................................................................ 365
Enida Godime (Lama), Stela Lama

Is the Adoption of IFRS for SMEs an Added Value for the Financial Reporting in Albania? ................................................. 371
Elira Hoxha

International Migration and Its Determinants Evidence from Albania ............................................................................. 379
Güngör Turan, Blerta Bami

The Stands of the Political Parties in the Republic of Macedonia towards the 2001 Armed Conflict and the Signing of the OFA Agreement ................................................................................................... 388
Etem Aziri, Bilall Lutfiu

Strategies for the Development of Internal Marketing Orientation in the Private High Education Institutions in Albania .................................................................................................................. 393
Blendi Shima, Babu George

The Economic Growth of Albania during the First Postcomunsit Decade: The Economic Institutions Recommadations.................................................................................................................. 398
Eva Tega, Elda Zotaj

Western Balkans’ Accession to the European Union, Intertwined Interests ............................................................................. 406
Edlira Titini

The Impact of Regional and Dialectal Lexion in Literary Norm .......................................................................................... 410
Gliadiola Durmishi (Elezi)

The Effect of FDI in the Albania Economy .......................................................................................................................... 421
Aket Kullolli

An Empirical Study on Import, Export and Economic Growth in Albania ............................................................................ 428
Güngör Turan, Bernard Karamanaj

Management of the Small and Medium Enterprises ............................................................................................................... 439
Drita Krasniqi

La Missione Evangelica e l’Indipendenza Albanese .................................................................................................................. 445
Ilir Nushi

The Negative Effect of Pension Fund and the Steps to Resolve the Situation in Albania ............................................................................. 451
Gilda Bajrami

The Role of Community-Based Organizations in Management Access and Success of Public Administration Development Empirical Analysis in Front of Theory-Cal Analysis ..................................................................................................... 457
Alba Dumi, Isuf Jahmurataj, Inestiss Siagniliss, Denise Maze

Concessions in Albania and Macedonia in Comparative Law (Interdisciplinary Studies) ............................................................................. 467
Endri Papajorgji

The Ohrid Framework Agreement and the Multiethnic Future of the Republic of Macedonia ............................................. 472
Etem Aziri, Emine Emurllai

Criminological Aspects of Organized Crime in Albania ................................................................................................................. 478
Jonida Hyka Skëndaj

The Epidemiological Scope of Diabetes Mellitus in District of Berat in Albania ............................................................................. 483
Alma Demo (Caka)
Nonperforming Loans in Albania

Güngör Turan, Arjeta Koskija

Regional Competitiveness in Albania under the Focus of Labor Management Relations

Elenica Pjero, Albert Qarri, Alba Dumi

Guaranteeing the Judgment of Civil Cases Within a Reasonable Time as a Requirement of the Right to a Fair Trial in Albania

Beslinda Rrugia, Bledar Biti

The Different “Speeds” of the Countries in WB toward EU Evaluations of Last Developments

Eva Teqja

Creating and Organizing a New Field Decision-Making in the Albanian Legal Framework and European Integration

Ina Foto Barjamaj, Alba Robert Dumi

The Prevalence of Illegal Drug Use

Fiona Todhri

The Reform Strategy of the Local Government in Albania

Arben Hysi

Units of Synonymy and Lexical Relations

Leonard Danglli

Confiscation as a preventive measure against criminality in Albania:
The legal framework, its achievements and expectations

Anton Bardhaj, Gledina Mecka
Factors Related to the Mental Health and Suicidal thoughts of Adults Living in Shelters for a Protracted Period Following a Large-Scale Disaster

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Abstract

After the Great East Japan Earthquake in March 2011, residents of the area affected by the Fukushima nuclear accident were forced to seek long-term shelter. International attention to mental health needs has increased along with reconstruction of life throughout the region. Mental health, suicidal thoughts and related factors in the 18 months after the Great East Japan Earthquake and Fukushima Daiichi Nuclear Disaster were examined in a community-based, cross-sectional study of 1,595 adults living in Fukushima. To determine mental status, we used the Japanese version of K6, which was developed to screen mood and anxiety disorders. Using a cut-off of 13 points, the frequency of poor mental health was 12.1% among all subjects. Thus, the frequencies of mental health problems and suicidal thoughts were high among residents forced to live in long-term shelters following a disaster. To improve the mental well-being of community-dwelling adults living for extended periods in shelters following a disaster, there is a need to focus on issues of unemployment, stress on the health of shelter dwellers and their families, stress on human relationships, social support, social capital, and suicidal thoughts.

Keywords: Mental health; Refugee; Earthquake; Nuclear disaster; suicidal thoughts

1. Introduction

The Great East Japan Earthquake in Japan on March 11, 2011 was a magnitude 9. It resulted in extensive damage and a tsunami that killed approximately 15,886 people, with a further 2,620 missing people (Police Agency, 2014). In the wake of the earthquake, residents of the affected area suffered from repeated aftershocks and from radiation as a result of the Fukushima nuclear incident, and 260,000 people are still living in long-term shelters (Reconstruction Agency, 2014a). The difficulties of rebuilding the lives of people living in a neighborhood or community that is highly disrupted or traumatized are risk factors that contribute to deterioration of mental health (Norris et al., 2002). At two post-accident sites, Chernobyl and Three Mile Island, communities have had to cope with the long-term subjective health concerns of residents and stress, with the result that mental health has become an important issue in public health (IAEA, 2006). Similarly, it is likely that the mental health of residents will become the most important issue in the long term following the Fukushima nuclear
disaster (Bromet, 2012).

In Japan, mental health after a natural disaster has been a concern since the great Hanshin-Awaji earthquake in 1995. Suzuki et al. (2011) indicated that the percentage of community-dwelling elderly persons with subclinical mental health symptoms was high despite the low prevalence of mental disorders in the 3-year period after the Niigata-Chuetsu earthquake. In Japan, the suicide rate is about 30,000 per year, and health promotion and suicide prevention have become efforts of society as a whole. Various factors are relevant to suicide, including stressful daily life events in the past six months, a lack of a social network, economical factors, health conditions, awareness of people in the community, and mass media influence (Kawakami et al., 2007; Sakamoto, 2006; Motohashi, 2009).

Understand the prevailing situation is urgently needed to prevent suicide and secondary mental health issues in people already burdened by repeated aftershocks and radiation exposure. Therefore, the aim of this study is to explore the suicidal thoughts, mental health status and related factors in residents who have no option but to live in long-term shelters.

2. Research Methodology

2.1 Participants and Procedures

A community-based, cross-sectional study of 1,595 residents of long-term shelters was conducted in Fukushima Prefecture, Japan. From October 2012 to March 2013, a questionnaire was mailed to residents, who were asked to fill in and return the questionnaire. Valid responses were received from 1,109 recipients who answered all items in the questionnaire (effective response rate: 69.5%). The study was approved by the medical ethics committee.

2.2 Variables/measurements

The questionnaire included the following items:

Main outcome: To determine the mental health status of participants, we used the Japanese version of K6 (Kawakami, 2005; Furukawa, 2003), which was developed to screen mood and anxiety disorders. The respondents could choose answers from a five-point Likert scale: 0-Not at all, 1-Seldom, 2-Sometimes, 3-Usually, and 4-Always. The total of the scores for six items (0 to 24 points each) was calculated. A higher score indicates a lower level of mental health. Based on the K6 scores, with a cut-off of 13 points, the participants were divided into two groups: those with good mental health (scores <13 points) and those with poor mental health (scores ≥13 points). The suicidality module includes questions to assess the presence of suicidal thoughts in the last year (Did you think that you wanted to be dead in the last year?), and of suicidal thoughts in the past (Did you think that you wanted to be dead in the past?). We used instruments developed by Motohashi et al. (2005) to measure social capital. Questions were asked on five items: 1) mutual assistance and trust, 2) sense of social responsibility, 3) community attachment and identity, 4) interpersonal bonds, and 5) kindness of the community. The answers were scored on a four-point Likert scale: 0-Not at all, 1-Seldom, 2-Sometimes, and 3-Often. In this study, total scores were calculated by adding the scores of the five items (0 to 15 points each). A higher total score indicated a stronger level of social capital.

Predictors: Questions were asked on (1) demographic profile, including gender, age, marital status and family members; (2) disaster-related factors, including area of residence, change in economic situation; (3) pre-disaster factors, including thoughts of wanting to die in the past; and (4) post-disaster factors, including current stress, coping with stress, social support, and social capital.

We examined whether the mental health status of the respondents differed with respect to demographics, social support, social capital, changes in economic conditions, stress, availability of ways to relieve stress, and suicidal thoughts.

2.3 Data Analyses

IBM SPSS Statistics 19 was used for statistical analysis. Descriptive statistics were used to measure the mental health status of the participants. Analysis was performed to determine how this status differed with respect to demographics, social support, social capital, changes in economic conditions, stress, availability of ways to relieve stress, and suicidal thoughts. Comparisons between groups with good and poor mental health were performed by χ2 test and t-test. A Pearson product-moment correlation coefficient was calculated between mental sanity level (K6) and suicidal thoughts over the past 12 months and previously.
Multiple logistic regression analysis was performed to identify variables related to poor mental health. Variables with a significant association with mental health were identified at the 5% probability level in univariate analysis. The absence of multicollinearity among these variables was shown based on calculation of a Spearman correlation coefficient of ≤0.3. In logistic regression analysis, $p<0.05$ in a two-tailed test was considered to indicate a significant relationship. The study was performed after approval of the institutional ethics committee.

3. Results

3.1 Demographic characteristics of the subjects

The demographic characteristics of the subjects are summarized in Table 1. The subjects were 434 men (39.1%) and 675 women (60.9%). The average age was 57.6 ± 14.4 (20-90) and 31.9% of the subjects were in their 60s. Most of the subjects lived in A-city, lived with a family member, were unemployed, and had a worse economic situation after the disaster.

Table 1. Characteristics of the subjects

<table>
<thead>
<tr>
<th>Item</th>
<th>All</th>
<th>Male</th>
<th>Female</th>
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<tbody>
<tr>
<td></td>
<td>Number of people</td>
<td>%</td>
<td>Number of people</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20s</td>
<td>42</td>
<td>3.8</td>
<td>4</td>
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<tr>
<td>30 s</td>
<td>113</td>
<td>10.2</td>
<td>18</td>
</tr>
<tr>
<td>40 s</td>
<td>154</td>
<td>13.9</td>
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<tr>
<td>50 s</td>
<td>213</td>
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<td>70 s</td>
<td>180</td>
<td>16.2</td>
<td>100</td>
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<tr>
<td>80 and above</td>
<td>53</td>
<td>4.8</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>1109</td>
<td>100.0</td>
<td>434</td>
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<td>Area of residence</td>
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<td></td>
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<tr>
<td>A-city</td>
<td>492</td>
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<tr>
<td>B-city</td>
<td>403</td>
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<td>Other than A/B</td>
<td>214</td>
<td>19.3</td>
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<tr>
<td>Total</td>
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<td>100.0</td>
<td>435</td>
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<tr>
<td>Family members</td>
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<td></td>
</tr>
<tr>
<td>Absence</td>
<td>137</td>
<td>12.8</td>
<td>59</td>
</tr>
<tr>
<td>Presence</td>
<td>931</td>
<td>87.2</td>
<td>352</td>
</tr>
<tr>
<td>Total</td>
<td>1068</td>
<td>100.0</td>
<td>411</td>
</tr>
<tr>
<td>Occupation after the earthquake</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>361</td>
<td>34.2</td>
<td>81</td>
</tr>
<tr>
<td>Unemployed</td>
<td>695</td>
<td>65.8</td>
<td>322</td>
</tr>
<tr>
<td>Total</td>
<td>1056</td>
<td>100.0</td>
<td>403</td>
</tr>
<tr>
<td>Change in economic situation after the disaster</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worse</td>
<td>518</td>
<td>47.8</td>
<td>220</td>
</tr>
<tr>
<td>Better</td>
<td>62</td>
<td>5.7</td>
<td>14</td>
</tr>
<tr>
<td>No change</td>
<td>484</td>
<td>44.7</td>
<td>181</td>
</tr>
<tr>
<td>Others</td>
<td>19</td>
<td>1.8</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>1083</td>
<td>100.0</td>
<td>423</td>
</tr>
</tbody>
</table>

3.2 Post-disaster mental sanity (K6) and desire to die

The average K6 score for mental health was 6.7 ± 5.5. A total of 189 (12.1%) of the subjects were classified as having “severe” stress (K6 ≥13 points). This rate of severe stress was significantly higher than the reported frequency of severe stress of 3% in the Japanese population (Kawakami, 2005). A total of 306 subjects (27.4%) had experienced a desire to die in the last year. This rate was also significantly higher than the frequency of the desire to die in the Japanese population, which has been reported to be 22.7% (Cabinet office, 2012).

A matrix of Pearson product-moment correlation coefficients between mental sanity level (K6) and suicidal thoughts over the past 12 months and in the past is shown in Table 2. This analysis showed significant correlations between suicidal thoughts and mental sanity level.
Table 2. Correlation coefficients between scores for mental health and the desire to die

<table>
<thead>
<tr>
<th>Item</th>
<th>Scores for mental health (K6)</th>
<th>Total score</th>
<th>K1</th>
<th>K2</th>
<th>K3</th>
<th>K4</th>
<th>K5</th>
<th>K6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desire to die in the last year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.508**</td>
<td>0.362**</td>
<td>0.470**</td>
<td>0.398**</td>
<td>0.463**</td>
<td>0.389**</td>
<td>0.439**</td>
</tr>
<tr>
<td>Desire to die in the past</td>
<td></td>
<td>0.296**</td>
<td>0.227**</td>
<td>0.220**</td>
<td>0.230**</td>
<td>0.263**</td>
<td>0.223**</td>
<td>0.316**</td>
</tr>
</tbody>
</table>

*p < 0.05 ** p < 0.01

3.3 Factors affecting mental health

The subjects were divided into poor and good mental health groups to determine relevant factors in univariate analysis (Table 3). Items that showed a significant difference between the two groups included employment after the earthquake, changes in economic conditions, availability of people to listen to problems, material and/or monetary support, stress affecting the health of the subject or their family, relationship stress, environmental stress in the shelter, household stress, ways to relieve stress, social capital, and suicidal thoughts over the past 12 months. Thus, subjects with poor mental health were more likely to be unemployed after the earthquake; to be economically poor; to lack someone to listen to their problems; to lack material and/or financial support; to have lower social capital, health-related stress, relationship stress, stress in the shelter environment, household stress, and no way to relieve stress; and to have had suicidal thoughts over the past 12 months.

Table 3. Univariate analysis of scores for mental health with scores for attributes, changes in economic situation, stress, social support, and social capital.

<table>
<thead>
<tr>
<th>Item</th>
<th>Number of people</th>
<th>K6 Number of people (%)</th>
<th>+²</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>430</td>
<td>374(87.0)</td>
<td>56(13.0)</td>
<td>0.992</td>
</tr>
<tr>
<td>Female</td>
<td>672</td>
<td>570(84.8)</td>
<td>102(15.2)</td>
<td></td>
</tr>
<tr>
<td>Area of residence</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>483</td>
<td>422(87.4)</td>
<td>61(12.6)</td>
<td>1.902</td>
</tr>
<tr>
<td>B</td>
<td>404</td>
<td>341(84.4)</td>
<td>63(15.6)</td>
<td></td>
</tr>
<tr>
<td>Other than A/B</td>
<td>213</td>
<td>180(84.5)</td>
<td>33(15.5)</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 s</td>
<td>42</td>
<td>37(88.1)</td>
<td>5(11.9)</td>
<td>2.047</td>
</tr>
<tr>
<td>30 s</td>
<td>113</td>
<td>97(85.8)</td>
<td>16(14.2)</td>
<td></td>
</tr>
<tr>
<td>40 s</td>
<td>153</td>
<td>135(88.2)</td>
<td>18(11.8)</td>
<td></td>
</tr>
<tr>
<td>50 s</td>
<td>213</td>
<td>179(84.0)</td>
<td>34(16.0)</td>
<td></td>
</tr>
<tr>
<td>60 s</td>
<td>349</td>
<td>299(85.7)</td>
<td>50(14.3)</td>
<td></td>
</tr>
<tr>
<td>70 s</td>
<td>178</td>
<td>154(86.5)</td>
<td>24(13.5)</td>
<td></td>
</tr>
<tr>
<td>80 and above</td>
<td>51</td>
<td>42(82.4)</td>
<td>9(17.6)</td>
<td>7.291</td>
</tr>
<tr>
<td>Employment after the earthquake</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>361</td>
<td>325(90.0)</td>
<td>36(10.0)</td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>685</td>
<td>575(83.9)</td>
<td>110(16.1)</td>
<td></td>
</tr>
<tr>
<td>Change in economic situation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worse</td>
<td>512</td>
<td>412(80.5)</td>
<td>100(19.5)</td>
<td></td>
</tr>
<tr>
<td>Better</td>
<td>61</td>
<td>55(90.2)</td>
<td>6(9.8)</td>
<td>19.532</td>
</tr>
<tr>
<td>No change</td>
<td>483</td>
<td>435(90.1)</td>
<td>48(9.9)</td>
<td></td>
</tr>
<tr>
<td>Occupation after the earthquake</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80 and above</td>
<td>51</td>
<td>42(82.4)</td>
<td>9(17.6)</td>
<td></td>
</tr>
<tr>
<td>Stress on health of subject and family</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>689</td>
<td>559(81.1)</td>
<td>130(18.9)</td>
<td>31.028</td>
</tr>
<tr>
<td>No</td>
<td>415</td>
<td>387(93.3)</td>
<td>28(6.7)</td>
<td></td>
</tr>
<tr>
<td>Stress with child-rearing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>172</td>
<td>142(82.6)</td>
<td>30(17.4)</td>
<td>1.628</td>
</tr>
<tr>
<td>No</td>
<td>932</td>
<td>804(86.3)</td>
<td>128(13.7)</td>
<td></td>
</tr>
<tr>
<td>Stress with human relationships</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>366</td>
<td>285(77.9)</td>
<td>81(22.1)</td>
<td>27.299</td>
</tr>
<tr>
<td>No</td>
<td>738</td>
<td>661(89.4)</td>
<td>77(10.4)</td>
<td></td>
</tr>
<tr>
<td>Living environment stress</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>445</td>
<td>356(80.0)</td>
<td>89(20.0)</td>
<td>19.670</td>
</tr>
<tr>
<td>No</td>
<td>659</td>
<td>590(89.5)</td>
<td>69(10.5)</td>
<td></td>
</tr>
<tr>
<td>Stress with household</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>382</td>
<td>307(80.4)</td>
<td>75(19.6)</td>
<td>13.490</td>
</tr>
<tr>
<td>No</td>
<td>722</td>
<td>639(88.5)</td>
<td>83(11.5)</td>
<td></td>
</tr>
<tr>
<td>People available to listen to subjects frustrations after the earthquake</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>959</td>
<td>847(88.3)</td>
<td>112(11.7)</td>
<td>41.270</td>
</tr>
<tr>
<td>No</td>
<td>145</td>
<td>99(68.3)</td>
<td>46(31.7)</td>
<td></td>
</tr>
</tbody>
</table>
Of the 12 variables that were significantly related to mental health in univariate analysis, 11 had multicollinearity coefficients of ≤0.3 in Spearman correlation analysis. To examine whether these variables influenced mental health, logistic regression analysis was performed using the backward elimination method (Table 4). In this analysis, employment status after the earthquake, people to listen to problems, personal or family stress, human relationship stress, social capital, and suicidal thoughts over the past 12 months were found to be significantly associated with mental health. In this model, these factors accounted for 87.0% of the variation (R² = 0.25) and thus can be used to identify persons who are likely to suffer from poor mental health after a disaster.

### Table 4. Predictors of mental health after the earthquake (logistic regression analysis)

<table>
<thead>
<tr>
<th>Item</th>
<th>Category</th>
<th>Odds ratio</th>
<th>95% confidence interval</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment status after the earthquake</td>
<td>Unemployed</td>
<td>1.000</td>
<td>0.295-0.737</td>
<td>0.001**</td>
</tr>
<tr>
<td></td>
<td>Employed</td>
<td>0.466</td>
<td></td>
<td></td>
</tr>
<tr>
<td>People available to listen to subjects’ frustration</td>
<td>No</td>
<td>1.000</td>
<td>0.196-0.518</td>
<td>0.000**</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>0.319</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stress with health of subject and family</td>
<td>No</td>
<td>1.000</td>
<td>1.666-4.410</td>
<td>0.000**</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>2.710</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stress with human relationships</td>
<td>No</td>
<td>1.000</td>
<td>1.235-2.818</td>
<td>0.003**</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>1.865</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suicidal thoughts over the past 12 months</td>
<td>No</td>
<td>1.000</td>
<td>1.376-2.273</td>
<td>0.000**</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>1.768</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social capital</td>
<td></td>
<td>0.861</td>
<td>0.810-0.914</td>
<td>0.000**</td>
</tr>
</tbody>
</table>

Model ÷²-test ** p < 0.01; Hosmer-Lemeshow test p = 0.627; Predictive rate 87.0%

## 4. Discussion

People forced to live in shelters for more than a year as a result of the Fukushima Daiichi Nuclear Disaster and the Great East Japan Earthquake had poorer mental health compared to the general population of Japan. Therefore, the risk for secondary mental health disorders is high in such people. To predict the likelihood of development of severe mental health disorders, it is important to understand whether a person has lost their job following earthquake disaster, has no one who will listen to their problems, worries about their own physical and mental health and that of their family, are in a situation where they have an attachment to a region, have poor interactions with residents who moved in after the earthquake, and who have thought about committing suicide.

In light of these findings, we suggest that regular mental health monitoring is important and that mental health surveys are integrated with physical health surveys. Monitoring of mental health has previously been recommended after a disaster (Norris et al., 2002). The subjects in this study are likely to have prolonged stress of various types because they are in a situation with little prospect of returning to normal life. It would be useful to continue with a consultation support system to avoid victims of a disaster being cornered emotionally. Also, with respect to suicide prevention, ties with friends living in a familiar area are important (Oka et al, 2011). Stimulation of good interactions between local residents and refugees is also important, along with building a life network aimed at prevention of mental illness.

## 5. Conclusion

This study showed that that the frequency of mental health problems was high among residents forced to live in long-term shelters following a disaster. The mental health status was found to be related to matters such as employment status after the disaster, the presence of people who will listen to problems, formation of social norms and bonds among a local community that has been displaced, stress on human relationships and health, and thoughts of suicide in the past. There
is a need for continued and new social support to promote psychological recovery of adults living in long-term shelters. It is desirable to monitor the mental health of refugees on a regular basis and to give emotional support, material support to help with economic hardship, and support for building connections in the community.

References


The Function of the Constitutional Court of Albania in Exercising Control of Constitutionality Over Administrative Acts

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Abstract

This paper aims to analyze the process of constitutional review over normative acts, distinctive aspects of constitutional control under article 131/c of Albanian Constitution and exceptional constitutional provisions to exercise control over individual administrative acts. The selection of cases from the jurisprudence of the Constitutional Court of Albania, aims to introduce constitutional standards, requirements, criteria and features of constitutional review over administrative acts, as well as the evolution of constitutional jurisprudence. The jurisdiction of the Constitutional Court to review administrative acts in terms of abstract control of constitutionality extends only to acts of normative nature. Acts of individual nature exceptionally are subject of concrete control in terms of constitutionality and legality depending strongly in the modality of control under a particular constitutional provision. Until the system of administrative court was established, the judicial review of legality of normative acts and other acts that are not under the competence of the Constitutional Court was unclear and ineffective. The Administrative Court Act and the competence granted to the Administrative Court of Appeal to review legality of normative acts, create the possibility of judicial review in terms of abstract control of all normative acts (some exceptions are provided either by the constitution itself or by law) thus avoids ambiguity in ordinary courts practice and allows the control of the legality of normative acts that are not under the jurisdiction of the Constitutional Court. The questions addressed in this paper subject of analysis are: What are the criteria and methods of constitutional review over normative acts? What is the difference and limits of constitutional review of normative acts versus individual administrative acts? What are the features of constitutional review over acts of individual nature? What is the distinction between the control over unconstitutional normative acts and the control exercised by Administrative Court of Appeal over illegal normative acts?

1. Constitutional Court’s Jurisdiction

Constitution as the fundamental law of the state obliges all public organs to exercise their authority only within and on the basis of constitutional provisions (Constitutional Court decision No. 16/2007). The Constitutional Court of the Republic of Albania ensures the supremacy of the Constitution within the legal system as well as constitutional justice by deciding whether the laws and other legal acts adopted by the Parliament are in conformity with the Constitution. The principle of the state under the rule of law conferred in the Constitution presupposes the hierarchy of legal acts. Under Article 116 of the Constitution, the relationships between legal norms are based on the ratio of their overlapping / subjugation (Constitutional Court decision no. 6/2012).

Constitution of Republic of Albania has vested the Constitutional Court with competencies to ensure and to safeguard the constitutional order. Constitutional jurisdiction comprises the constitutional issues that are crucial to the constitutional democracy. The jurisdiction of Constitutional Court is not general, the article 131 of the Constitution defines the core competencies of the Constitutional Court without being exhaustive. Constitutional jurisdiction can only be exercised within the framework of procedurale rules. It is a requirement to guarantee the equal protection of laws, a fundamental principle of justice that is inherent in a democratic constitution oriented toward rule of law.

Competencies of the constitutional court with regard to regulatory under-legislative acts are the most significant form of controlling executive powers, esential for functionin of the rule of law. The function of the Constitutional Court to evaluate the constitutionality is of legal nature, because by interpreting the legal norm, for which there is doubt of non-compliance with the law, the court refers to the Constitution, in its values and principles (Sadushi, 2012: 74). Control over administrative acts is part of the Constitutional Court’s jurisdiction, however jurisdiction under article 131/c of the Constitution is limited and is exercised through review of the constitutionality of sub-statutory acts of the executive power. Subject to judicial review by the Constitutional Court are not all administrative acts that derive central and local governmental bodies, but only the acts of normative nature. Sub-statutory acts of normative content may be subject of constitutional complaint, if the allegations are raised of their incompatibility with the Constitution or international treaties ratified by Parliament of RA.
Before the entry into force of the ‘Administrative Court Act’, unlawful acts of normative nature, were not subject to judicial review by the ordinary courts, instead they were largely ignored based on the principle of hierarchy of legal norms. The entry into force of the ‘Administrative Court Act’ enabled control of normative acts for illegality under the jurisdiction of the Administrative Court of Appeal, thus the jurisdictions of the Constitutional Court and the Administrative Court of Appeal over normative administrative acts depends on causes that will arise to challenge the unconstitutionality or illegality of the act under consideration.

Normative under-legal acts of central and local government become the subject of constitutional review in cases when the Constitutional Court hears disputes related to conflicts of competencies between powers. “Judicial dispute appear in the form of ‘normative’ conflict, when the powers that constitutes the object of the dispute are provided in laws, as well as in the form of ‘individual’ conflict, when the state bodies involved in conflict of competencies enact the relevant acts pursuant to law” (Constitutional Court decision no.29/2006). The constitutional Court expresses the position of each of holders of different powers through its decisions of constitutionality of normative or individual acts and by resolving the conflicts of competencies.

In exceptional cases the Constitutional Court becomes competent to review the constitutionality of an administrative act with individual nature. Article 115 of the Constitution provides the power directly to the Constitutional Court's jurisdiction to review an individual act of administrative nature in terms of verification of its constitutionality and legality. However constitutional jurisdiction includes specific cases when the Constitutional Court may review compliance with the Constitution over administrative acts of individual nature: Subject to constitutional review under the Constitution are decisions of Parliament for removal from office of the President of the Republic (Constitution of RA, art. 90/3), the decisions of Central Electoral Commission for verification of the results of the referendum and the election of deputes (Constitution of RA, art. 131/8) etc. Furthermore part of review are acts of individual nature, as decisions of Parliament and decrees of the President of the Republic for the dismissal of public functionaries, or decisions of High Council of Justice for the removal of judges of common courts system, which have become subject to review by the Constitutional Court only in terms of respect on standard of due process of law, under the Article 131/f of the Constitution.

2. Features of Judicial Review of the Constitutionality of Administrative Acts

“Legal acts of public bodies must be in conformity with the highest legal acts, both in formal and substantial terms. The rule of law obliges all public organs to exercise their authority only within and on the basis of constitutional norms.” (Constitutional Court decision no. 29/2005) The Constitution in Article 131/c provides that Constitutional Court decides on the conformity of normative acts of central and local government with the Constitution and international agreements. Unlikely to the “Law on basic constitutional provisions” of 1992 (Art. 24/3), which provided the control over the inconsistency of the under-legal acts with provisions of the Constitution and laws, the Constitution of 1998 has limited review over administrative acts. Article 131/c provides only the judicial review of the compliance of normative under-legal acts with the Constitution [and international treaties] and does not provide the judicial review of their inconsistency with laws. In exercise of the power to control sub-statutory acts under Article 131/c, the Constitutional Court performs only constitutional control of abstract nature over administrative acts of normative nature.

The Albanian legislation classifies two types of administrative acts, individual and normative (Administrative Courts Act, Art. 2). These acts regulate two distinguished levels of legal relations of public bodies having distinct procedures, factual mechanisms and special features. The difference between individual and normative acts is based on features of normative acts “they are general and addressed to an indefinite number of persons” (Constitutional Court decision nr.185/2001). The ‘Administrative Courts Act’ provides additional features in determining the characteristics of normative legal acts: “they serve as a legal basis for the issuance of individual acts, establishing general rules and behavior and are not exhaustive on implementation” -intended not for onetime application but establishing a rule of repeated conduct (Administrative Courts Act, art 2/3). The above provision gives two other distinguishing features between acts: (i) normative acts do not fail with a single application, and (ii) the act is not necessarily of normative nature when referring to an indefinite group of individuals if the act is exhausted by onetime application.

On the other hand the jurisprudence of the Constitutional Court has defined three criteria to determine the individual or normative nature of administrative act: ‘(i) subjects - to which the act is addressed (ii) object of the act - if it establishes a rule of conduct of abstract nature and provides compulsory rules of general nature; (iii) character exhaustive / non-exhaustive - the effects are extended to defined subjects on onetime application, or to indefinite group of individuals and situations, thus having indefinite application.” (Constitutional Court decision no. 14/2014)

Although the constitutional provision 131/c is general, not all normative legal acts of central bodies may be subject to review by the Constitutional Court. Organs of central executive power are not only subordinated to the Prime Minister
or the Minister, as defined by law, but also other organs that are not part of the ‘classic’ executive, but can be considered central for the purposes of Article 131/c of Constitution. (Toska, 2013: 286). Panel of Judges of the Constitutional Court, refused to review an administrative decision of normative nature of the Council of the School of Magistrate stating that: “The Panel of Judges finds that the act required to be subject to review by the Constitutional Court, although is a act of normative nature, is not included in the above kinds of normative acts for which this Court has jurisdiction. The Constitutional Court has no jurisdiction to review this petition.”(Decision of Constitutional Court College no.30/2012)

Subjects that are entitled to apply to Constitutional Court for abstract review of normative administrative acts, are those provided by article 134/1 of the Constitution. The first four subjects: the President of the Republic, Prime Minister, not less than one-fifth of the deputies and the Chairman of the Supreme State Control, are qualified legitimate petitioners to initiate constitutional review. While other legal entities Ombudsman, local government, religious communities, political parties and other organizations explicitly have to demonstrate legal interest as a condition for filing of the petition and address to Constitutional Court for reviewing the conformity of normative administrative acts with constitution.(Constitution of RA, art. 134/2)

The subject matter of the content of a petition concerning the constitutionality of a normative administrative act under article 131/c is always the application to review whether the contested normative administrative act is compatible with the Constitution and international treaties. The grounding of a petition to review the constitutionality of normative administrative acts, consists of raising legal arguments concerning Constitutional claims on: (i) if there is a violation of the constitutional provisions by the normative act, (ii) if there is a violation of the constitutional principles (iii) if there is a violation of human rights or fundamental freedoms by the normative administrative act. The petition can be rejected if missing legal arguments that establish the basis for the doubt in normative administrative act under consideration, which substantiate the declaration of normative administrative act unconstitutional.

Normative under-legislative acts issued by the executive authorities should be in accordance with the Constitution and higher legal acts formally and substantially. “The substantial shortcomings are related to the content of the act, while formal shortcomings are associated with the procedure by which the act is adopted” (Constitutional Court decision no. 9/2010).

When hearing a case concerning the constitutionality of normative administrative act, the Constitutional Court must review if the procedure of adoption and publishing of the act complies with Article 117 of the Constitution. In the cases where it is established that a normative administrative act is not published in the manner set by the constitution or the law, or does not have legal effect, the case concerning the review of constitutionality of the legal act in question must be terminated and the Constitutional Court would consider that this case cannot be heard in the court because there is no object of the case hearing (Constitutional Court decision no. 47/1999). Ineffective legal norms are not part of hierarchical legal system. The Constitutional Court has stated that pursuant to the Constitution it has no power to examine the conformity with the Constitution of legal acts that have not come into force yet or when a contested normative legal act is deprived of its effect (Constitutional Court decision no.3/2010).

Component of the review of the constitutionality of normative legal acts are substantive elements comprising violations of the constitutional provisions and principles by the normative act, and the infringement of the fundamental rights and freedoms provided in the Constitution. Substantive judicial review also includes the requirements that the normative administrative act must be brought in respect to criteria of article 118 of the Constitution which guide and constrain the normative acting power of state organs. The Constitutional Court review consists on the control of the conformity of the normative administrative acts with the requirements on the conditions of constitutionality: (i) Statutory acts are issued on the basis of and for the implementation of the laws by the organs provided in the constitution; (ii) the law shall authorize the issuance of sub-statutory acts, (iii) designate the competent organ, (iv) the issues that are to be regulated and the principles on the basis of which the statutory acts are issued; and (v) the compliance with the terms of the delegation. (Constitution of RA, Art.118)

The practice of the Constitutional Court consists in cases of review that consider mostly the compliance of the normative administrative acts with the Stabilization and Association Agreement, the provisions of the European Union legislation and decisions of the European Court of Justice. (Constitutional Court decision No. 14/2014)

Under article 113 of Constitution, bodies of local government units adopt administrative acts of normative nature. Constitutional provisions directly define the nature of administrative acts and types of acts under jurisdiction of local government bodies. The organs of local government units issue ordinances, decisions and orders (Constitution of RA, Art.113/2), and the types of acts that are of normative nature, are subject to constitutional review for compliance with the Constitution and international agreements (Constitution of RA, Art. 131 / c).

Subjects entitled to apply for abstract review of the constitutionality have three-year term limit to approach the Court to initiate constitutional review over normative administrative acts. Under the law “On Organization and Functioning
of the Constitutional Court" (Art. 76/1), when the Court declares a normative act unconstitutional, can only invalidate the acts it reviews. A normative administrative act the court has declared unconstitutional will be eliminated from the legal system and could not be applied to other subjects of legal relations. The decision of the Constitutional Court causes the abolition of other administrative acts implemented in compliance to invalidated sub-statutory act.

The jurisprudence of the Constitutional Court of Albania establishes that the grounds for refusal to the petition or grounds of termination of the case are: (a) subject who applies to the court is not entitled to abstract review concerning the control of the constitutionality of normative administrative act; (b) the legal act which is to be reviewed is not a normative administrative act; (c) the normative administrative act is not valid because it was not published in the manner set by the constitution or the laws; the contested normative administrative act is annulled. On the other hand, in cases when the petition for abstract review of constitutionality, legal arguments forming the basis for the doubt in normative administrative legal act under consideration are missing or considered unfounded by the Constitutional Court, the issue cannot be raised again in the future.

3. Review of Normative Acts Having the Force of Law

The competence of the Council of Ministers, provided by Article 101 of the Constitution is different from executive competencies. Only in cases of necessity and emergency the Council of Ministers may adopt normative acts having the force of law for taking temporary measures. The exceptional legal competency is limited to the extent allowed by the Constitution. Government decisions in this case are formal laws with the same value with the acts adopted by the Parliament. These acts must be approved by Parliament within 45 days, otherwise they lose force retroactively.

The Constitutional Court has jurisdiction to review the normative act with the force of law as it is ‘law’ in substantive terms and under Article 116 of the Constitution and therefore it is one of the acts referred to in Article 131 of the Constitution within the constitutional jurisdiction. “Control over compliance with the Constitution of the act with the force of law also extends to the law that adopted the act, in reference to Article 131/a of the Constitution.” (Constitutional Court decision No. 5/2014). The review of the constitutionality over normative acts having force of law includes the control in cases there is doubt the executive exceeds the powers provided by Article 101 of the Constitution. The Constitutional Court also reviews the compliance of normative act with the force of law with the Constitution and international agreements (Constitution of RA, art.124/1; art. 131/a; art 131/c). “If the act is not adopted or not submitted to the Parliament within 45 days, will not bring effects in the future, but at the same time, loses power from the beginning” (Constitutional Court Decision No.24/2006).

4. Review Over Jurisdictional Disputes between Powers

The Constitutional Court has competence to decide on jurisdictional disputes between the powers under article 131/ç of the Constitution, but the dispute should be related to the exercise of their power. Resolving the conflicts of competencies between powers as provided in Constitution, entitles the Constitutional Court to assess any kind of legal act or other acts of administrative nature, acting and omissions of local government units or central government organs that have caused conflict of competencies between them (Law “On the organization and functioning of the Constitutional Court of RA”, Art. 54/4)

The Constitutional Court reviews the jurisdictional disputes in cases where the state bodies involved in conflict have considered themselves competent to decide on certain issues (Law On the organization and functioning of the Constitutional Court of RA, art. 54/2). To initiate review over competence's dispute can serve any kind of law or administrative act, acting or omission of government organs that has caused disagreement between powers. Constitutional Court judgment focus primarily “on the resolution of conflict of competences with regard to the constitutional level functions, finding and qualifying incompatible with the Constitution the determinative cause that has given rise to the dispute”. “Every jurisdictional body, either as institution or government organ, in classic administrative terms, or as the subject who performs functions in position of full independence guaranteed by the Constitution, is considered to be a legitimate subject to the dispute of competences”. (Constitutional Court Decision no. 20/2007)

The dispute of powers may appear as conflict between legal norms when the competency which constitutes the object of the dispute is provided in laws, as well as conflict between under-legislative acts, when institutions involved in conflict enact relevant acts in implementing the concrete law. In these cases, the Constitutional Court has resolved the dispute by reviewing the constitutionality and legality of the sub-statutory acts (Law On the organization and functioning of the Constitutional Court of RA, art.56). The time limits to file a petition to the Constitutional Court over the normative act that causes the jurisdictional dispute is within six-months (Law On the organization and functioning of the Constitutional
Court of RA, art. 55), but the period of time is related to the beginning of the conflict, not to the time of entry into force of the law or administrative act in question as source of conflict of competences (Constitutional Court decision no.29/2006).

5. **Decision of the Council of Ministers over Dissolving or Discharging the Organ of Elected Local Government Unit**

A directly elected organ of a local government unit may be dissolved or discharged by the council of Ministers for serious violations of the Constitution or the laws. (Constitution of RA, art 115/1) “The decision issued by the Council of Ministers for dissolving or discharging of a local government body is an act of individual nature, because it is a decision directed to a certain organ and related to concrete issues. Constitutional Court reviews the constitutionality of the individual administrative act in question if the elected local government organ dissolved or discharged presents an appeal. The date for starting the 15-day appeal period on the individual act will be considered the date when the person is aware of the existence of the act, regardless of other forms of publication” (Constitutional Court decision nr.15/2009).

Constitutional Court’s jurisdiction under article 115 of the Constitution includes in addition to assessing the constitutionality of the decision in question as well the control of legality. According to the jurisprudence of the Constitutional Court, the features of constitutional review over the decision of the Council of Ministers - in this case an administrative act of individual nature - are: “it is a judgment considering the merits of the petition, because the Constitution provides that directly elected local government unit may be dissolved or discharged from the Council of Ministers for serious violation of the law or the Constitution. Constitutional Court, as the controlling body to evaluate serious violation of the law or the Constitution, cannot do otherwise but to investigate and judge the underlying issue on merits, as a court of ordinary judicial system would act.” (Constitutional Court, decision No. 22/2008)

6. **Decrees of the President of the Republic**

President of the Republic issues decrees in exercise of his powers (Constitution of RA, art. 93) that are individual acts. “The President issues decrees of political nature, which are considered acts of executive power, and other acts of appointment or dismissal of other public officials as provided in special laws, those acts are considered of administrative nature”(Sadushi, 2004: 87). According to the ’98 Constitution the President of the Republic is provided with an authorization, that exceptionally in cases of war may issue decrees- acts having the force of law (Constitution of RA, art. 176), but decrees of President are generally acts of individual nature and as such cannot be subject to constitutional review (Constitutional Court decision no.25/2002)

President’s decrees of administrative nature are the subject of review by the Constitutional Court if the legal arguments are raised for violation of the right to due process of law. Decrees in cases of appointments and dismissals of public functionaries, according to the Constitutional Court, are acts of administrative and constitutional nature, since they include parliamentary procedure and decisions of political nature (Constitutional Court decisions no. 2/2008). The Constitutional Court in these cases does not examine the constitutionality of the decree, but only procedural issues concerning the petition. After exhaustion of the complaint to the ordinary courts, decrees of the President of the Republic are under the jurisdiction of the Constitutional Court to control and ensure the respect of the constitutional rights to due process of law.

7. **Decisions of the Parliament**

Besides legislative activity the constitution provides Parliament with several other important functions, i.e. in cases of appointment and dismissal of the President of the Republic, the Attorney General, etc., functions that are implemented through the promulgation of decisions. Parliament approves declarations and resolutions which are acts of legal-political nature. Statements and resolutions are primarily acts of political-declarative nature, while decisions resemble somewhat administrative acts and to some extent with laws (Toska, 2013: 20). Being individual acts that do not provide compulsory rules of general nature they possess typical features of administrative legal acts and refer to a concrete fact and particular circumstances. Parliament’s decisions in several cases were subject to judicial review by the Constitutional Court mainly as object of disputes between the powers. In other cases decisions of parliament are challenged for respect of the due process of law (respect of constitutional principles and procedures) during the procedures for the appointment or dismissal of high public functionaries.

Regulation of Parliament is another form of administrative act that in general cannot be subject to judicial review of constitutionality by the Constitutional Court. In specific cases may be subject to constitutional review only constitutional
level articles reflected on Regulation, which are applied in the case under consideration, if incompatible with the Constitution (Constitutional Court Decision no. 29/2009).

8. Decisions of the Central Election Commission

Since its creation the Constitutional Court had jurisdiction of the review of constitutionality over the electoral process and referendums. Under article 131/e of Constitution Constitutional Court decides on issues related to the eligibility and incompatibilities in exercising the functions of the deputies of Parliament (related to art.69 and art.70/3 of the Constitution), as well as the verification of their elections. The range of control by the Constitutional Court in exercising the jurisdiction over “verification of election of Members of Parliament” has been differing depending on the modifications that have been made in the Electoral Code over years. Due to the adoption of fundamental changes in the Electoral Code of 2000 regarding the ways to administrate the electoral process, it was decided the right to direct appeal against the decision of the Central Election Commission to the Constitutional Court. Furthermore the Electoral Code provided judicial review by Constitutional Court of the final results of parliamentary elections (“Election Code of RA” 2000). During the election in 2001, the Constitutional Court’s jurisprudence is filled with cases of review of illegality the decision of the Central Electoral Commission. The procedures followed in constitutional judgment resemble the judgment of the first instance court. Subjects addressed petitions to the Constitutional Court mainly to seek invalidation of the election - power that the Electoral Code explicitly gave to the Constitutional Court. Clearly there was a collision of legal norms between provisions of the Electoral Code of 2001 and the Law “On the organization and functioning of the Constitutional Court”.

Changes brought by the Electoral Code of 2008 moved the Constitutional Court from the role that had been assigned by previous electoral codes and prevented the court from exercising the authority provided in article 131/e of the Constitution. The new code provides the ‘Electoral College’ within the Court of Appeals in Tirana, as the competent court to hear appeals against decisions of the Central Electoral Commission. Those substantial changes may be interpreted that the Constitutional Court has no opportunity to review the elections in the future, yet the official interpretation by the Constitutional Court of the ways to exercise the power under art.131/e remains to be seen by course of its jurisprudence in future cases.

The Constitutional Court is not confined to deal with legality issues when conducting control for verifying the results of the referendum (Constitution of RA, art. 131/h). If the Constitutional Court finds that the entire referendum process is seriously harmed, which could bring its influence on the final outcome, it decides to invalidate the decision of the Central Electoral Commission, declaring incompatible with the Constitution (Sadushi, 2012: 188).

9. Administrative Acts Issued by the High Council of Justice

Legal acts issued by High Council of Justice as the proposal to appoint or the decision to dismiss judges of the court of first instance and the court of appeals, or the decisions over disciplinary responsibility etc., have substantive and procedural features of administrative acts. Those acts are subject to review by the Constitutional Court under the article 131/f of the Constitution to final adjudication of the complaints of individual rights for the violation of their constitutional rights to due process of law after all legal remedies for the protection of those rights have been exhausted (Constitutional Court decision no.17/2004).

10. The Competence of Administrative Court of Appels to Review Legality of Normative Administrative Acts

Constitutional justice along with administrative justice and procedures reviewing the constitutionality and legality of normative administrative acts, constitute a uniform system of judicial review to protect the hierarchy of norms and the rule of law. Defining the limits of judicial review between the Constitutional Court and administrative courts is a delicate issue of concentrated continental model of constitutional review.

According to the doctrine of administrative law, the administrative act may be subject to conflicts of objective and subjective nature. In case of objective disputes, the administrative act is considered in view of compliance with the Constitution, international treaties and laws, meanwhile in case of subjective disputes are in consideration the subjective rights of the individuals as the subject of the dispute arising from specific substantial administrative legal relation. When the object of the review is legality of a normative administrative act, the court decides on the compatibility of the alleged unlawful act with a legal act of superior power. Review of the legality of normative acts is granted to the Administrative Court of Appeal having original jurisdiction (acting as court of first instance).

According to the law “On Administrative Courts” when the Court considers the legality of the contested normative
legal act, will evaluate the following criteria: (i) if the choice is made by a public body in accordance with the objective and purpose of the law; (ii) if the choice of a public body is made only to achieve the purpose of law, (iii) if the choice of a public body is in proportion with the need that has dictated the size. As long as there isn’t jurisprudence of the Administrative Court regarding the control of the legality of normative legal act, comparative analysis to the constitutional review exercised by the Constitutional Court can be made only on the constitutional and legal provisions that define them. Functions of the Administrative Court in reviewing the legality of normative administrative acts are analogous to functions of constitutional law in terms of the formal control (formal shortcomings) regarding the procedure by which the act is issued / approved and the reasons for refusal considered in request for review of the legality of normative administrative act.

The decisions of the Administrative Court of Appeals that abrogates or declares invalidity of the normative administrative act has ‘inter partes’ effect. A normative administrative act that the Administrative Court of Appeals has declared unlawful could not be applied only in certain case however the administrative act in question was not eliminated from the legal system. While Constitutional Court’s decision produces a different legal effect, they are final, have general binding force and affect not only the parties to the dispute and some other persons but also all public bodies and legal entities, known as ‘erga omnes’ effect, and can only invalidate the acts its reviews(constitutional of RA, art.132). Furthermore Constitutional Court’s decisions have the power to eliminate unconstitutional normative administrative acts from the legal system.

The Administrative Court of Appeals has not had an opportunity, so far to address the issue of control of the legality of normative acts, therefore to understand the difference between substantial control of constitutionality and legality of normative legal acts, in addition to the provisions that define criteria of review must be seen the future practice of the court to draw conclusions of the issue of limits to jurisdictions, since it is clear that the causes of illegality of normative administrative acts are not only those defined to be challenge in court by the ‘Administrative Courts Act’.

11. Conclusion

1. In the jurisprudence of the Constitutional Court is no clear stance on judicial review of the constitutionality of normative administrative acts of independent executive bodies. The jurisdiction for the control of the constitutionality is not granted for all kinds of acts.
2. Despite the fact that the competencies of the Constitutional Court do not include the control over the individual administrative acts (some exceptions are provided by constitution), it seems that there is no obstacle for Constitutional Court to decide over individual administrative acts on finale adjudication of complaints of individuals (the public functionaries), for violation of constitutional rights to due process of law.
3. Functioning of administrative courts and granting the authority to review the legality of normative acts by Administrative Court of Appeals will avoid ambiguities in previous practices in the ordinary courts on review of illegal normative administrative acts.
4. The control of formal components of legality will be identical as components of constitutionality. As far as can be seen, the Administrative Court of Appeals has not had an opportunity, so far to address the issue of control of the legality of normative acts, so the issue of control of substantial components and limits of jurisdictions, as well as differences between jurisdiction of the Constitutional Court and the Administrative Court, yet remains to the future practice of the courts to decide.

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Generation Y - The Balance between Lifestyle and Work

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Abstract

Generation Y is a group of people born in the 80s and 90s of the twentieth century. In each country, determination of the age of persons belonging to this population may differ by several years. Attitudes of people of Generation Y to lifestyle and work, significantly differs from the opinion on this of older generations. The aim of the research was verification if the assessment of variables describing lifestyle and work expectation differs among 16-32 age people in years 2002 and 2012. Analysis of chosen single variables (the most adequate to lifestyle describing) were conducted. Highest differences between study groups were in perception of variable “important to have a good time”. Followed correspondence analysis of grouped variables was carried out. Groups of variables were created with those which in a similar way describe lifestyle or work expectations. This procedure made it possible to obtain detailed information about the perception of the variables in the analyzed groups of people. The last analysis was done for all variables. It was a correspondence analysis with use of cluster analysis to indicate corresponding categories of variables. None of the groups of people was characterized by a negating statement for the variables: Important to try new and different things in life, Important to have a good time, Important to be successful and that people recognize achievements, Important to seek fun and things that give pleasure, Important to make own decisions and be free.

Keywords: generation Y, lifestyle, work expectations, correspondence analysis, cluster analysis

1. Introduction

Generation Y it is a term used to describe people born between 1980 and 1999, but the age range may differ depending on the country, cultural aspects, and many other factors. For example in USA it may be 1978-1988 (Martin, 2005). For Generation Y functions in the literature many labels, for example “Millenials, Nexters, Generation www, the Digital generation, Generation E, Echo Boomers, N-Gens and the Net Generation” (Tolbize, 2008).

Generation Y in every area of life is using technology and digital media. Quality of life is very important for them as well as life experiences than possessing. They believe that education is a key to success. They are characterized by high opinion of their abilities, belief in their own uniqueness, high expectations and a strong aversion to criticism. They are ready to start their own business with social responsibility. In the other hand they attach much attention to private life, expecting much freedom and flexibility of working time. They want to work, but not a lifelong. "Generation Y sees work as a venue of self-realisation and the boundaries between work and leisure time are becoming blurred in an emerging postmodernist society with a multitude of choices and lifestyles, high transparency in many dimensions and strong market forces, which reduce the influence by the state" (Parment, 2011)

The objective of research concerns on detecting differences in lifestyle and work expectations between young men and women in years 2002 and 2012 in Poland. This article presents the results of research conducted on the Data ESS Round1 and Data ESS Round6. From the questionnaires were taken questions describing lifestyle and work expectations:

1) How happy are you (V1);
2) Important to think new ideas and being creative (V2);
3) Important to be rich, have money and expensive things (V3);
4) Important to show abilities and be admired (V4);
5) Important to try new and different things in life (V5);
6) Important to have a good time (V6);
7) Important to make own decisions and be free (V7);
8) Important to be successful and that people recognize achievements (V8);
9) Important to seek fun and things that give pleasure (V9).

Each respondent chose one of the given response:
1) V1: Extremely happy, Happy, Neither happy nor unhappy, Unhappy, Extremely unhappy
2) V2, V3, V4, V5, V6, V8, V9: Very much like me, Like me, Somewhat like me, A little like me, Not like me, Not like me at all;
3) V7: Very much like me, Like me, Somewhat like me, A little like me, Not like me.

The analysis was conducted for the data from the years 2002 and 2012. In both periods assumed study group age was 16-32 years. All persons from the indicated age group in 2012 years belonged to the Generation Y.

In contrast, people aged 16-32 in 2002 were both the generation Y and generation X. Thus, internally, this group could be more diverse because of the lifestyle, than a group of 2012. Gender of respondents was also taken into consideration in analyses.

2. Analysis of Chosen Questions

This section presents results of basic statistical analysis performed for selected variables. Analyzed variables in best way describe the lifestyle, and thus attitudes and expectations towards work. The main task was to examine if between men and women aged 16-32 in years 2002 and 2012 are significant differences in lifestyle.

First analyzed question (fig. 1) was: How Happy you are?

**Figure 1.** Percentage distribution of responses to the question How Happy you are?

![Percentage distribution of responses to the question How Happy you are?](image1)

**Source:** Own elaboration on ESS data.

In both studied periods, the majority of both men and women were happy in their private life. There are no unlikeness between men and women. Their opinions are almost the same in both years. The small difference is visible in answer extremely happy. More men and women in 2012 are extremely happy then in 2002. The question is very general, however, responses indicate that young people were happy in both private and professional life in both periods.

Second analyzed question was: Important to try new and different things in life (fig. 2). It may be assumed that people agreeing with this statement, also in the work will not accept routine and will constantly expect new challenges.

**Figure 2.** Percentage distribution of responses to the question Important to try new and different things in life?

![Percentage distribution of responses to the question Important to try new and different things in life?](image2)

**Source:** Own elaboration on ESS data.
Trying new and different things is more important for men and women in 2002 than in 2012. But in both analyzed years trying new and different things is the special feature of young men as well women. Young women in 2002, they learned new things more willing than women of the same age in 2012.

Because the Generation Y is ready to start own business, so they cannot be afraid of making own decisions. Next figure (fig. 3) shows willingness of Generation Y to make decisions.

**Figure 3.** Percentage distribution of responses to the question *Important to make own decisions and be free?*

Source: Own elaboration on ESS data.

Over 70% of young men and women in 2002 and 2012 stated that for them important or very important is to make own decisions and be free. There are not significant differences between women and men in both periods.

Generation Y is seen as giving priority to good time over work. In fig. 4 percentage distribution of responses to the question if it is important to have a good time?

**Figure 4.** Percentage distribution of responses to the question *Important to have a good time?*

Source: Own elaboration on ESS data.

Opinions of men and women concerning whether having a good time is important for them or not, are different in both years. More women in 2012 than 2002 finds that it is not important for them. The difference between men is not so big, but also more men in 2012 says that having good time is not important. Polish people of Gen Y in the year 2012 were more responsible than those aged 16-32 in 2002.

3. **The Analysis of Lifestyle of Polish Generation Y with Use of CA**

Simultaneous analysis of nine variables identified by many categories, taking into account the years and gender, is not possible using descriptive statistics. Due to the fact that variables were measured at a nominal or ordinal scale, correspondence analysis can be used.
3.1 Method of the data analysis

Blasius and Greenacre (2006) wrote, that "Correspondence Analysis is an exploratory multivariate technique for the graphical and numerical analysis of almost any data matrix with nonnegative entries, but it principally involves tables of frequencies or counts". Most often correspondence analysis is used for describing associations between categories of nominal or ordinal variables. The simultaneous appearances of categories of different variables are shown on low dimensional space. The starting point for this analysis is the contingency table (for two variables) or multidimensional contingency table (for more than two variables, with layers in rows or columns). Coordinates for each category of variables are calculated based on singular value decomposition. If points describing categories are located close together on the plot, it means that categories corresponds to each other. Every axis of the full dimensional space is created based on eigenvalues, which are squares of singular values. The sum of all eigenvalues is called total inertia. The most popular measurement way of quality of fitting in CA is contribution of eigenvalues in total inertia.

In some cases, the perception of position of points on the plot is difficult, particularly when there is a lot of variables, which are described by many categories. In such situations results of correspondence analysis are interpreted with use of cluster analysis.

Cluster analysis it is term for group of method in which the aim is considered on dividing objects into several homogenous groups (Dillon & Goldstein, 1984). The differences between objects belonging to different groups should be significant. Cluster analysis it is a number of different algorithms and methods for grouping objects due to selected variables. The study use a hierarchical classification by Ward, taking into account the Euclidean distance. Objects for which the classification was made, there were categories of the analyzed in CA variables (V1_1–V9_6, Male2002, Female2002, Male2012, Female2012). Classification variables were coordinates (from low dimensional space) of categories of analyzed variables.

3.2 Results of the CA

Correspondence analysis was used for the four cases. Firstly variables were divided into three groups. For each groups CA was conducted separately.

In fig. 5 are shown results of CA of assessments of: Important to think new ideas and being creative (V2), Important to try new and different things in life (V5) and Important to make own decisions and be free (V7).

Figure 5. Results of CA of three dependent variables related to making own decision and discovering new things (V2, V5, V7)

Source: Own elaboration witch Statistica10 on ESS data.

The quality of display of the results in two dimensional space is very high: 62.94%+31.08%= 94.02%. Women in 2002 want to try new things (V5_1), but didn’t want to think new ideas (V2_4) or make own decisions (V7_3). Men in 2002 also want to try new thing, but being creative is also characteristic for them. Men in 2012 want to think new ideas or make own decisions, but trying new thing is not so characteristic for them. Female in 2012 are not strongly related with any positive answer of any of this three questions, they are unlikely to make own decisions, try new things or think new ideas. On Fig.
5 are shown differences in perception of this three variables between women in 2002 and 2012 – more creative were young women in 2012.

In fig. 6 are shown results of CA of respondents perception of: Important to be rich, have money and expensive things (V3); Important to show abilities and be admired (V4); Important to be successful and that people recognize achievements (V8).

**Figure 6.** Results of CA of three dependent variables related to work expectations (V3, V4, V8)

![Graph showing results of CA for three variables]

**Source:** Own elaboration with Statistica10 on ESS data.

The quality of display of the results in two dimensional space is again very high: 76.54%+13.38%=89.92%. Women in 2012 says that they didn’t want to show abilities, be successful and for them being rich is not important. Quite different situation is by women in 2002 they also didn’t want to show abilities but they want to be successful. For men in 2012 important were (but not strongly) to be rich, showing abilities and being admired and being successful. For men in 2002 none of categories of analyzed three variables was characteristic.

The next two variables were assessed jointly: Important to have a good time (V6) and Important to seek fun and things that give pleasure (V9). Results are shown in fig. 7.

**Figure 7.** Results of CA of two variables related to fun and good time in life (V6, V9)

![Graph showing results of CA for two variables]

**Source:** Own elaboration with Statistica10 on ESS data.

The quality of display of the results in two dimensional space is the highest: 94.44%+4.36%=98.8%). For women in 2012 having good time and things that give pleasure wasn’t important. Quite different situation is observed for women and men in 2002, they prefer good time and seeking fun.

Last figure (fig. 8) shows results of CA conducted for all variables simultaneously.
Figure 8. Results of CA of all variables

Source: Own elaboration with Statistica10 on ESS data.

In fig. 8 are marked a group of points which were indicated on the basis of Ward classification. After classification of coordinates in two dimensional space seven clusters were created:

1) Male2002, V3_1, V3_2, V6_1, V6_2, V9_1, V9_2;
2) Female2002, V1_4, V2_4, V5_1, V5_2, V6_3, V8_1, V9_3;
3) Male 2012, V1_5, V2_2, V3_3, V4_2, V7_1, V8_2;
4) V1_1, V1_2, V1_3, V2_1, V2_3, V3_4, V4_1, V4_3, V4_4, V4_5, V5_3, V5_4, V6_4, V7_2, V7_3, V8_3, V8_4, V9_4;
5) Female2012, V2_5, V2_6, V3_5, V3_6, V4_6, V5_5, V6_5, V8_5, V9_5;
6) V5_6, V6_6, V7_5, V8_6, V9_6;
7) V7_4.

In first group are men in 2002 who wanted to be rich, had a good time and were looking for fun. The second group is created for women in 2002. They wanted to be successful and to try new things, but they were unhappy. Trying new ideas, having good time and seeking fun were them moderately important.

The perception of variables in 2012 by men, is described by the third class. For them very important was making own decision. For this group important were: thinking new ideas, showing abilities and being successful.

In fourth class are categories of variables defining lifestyle and work expectations, which are not characteristic to any group of people. Similarly class number six and seven.

The fifth group consist women (2012), for which, after taking into account all the variables, very characteristic was the attitude of not accepting any mentioned characteristics. However, the analysis separately for each variable allows you to identify the most important characteristics of this group.

4. Conclusions

There are differences between attitudes of men and women taking into account all variables (V1-V9). Correspondence analysis of all variables simultaneously shows attitudes in all analyzed problem. In-depth conclusions can be drawn after statistical analysis separately for each variable or by correspondence analysis of selected groups of variables.

5. Acknowledgements

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The data on individuals were retrieved from Data, ESS Round 1: European Social Survey Round 1. (2002). Data file edition 6.3. Norwegian Social Science Data Services, Norway – Data Archive and distributor of ESS data and Data, ESS Round 6: European Social Survey Round 1. (2002). Data file edition 2.0. Norwegian Social Science Data Services, Norway – Data Archive and distributor of ESS data.
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Administration and Management of the Education System, Performance Quality and Priorities in Socio-Cultural Development Area in Albania

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Abstract

The purpose of this paper research is the national educational service, is to supply future Albanian citizens with proper knowledge, adequate skills and capacities, as to be educated and committed to the implementation of the economic and development national plan. This system, aiming to meet the domestic needs of the labour market and socio-cultural aspirations of the people, is a prerequisite for the economic growth and sustainable development of the country. Fulfill of mid-term and long-term objectives in view of the stable economic growth, reduction of poverty and resolution of social problems require, first and foremost, the reform of the educational system as the genuine support to the implementation of governmental initiatives. According to the Main Constitutional Provisions, Government and Parliament Authorities determine educational policy. They formulate and pass laws and other regulations and execute other jobs in the field of education envisaged by law. There are also Ministry of Education and Science and provincial or municipal authorities who take-care that certain requirements of citizens in the field of education are met. The State Administration’s activities on education at the level of the country are executed by the Ministry of Education and Science. The competences of the Ministry of Education and Science includes: the implementation of laws and other regulations approved from the Parliament and the Government; decisions on legal matters, management and professional supervision. The right relations between them, increase of the evaluation criteria, the combination of the evaluation of individual performance with the respective structure as a strong bond of evaluation and career, use of the method of self-evaluation, evaluation for your superior and your colleague, financial rewards etc, are not only the success of the administration but also guarantee a qualitative management.

Keywords: Educational services, national strategy, individual performance, merits, qualitative management.

1. Introduction

At the beginning of the ‘90 the role of the Albanian state was modernized, and was stimulated to economic improvement and to conceal social injustice. The new role of the state determined new obligations for the public, central and local administration. During this period the administration was nearly totally politicized and there were no clear divisions between the political and techno-professional functions. During this period the model of the political control was inappropriate and out of logic and it was still in the development phase. The activities for re-examination of optional curriculum and creation of extramural activities in primary school are still in procedure. Also, in order to modernize some forms of work at school, modernization, introduction of information technology into instruction, enhancement of regulations on the required qualification degrees of teachers, etc., some legal acts are in preparation, or already completed.

1.1 Administration and Management of the Education System

In order to improve the quality of instruction and responsibility of teachers, a center of accreditation will be set up. Concerning secondary education, it has been concluded that, after several years of examining the achievement results of
the secondary education system in Albania, it is now necessary to make some corrections in curricula and in certain domains of activity. The objectives of these reforms are: to reduce the part of the curriculum content; to introduce certain innovations adapted to the achievements in science, technique and technology, changes in social relations, way of business, laws, etc. A new subject Computing and Informatics was introduced in all four grades of general schools and it has been planned to introduce the application of the computer technique in creating vocational subjects in vocational schools. Due to the introduction of this new subject, a better equipping of schools with computers has been foreseen. For the near future it is planned to divide the general schools into two directions after the second year: humanitarian direction and natural sciences direction. In the same way a possibility of opening three- or five-form combined vocational secondary schools has been realized.

During 1996-1999 the politicization of the administration ended and the administration was based on merits. The division between the political and techno-professional was clear. Several laws were approves; law no. 8095 in 21.03.96, “For the Civil Service in the Albanian Republic”, The Decision of the Minister’s Council no.657 in 16.09.96 “For ethic rules in the public service”, law no. 8549 in 11.11.1999 “The status of the civil employee”. All these laws were approved during this period. The administration had the possibility to implement a different system, in the human resources management in all the central and local institutions. After DAP, the Institution of Training for the Public Administration was funded in order to give response to all the circumstances, opportunities and to the new challenges. The strategy includes school education, primary and secondary education, general secondary education and professional education.

The professional education during the following decade must carry out a regular reform intended to change SE into a capable system to adapt to the continuously changing labor market. This reform goes beyond the merely institutional improvements up to radical changes in the vision, attitudes and conduct of all committed stakeholders. The National Strategy on University Education stipulates short-term and mid-term objectives and goals for the system and introduces policies on strategic priorities for the following years until 2013. The concept of evaluation must be considered as a psycho-social and administrative process which has its own impacts on the motivation and performance of the public administration.

1.1.1 Decision making and Decentralization

Decentralization of the educational sector shall ensure the extension of participation and increase of the effectiveness of groups of interest in the outline of educational projects and their implementation. This process shall be carried out through a proper balance between the centralization and decentralization, being accompanied by the public awareness of potential risks and chances of success. The Employees, Lectors, Professors as humans was “discovered” in the 1930s with the human relations school. We begin by defining the key terms in our study. Objective quality is the aggregate performance of all vector product attributes (i.e., those attributes for which customers prefer either a higher or a lower magnitude). Similar to previous research (Curry and Riesz 1988; Lichtenstein and Burton 1989; Riesz 1978; Tellis 1989), we measure objective quality through a composite of instrument and expert ratings. (Debanjan Mitra and Peter N. Golder 2003)

For example, a personal computer’s objective quality attributes include processing speed, hard disk capacity, reliability, and features like DVD drive and modem. Objective quality does not include intangible attributes like aesthetics and extrinsic attributes like brand image or salesperson behavior. It is similar to earlier concepts like “observed quality” or “performance” for physical products (Olshavsky and Miller 1972; Kopalle and Lehman 1995) and “delivered service,” “service change,” or “personnel and equipment effort” for service products (Bolton and Drew 1991a; Boulding et al. 1993; Kamakura et al. 2002). In this paper, objective quality and quality alone are synonymous.

1.1.2 The process of working students, long term policies

The school managing bodies and their competence are defined by the laws on pre-university education. These are the school board and the school principal. The school board adopts the report on work, makes decisions on school activities, on investments, announces open competitions to fill the position of school teachers, and gives opinions on candidates for teachers and school principal. The school principal manages the school and is appointed by the Education Local Authorities. His authorizations and responsibility refer to the overall scope of school work and realization of curricula. The school principal manages the school, organizes the realization of the annual curriculum, realizes instructional insight in and supervision of the teachers’ and professional associates’ work, handles the promotion of educational work, undertakes measures against inappropriate behaviour of teachers and associates, convenes the sessions of teachers’ councils, directs the work of professional bodies and co-operates with the community and everybody in connection with
1.2 Performance Quality and Priorities in Socio-Cultural Development

The whole process involves all the working students in University auditorium, learning, express innovative ideas, conducting their project in their classes, in order to show up their achievement during the teaching process. Acknowledged development strategies given by the teacher and the evaluation of student scientific projects. The Strategy is in line with the main development trends of education in Europe and in the world, aiming to adopt the development of university education to the governmental vision for mid-term and long-term policies of the sector. It incorporates the suggestions of the academic community and of the groups of interest within the country. The strategy represents the pillar of an Action Plan with tasks scheduled to be implemented until 2013. Most marketing studies on brand choice assume that quality is constant over time (Jedidi et al. 1999; Mela et al. 1997).

However, “there are many instances in which a producer can affect quality” so as to influence the customers’ product experience (Tirole 1998, p. 121; Ferrier, Smith, and Grimm 1999; Willard and Cooper 1985). Some analytical models in the industrial organization literature allow firms to select quality in each period and evaluate its effect on the price premium required to maintain its quality “reputation” (Allen 1984; Klein and Leffler 1981; Shapiro 1983). These studies assume a fixed “one time-period” information lag for customers while acknowledging the impact of varying.

Process 1: Teaching methodology, this process of implementing this strategy, the leadership role is based on rules and extreme strict responsibilities toward the students, in order to handle the unexpected difficulties and obstacles the work of all the students to achieve their goals and purposes. (De Bruijn & H. Henglenn 2002)

Process 2: The second definition of HRM encompasses the management of people in organizations from a macro perspective i.e. managing people in the form of a collective relationship between management and employees.

2. Literature Review

This approach focuses on the objectives and outcomes of the HRM function. What this means is that the HR function in contemporary organizations is concerned with the notions of people enabling, people development and a focus on making the “employment relationship” fulfilling for both the management and employees. (Selznick, Philip Anndrew. 1957) These definitions emphasize the difference between Personnel Management as defined in the second paragraph and human resource management as described in the third paragraph. (Robbins, S.P. 1998). To put it in one sentence, personnel management is essentially “work-force” centered whereas human resource management is “resource” centered. The key difference is HRM in recent times is about fulfilling management objectives of providing and deploying people and a greater emphasis on planning, monitoring and control. (De Bruijn, H. 2002)

The hypothesis coming next: Learning process is difficult, but if someone (students themselves) is not given what is meant hard to resolve, human being never knows how far reaches. Often in everyday life student-teacher relationship is mutual and the leadership responsibility is high Regardless to the specifics that takes the position of teacher relations, fundamental is to be perceived as work relationship which are characterized by tolerant communications that runs through good will of understanding and bon-sense. Tolerantia=Patience (a Latin word). An important aspect of our daily work and educational learning, where there should be tolerance and to show the full comprehension, the superlative degree is that of controlling student knowledge possession.

Cultural differences between nations can be, to some extent, described using first four and now five, bipolar dimensions. The position of a country on these dimensions allows us to make some predictions on the way their society operates, including their management processes and the kind of theories applicable to their management. As the word culture plays such an important role in my theory, let me give you my definition, which differs from some other very respectable definitions. Culture to me is the collective programming of the mind which distinguishes one group or category of people from another.

In the part of my work I am referring to now, the category of people is the nation. On the other hand, there is a rich tradition in the marketing literature that studies this reputation-building process through the determinants and dynamics of perceived quality. According to this literature, perceived quality is determined primarily by objective quality and prior expectations of quality (Boulding et al. 1993, 1999; Olshavsky and Miller, 1972; Parasuraman et al. 1985).2

The some applies to the dimensions I introduced. They are constructs too that should not be reified. They do not

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1 De Bruijn, H. 2002, the collective relationship between management and employees.
2 Selznick, Philip. 1957 The employment relationship in personal management
The first four dimensions together explain 49 percent of the variance in the data. The other 51 percent remain specific to individual countries.

3. Material and Methods

The first four dimensions were initially detected through a comparison of the values of similar people (employees and managers) in 64 national subsidiaries of the IBM Corporation. People working for the same multinational, but in different countries, represent very well-matched samples from the populations of their countries, similar in all respects except nationality.

Based on this dynamic framework, objective quality is linked to perceived quality in two ways. The first is the direct contemporaneous link. The second is through the updated prior expectations of quality (Bolton and Lemon 1999; Boulding et al. 1993, 1999; Nerlove 1958). This latter link leads to the carryover or delayed effect of objective quality on perceived quality. (Debanjan Mitra and Peter N. Golder 2003)

Culture is a construct that means it is “not directly accessible to observation but inferable from verbal statements and other behaviors and useful in predicting still other observable and measurable verbal and nonverbal behavior”. It should not be reified; it is an auxiliary concept that should be used as long as it proves useful but bypassed where we can predict behaviors without it.

Source: Higgins, J. M. 1983 “Organizational and Strategy” Management strategy” 2nd Dryden New York,

3.1 Analyzing data

The performance evaluation is mainly characterized by qualitative indicators and there are only a few quantitative indicators. According to the data collected from the questionnaires the employees assess the importance of the performance evaluation in 100%, they concretize it with the objectivity in the evaluation. To the question “Is the performance evaluation objective in your institution?”- 30% answered positively, 44% avoided the answer and 26% of them think that it is dictated from the subjectivity of the leaders. According to the questionnaire the major part of the questioned employees think that the performance evaluation takes to conflicts between the subordinate and the superiors. This is also another factor that contests rewarding according to the performance.

2The first dimension is labeled Power Distance, and it can be defined as the degree of inequality among people which the population of a country considers as normal: from relatively equal (that is small power distance) to extremely unequal (large power distance). All societies are unequal, but some are more unequal than others. This is also another factor that contests rewarding according to the performance. (Higgins, J. 1983) State-funded Higher Education Institutions are autonomous. Autonomy might be described as freedom for higher education institutions to run their own affairs, in particular in relation to staff, students, curricula (teaching and examining), governance, finance and administration. The following issues are relevant in the allocation of funding to higher education institutions: 1. Negotiation on the basis of an estimate from the institution, 2. Fixed on the basis of past costs, Performance indicators play a role in funding allocations. Research is funded separately.
3.2 Individualism and organizational behavior

The third dimension is called Masculinity and its opposite pole Femininity. It is the degree to which tough values like assertiveness, performance, success and competition, which in nearly all societies are associated with the role of men prevail over tender values like the quality of life, maintaining warm personal relationships, service, care for the weak, and solidarity, which in nearly all societies are more associated with women’s roles. Women’s roles differ from men’s roles in all countries; but in tough societies, the differences are larger than in tender ones.

The second dimension is labeled Individualism and it is the degree to which people in a country prefer to act as individuals rather than as members of groups. The opposite of individualism can be called Collectivism, so collectivism is low individualism. The way I use the word it has no political connotations. The performance evaluation of the employees has two objectives: Administrative objectives. It gives information in setting the salary, promotions, firing, and assures the necessary documentation to verify decisions in juridical processes.

Figure 1: Bradler & Sediss, Individualism and organizational behavior The report Company: Kingston, Ontario, 1989

3.3 The performance evaluation and quantitative indicators. Development of objectives

The performance evaluation is mainly characterized by qualitative indicators and there are only a few quantitative indicators. According to the data collected from the questionnaires the employees assess the importance of the performance evaluation in 100%, they concretize it with the objectivity in the evaluation. To the question “Is the performance evaluation objective in your institution?”- 20% answered positively, 54% avoided the answer and 26% of them think that it is dictated from the subjectivity of the leaders. According to the questionnaire the major part of the questioned employees think that the performance evaluation takes to conflicts between the subordinate and the superiors.

<table>
<thead>
<tr>
<th>Consistency Of The Leader Objectives (Instructor)</th>
<th>Traditional Concept</th>
<th>Contemporary Concept</th>
<th>Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching</td>
<td>Acquisition of knowledge</td>
<td>Coordination of knowledge</td>
<td>60-70%</td>
</tr>
<tr>
<td>Knowledge</td>
<td>Are they absolute.?</td>
<td>Knowledge built on consciously</td>
<td>60%</td>
</tr>
<tr>
<td>Students</td>
<td>We all learn the same way and not all are able to learn better.</td>
<td>Different students learn in different ways but not all are able to learn.</td>
<td>60%</td>
</tr>
<tr>
<td>Pedagoge(instructor)</td>
<td>provides insight(knowledge)</td>
<td>Assists in the process of transmitting knowledge</td>
<td>70%</td>
</tr>
<tr>
<td>University</td>
<td>Equip students with Diploma for job roles in society.</td>
<td>a) Develop intelligent opinion. b) does independent work for the improvement of personal and social life of the student</td>
<td>70%</td>
</tr>
<tr>
<td>Scientific Establishment and Leadership management</td>
<td>a) Citizens who know science. Leader roles. b) Use science in everyday life. Leader indifferent. c) use professional training in decision-making leadership and promoting roles</td>
<td>a) Individuals form using the method of scientific research to solve problems. b) Interest and the extraction method highlighting critical defects to achieve success.</td>
<td>80% 22% 60%</td>
</tr>
<tr>
<td>Social formation and multicultural influence</td>
<td>-Position held in the protection of identities and multi cultures.</td>
<td>a) Influential in developing and integrating it successfully in the European elite leadership. b) suitability for employment abroad</td>
<td>60% 67% 24%</td>
</tr>
</tbody>
</table>

Tab 1: Traditional concept, Staffing, Payroll, Social and multicultural influences, Higgins 1983

4. Finding and Results of this Paper Research

The following accountability measures apply and they are mandatory: 1. External financial audit, 2. Internal financial audit, the main objective is the objective of the development. The information can be used to diagnose the needs for trainings, career planning etc. the feedback and the training based on the information of the evaluation assures the fundamentals for constant performance improvement. (Robins & Couter, 1999) The question “Is the performance evaluation objective?” was analyzed in details and the answers were evaluated from 1-10 points each, nine of the questioned persons were leaders and employees.

The respective evaluations are presented below:

<table>
<thead>
<tr>
<th>Actual performance</th>
<th>Standard performance</th>
<th>Future expectations</th>
<th>Objectives</th>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>First choice</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Second choice</td>
<td>4 &amp; 3.45</td>
<td>7 &amp; 3.56</td>
<td>5 &amp; 4.78</td>
<td>6 &amp; 4.78</td>
</tr>
</tbody>
</table>

The performance evaluation is determined as an evaluation of the past and actual performance of an employee that works in accordance with the performance standards of the organization. In fact, most organizations have different departments dealing with Staffing, Payroll, and Retention etc. Instead, the HR manager is responsible for managing employee expectations vis-à-vis the management objectives and reconciling both to ensure employee fulfillment and realization of management objectives.

It means that our economy and our state have defined the path of development 292 priorities. It also means that these sectors, defined as priority ones, will be as a focus of the controlled developments and orientation and promotion policies. (Goffin Robert 2001)

We calculate the sum of the first choice and the average

\[ R_{10} = \frac{6+7+8+9}{4} = \frac{30}{4} = 7.5 \]

\[ M_{\text{Re}} = \frac{\frac{6+7+8+9}{4} + \frac{4+5+1}{3}}{2} = \frac{20}{2} = 10 \]

Meanwhile, it remains relevant to discuss whether the Albanian financial system has the same priorities or not. Are the directions of the priorities of the economic sectors harmonized with the directions of the financial system? If the answer were yes, this would be evidence to a development and progress in the right direction. If not, we need to make the necessary adjustments. While leadership researchers have emphasized that managers need to vary the performance of their leadership functions depending on characteristics of their followers, the task, the organizational culture, their position power, and other factors, they have commonly equated followers with subordinates. 4

The research presented in this paper has taken a distinctly different approach and examined the leadership behaviors of two groups of managers in their interactions with the members of their superiors and peers, in addition to their subordinates. The argument was made that in order for managers to be effective leaders in their interactions with their subordinates, peers, and superiors, they need to have a broad repertoire of leadership functions at their disposal as well the ability to vary the performance of these leadership functions depending on the organizations role of the person with whom they interact.

5. Conclusions and Recommendations

The governance in education, particularly in terms of the decentralization represents an view to be developed in accordance with the current standards. In a general perspective, the application of a too centralized management level in the national governance in general and in the area of services in particular, leads to the reduction of effectiveness and efficiency of the public administration. Decentralization of the system of management and services is a key component of the broader decentralization process undertaken in Albania. While formal restructuring toward the decentralization has marked significant progress in several sectors, including the sector of education, the progress of the decentralization of responsibilities and of the decision making authority from central to local level for the pre-university education has not been satisfactory.

First, there is a lack of the full operational link of the school with the community as a democratic obligation to provide good education to everyone. There is a lack of encouragement of the power of the family for the social character of the community, to fully invest efforts in the area of education. This is based on the inadequate level of participation and

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4 In Bodie Zvi (Nobelist), Merton Robert, Finance, (2002), foreword from Paul Samuelson, Nobelist
the responsibility of all stakeholders.

The consequences are present in respect of the malfunctioning failing to meet the needs and requirements of the community of educational leadership, school management, contenting of curricula, financial planning and management, school maintenance, personnel management to offer a modern educational service and discharge the integrating function of schools. Reform and strengthening of policy making, management and decision making capacity is one of the priorities in the framework of the European Partnership according to which: "The government is committed to realize the school autonomy through the educational reform in cooperation with the groups of interest"

At central level: Restructuring of the Ministry of Education and Science and subordinate institutions by building a clear management performance-based scheme.

At regional level: Restructuring of the Regional Educational Directorates and Educational Offices in view of further developing capacities in support of schools.

In the framework of decentralization: Decentralization and delegation of responsibilities and of decision making authority from central to local governance level.

At school level: Realization of school autonomy in the area of subject programs, financing, personnel and management at school level and above, completing it with the legal basis and respective implementing bodies. Development of policies and launching of research based and data oriented central, local and school decisions: Functioning of the information management system in the area of education.

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Allied Conferences at the End of World War II in the NDH Press: Ustasha Propaganda on Political Relations and Military Cooperation of the USA, the United Kingdom and the USSR

Alan Labus

1. Introduction

Late 1944 and early 1945 will be remembered by the Allied conferences held in Dumbarton Oaks, Yalta and San Francisco. The three conferences were of high significance for the Ustasha propaganda since, as the war drew to its end, the controversies grew within the Allied camp between the Soviets and their Western Allies. The Ustasha propaganda considered it politically opportune to repeatedly convince the Croatian public of the clash between the two. This would raise the Ustasha-German strife against the NOP (Peoples' Liberation Movement), as well as the German one against the Soviets in Europe, to the level of the global Anti-Bolshevik movement. At a time when German defeat was imminent, which would consequently lead to the downfall of the Ustasha regime as well, it may be interpreted as the attempt to narrow the gap between the NDH (Independent State of Croatia) and the Western Allies. The Allied disputes, however, would have no significant effect on the outcome of the war, since the German capitulation was their irrevocable joint cause. Nevertheless, the influence of such disputes would prove to be important in the post-war circumstances. On an occasion in January 1945, Stalin said, The Soviets have joined the democratic party of the capitalists in joined strife against the fascist party, for Hitler has been a greater threat, but in the future the Soviets will turn against their former allies. (Reynolds 2007, p 108) In March 1945, just after the Yalta meeting, Roosevelt told a newspaper editor that, although he had honestly believed that Stalin could be reasoned with, which he had mentioned in the Congress after the Yalta meeting, it was no longer the case for, either Stalin is no longer a man of words, or he has no longer any control over the Soviet government (Reynolds 2007, p 139)

2. Dumbarton Oaks – A New International Insecurity Organization

The Dumbarton Oaks conference was announced by Hrvatski narod on 23 August 1944 in these words, World Security Conference: Moscow, London and Washington seek ways to secure global power and lay foundations for imperialism. The freedom and the right of the people to self-determination, which were put down in the Atlantic Charter, have been all but forgotten. This was an attempt by the Ustasha propaganda apparatus to convince the public that the Washington conference was a meeting of victors who were dividing the post-war world in advance. Using the “great and small” phrase, in the meaning of the ruling and the supporting states, Hrvatski narod scornfully informs the readers about the setup of an international organization which should guarantee peace to the post-war world. (23 August 1944) Hrvatski narod (HN) No. 1116, p 6.

On 29 October 1944, in its regular column Dokumenti, the weekly Spremnost familiarized its readership with the official text on the formation of the new international organization. The text, which was not commented upon, published the Dumbarton Oaks conclusions, or the principles of the future League of Nations. In this way, the basic tenets of the United Nations appeared on the pages of an Ustasha papers. The goal of the new international organization, Spremnost said, was to ensure international peace and security; it was based on the premise of the ruling equality of all peace-loving nations; and its principal organs were to be the General Assembly, the Security Council, the International Court of Justice and the Secretariat. All member states would participate on equal basis in the work of the Assembly with the aim of maintaining international peace and security. (29 October 1944) Zaključci u Dumbarton Oksu, Spremnost No. 141, p 5.

On 27 August 1944, in U Dumbarton Oksu, Spremnost No. 132, p 5; Pismo iz Švicarske – Big Three Stalin-Roosevelt-Churchill (6 February 1945), Spremnost No. 153, p 3; Smrtno zvono nad Jaltom (22nd April 1945), Spremnost No. 166, p 4; and Poslije Krima (4 March 1945), Spremnost No. 159, p 1. These articles, often in the form of an essay, positively discussed
democracy, the rights of small nations, the Atlantic Charter, and the laudable attempts by Churchill and Roosevelt to give life to the principle of national self-determination. They also revealed the non-random regularity in the style of Ustasha newspapers, and an invariable fact – that Spremnost was different from other papers.

Unlike Spremnost, in early October Hrvatski narod bitterly attacked the political decisions of the Allies, which were the basis for the post-war world. The anonymous editor pounced on the Allies, who were passing decisions regarding peace, which had not been achieved, for, in his words, “Germany has not had its final say yet.” The author desirously commented on the relations between the Allies and the unnatural connection of the communists and the plutocrats, whose war-time cooperation was already sowing the seeds of World War III. He concluded that the conference had served to set international regulations, which would secure peace primarily between the Allies. World security, it was said in Hrvatski narod, would mean insecurity for all the smaller nations and enemies of the three great forces, i.e. it was a pact between the victors on the division of the spheres of influence. However, the article concluded, the discord between the Soviets and the Western Allies within the Allied camp had grown so strong that they had not managed to reach a satisfactory agreement in Dumbarton Oaks. Firstly, there was no clear agreement regarding the activation of military forces regulated by the Security Council, which consisted of six member states, because the Soviet interference hindered the clear formulation of the aggressor. It was further said that, in this way, Stalin ensured he would have a clear path for unhindered military and political actions in East and Central Europe. (12 October 1944) Hrvatski narod No. 1159, p 1. The article from Hrvatski narod closely resembles the selection of articles from the neutral press, which was prepared by the Investigative Bureau of the Foreign Affairs Ministry (MVP) in its Overview from October 1944. As mentioned in a summary of the Swedish news, Dumbarton Oaks laid the foundation for a new international organization which was supposed to secure world peace and security. Clearly, an important element of the decision was the formation of international military forces and the Security Council, or the body which would be able to quickly and effectively control them. Nonetheless, the Swedish source said, there remained the question of predominance in the new international association, and whether the five great forces could outvote the “smaller” member states. Novi savez naroda, (Swedish press overview) HDA (Croatian State Archives), MVP – Investigative Bureau Box 26, No. 559.

According to Novine, a Zagreb weekly, a part of the representatives from the House of Commons in the British Parliament joined the severe criticisms of conclusions from Dumbarton Oaks. They considered that their implementation would call into question the principles of the Atlantic Charter. (16 October 1944) Novine No. 156, p 4.

Contrary to what Hrvatski narod and Novine wrote in the NDH, the UN organization was actually the second stage in the implementation of the principles from the Atlantic Charter. It proved the continuing cooperation between the Allies at the end of World War II. The agreement between Roosevelt and Churchill from August 1941 – on the rights of every nation to self-determination, free world trade and economic cooperation, abandonment of the use of force and the formation of a global security system – needed to be put into practice. The new international organization was supposed to act as the means for the implementation of political principles from the Atlantic Charter. In the Dumbarton Oaks conversations, held between 12th August and 7 October 1944, the representatives of the USA, the United Kingdom, the USSR and China agreed on the formation of an international organization for world peace and security, the United Nations. It was where the foundations were laid for the future operation and organization of the UN, the powers of the UN General Assembly, the Security Council, the International Court of Justice and the Secretariat. (7 October 1944) Dumbarton Oaks, Washington Conversations on International Peace Security Organization (Reynolds, p 114)

The Dumbarton Oaks conference was interpreted by Hrvatski narod and Novine on the unfounded premise of discord within the Allied camp. The UN organization was set as an example of the inconsistencies of the Western Allies and proclaimed a departure from the principles of the Atlantic Charter, as if the Ustasha Croatia was founded on the value system of the Western Allies. The UN was immediately given the attributes of an organization in which the great outvoted the small, or where the great decided on all the important world issues. It was specifically stressed that the Western Allies strive to implement the democratic standards in the world, whereas the Bolshevik foster the most severe form of state totalitarianism in their country, which should have proven that the new international organization would be inefficient. For Ustasha propaganda, the UN was actually an example of the future lack of cooperation between the Allies and of world insecurity.

3. Yalta – Announcing A New World War

An important propaganda task for the NDH newspapers in late 1944 and during 1945 was to convince the public of the unnatural alliance between the Soviets and the Western Allies. The aggravating circumstance for Ustasha propaganda was the high plausibility of the USA, the USSR and the United Kingdom winning the war, as the result of their common military and political strategy. Although without much success, until the end of the war, the NDH press would continue to
discuss the disputes between the Allies in the case of Poland, Greece and Yugoslavia, in an attempt to convince the public of the validity of the Ustasha nation-building policies. (Sinovčić, 1998, pp 21-25) This argument grew in significance just prior to and after the Yalta conference.

In early 1945, the Yalta conference was the central foreign affairs topic in the NDH press. Of all the dailies in the NDH, Hrvatski narod dedicated the greatest number of articles to the announcement of the conference between the “Big Three” and the commentaries on the decisions from Yalta – as many as 19 articles in 37 issues (1241 to 1278), printed from 23 January to 7 March 1945. The announcement of the conference was positioned either on page 6 or on the back cover (page 8, 10 or 12), while the analyses of the Yalta negotiations were published on the front page.

Sarajevo’s Novi list published the first announcement of the possible conference in Yalta as early as 8 January, in issue No. 1120, on page 2, under the title Trojni sastanak radi rješenja pitanja, koja se ne mogu riješiti. However, by 24 February – when Yalta was mentioned for the last time – eleven articles were published, usually on page 2 or 3.

Of all the weeklies, Spremnost dedicated the largest amount of space to analyzing the conclusions from Yalta and their repercussions on the NDH. This is confirmed by six articles, mostly taken from the neutral press, which were published in the column Odjeci iz svijeta, from No. 156 of 11 February to No. 165 of 15 April; and editorials by Milivoj Magdić entitled Nakon Krime (4 March 1945), Spremnost No. 159, p 1, and Vjera u Hrvatsku (15 April 1945), Spremnost No. 165, p 1.

The Investigative Bureau of the NDH’s Ministry of Foreign Affairs dictated the contents of the NDH press. In the weekly overviews from European press (mostly neutral and German) by the Investigative Bureau, materials were prepared for print, which reported on Stalin’s wise policies, his postponing of the conference until the opportune moment struck on the East Front, and the increasingly favorable situation for the Soviets in the negotiations with the Polish government in exile. They stressed the negotiations focused on the location and the date of the second conference of the Big Three, which were, it was interpreted, dominated by the Soviets. This was the setting in which the NDH press was given the task to comment on the preparations for the conference of the Big Three in Crimea. (15 January 1945), Swiss press overview, HDA, the MVP Fonds – Investigative Bureau, Box 28, No. 823.

Following the guidelines of the MVP, Hrvatski list and Sarajevo’s Novi list revealed why the Soviet offensive had begun simultaneously with heavy combat in the West, which had obviously weakened American and British forces. It had primarily been motivated, they explained, by Stalin’s desire for the Soviets to be the sole victors in the war on European ground, thus enabling them to unaccommodatingly impose the conditions of peace. This was the reason for Stalin to purposefully postpone the meeting with Churchill and Roosevelt, biding his time in order to gain on the battle field a better negotiating position, concluded Sarajevski novi list and Hrvatski list. (8 January 1945) Trojni sastanak, Sarajevski novi list (SNL) No. 1120, p 2. (9 January 1945) SNL No. 1121, p 2. (27 January 1945) Hrvatski list (HL) No. 22, p 2.

It is a fact that Stalin had no need of a political meeting in regard to Eastern Europe, since he was already in the process of accomplishing his goals on the battlefield. A stronger interest for the meeting was shown both by Roosevelt and Churchill. The former expected the Soviets to engage in warfare in the Pacific. (Although he had been informed in August 1944 of the construction of powerful nuclear weapons, and knew they might be ready for use by August 1945, it was uncertain whether this could result in the collapse of Japan.) The latter felt there was a danger in Bolshevism spreading across greater part of Europe, and insisted Germany was divided and France included as a major continental power. (SNL) No. 1120, p 2. (9 January 1945) SNL No. 1121, p 2. (27 January 1945) Hrvatski list (HL) No. 22, p 2.

Articles similar to these appeared in the NDH press without an answer as to what consequences the NDH might suffer if such scenarios were realized. The NDH press covered the Soviet military success and the glum future of Europe as if it did not include the end of Ustasha regime and the NDH. The shift in register would not occur before the very end of the war, in the final days of May 1945. In lieu with the Ustasha government Memorandum, the Zagreb newspapers, which were the only ones still in print in the NDH, openly advocated the values of Western democracies and sought the help of the USA and Britain against the JA.

The first news covering the negotiations of Allies on the Black Sea already appeared in early February in Sarajevski novi list (SNL): The lengthy Black Sea conference – Roosevelt, Churchill and Stalin hide their grand designs for the sake of Europe. Special attention was given to news from Stockholm, which alleged that Roosevelt revealed the plan to sack Germany and its industries, and take charge of their air force. (10 February 1945) SNL No. 1149, p 8. To gain plausibility, such news was generally taken from the neutral Swedish and Swiss press by the Investigative Bureau of the MVP. For example, in the weekly overview of the foreign press from early February, it was reported that the Allies would insist on the alteration of German borders, in order to defray the Soviets in the East and accomplish the desired Curzon Line. The compensation was to take place in the West, while Germany would waive East Prussia. (8 February 1945) Granice buduće Njemacke, Swiss press overview, HDA, the MVP Fonds – Investigative Bureau, Box 28, No. 844. For further details, see Rothberg, 1966, pp 86-97.

~ 40 ~
Soon thereafter, all newspapers in the NDH would cover the decisions of the Allies detrimental to Germany, as well as the trade with European territories, despite the fact that the Western Allies advocated the principles from the Atlantic Charter and the right of nations to self-determination, it was explained. The NDH press presented it as proof that Britain and the USA were abandoning the implementation of principles from the Atlantic Charter on the dictates of Stalin. Hrvatski narod, the leading political daily in the NDH, presented Croatian readership with attitudes from the German newspapers – Deutsche Allgemeine Zeitung, Völischer Beobachter and Zwölf Uhr Blatt – on the possible conclusions of the meetings. The dejected tone of German articles testified to a difficult military and political situation, and implied the imminent end of war. German victory was never mentioned, but speculations abounded on war damages, waiving parts of East Germany to the Lublin Committee, and the Allied protectorate over Germany. The meeting in Yalta was presented as a high-scale fraud, and the Allied principles were likened to Wilson’s Points, which had doomed the Weimar Republic. (4 February 1945) HN No. 1252, p 12.

Commenting on the significance of the tripartite conference in Yalta, on 17 February 1944 Sarajevo’s Novi list printed a propagandist message from Germany: The tripartite conference is disappointing. The end of war is nowhere in sight. Germans will continue to fight for their lives and existence. (17 February 1944) SNL No. 1155, p 3. More specific news on the Yalta negotiations appeared in Novi list in late February, which published parts of Churchill’s report to the House of Commons. After the collapse of Germany, Novi list cited, his report had announced the Allied occupation of German national territories and the foundation of an institution which would succeed the League of Nation, and whose constituent assembly was to take place at a new conference in San Francisco. (28 February 1945) SNL No. 1164, p 1.

In mid-February, in order to prove the great danger posed by the Soviets, not only for Eastern and Southeastern but Central Europe as well, HDU (Croatian News Office) Croatia included in their Working materials for the production of articles a German report which would serve as a model interpretation of the Soviet imperial politics in the NDH press. The Soviets had, the report said, put their dominant military and political position to excellent use in realizing their imperial plans. The Soviet Union, it was said, was the leading world force, which was confirmed both by the place of the Allied conference, and by the complete autocracy with which the Soviets promoted their political and territorial advances. By the wise use of politics, it was concluded, Stalin had completed all the preliminaries to form an all-Slavic union under the Russian flag, which had already been joined by Bulgaria, Macedonia, Albania and Yugoslavia. Pending was the finalization of a pro-Soviet Central-European union which was supposed to include Hungary, Austria, Czechoslovakia and Poland. (Tri velika saveza država pod sovjetskom zaštitom. Working materials for the production of articles, HDA, Fonds of HDU Croatia, Box No. 94) This was another piece of evidence aimed at convincing the NDH public that Croatian people were threatened by a recently forming association under the wing of the USSR. On the Pan-Slavic Committee and Soviet influence on Slavic nations in Europe see Dilas, 1990, p 376.

More detailed information on the results of the Allied negotiation in Crimea was presented to the readership by the publication of Roosevelt’s report to the Senate and the Congress in Sarajevo’s Novi list on 3 March 1945. The conference had had, it was mentioned therein, two purposes; namely, to ensure the political and strategic prerequisites for the present collapse of Germany, with the least losses incurred, and to secure lasting peace through international contracts. Accordingly, the decisions at the conference were as follows: unconditional surrender of Germany, without the purpose of annihilating the German people; temporary post-war supervision of Germany by Britain, the Soviet Union, France and the USA; and German obligation of war reparations. (3 March 1945) SNL No. 45, p 1. The statement of the Big Three further envisioned, as reported by Hrvatski narod, the annihilation of all German weaponry, the prohibition of nationalist parties, the supervision of German industry and the persecution and conviction of war criminals. It was also announced that post-war Poland would be organized and the Yugoslav state formed. (13 February 1945) HN No. 1259, p 1.

It was telling that Sarajevo’s Novi list and Hrvatski narod published the conclusions from Yalta without a tinge of propaganda. One of the reasons was that the decisions of Allies pertaining to Germany were partially applicable to the NDH as well. This aimed at producing fear in the Croatian public and painting the picture of what the vanquished may expect at the end of the war. It almost seemed like an attempt to mobilize the citizens in the defense of a lost cause, a state with no future once the war ended. The attitude of the Ustasha upper echelons towards the Yalta decisions was expected at the end of the war. It almost seemed like an attempt to mobilize the citizens in the defense of a lost cause, a state with no future once the war ended. The attitude of the Ustasha upper echelons towards the Yalta decisions was a harsh criticism of the allegedly perfidious Allied policy of trading with the territories of European nations – Poles, Germans and Croats – in order to meet the interests of victors. The decision to fuse the government-in-exile of the Kingdom of Yugoslavia with Tito’s communist government received some of the worst negativity. Bogdan wondered about the missing principles of the Atlantic Charter and the right of nations to self-determination, as well as the aid given to the small nations by the Allies, alluding at the dubious survival of the Croatian state after the war.

The entire report reeks with the truth of Roosevelt, Stalin and Churchill not being able to give any promises to the

~ 41 ~
nations of Europe. They are satisfied with threatening Germany and announcing the conference of the united nations in San Francisco… In the meantime, they reiterate the maxims of the Atlantic Charter on the necessity of inner peace and giving aid to the freed countries. Unfortunately, we Croats had the opportunity to experience all the benevolence of such aid in some of our territories temporarily freed from partisans. It mainly consisted of starving our people on the coast and killing any thing Croatian which opposed the violence, disorder and anarchy brought about by the Bolshevist democracy. (13 February 1945) HN No. 1259, p 1.

Following the usual pattern, a more subtle approach to the Crimean decisions was offered by Spremnost. Its columnist Milivoj Magdić wrote a positive review of Winston Churchill’s speech before the House of Commons and Roosevelt’s New Year message. Special attention was given to their care for the active implementation of principles from the Atlantic Charter, or the realization of the rights of every nation to self-determination. Nevertheless, Magdić concluded that Yalta had not resulted in the desired improvements, other than the confirmation of general guidelines, which put the smaller nations of Europe into risk. He lauded Churchill’s statement that England would, once the war ended, seek solutions for free and unhindered democratic elections, but he reminded his readership of the problem with the state of Poland and unfulfilled obligations by the British. The problem, Magdić said, was that the British ideas of freedom and democracy differed considerably from the Soviet ones. He therefore repeated a rhetorical question put to Churchill by a British journalist:

Should we understand the problem of Polish freedom in the manner of their being as free as we are in England, the United States and France, with their government unhindered, or will they become nothing more than a Soviet protectorate, forced to accept the totalitarian communist system against its will, through the superiority of arms? (4 March 1945) Nakon Krima, Spremnost No. 159, p 1.

The author brought up the Polish question in his article, while actually thinking of the NDH and its post-war status. It would be determined by the superiority of arms, instead of the idealist principles of the Atlantic Charter, as if the value system of Western democracies was applicable to a German war-time puppet state, the Ustasha Croatia. Magdić considered Churchill’s and Roosevelt’s opinions on freedom, democracy and the right to self-determination fine and commendable, which was a significant move away from the previous Ustasha rhetoric. He was, however, aware that the conquered would not have the right to choose; in Southeastern Europe the Soviets would have the last say along with Tito’s partisans, or, as he called them, the Bolshevist branch. Therefore, since Germany could not win, he rooted for the victory of the Western Allies. (15 April 1945) Vjera u Hrvatsku, Spremnost No. 165, p 1.

Spremnost, which had written about the Western democracies in a more benevolent style since Tehran, quite openly advocated the strife between the Soviets and the Western Allies, although the scenario was unrealistic. It was a propaganda strategy devised by the Ustasha government and influenced by Germans at the end of war. Such propaganda was specifically directed against the Soviets, with the desire to end the Alliance between the USSR and the Western Allies. Magdić said, was that the British ideas of freedom and democracy differed considerably from the Soviet ones. He therefore repeated a rhetorical question put to Churchill by a British journalist:

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It is paradoxical for Magdić to refer to the principles of the Atlantic Charter as if the German project of Neue Europa was founded on the values of Western democracies. Poland and the Ustasha Croatia had nothing in common, and the post-war destiny of Poland was largely determined by the German occupation and their secret agreement with Stalin from 1939. The NDH was a product of war, the product of German and Italian volition, and the Ustasha regime was the signee of the Tripartite Pact and belonged to the Axis forces. (Jelić-Bušić, 1977, pp 61 and 85) The value system which the Ustasha government constructed from 1941 to 1945, modeled on the Nazi Germany, was incompatible with the program of the Atlantic Charter or the UN Charter. The assumption that Germans respected the rights of the smaller nations was invalid. The Nazi Germany occupied the greater part of Europe by the use of military force, abolishing some states and creating new ones. In the occupied states, it set up either its own government or the pro-Nazi regime, as was the case in the NDH, Slovakia and Norway. Apart from Poland, Eastern and Southeastern Europe did not hold much significance in the Allied negotiations. Issues discussed by the Allies generally focused on their military alliance and the collapse of Germany and Japan, along with war reparations and the division of Germany as the war drew to its end. Both Roosevelt and Churchill were aware they would have little influence on the post-war formation of governments in the territories
liberated by the Red Army. In the case of Yugoslavia, where the Resistance played the key part in the liberation of the
country, the formation of government was left to Tito and the government in exile, as per the Soviet-British agreement on
the 50/50 division of the spheres of influence. However, the post-war scenario in Yugoslavia, which was little to
Churchill’s liking, was the result of the military and political dominance of the NOVJ (People’s Liberation Army of
Yugoslavia) under the KPJ (Communist Party of Yugoslavia) rule. (Jakovina, 2005, p 176; Reynolds, pp 102, 148-150)

In the NDH press, Yalta was connected to the beginning of the Cold War, although without the slightest justifi-
cation. The wartime events of 1942 and 1943 on the Eastern front, the Tehran conference and the Churchill—Stalin
meeting in Moscow in (October) 1944 had determined the fate of Eastern Europe and the Soviet dominance much earlier
on. In the meantime, Stalin was declared victorious, the USSR a leading world force, and Britain, quite unfounded, a
crumbled empire. The message to the Croatian public was that the Ustasha fought on the right, Anti-Bolshevik side, and
that it was expected the Americans and the British would soon fight the Soviets. This was the context in which World War
III was predicted. The Alliance between the USA, the United Kingdom and the USSR was not shaken in Yalta, as the
NDH press wrongly interpreted. In the Crimian negotiations, all the participants both gained on one and lost on the other
side, but their firm determination to military, politically and even economically destroy the Nazi Germany – which,
especially, included the NDH – was only strengthened.

Roosevelt managed to get Soviet consent for the formation of the UN and the Security Council, which American
diplomacy considered a major step towards the creation of international security and post-war cooperation of the great
forces. He also got the Soviets to assent to enter the war against Japan as soon as Germany capitulated. In return, Stalin
received territorial concessions in the Far East, a part of Sakhalin and the Kuril Islands. Churchill ensured the
participation of France in the division of Germany and equal participation in the Commission which would organize the
governance of the post-war Germany. With American support, he also managed to thwart the imposition of excessive war
reparations to Germany, preventing the Soviet request for the quantification of war debt. (February 12, 1945, Joint
Communiqué On Crimea Conference, Reynolds, 2007, pp 116-123; Rothberg, 1966, pp 86-97) In addition, trying to
prevent the formation of the communist government in Yugoslavia, Churchill wanted to accelerate the implementation of
the Tito—Šubašić agreement in Yugoslavia. He meant to expedite the formation of the Provisional Government of the
DFJ (Democratic Federal Yugoslavia) and expand the AVNOJ (Anti-Fascist Council for the National Liberation of
Yugoslavia) with members of the last Yugoslav Assembly which had not been compromised by collaboration with the
enemy – which was among the Crimean conclusions.The original form of the Yalta decisions was available to the
Newspaper Department of the GRP (Head Office for Propaganda) from 12 February, when HDU Croatia reported Tasso’s
news from Moscow. The data was, however, used partially and their context was changed in accordance with needs of
the Ustasha political propaganda. (Izvješće o krimskoj konferenciji; izjave triju savezničkih vodja; Working materials for
the production of articles, HDA, HDU Croatia, Box 94)

4. San Francisco – San Fiasco

The great Allied conference in San Francisco (Encyclopedia of the Nations, The making of the United Nations, United
Nations web edition), to which the NDH press dedicated a significant amount of space, would mark the unresolved
dilemma from Yalta, stated the overview of the neutral press of the MVP’s Investigative Bureau. The problem was in the
interpretation of the terms “democracy”, “democratic elections” and “democratic state” due to which, the overview said,
the international problem in the form of Poland had already escalated, leading to the problem of Hungary, Romania and
the Baltic states. Unlike Western Allies, the Soviets interpreted democracy as the autocracy of a communist party, which
the regime press of the NDH used as the leitmotif on the San Francisco conference.

The formulation of Yalta conclusions was acceptable for the Western Allies, claimed an MVP report of 20 March
1945, because they had not clearly observed the Soviet political plans for Eastern and Southeastern Europe. The
American and British attitude was that the main role of the Soviet Union in 1945 would be to finally end fascism and
Nazism, and to help the liberated countries in creating a new democratic Europe, free of any form of fascism. However,
the report concluded, the Soviet realization of the Crimea conclusions in Eastern Europe was diametrically opposed to
British and American expectations, and represented a new form of imperialism, justified by the will of the freed nations.
(20 March 1945) Mala razmimolaženja među saveznicima, Swiss press overview No. 881, MVP Fonds – Investigative
Bureau, Box 28.

In line with instructions by the MVP’s Investigative Bureau, Hrvatski narod dedicated the entire editorial on 4 April
1945 to the forthcoming council in the USA, warning about the unsettled accounts between the Allies from Dumbarton
Oaks and Yalta. Even prior to the council, it was said, Stalin had managed to undermine the results, or the future of the
United Nations. He ensured his right to veto in the Security Council, and it was supposed he had done the same in the
Assembly of the League of Nations. The Soviets, it was continued, were using their victory on the battlefield in a political sense, to form the governments in Hungary, Poland, Finland and Bulgaria by force. The right to veto also enabled the Soviets to partake in military activities along the USSR border, without any fear of an intervention by the international organization for peace and security. For these reasons the San Francisco meeting was doomed to failure, Hrvatski narod concluded. (4 April 1945) HN No. 1300, p 1.

Finding fault in advance with the outcome of the San Francisco meeting, Hrvatski narod published news from Swedish papers Svenska Dagensbladet to promote its negative forecast. Accordingly, the greatest problem before the sessions even started was the number of votes given to each of the great forces, and whether the USSR had the right to a larger number of votes than Britain and its dominions. Stressing the problem of Poland, on the basis of commentaries from the Portuguese Voz and the English Daily Mail, special attention was given to the fact that the Allies had agreed to the Soviet request to exclude the Polish government in exile from activities in the League of Nations, and that Stalin had openly asked for Poland to be represented at the international conference by the Lublin Committee. Hrvatski narod warned there was a substantial divergence of opinion which could, in the long run, have repercussions on international relations and the flipside of the post-war world. The stumbling block, it was said, were the two diametrically opposed ideological positions of the Western Allies and the Soviet Union: Because, while Western nations claim the world should become democratic, the Bolsheviks cultivate the worst form of state totalitarianism.

Quoting the Daily Mail in its commentary on the anticipated conference in San Francisco, Hrvatski narod reintroduced the problem of small nations and the right to veto which was seized by the great forces: Smaller states are disturbed due to the right of veto in the council of security, by which the great five have reserved the right of decision-making, and also due to the lack of any mention of morality, justice or law in the decisions of the said council. Referring to British sources, Hrvatski narod came to the ironical conclusion that it would be tragic if the lack of consensus within the Allied ranks turned the San Francisco conference into San Fiasco. (6 April 1945) Sastanak u San Franciscu, HN No. 1302, p 1.

On the basis of the new values, promulgated by the Atlantic Charter, Novine deemed unacceptable not only the concept of the veto but also the requests made by the USA and the USSR for the multiplication of their votes in the Assembly of the League of Nations. (3 April 1945), Novine No. 181, p 1. In its article Saveznici kompleksi, Zagreb weekly Spremnost also broached the issue of veto and regretfully concluded that the concept of post-war world did not significantly differ from the earlier policies which had been based on power and military force. The perk of veto wielded by the four or five permanent member states, Spremnost concluded, lessened the significance of smaller nations in Assembly of the League of Nations, reversing the tide of history to the starting point. (15 April 1945) Spremnost No. 165, p 5.

5. Conclusion

During the final months of the war, the NDH press gave its best to prove there was strife between the Allies and that the joint warfare of the USA, Great Britain and the USSR was absurd. It was an important propaganda task for the Ustasha regime. There was an attempt to create an impression in public that the Allied Forces were dissolving, due to which there was a need to mobilize human and material resources in the strife against communism. In the Ustasha ranks it was believed that such a development would aid their foreign policies, opening the possibility of negotiations with the Western Allies. These beliefs constituted a significant argument for the post-war fate of the NDH. The hope, expectedly, turned out to be unreasonable since Germany and its satellites had already lost the war. An imaginary separate peace was a utopia for the NDH, since the Allies had previously agreed in Moscow that the Ustashas would appear before the courts of law of the DFJ, the already restored state of Yugoslavia.

During February, March and April 1945, the dailies Hrvatski narod, Sarajevo’s Novi list and Hrvatski list would dedicate a large number of articles to disputes in the Allied ranks. As a rule, Hrvatski narod used to publish articles covering such issues on the front or back cover (the latter being page 6 or 4). In the final four months, in exactly one hundred issues – from issue No. 1225 on 3 January 1945 to issue No. 1325 on 5 May 1945 – there were 44 articles published. This means that the editors of Hrvatski narod dedicated a significant amount of space to the Allies and their conflicts nearly every other day. Hrvatski list was in circulation until mid-April 1945 – from issue No. 1 on 3 January to issue No. 73 on 7 April – and published 24 articles on the subject, usually on the cover or page 2. Sarajevo’s Novi list published 17 articles, mostly on pages two or three, from issue No. 1119 on 6 January to issue No. 1188 on 28 March. These articles predicted the imminent dissolution of the Allied Forces, World War III and the apocalyptic future of the world.

The Ustasha propaganda could not offer a viable solution for the NDH, but spitefully lamented the disputes among
the Allies, offering explanations for Croatian alliance with Germany. The goal was to prove to the NDH public that the Soviets had played their Allies and were using the war against Germany to propagate communism in Europe. It was also the reaction of the Ustasha propaganda to the Tito—Šubašić agreement, the association of the NKOJ (National Committee for the Liberation of Yugoslavia) and royal government in London, and to the acceptance of Yugoslav communists by the Western Allies. The new Yugoslavia, however, would prove the strength of alliances between the USSR and the Western Allies, since their war strategy – aimed at the final victory over Germans – was more important than even the most significant political disputes. Validating communists led by Tito was not a problem for Churchill and Roosevelt, but a military and strategically viable move, and an acceptable political situation for the restoration of Yugoslavia. In this concept there was no room for the NDH and the beaten Ustasha ideologies.

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Labor Market and Managerial Reform in the Albanian Civil Service, Improvements in the Status of Civil Servant under the Recommendations of the European Union

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Abstract
The purpose of this paper is the study of employment and identification of gaps in the legal framework of the statute of Civil servants in Albania. This paper examines the question: Why labor market in Albania is left in neglect, why the Albanian public administration employees are not protected? Can a worker be protected by a legal framework away from the political change? This research paper will be focus on economic and legal aspects by comparing them. The paper tends to analyze theoretical and practical perspective modeling the best western Knowledge in human resources in general, since their reformation and consolidation will affect the growth of efficiency and effectiveness of public administration. As the Albania is a candidate that aims the membership in the European Union, the brunt of this integration process will be handle public administration. The purpose of this paper is to understand the administrative reform in the context of integration in the European Union as a link to a European space. How is being structured the Public Administration and which path should be followed for an effective reform. For this reason reformation of the relation of civil servants were given a special priority by the state. The study will focus on analyzing the current situation of civil service status, how it applies in the administration and how responsible are the institutions that are involved in the field of law enforcement for the well-functioning of the law "On the status of a civil servant." Aiming at improving the current situation and increase the scope of the law of civil service status also for other institutions.

Keywords: civil service, civil servants, recruitment, training, legal aspect, the Civil Service Commission

1. Introduction
The Albanian Government has undertaken a multifaceted reform, in this context the civil service reform has a primary role as the human resources, because they are not only one of the factors of the existence of any organization but they are also one of inspiration and "creators" of others factors, for reason the attention and investment in human resources should constitute the priority issues of reforming policies. Creating a stable civil service, motivated and above all professional and able to withstand the development and integration challenges of the country is at the center of the agenda of public administration reform. Reform is not just change the law. Reform is primarily a very different spirit. This can be ensured through a recruitment based on professional intellectual merit, guaranteeing the rights, stability and motivation of civil servants and permanent and continuous improvement of human capacity. The civil service should be formed as an institution that requires its members a specific degree of professionalism and integrity, and good knowledge of administrative law and constitutional. The most important element of this reform in the public sector is the incentive related to the reformation of the public administration.

This process is necessary to face the challenges and to have better services with few sources possible. The public services are oriented by the input. The structures and the organizational procedures are created in order to involve the employees and need efforts and contribution from them. In the public service department the results are considered as a product of the efforts and staff's capacities. The requirement of these results is lead by an inspirational vision, which is a clear mission and has some strategic aims, and these aims are transformed in objectives which aim to improve the performance.

The market in Albania is full of low cost, high quality real estate for sale. There are literally thousands of brand new, great value apartments, houses and offices on sale now at unbelievable prices. Even in the best locations, such as the capital Tirana, or the coastal metropolis of Durrës there are fantastic bargains to take advantage of when it comes to

~ 46 ~
buying Albanian real estate. From rural homesteads, to palatial urban apartments, there’s property for sale in Albania to suit the needs of every potential investor, all at prices that can’t be beaten – not even in neighbouring countries. Property in Albania is great value beyond belief!

Having long been overlooked by investors, Albanian properties are now beginning to be snapped up by savvy foreigners looking for a good deal. Albania is a rapidly developing economy, on the path to European integration, and as such is a safe bet for a healthy return on your investment. The state is responsible for a professional public administration, impartial and efficient that enforces the law. In this sense, a good civil service legally drafted and managed system enables the state to achieve adequate standards of continuity, and quality public services.

1.1 Legal regulation of civil service status in Albania

The Constitution of the Republic of Albania in Article 107 provides that "public officials enforce the law and are at the service of the people. Servants in public administration are selected by competition. Guarantees of tenure and legal treatment of public employees are regulated by law." One of the 12 fundamental priorities, according to the European Commission’s Opinion of 2010, Recommendation 61, addresses public administration with an emphasis on civil service. It also highlighted the need to improve the civil service in law enforcement, reducing the politicization of public administration, the need for improvement in the area of wages, eliminating fragmentation of public administration, increase transparency, responsibility or accountability.

The signing of the Stabilization and Association Agreement is only the first step in the field of public administration reform in order to meet the standards of the Albanian public administration at the level of the European Union requirements. This necessarily requires professional civil servants, which guarantee the independence, integrity, transparency, the principle of service to the public, but also these civil servants deserve the respect of the rights provided for in the legislation field and if the latter were violated can be protected and restored by special organs of state. Today in our country there is a large number of laws and bylaws on the basis of which is set up and functions the Albania Civil Service. Existing legal framework took into account the experience of several European Union countries who have limited scope of the concept of civil service in the so-called "core public administration". Law no. 8549 11.11 1999, "civil servant status" is repealed by Law Nr.152 dated 01.10.2013 "On the Civil Servant", was published on June 7, 2013 in the Official Journal.

2. Literature Review and Hypotheses

In many countries of Europe the public sector is going through a deep reformation. Improving performance, better services, and time spent on the assignments realization, the responsibility and the effectiveness of the programs and public services are very important to everybody, for the persons who offer these services and for the ones who receive it. But there are a lot of political, bureaucratic and technical hindrances that affect the performance of the Public Administration.

This law comes into force on 1 October 2013, its effects begins 6th months after entry into force. As at the date of commencement of the effects of this law apply the law 8549, dated 11.11.1999, "Civil Status". The law regulates the legal relationship between the state and civil servants and establishes rules for the administration of the civil service. The new law clearly defined scope and categories to be treated as a civil servant. The law regulates the relationship of the civil service by providing provisions for the rights and duties of employees, which is expanding the scope of rights and mentioned explicitly, the right to strike, the union membership and political.

It also regulates admission to the civil service categorization depending on positions that were made, in this way is regulated the lateral and promotion. Innovation of the new law with regard to institutions that create it provides relevant competencies are the creation of the School of Public Administration and Supervision Commissioner for Civil Service. An important provision of the new law is the transformation of the Civil Service Commission by a collegial body in an institution monocratic also reviewing its powers, passing the examination of complaints of civil servants from the Civil

1 Plani i Veprimit për Plotësimin e 12 Rekomandimeve të Opinionit të Komisionit Evropian për Shqipërinë gjendet në http://www.mie.gov.al/
2 Ratifikuar me Ligjin Nr. 9590, datë 27.7.2006 “Për ratifikimin e 'Marrëveshjes së Stabilizim-Asocimit ndërmjet Republikës së Shqipërisë dhe Komuniteteve Evropiane e shtetev te tyre anëtare”
3 Botuar në Fletoren Zytare nr. 95, datë 7.06.2013, faqet 3952-3976
4 Shkolla shqiptare e Administratës Publike parashikohet vetëm në një të ligjit të ri për nëpunësin civil, në nenin 8, i Ligjit nr.152/2013
Service Commission to the administrative courts.

2.1 EU-clauses in the reform of Public Administration.

H1 Has the Albanian Public Administration undergone changes under the process of integration?

H 2 Are protected on a legal and administrative framework the Albanian human resources, that can be effective in the future strength of Albanian integration in the framework of EU?

At the beginning of the ‘90 the role of the Albanian state was modernized, and was stimulated to economic improvement and to conceal social injustice. Small hydro is gaining ground across the Balkans. The small (municipal) Albanian investor is looking for medium-size hydro and dam companies who know how to tap special funds. (Quinn, R.E. Spreitzer, G.M)

This has been traditionally the arena of big players such as Siemens with specific staff to handle the World Bank, the European Investment Bank and the EBRD. The Balkans show small funding is happening. Brussels and USAID also have small technical funds in the agricultural sector which can mesh nicely with reservoir building for irrigation and domestic water projects. American banks are also very active in Albania. (Dumi A JERM 2012)

The performance evaluation is a process that makes the employees reflect, discuss and change their working methods. During the process the individuals can change their working methods and there may be changes even in their behavior. At the institutional level the process enables the systematic collection of data about the individual's performance.

3. Methodology and Research Goal

The extensive use of reservoirs for fish production as part of food security is expanding exponentially. There is a market for expertise on protecting big volumes of fish at the turbines, as well as fish ladders and other bypass schemes. (Quinn, R.E 1989) Reservoir stocks for the market attract EU funding and may be worth tens of millions of Euros. Food ministers want clean river basin waters reaching the sea which will not damage high value shellfish beds and fish breeding grounds.

The methodology used has passed the following phases:
1. the impact of the integration process in public administration
2. Analyse of the current legal framework, which has undergone changes and challenges facing.
3. Highlighted improvements in civil statutesin respective officers on the recommendation of the European Union

3.1 Data and methodology of study in this paper research

This article was made created by respecting all the methodological rules. The methodology of this article was based in two parts: Studying the foreign and Albanian literature, bibliographic studies, collecting data from official sources as MOE, ISKSH Albania, MOH, DHR Resources and from different publications such as magazines. And practicing, which is related with the interviews with leaders and employees of the Public Administration. To collect the data for this article we made interviews, questionnaires and other researches. We created also a questionnaire, which was composed by 130 questions and 5.8% of the employees in the central level of the public administration answered. We are concluding in these seven key factors for success, such as:

- A dynamic local government leadership
- A coherent strategy acted upon with determination
- A healthy climate of cooperation with business
- Local government's investment initiatives to jumpstart the stagnant economy
- Creative use EU funds to implement local policy
- Efficient municipal administration

No manager who is prone to both ulcers and accepting verbal statements at face value belongs at the labor relations bargaining table. Negotiations often begin with the union representatives presenting a long list of demands in both the economic and noneconomic (for example, administrative clause) areas. To naive management, many of these

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5 Neni 71, pika 3, e Ligjit nr.152/2013, datë 30.05.2013
avowed labor goals seem at best unjustified, and at worst to show a complete union disregard for the continued solvency of the employer. Although extreme demands, such as a new golf course and free transportation in company cars to and from work for all employees, are rarely taken seriously, the management negotiators may be asked for economic that are well beyond those granted by competitors and noneconomic ones that exhibit a greater use of vivid imagination Staw, B.M & Ross, J. Journal of Applied Psychology, 1980, 65(3), 249-260.

An overview of the status quo in the countries of Western Europe provides an overview of solutions, different models, to facilitate the achievement of these objectives. In some EU member's states, most state employees have civil servant status. This means that they are governed by a civil service law and its secondary legislation, and not by the total labor laws establishing minimum standards for contractual relations between employees and employers in the private sector. This happens in Belgium, France, Greece, Ireland, Netherlands, Portugal and Spain. In other states, only a part of the permanent government employees have civil servant status. Those who are not civil servants are regarded as simply a profession in the public sector of the economy, or within the public services financed from the state budget.

3.2 The role of the Albanian School of Public Administration in the creation of a stable civil service and professional

The Albanian School of Public Administration has replaced the Public Training Institute and has the same powers. In collaboration with institutions of central and local public administration will be conducted trainings for civil servants. ASPA is currently projected to be under the Ministry of Interior, but has administrative autonomy and autonomy in determining the curriculum of training programs and training. It aims the professional training of public administration officials. According to the Council of Ministers for ASPA-n bodies are:

a. director;

b. consultative board, which is an advisory organ of the ASPA and consists of general secretaries of all ministries, the director of the Department of Public Administration, two representatives from local government associations and two representatives of the University of Tirana, appointed by the rector of this university, with ASPA's request. Ministries and other institutions of public administration set up in June of each year, the need for training for their employees during the coming year, which shall submit to action ASPA's. Director of ASPA's categorized as a civil servant.

Tab 1: Long term characterized and short term perspectives.

Source: Dumi A, MJSS, Nr 3 2012

An important provision of this decision is forecast to employee involvement transitional TIPA in ASPA's organization chart for 2013, without making substantial changes except change in the designation of job positions, where the term 'Training Institute of public Administration' is replaced with that of 'Albanian School of public Administration'.

Law is enriched in terms of predictions ASPA programs that offer. Thus, ASPA has a duty to provide professional training through the inclusion of the following programs:

a. thorough training program,

b. continuous training program,

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6 Vendim i Këshillit të Ministrave nr.220, datë 13.02.2013, Fletorja Zyrtare Nr.54, "Për krijimin dhe funksionimin e Shkollës Shqiptare të Administratës Publike dhe trajnimin e nëpunësve të administrates publike" 

7 Pika 6 e Vendimt të Këshillit të Ministrave nr.220, datë 13.02.2013, Fletorja Zyrtare Nr.54, "Për krijimin dhe funksionimin e Shkollës Shqiptare të Administratës Publike dhe trajnimin e nëpunësve të administrates publike"

8 Vendim nr.461, datë 30.05.2013, "Për disa ndryshime dhe shtesa në Vendimin nr.545, datë 11.08.2011 të Këshillit të Ministrave " Për miratimin e strukturës dhe nivelet të pagave të nëpunësve civilë, nëpunësve, zëvendësinministrë dhe nëpunësve të kabineteve në Kryeministrin, aparatet e ministërve të linjës, administratën e Presidentit, Kuvendit, Komisionit Qendror të Zgjedhjeve, Prokurorinë e Përgjithshme, disa institucione të pavarura, institucionet në varësi të Kryeministrin, institucionet në varësi të ministrave të linjës dhe administratën e prefektit"
Also, ASPA offers the possibility of preliminary preparation of candidates to take part in the open competition for executive category, and carries towards the tariff studies and publications in the field of public administration. ASPA's students, selected from civil society, business, or individuals outside the civil service are obliged to pay the fee.

4. Improvements in the Status of the Civil Servant According to the Recommendation of the European Union

We live in a time when Albania is making efforts to obtain candidate status for membership in the European Union. EU membership requires respecting the acquis communautaire. To do this effectively public administration should apply the general principles of good governance and to meet administrative standards set by the European Union\(^9\). The implementation of the acquis in the administrative direction is a matter of resources and capacity within the relevant sector and not only. The overall system of governance in a horizontal candidate must meet the requirements of the European Union since these depend on the functioning of the administration. Successful implementation depends entirely on governance structures and system that is built for this purpose, as are the procedures for administrative actions and mechanisms that guarantee performance of civil servants in accordance with EU standards.\(^{10}\)

Public administration reform has been for the past two years among 12 priorities set by the European Union. Formally, this condition is fulfilled by the new law on civil service. We say nominally, because law, must first enter into force, the second should be monitored and analyzed implementation and its effectiveness in practice in order to reach a certain conclusion regarding the Albanian public administration reform as meets professional civil service, sustainable, politically neutral, based on merit and job seekers are drawn to Albania because of the motivational elements of labor relations in this service.

In Tirana sustained population growth since 1991-1999 led to rapid expansion of the urbanized area, resulting in the proliferation of informal settlements. With an estimated population of 575,000 in 1997, 6,500 families were seeking new housing each year. Local government, even with central transfers, could accommodate only five percent of the demand for new infrastructure.

Supported by donor assistance and international and local NGO's the city initiated a community-based development strategy in the informal settlement. The program brought together local government teams, NGO's and residents to formulate a development plan for the neighborhood define priorities for improvements and determine equitable cost-sharing formulas to finance infrastructure. In 1992-1999, the city’s Urban Planning unit decided to initiate participatory process to rehabilitate and revitalize the districts. The process required an extensive outreach effort, involving consultations with every household.

Tab 2: Long term characterized and short term perspectives.

![Diagram](image.png)

**Source:** Dumi A, MJSS, Nr 3 2012

- The performance evaluation conditions the emplacement and the implementation of the standards as referential points. Emplacing standards would increase the responsibility for each post in the Public Administration and will help in monitoring the performance of the institution. Lack of access to land and the ongoing process of fragmentation of family holdings have led to widespread poverty, prompting out migration. To meet these daunting challenges, the canton democratized its planning and management procedures. This


process allowed the canton to build consensus, prepare a development plan, allocate municipal funds equitably leverage additional resources and improve infrastructure and living conditions. The participatory municipal management improve infrastructure and living conditions. The participatory municipal management process was institutionalizes ensuring representation of women and marginalizes groups.

The new law on civil service is expected to be adopted and enter into force, among which the most important provisions are:

a. Expanding the scope of the Civil Service Law,
b. The group recruitment closely related to the improvement of current methods of testing,
c. Creating the Troop of Senior Leaders in Civil Service
d. mobility,
e. exchange,
f. Transfer and replacement.

The new law aims to correct the flaws that have emerged in practice over 12 years implementation of Law No. 8549, dated 11.11.1999, "civil servant status." Thus, in terms of recruitment, the new law by organizing competitions for recruitment and retention of group recruitment results for two years aims to shorten the time of the recruitment of civil service position vacant - a competition, lower costs for the entire process from the publication in newspapers, given that throughout the recruitment process could also appeal, something that automatically interrupt continuity of the process. Also, the new law strengthens and increases expectations powers to implement the recommendations of the Commissioner of Civil Service Supervisors recognizing the right, as an administrative body, to impose fines to correct cases of lawlessness during the administration of the civil service in all institutions included in the scope of application of the new law.

5. We Recommended these Conclusions

This law brings several important innovations in the field of Public Administration:

First, it strengthens the unity and homogeneity of the regime of employment in civil service, includes in the regime of civil servants addiction institutions who were not seen, as well as local governments, bringing the number of administration employees who have civil servant status, from 6 thousand to about 20 thousand, starting from April 2014.

- It is necessary to plan and develop training for better recognition of existing law by civil servants, especially the human resources staff, should be taken into consideration changes in the law on local governments in order to achieve the connection between the new law and civil service organization and functioning of local government institutions.
- to try and manuals developed methodology for measuring the performance of the institution.
- The capacity of the civil service management institutions like the Department of Public Administration and Oversight Commissioner of the Civil Service should be strengthened.

1. Introducing participatory planning and community-based development processes through neighborhood development committees and street representatives working in partnership with the city
2. Creating an enabling environment for private investment
3. Empowering citizens to pursue their own self improvement
4. promoting privatization of the housing a stock and fostering the development of micro- enterprises
5. Ensuring the sustainability of activities initiated
6. Promoting the reliability of successful initiatives.

Albanian government will be reality these points:

- A dynamic local government leadership
- A coherent strategy acted upon with determination
- A healthy climate of cooperation with business
- Local government’s investment initiatives to jumpstart the stagnant economy
- Creative use EU funds to implement local policy
- Efficient municipal administration

~ 51 ~
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The Role and Importance of Private Accommodation Components: Evidence from Urban Mediterranean Tourism Destination

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Abstract

Despite the importance of private tourism accommodation there appears to be little theoretical and empirical research focusing on private accommodation components. The main purpose of this paper, which is carried out through the primary research of tourism supply and demand in the city of Dubrovnik as one of the leading urban tourism destinations in Croatia by using log-linear form of Ordinary Least Squares (OLS) regression, is to sustain that accommodation occupancy rate, as measure of willingness to stay, and price are not determinate by the same components of the private accommodation units. The results show that the accommodation occupancy rate is the real reflection of the tourists' preferences while the price is formed by owners' intuition. The findings can be used for further conceptual and empirical research into the tourism lodging industry contribution of private accommodation.

Keywords: private accommodation components, bed and breakfast, willingness to stay, OLS regression, urban destination

1. Introduction

Private accommodation is still in the pioneering phase of the serious scientific research, especially when it is compared to other forms of accommodation and in particular with hotel accommodation (Salò and Garriga, 2011). The reasons behind scientific inertia for this rather important aspect of tourist accommodation lie in the fact that there is a lack of information about its key features, functions and the success it has created. Private accommodation appeal to tourists because the properties are small and personal in nature – “home away from home”; have a quiet, private atmosphere, allow guests to become acquainted with new people and communities and typically provide extraordinary personal service (Nuntsu et al., 2004). Analysis of private accommodation, in a different context, has been the focus of many scientists' research (Warnick and Klar, 1991; Emerick and Emerick, 1994; Getz and Carlsen, 2000; Vasilevska-Nestoroska, 2001; Getz and Nilsson, 2004; Jeong, 2004; Hudson and Gilbert, 2006; Di Domenico and Lynch, 2007; Tinsley and Lynch, 2008; Alonso and Ogle, 2009; Cerović et al., 2009; Alonso, 2010; Chin and Lin, 2010; McIntosh et al., 2011; Petrić i Mimica, 2011; Chen et al., 2013; Li et al., 2013; Portolan 2012, 2013; Velvin et al., 2013) who carried research on terminologically different but from the ownership, structural and functional point of view the similar forms of private tourist accommodation (bed&breakfast, commercial home, family business, small hospitality business, second home). Lynch considers that the B&B sector is often a neglected part of the lodging industry (Lynch, 2005).

Towards the importance of private accommodation it is necessary to define which components determine the accommodation occupancy rate as well as the attributes of the utmost importance in shaping prices. The accommodation occupancy rate is examined from the demand side while prices are results of supply side.

As private tourism unit was observed as bundle of components, which is main hypothesis of hedonic function, hedonic function was used together with log-linear form of Ordinary Least Squares (OLS) regression.

The main question this research approached was: Is the price in private tourism accommodation unit result of its components which are of the main importance to the tourism demand? This research question has been explored for the case of the city Dubrovnik, one of the leading urban tourism destinations in Croatia.
2. Theoretical Background

The hectic lifestyle and lack of spare time in the place of residence have lead to the loss of quiet family life and family atmosphere prompting tourists to seek in the place of their temporary residence i.e. during holidays. As a consequence there is the continued growth in demand for quality, comfortable and fully equipped holiday homes, apartments and studio apartments, capable to offer the feeling of a home, togetherness and pleasure.

The term private accommodation originates from private ownership. Bronzan (2003) states that a much more acceptable term for private accommodation is private hospitality, for the simple reason since accommodation as a neutral word indicates roof over your head while hospitality has a significantly wider meaning and delivers the message that a much more personal approach is being offered.

Private accommodation is defined in the Republic of Croatia as an accommodation type of unit such as rooms, studio apartment, apartment, house for rent for leisure purposes, camping site within certain household area as well as the village type of house used for leisure activities, in which only accommodation is provided with a possibility of additional services such as breakfast, supper and so forth. In theory there is a uniform quality of private accommodation supply because most of the private accommodation units are three star units, while in practice the situation is quite different (Petrić and Mimica, 2011). Accommodation units within a same category are equipped differently which creates the need to carry out a more detailed analysis of the components influencing the overall accommodation price and accommodation occupancy rate.

Petrić & Mimica (2011) advocate the theory of social aspect in the realm of private accommodation, so to speak in its capacity as an extra income earner, the private earned income for an average Croatian household living mainly on the coast. They believe that this has marginalized this type of tourist accommodation. Portolan (2012) has looked at this issue from a diverse angle because this type of accommodation brings not only direct income to the owner of tourist unit but also has indirect implications in meeting indirect cost of some household goods and services in general and it directly influences purchasing power of the local population and improves economic prospects of the destination on the global map.

The joint conclusions of scientists who analyzed private accommodation issues (Warnick and Klar, 1991; Emerick and Emerick, 1994; Getz and Carlsen, 2000; Vasilevska-Nestoroska, 2001; Nuntsu et al, 2004; Lynch, 2005; Di Domenico and Lynch, 2007; Cerović et al, 2009; McIntosh et al, 2011; Petrić i Mimica, 2011; Portolan 2012, 2013) are that private tourist accommodation as an extensive and insufficiently utilized potential represents: a quality foundation for reduction of unemployment and social tensions in a local community through self-employment; utilisation of local resources and parallel protection of autochthonous products; reduction of hotel accommodation monopoly through faster adaptation, flexibility and innovativeness; realisation of new ideas, products and services; stopping population outflow; generating direct revenue for community members and avoiding the leakage of tourism revenue outside the region.

In private accommodation units in Croatia in 2012 a total of 21.2 million overnights were realized, which is 35% of total overnights (Croatian Bureau of Statistics, access on 02.12.2013). This statistical data clearly points out the importance of further research of this type of accommodation.

Authors who analysed the impact of different components on price in tourism industry has followed Rosen's (1974) original advice and mostly used hedonic pricing method with log-linear specification instead of the linear one (Espinet, 2003; Thrane, 2005; Thrane, 2007; Chen and Rothschild, 2010; Kushi and Caca, 2010; Monty i Skidmore, 2003; Juanedá et al, 2011; Saló i Garriga, 2011, Portolan 2013). Besides few authors (Monty and Skidmore, 2003; Fleischer and Tchetchik, 2005; Hamilton, 2007; Juanedá et al, 2011; Saló and Garriga, 2011; Portolan, 2013) who investigated the impact of components on price in different forms of private accommodation most of them researched hotel accommodation (Hartman, 1989; Carvel and Herrin, 1990; White and Mulligan, 2002; Espinet et al, 2003; Thrane, 2007; Hamilton, 2007; Andersson, 2010; Hung et al, 2010; Chen and Rothschild, 2010; Kushi and Caca, 2010). There is no author who has researched the impact of components in private accommodation units on occupancy rate.

3. Methodology

Since the tourist cannot create his own bundle of components he has to choose from a by default determinate number of multi-component bundles, i.e. from a number of private accommodation units with different components. This paper analysed private tourism accommodation as tourism product composed of a number of partial components which put together form an entity of products and services (Burkart and Medlik 1974, in Vanhove 2005; Hitrec 1995).

In this article a general model, in which the "product" of a given private accommodation unit F is the embodiment of a set of components, was employed (Espinet at al, 2003), so that
**Fi = (q_i1, q_i2, q_i3, ..., q_i k, ..., q_i m) (1)**

where \( i = 1, ..., n \) indexes private accommodation unit and \( q_k \) \((k=1, ..., m)\), each of its components.

The private accommodation occupancy rate is assumed to be a function of its components, so the hedonic function for \( F_i \) can be considered as follows:

**PAOR = PAOR (q_i1, q_i2, q_i3, ..., q_i k, ..., q_i m) (2)**

where the functional form of PAOR is assumed to be constant across units, though the contribution of each component may vary from one unit to another.

The overall price is also assumed to be a function of its components, so the hedonic function for \( F_i \) can be considered as follows:

**Pi = (q_i1, q_i2, q_i3, ..., q_i k, ..., q_i m) (3)**

where the functional form of \( P \) is assumed to be constant across units, though the contribution of each component may vary from one unit to another. This set of components determines the choices of consumers according to their utility. Therefore, the price of the goods can be broken down into the implicit prices of these components.

As Ordinary Least Squares (OLS) regression or the related log-linear form have in prior hospitality or tourism applications mostly been used to estimate this type of model log-linear specification for the accommodation occupancy rate function, as well as for the price function was used instead of the linear one.

### 4. Research

The study was conducted in Dubrovnik city which is situated in southern Dalmatia in Republic of Croatia and is one of the leading urban tourism destinations. It possess a number of key attributes that urban areas possess i.e. it draws tourists to its attractions because these are often much better developed than in other types of destinations; it is easily accessible through airports and scheduled services; it possess a large stock accommodation built to serve the business traveler and finally it appeals to a number of different tourists markets as it offers the communication, transport, services and facilities which meet tourist needs (Law 1996 in Edwards et al., 2008). It is the first largest city in Croatia according to the number of tourists’ arrivals and third according to the number of tourists' overnights (beyond cities Rovinj and Poreč in northern Dalmatia). In 2011 in the city of Dubrovnik total of 1138 providers of private accommodation were registered. The percentage of accommodation units in the sample corresponds geographically to the percentage in the total number of providers. A stratified sample was used based on geographical criteria and random choice of accommodation units. Total of 122 accommodation units were analysed, making 10.7% of the total number. The data were obtained from two Internet travel agents, Dubrovnik Apartment Source and Croatian Travel Agency and one portal (www.dubrovnik-area.com).

As the study of private accommodation occupancy rate and pricing is complex because of seasonality this research was carried out through the July and August when the largest number of arrivals and overnights in private tourist accommodation is realised, in order to avoid the problem of seasonality.

The assumption of this research was that the price and accommodation occupancy rate are functions of different attributes in private accommodation units. Regression techniques make it possible to estimate the implicit price and occupancy rate for each component.

Since the log-linear form is used in this study to correct heterokedasticity, \( \text{LNPAOR} \) is the natural logarithm of the number of occupancy days and a total of days ratio in July and August and \( \text{LNPRICE} \) is the natural logarithm of the monthly average price per person per night in July and August.

In line with the theoretical guidelines for selecting independent variables in hedonic theory (Andersson, 2000) the variable selection was based on the previous studies. Table 1 presents the final list of the explanatory variables considered in this model and their definition. Variable star rating category was excluded from the model since in Croatia assigned category is not reflected by interior design of a private accommodation unit nor price so it is often the case that a three star unit with low quality interior design is more expensive than that with four or five star rating with supreme design.
Table 1: Description of variables used in the log-linear OLS regression

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description of variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIVATE ACCOMMODATION</td>
<td>PAOR per private accommodation facility in</td>
</tr>
<tr>
<td>OCCUPANCY RATE July and August</td>
<td></td>
</tr>
<tr>
<td>LOG ACCOMMODATION PAOR, logged</td>
<td></td>
</tr>
<tr>
<td>PRICE</td>
<td>Price per person in main bed per night in €</td>
</tr>
<tr>
<td>LOGPRICE</td>
<td>Price, logged</td>
</tr>
<tr>
<td>LOCATION</td>
<td>Accommodation unit is located more than 500 m from the Old Town</td>
</tr>
<tr>
<td>PARK</td>
<td>Availability of free parking place</td>
</tr>
<tr>
<td>BEACHDIST</td>
<td>Accommodation unit is located more than 500 m from beach</td>
</tr>
<tr>
<td>SEA VIEW</td>
<td>Sea view from the accommodation unit</td>
</tr>
<tr>
<td>GARD/TERR/BALC</td>
<td>There is a garden, terrace or balcony in the accommodation unit</td>
</tr>
<tr>
<td>AIRCON/HEAT</td>
<td>There is air-conditioning and heating in the accommodation unit</td>
</tr>
<tr>
<td>SATTY</td>
<td>There is a satellite television in the accommodation unit</td>
</tr>
<tr>
<td>SAFE</td>
<td>There is a safe in the accommodation unit</td>
</tr>
<tr>
<td>DVD player</td>
<td>There is a dvd in the accommodation unit</td>
</tr>
<tr>
<td>SWIM/POOL</td>
<td>There is a swimming pool in the accommodation unit</td>
</tr>
<tr>
<td>Internet</td>
<td>There is Internet connection included in the price</td>
</tr>
<tr>
<td>DISHW</td>
<td>There is a dish washer in the accommodation unit</td>
</tr>
<tr>
<td>WASHIM</td>
<td>There is a washing machine in the accommodation unit</td>
</tr>
<tr>
<td>HAIRD</td>
<td>There is a hair dryer in the accommodation unit</td>
</tr>
<tr>
<td>IRON</td>
<td>There is an iron and ironing board in the accommodation unit</td>
</tr>
</tbody>
</table>

Source: Author

The results of the components impact on the price are taken from the authors' research with the same sample and variables published 2013 in European Journal of Tourism Research 6(1) (Table 2).

Table 2: Hedonic price function for private accommodation in Dubrovnik

<table>
<thead>
<tr>
<th>Location</th>
<th>Coefficients</th>
<th>Std. Error</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>-0.104</td>
<td>0.043</td>
<td>-2.430***</td>
</tr>
<tr>
<td>Parking</td>
<td>0.399</td>
<td>0.142</td>
<td>2.811***</td>
</tr>
<tr>
<td>Distance to the beach</td>
<td>-0.036</td>
<td>0.034</td>
<td>-1.052**</td>
</tr>
<tr>
<td>Sea view</td>
<td>-0.035</td>
<td>0.126</td>
<td>-0.281</td>
</tr>
<tr>
<td>Garden/terrace/balcony</td>
<td>0.272</td>
<td>0.135</td>
<td>2.017**</td>
</tr>
<tr>
<td>Air-condition/heating</td>
<td>-0.756</td>
<td>0.484</td>
<td>-1.564</td>
</tr>
<tr>
<td>SAT TV</td>
<td>-0.274</td>
<td>0.176</td>
<td>-1.576</td>
</tr>
<tr>
<td>Safe</td>
<td>0.038</td>
<td>0.216</td>
<td>0.176</td>
</tr>
<tr>
<td>DVD player</td>
<td>0.222</td>
<td>0.140</td>
<td>1.592</td>
</tr>
<tr>
<td>Swimming pool</td>
<td>-0.700</td>
<td>0.350</td>
<td>-1.998</td>
</tr>
<tr>
<td>Internet</td>
<td>-0.034</td>
<td>0.124</td>
<td>-0.265</td>
</tr>
<tr>
<td>Dishwasher</td>
<td>-0.003</td>
<td>0.159</td>
<td>-0.652</td>
</tr>
<tr>
<td>Washing machine</td>
<td>-0.245</td>
<td>0.120</td>
<td>-1.884</td>
</tr>
<tr>
<td>Hair dryer</td>
<td>-0.045</td>
<td>0.130</td>
<td>-0.349</td>
</tr>
<tr>
<td>Iron/ironing board</td>
<td>-0.118</td>
<td>0.153</td>
<td>-0.772</td>
</tr>
</tbody>
</table>

F-value: 7.083**
Adj. R²: 0.501
*p<0.1; ** p<0.05; ***p<0.01

Table 3: Accommodation occupancy rate function for private accommodation in Dubrovnik

<table>
<thead>
<tr>
<th></th>
<th>Coefficients</th>
<th>Std. Error</th>
<th>t-value</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>0.019</td>
<td>0.026</td>
<td>0.746</td>
<td>1.191</td>
</tr>
<tr>
<td>Parking</td>
<td>-0.007</td>
<td>0.084</td>
<td>-0.078</td>
<td>1.842</td>
</tr>
<tr>
<td>Distance to the beach</td>
<td>0.011</td>
<td>0.020</td>
<td>0.526</td>
<td>1.962</td>
</tr>
<tr>
<td>Sea view</td>
<td>0.233</td>
<td>0.075</td>
<td>3.373***</td>
<td>1.452</td>
</tr>
<tr>
<td>Garden/terrace/balcony</td>
<td>1.041</td>
<td>0.080</td>
<td>12.974***</td>
<td>1.384</td>
</tr>
<tr>
<td>Air-condition/heating</td>
<td>0.327</td>
<td>0.288</td>
<td>1.136</td>
<td>1.379</td>
</tr>
<tr>
<td>SAT TV</td>
<td>0.148</td>
<td>0.003</td>
<td>1.600</td>
<td>1.316</td>
</tr>
<tr>
<td>Safe</td>
<td>0.032</td>
<td>0.129</td>
<td>0.248</td>
<td>1.402</td>
</tr>
<tr>
<td>DVD player</td>
<td>0.147</td>
<td>0.083</td>
<td>1.774*</td>
<td>1.631</td>
</tr>
<tr>
<td>Swimming pool</td>
<td>0.224</td>
<td>0.208</td>
<td>1.076</td>
<td>1.422</td>
</tr>
<tr>
<td>Internet</td>
<td>0.053</td>
<td>0.080</td>
<td>0.660</td>
<td>1.427</td>
</tr>
<tr>
<td>Dishwasher</td>
<td>-0.042</td>
<td>0.083</td>
<td>-0.514</td>
<td>1.646</td>
</tr>
<tr>
<td>Washing machine</td>
<td>0.011</td>
<td>0.077</td>
<td>0.137</td>
<td>1.481</td>
</tr>
<tr>
<td>Hair drier</td>
<td>0.247</td>
<td>0.077</td>
<td>3.207***</td>
<td>1.524</td>
</tr>
<tr>
<td>Iron/ironing board</td>
<td>0.136</td>
<td>0.091</td>
<td>1.499</td>
<td>1.948</td>
</tr>
</tbody>
</table>

Multicollinearity is often an issue in hedonic pricing model. Nonetheless, no definitive rules exist for determining whether multicollinearity is a serious problem in a particular hedonic application (Chen and Rothschild, 2010). In collinearity diagnostics VIF (Variance Inflation Factor) was used. VIF value greater than 10 (Chen and Rothschild, 2010) is indicator of the presence of collinearity. In this analysis all VIF values of independent variables are less than 5 suggesting that in this study multicollinearity is not a serious problem (Table 3).

5. Research Findings

Explanatory power of both models is high, explaining 50.1% of the variations in price and 71.3% of the variations in PAOR as measured by the adjusted R². The results indicate that location, parking, distance to the beach and garden/terrace/balcony influence the price while sea view, garden/terrace/balcony and hair dryer influence the PAOR. The prices in accommodation units distant from the Old City are some 10.4% lower than in those situated in the vicinity of the Old City. Overnight prices in accommodation units with parking included are 39.9% higher than those not offering the same service. Prices in the accommodation units in private ownership in the vicinity of a beach are 5.6% higher than those that are more distant from a beach. Offers including garden/terrace/balcony within the accommodation units increase the price by 27.2%. Parking included in the rental price is by far the most influential factor in shaping the price (Portolan, 2013). In the case of PAOR garden/terrace/balcony is by far the most influential factor in achieving the higher capacity occupancy rate. The occupancy rate in accommodation units with hair drier is 24.7% higher than in those without hair drier. Sea view from the unit increases occupancy rate by 25.3%. Offers including garden/terrace/balcony within the accommodation units increase the PAOR by 104.1%. Having that attributes satisfies the original hedonic motive for satisfaction and consequently the existence of this is of the most importance. Comparing results from previous research (Portolan 2013) and this one, it can be concluded that only one component, existence of garden/terrace/balcony within the accommodation unit, increases both dependent variables i.e. price and occupancy rate. Existence of garden/terrace/balcony increases price for 27.2% and PAOR for 104.1%. The most influential component in shaping price is available parking price whereas existence of garden/terrace/balcony is the most influence component in private accommodation occupancy rate.

6. Conclusion

The research in this article combines the supply-demand tourism view with the concept of private accommodation components and attempts to contribute to an actualization of private accommodation importance in lodging industry. The results indicate that prices in private tourism accommodation units are not result of its components which are of the main importance to the tourism demand. The prices are formed solely by owners’ intuition whereas PAOR is the real reflection of the tourists’ preferences. The experience of private accommodation units owners, when it comes to parking issues or the lack of it, led them believe that if an accommodation unit has a parking space has an added value and has to be more expensive. On the other hand tourists have more willingness to stay in units that have garden/terrace/balcony than in those with available parking place.
The results will greatly benefit the owners of accommodation units as indicate the components of primary importance to tourists what ensure better occupancy rate, prolong the tourists’ season and justify the price of the accommodation unit.

The research has been conducted only in the Dubrovnik city as one of leading urban destination in Croatia and results are limited to this level only. But given the general nature of this results it can be expected that results can be used in different settings. To achieve generalizability, the same research should be conducted in other urban destinations.

Further research in the field of private accommodation should focus on empirical research of tourists’ attitudes towards the quality of private accommodation units and owners’ hospitality, as well as owners’ attitudes towards the impacts of tourists’ consumption in private tourism accommodation.

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Croatian Bureau of Statistics (www.dzs.hr)


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Alternative Measures in Macedonia

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Abstract

Alternative measures represent modern reforms to penal sanctions. With legislative changes of 2004 the Macedonian Penal Code has provided alternative measures as types of criminal sanctions. Based on the practice of other states and their effect in practice, this legislation has seen it appropriate to its provisions to foresee these types of alternative measures: the conditional sentence, conditional sentence with protective supervision order, conditional termination of criminal proceedings, community Service Work, judicial remark, jail house. Until recently, is mostly imposed prison sentence for almost all types of offenses. Convicted persons have problems and difficulties encountered during the punishment due to not deviding the type of crime, social risk, their repetition and many other features. As a result it has come to prison overcrowding that has not only presented a serious problem for the inmates but also for the country itself, because these have led to great expense to its budget. These problems among others have also brought inefficiency of the purpose of punishment in general, and that is the rehabilitation and improvement of the criminal perpetrator in the future not be the perpetrator of the offenses again. The reason of the inclusion of alternative measures has been needed. Earlier in the Penal Code of Republic of Macedonia have been foreseen only a suspended sentence and judicial admonition but with the 2004 legislative changes are also envisaged other types of alternative sentencing. Their goal is to make it easier for the perpetrators offense so that it is not pronounced the punishment of imprisonment. Also a very important factor is that the offenses for which these measures or alternative sanctions are not high risk offenses, and therefore the purpose of punishment will be achieved through the warning, threat or other measures to provide assistance and supervision of the conduct of the perpetrators of criminal acts. The imposition and their application will benefit not only those convicted but also the whole society, because not only will result in the reduction of the level of criminality, but also will increase their awareness in future not repeat offenses of the same or different. When imposing alternative measures determined by the court appointed time during which the offender must respect and implement the obligations, so the main objection is that in the future so that it is not pronounced the perform other offenses. During this stage in which the offender will be supervised is called probation phase. This probation phase also provides protection for society because in most cases the perpetrators who have been in the stage of testing have deviated committing new criminal offenses.

Keywords: Alternative measures, conditional sentence, criminal, legislative, offense, execution, court

1. Conditional Sentence

According to the criminal legislation of the Republic of Macedonia first type of alternative measures is conditional sentence. This kind of sanction has been also envisaged much earlier, and that is in addition to the legal provisions, has already created much wider application practice for many types of offenses. Even the government of Macedonia as well as many other countries supported this mixed measure or mixed system, where criminal perpetrator to criminal procedure they have imposed but suspended execution of it. This applies to offenses punishable up to 2 years imprisonment or a fine.

The court may also impose a special measure and other obligations which the offender must fulfill. Conditional sentence means the suspension of execution of sentence imposed for a certain time and for certain conditions. This alternative measure is also envisaged in Section 49 of the Penal Code of Republic of Macedonia. According to this article in Paragraph 1 is stated that with suspended sentence the offender criminal court confirms his sentence, and at the same time is determined that this sentence will not be executed, if the perpetrator, during the time the court decides, which can not be shorter than one year or longer than five years, does not commit a new offense. This time, during which the convicted person is placed under the control and supervision time is called verification.

By analyzing the nature, content, conditions and obligations that may be assigned to certain criminal perpetrator, provided that the penalty in force now is quite similar to that envisioned a suspended sentence in the Penal Code of 1996.

The court may order that the suspended sentence will not be executed even if;
- The offender does not return property acquired from criminal acts
- Does not pay the damages caused

~ 60 ~
Does not fulfill the other conditions which has determined the legal provisions. Suspended sentence imposed for a felony or misdemeanor which are punishable with imprisonment up to 2 years or a fine. The main conditions that affect the decision over to a suspended sentence by the court are: the personality of the offender, his life and to bring to the offense, his conduct after the commission of the offense, the degree of social threat, and other circumstances in which the offenses were committed. If the court imposes this measure and oblige the perpetrator to act in accordance with legal provisions, then he should respect and you realize precisely because not respecting them, then that person will be convicted and will go to prison will be revoked the sentence imposed. When imposing this sanction of surveillance the court determines the person is not convicted.

2. Revocation of Probation

Conditional sentence that is imposed will be revoked for the following reasons: - If the convicted person during the verification phase commits one or more criminal offenses for which the penalty is two years or more, or when they are punished less than 2 years but the court shall consider the circumstances in which they are performed and the relationship between such acts. Between offense previous and current offense.
- If the convicted person has committed a crime before being conditional sentenced is imposed but for the same offense did not know earlier.
- If the convicted person has not complied with and paid certain obligations set forth by the court in imposing a conditional sentence of as liabilities are: the offender does not return property acquired from criminal acts does not pay the damages caused, does not fulfill the other conditions which has determined the legal provisions.

Even in the case of revocation to the court may make exceptions because there are cases like that collapsed. The court has an obligation to give the convicted person makes the realization of certain obligations that person so can not perform them for reasonable cause then there are times when it may even forgive or to replace it with an obligation which is much more likely to be realized. Even for them there is a legal definition of the term within which obligations can be carried from the court so it should be respected.

Time for revocation of conditional sentence and probation is the time which to according to paragraph 1 of Article 54 the Penal Code of Republic of Macedonia is set at intervals more than 1 year from the date when the time has passed probation. This deadline also is applied to cases where the convict does not carry any legal obligation in connection to the return of property acquired by criminal acts, damage compensation or other obligations. Based on statistics from the General Statistical Office of the Republic of Macedonia, conditional sentence is imposed almost for all chapters of offenses. A Conditional sentence is imposed for all offenses which are punishable by law up to two years in prison, and when the conditions provided

By analyzing the statistics from 2004-2006 clearly shows that over the years there has been growing in imposing a conditional sentence for several offenses or has been a decrease in their imposing.

3. Types of Offenses to which Most of Conditional Sentences were Imposed

1. Criminal Acts against life and body are offenses that have the greatest percentage of their commission and also imposing a suspended sentence, so in this chapter include some offenses, such as, murder, murder of a child during birth, the killing of negligence, bodily injury, serious bodily injury, participation in the beating of other offenses but mostly alternative measures, alternative sentence and judicial admonition imposed offenses are: bodily injury and serious bodily injury.
2. Another chapter of criminal offenses for which were imposed alternative measures are also offenses against marriage, family, and youth of the largest mass conditional sentence and judicial admonition is imposed for offenses such as non-payment of wellness. To offenses against property conditional sentence is imposed mostly for offenses such as: burglary, grand larceny and fraud.
3. To offenses against public traffic safety is also very high level of offenses as well as alternative measures when imposing the suspended sentence especially, where most such sentences are given for the crime of endangering traffic safety.
4. The chapter of offenses against public order offense which has emphasis on alternative measures expressed in comparison with other offenses is illegal keeping of weapons and cluster tools. In general, by analyzing some statistics of years 2004,2005 and 2006 obtained from the Statistical Office of the Republic of Macedonia since 2004 to 2006 shows conditional sentence because there was a gradual increase in 3612 sentences were imposed in 2004, in 2005 is 4307, while for 2006 are 4,684 sentences imposed. To the aforementioned
there is higher frequency of performing such acts but also the pronunciation of alternative measures. Comparing statistical data to some offenses that have immense expression of these measures and remain approximately constant values, there are also those who have decreased or increased through the years but there are also aso works for which there are never imposed such measures. Works to which there has been steadily declined are:
- offenses against the employment relationship
- criminal offenses against living environment against cultural monuments, archival material and natural rarities.

According to statistics obtained from the Statistical Office of Macedonia is noted that offenses against the state, against international law and actions against the armed forces are not alternative measures ever imposed and this is very understandable due to the level of criminal liability, social risk and because of the penalty that may be imposed on them.

Although conditional sentence is a good opportunity which refers to the criminal perpetrator is nevertheless the court which should have a special care during his imposition because there are cases when it may have a negative effect and great risk so as an important factor is his pronunciation of many offenses noted above that plays an important role in the accurate determination of which type of offenses can be given conditional sentence and for which not.

The level of conditional sentence compared imprisonment and fine

Tab.1: Represents sentencing in general compared with alternative sentencing

<table>
<thead>
<tr>
<th>Year</th>
<th>general sentences</th>
<th>alternative sentences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2004</td>
<td>8997 sentences</td>
<td>3813 alternative sentences</td>
</tr>
<tr>
<td>Year 2005</td>
<td>8845 sentences</td>
<td>5256 alternative sentences</td>
</tr>
<tr>
<td>Year 2006</td>
<td>9280 sentences</td>
<td>4849 alternative sentences</td>
</tr>
</tbody>
</table>

4. **Conditional Sentence with Protective Supervision**

A Conditional sentence with protective supervision is second type of alternative measures which is provided in the 2004 legislative changes. This measure means putting protective supervision to the person who is thought that only conditional sentence without supervision will not be effective and not will affect the future not the person carries on offense. Under the circumstances related to the convicted person to make him better is thought that supervised and controlled could he win progress and accomplishment of the purpose of punishment. In this way defines of the Penal Code Republic of Macedonia for supervision, care and control are unique and effective opportunity to improve and rehabilitate it. The probation under the law there are special obligations associated with because that person must define these duties shall be such as are provided for in Article 56 of the Penal Code dealing with the determination of one or more obligations relating to: education and professional advancement for job preservation, acceptance of work that the responses to the level of his education and training, implementation of obligations associated with family and social circle, getting advice on how to money is spended, not attendance premises where alcoholic beverages are served and games gambling, prohibition of the use of alcohol, drugs and other psychotropic substances, use of leisure as it has recommended probation body etc.

The body that carries out the supervision, control and care of the body realizes or social probation. This should work efficiently and professionally because before them there are plenty of tasks that are defined by law. This body operates under the powers dealing with:
- Providing practical advice to a convicted person
- To assist in carrying out the obligations set out by the court
- To report to the court regarding the performance and completing obligations

Whether a person who has been convicted or fined is not provided with protective supervision and does not respect and does not perform obligations as foreseen, then the social body magistrate reports, it warns him that it should implement its orders, it replaces it with any other obligation or revokes it by turning punishment to imprisonment. This kind of measure provided although there legal provisions since 2004 in any case, the court still has not made its pronunciation.

5. **Conditional Termination of Criminal Proceedings**

The third alternative provided for in the Criminal Code of Republic of Macedonia, is the possibility of termination of criminal proceedings in cases when the convicted person is sentenced to a fine or imprisonment up to 1 year, so the court after hearing the parties and after agreement the injured party decides to stop (suspended) further criminal
proceedings provided that at the time when it terminated the probation time called the convicted person does not commit another criminal offense on. Termination of the procedure can be more than 1 year. So during that time can not walk statute of limitations.

The main conditions that the court considers this case are:
- Repentance of the convicted person
- Avoidance of negative consequences from the criminal
- Compensation for damage offenses

6. Community Service Work

The main conditions that must be met by the person to finish the job _ are must not special needs because the convicted person is not required school preparation _ or vocational training for their implementation. Particular attention is paid to the type of work we have to perform because that work at no point should must not despise humble and dignity his personality. For the type of work should be considered the will of the convicted person if he wants to do or not. This kind of sanctions or alternative measures take effect the very special role because the practice of other countries which have provided earlier have implemented it, speaks for many positive effects.

These effects reflect the person convicted of the society also because both parties benefit many opportunities. For this reason, almost all states have provided this kind of alternative, just as we have. The advantages of this measure are active inclusion of persons convicted in society because it enables the integration not separation from other persons.

To have sufficient effect these conditions must be met, such as:
- must have a sufficient number of jobs
- there should be a rule in the organization of work
- be able to perform it in reality
- accurately define the obligations and rights of the convicted person.

Macedonia has provided to community service work to be restricted from 40 to 240 hours. The convicted person is obliged by the state without compensation, the firm is public or humanitarian organizations.

This person convicted compelled during holidays or weekends to perform the obligations foreseen. Interval of time during which The convicted person is forced to perform the above tasks by law is defined in the first year and within it you should definitely have them on. Even in this case has exception because if the person for personal or family reasons that you could not carry all, then the law has provided the opportunity for the court to postpone the deadline for more other 6 months.

If a person even after the expiry of this deadline does not perform his obligations, then the court shall warn in written way, and if it continues again this election issues are as follows:
- The fund may increase hours within that period
- may postpone the deadline for the other 3 months
- if there are other reasons can even substitute it with fine obligation worth 20 euros for three hours at the counter is 1200 pence
- You can return to the prison sentence and that what is calculated that one day in prison is like 3 hours of work in the public interest.

Assigning to the last measure implies that the transformation of work in the interests of the general prison sentence, be considered first and foremost:
- The weight of the offense
- The level of criminal responsibility
- Report of a person sentenced to work in the public interest

7. House Arrest

The last measure which is provided in Article 59 of the Penal Code of Macedonia is house arrest. This measure is characteristic in itself because with it is isolated the person convicted within certain premises which in all cases is his home. This option applies only to certain categories of people because it can be given only to persons who are sentenced to a fine or imprisonment up to 1 year and also if they belong to the category of persons as follows:
- If the person is seriously ill and unable
- If she is a pregnant woman or woman after childbirth
- If she is single mother
- If she is mother who has children less than three years
- Is over age 65 years.

For these convicted persons suffering the penalty is made possible the home of a convicted person previously designated by the obligations and activities that should be performed. The court must ultimately determine the time when this person can come out of his house. This option refers only to those who because of their situation that they can not bear to suffer punishment and together with other persons.

In general practice house arrest under certain criteria could be:
1. According the manner of implementation of restriction can be: simple or electronic
2. According restricting content can be: in prison with the possibility of release during weekends and night or indoor strict imprisonment.

Electronic supervision or electronic monitoring, is more modern and more efficient which is special in the way of its realization because the convicted person is put up a link (bracelet) special which will broadcast the signal in the central computer and to law enforcement authorities will make known that this person is removed from the right place, which is defined for. If the convicted person leaves the house or building where the movement is limited then the court will replace this measure with a prison sentence and the convicted person will be sent suffering with other people.

House arrest in almost all state the problem of implementation because since it is realized the opportunity to be supervised by an electronic device presented numerous problems because firstly it needs technical computing which is one thing that we don't have professionalized the staff who will know to exercise oversight through that device. It is worth mentioning that the main shortcomings which are discussed today are these:
  - in the first place it is an extremely costly option
  - that brings quite negative consequences for the house turns into house arrest to all members of the family because the convicted person breaks the privacy of other members

Yet despite the negative criticism in many countries is used as a good opportunity to short sentences. Even though the law is very clear and defined and has detailed the conditions and circumstances which may be imposed the house arrest in Macedonia are not the proper conditions yet to be implemented, so as a result of this so far in any case this measure is not pronounced as such. For realization of house arrest as such measure should not only will it be sentenced to be executed but also needs good conditions and financial opportunities that Macedonia has not yet, as other states have and therefore the body that imposes this measure sees much more reasonable not to impose at all than not be able to realize and execute in practice. What can be said about house arrest is that this measure needs to be realized for quite some dedication, is very strict, and if used electronic means it is also very costly.

8. Judicial Admonition

Judicial admonition is the last kind of sanctions or alternative measures. It is also foreseen long before 2004 because there have been legislative changes which have enabled them to determine the legal provisions. So far this sanction is not only imposed but also provided and has created quite abundant practice and it is largely spoken for many when offenses are intended conditions. According to Article 59 of the Macedonian Penal Code is determined that judicial admonition may be imposed for those offenses for which a fine is determined or bug sentence to 1 year. This can be imposed and for those offenses which are punishable by 3 years. In these cases, when pronouncing, the court considers many important factors such as:
  - personality of the criminal offender
  - his previous life
  - his behavior after the offense
  - the degree of criminal responsibility
  - other circumstances connected with the offense.

<table>
<thead>
<tr>
<th>Year</th>
<th>General Offenses</th>
<th>Judicial Admonition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2004</td>
<td>8097</td>
<td>201</td>
</tr>
<tr>
<td>Year 2005</td>
<td>8845</td>
<td>149</td>
</tr>
<tr>
<td>Year 2006</td>
<td>9280</td>
<td>165</td>
</tr>
</tbody>
</table>
During 2006, it is mostly imposed for these types of offenses:

- Bodily injury - Article 130-25 judicial admonition
- Insult - Article 171-16 judicial admonition
- Endangering traffic safety - Article 297 -39 judicial admonition.

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Equitable Representation of Communities in Public Administration in Republic of Macedonia as One of the Copenhagen Political Criteria for EU Membership

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Abstract

Given that the Republic of Macedonia is a candidate country for membership since 2005, with a tendency to join the European Union, in the framework of this paper will analyze the implementation of the Copenhagen political criteria. Through this paper I will address a political segment, which deals with the representation of the communities in Public Administration, because the topics in question usually promote various debates and policy assessments about the fulfillment of this criterion. The essence of this research has to do with an objective, outside political calculations, but is based on statistical analysis of institutions and official documents. Also, within the paper will analyze recent reports by the European Commission on the progress of Macedonia in the Euro-integration process, the part of the representation of the community. In this research, in addition to an analysis of official documents to represent the community, I made an analysis of interviews conducted with officials - responsible for implementation of the Ohrid Framework Agreement, the charge for the fair representation of communities in central government bodies the Republic of Macedonia. Not only that, but I will draw lessons and conclusions which will have the aim to provide a motivating effect on the implementation of the Copenhagen political criteria.

Keywords: Copenhagen Political Criteria; Representation of the Communities; Republic of Macedonia; European Union.

1. Introduction

Copenhagen political criteria to represent one of the major tasks today, which candidate countries from the Western Balkans must meet them during the process of Euro-integration. Political criteria seems to be the most difficult for fulfillment, while taking into account the importance of inter-ethnic relations in Macedonia, in the framework of this paper making an analysis that relates only to the representation of the communities in central organs. Scientific treatment of this topic, relating to political contradictions that exist among politicians, experts and ordinary citizens. For this reason, within the paper, are analyzed attitudes arising from the European Commission’s progress report on Macedonia during the previous year; available legal instruments and institutions, which serve communities fair representation; The Ombudsman’s report regarding the numerical representation in central institutions; then analysis of the interview with the political authority responsible for the fair representation of communities in Macedonia. Finally, conclusions have given to the question, which is the subject of study in this paper.

2. Equitable Representation of Communities in Macedonia: Assessments Within the European Commission Progress Report 2013

A European Commission report on the progress of Macedonia since 2013, among others, evaluates the fulfillment of the political criteria. This section examines the progress made by Macedonia towards meeting the Copenhagen political criteria, which require stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities. It also covers regional cooperation, good neighborly relations with enlargement countries and Member States and compliance with international obligations, such as cooperation with the International Criminal Tribunal for the Former Yugoslavia.

The legal framework for public administration continues to be fragmented, affecting its unity, transparency and accountability. Despite several amendments, the scope of the main laws setting out the status, rights, duties and accountability of people employed by the state remained limited in terms of the number of institutions covered. Large numbers of public employees are therefore instead subject to specific legislation and/or general labour law and collective bargaining. Fragmentation hampers the collection of relevant data on public administration. Official figures on the total numbers of employees in the public sector, both permanent and temporary, are still not available, which makes it difficult to measure progress in achieving transparency and reform objectives.

Policy improvements at both central and local level are still needed to combat politicization. All ongoing recruitment
of public employees, irrespective of civil service status, needs to fully respect the principles of transparency and accountability and be based on merit. There are still cases of tailor-made vacancies and irregular recruitment of staff. Some recruitment has been carried out as a social policy measure, rather than as a response to institutional needs.

Targets of equitable representation, though largely achieved in the civil service, have not been met across the entire public sector. The recruitment procedure for members of non-majority communities still needs to be harmonized with general recruitment procedures. Efforts to meet equitable representation targets must be in balance with the real staffing needs of institutions. To address the above outstanding issues, the Macedonian authorities continued work on a new legislative framework that would replace the main laws on civil and public servants and enshrine the fundamental principles of transparency, merit and equitable representation.1

The main critiques for meeting the political criteria, are related to: the lack of political dialogue and compliance for strategic purposes in the state; setting off in the first place party interest above the interest of the state; slowed the process of decentralization; lack of transparency; practical exclusion of the merit system during employment in state bodies; deficiencies during the realization of the principle of fair representation in AP; Lack of independence in litigation; lack of media freedom etc.. Regarding public administration, the government continues to work towards the establishment of a new legal basis for the unification of the rules and the introduction of the principles of transparency and merit. Additional attempts should be made to ensure professionalism and independence in AP, and fair representation.2

3. Legal and Institutional Basis for Equitable Representation of Communities in the Republic of Macedonia

The principle of adequate and equitable representation is located in Section 4.2 Framework Agreement. This principle is incorporated in the Constitution of the Republic of Macedonia2, Article 8, paragraph 2, of the Constitution Amendment VI, which states: “appropriate and fair representation of citizens belonging to all communities in the state bodies and other public institutions at all levels.”

This principle aims to realize the participation of members of all communities in all areas of the public sphere, in all organs of state, public service, public enterprises and local government.

Application of the principle, initiated more changes in laws: the Law on Civil Servants, Law on Public Enterprises, the Law on Local Self-Government, the Law on Ombudsman, and so on.4

The Government of the Republic of Macedonia, in February 2003, approved the Basis for preparation of the program for improvement of adequate and equitable representation of communities in public administration and public enterprises, while in 2007, the Secretariat for the implementation of the Ohrid Agreement, approved strategies for adequate and equitable representation of community members who are not in the majority in the Republic of Macedonia, where the proposed measures and activities that must be undertaken in order to improve the adequate and equitable representation of all communities in the Republic of Macedonia. According to mentioned strategy, information about progress in fulfilling the principle of fair and adequate representation is provided and developed by the Annual report for adequate and equitable representation in the public sector of the Republic of Macedonia.

In addition, in 2006 the Committee of Ministers was established to monitor and coordinate activities pertaining to the improvement of adequate and equitable representation of community members in the state administration bodies and public enterprises.

The ombudsman is a body for the protection of the principles of equality and fair representation. In Article 77, paragraph 2 of the Constitution of the Republic of Macedonia states as follows: (2) The Ombudsman protects the constitutional and legal rights of citizens when violated by bodies of state administration and other bodies an organization with public powers. The Ombudsman will pay particular attention to the protection of the principles of non-discrimination and equal representation of communities in public bodies at all levels and in other areas of public life.

In addition, Article 2 of the Law on Amending the Law on Civil Servants5 defined the obligation of the state administration bodies for approval of annual plans for adequate and equitable representation of communities. Annual

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3 Official Gazette no. 91/2001
4 Report on the state of implementation of all policies emanating from the Ohrid Framework Agreement, Government Of The Republic Of Macedonia, Secretariat for the implementation of the Ohrid Framework Agreement, Skopje, 2012, pp.16-17
5 Official Gazette, 40/03
plans represent the current situation in this area, plans for employment, further expertise and training, and assessment of fiscal implications. That, along with the constitutional principle of equal access to employment thanks to the professionalism and competence (Article 12 of the Law on Civil Servants), the employment of civil servants applies the principle of adequate and equitable representation of citizens.

3.1 Table of equal and fair representation of communities in the Republic of Macedonia

With the amendments of the Constitution of the Republic of Macedonia in 2001 and the Law on the Ombudsman in 2003, the Ombudsman has jurisdiction to monitor the degree of implementation of the principle of adequate and equitable representation. In this context, the Ombudsman regularly conducts researches regarding the implementation of the principle of adequate and equitable representation of communities in the state bodies, bodies and units of local self-government and public facilities and services and prepares special reports on the implementation of this principle and He submits it to the Assembly of the Republic of Macedonia.

Regarding the integration which is delegated to the Ombudsman, the data in the table are taken from the Annual Report of the Ombudsman for 2012.

Table 1. Equal representation of communities in the Republic of Macedonia in 2012

<table>
<thead>
<tr>
<th>Comparative Data</th>
<th>Totally Macedonian</th>
<th>Albanian</th>
<th>Turkish</th>
<th>Roma</th>
<th>Serbian</th>
<th>Vlach</th>
<th>Bosnian</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial Position</td>
<td>9901</td>
<td>7835</td>
<td>1464</td>
<td>151</td>
<td>20</td>
<td>181</td>
<td>93</td>
<td>54</td>
</tr>
<tr>
<td>Non-managerial position</td>
<td>97950</td>
<td>73260</td>
<td>17687</td>
<td>2012</td>
<td>1363</td>
<td>1528</td>
<td>648</td>
<td>531</td>
</tr>
<tr>
<td>Employed</td>
<td>107851</td>
<td>81095</td>
<td>19151</td>
<td>2164</td>
<td>1383</td>
<td>1709</td>
<td>741</td>
<td>585</td>
</tr>
<tr>
<td>Percentage</td>
<td>100</td>
<td>75.2</td>
<td>17.8</td>
<td>2</td>
<td>1.3</td>
<td>1.6</td>
<td>0.7</td>
<td>0.5</td>
</tr>
</tbody>
</table>


Unlike last year, this year, the number of community members employed in central PA was increased to 2.3%, while at the local level to 4.4%. Despite this positive trend, a large number of institutions had not reached the appropriate level of representation of communities, especially in punitive institutions, courts, prosecutors, public enterprises, health funds, independent state bodies.

Table 2. Comparative data regarding the representation of the communities in PA

<table>
<thead>
<tr>
<th>Year</th>
<th>Empl.</th>
<th>Macedonian</th>
<th>Albanian</th>
<th>Turkish</th>
<th>Roma</th>
<th>Serbs</th>
<th>Vlach</th>
<th>Bosnian</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>107851</td>
<td>81095 (75.2)</td>
<td>19151 (17.8)</td>
<td>2164 (2)</td>
<td>1383 (1.3)</td>
<td>1709 (1.6)</td>
<td>741 (0.7)</td>
<td>585 (0.5)</td>
<td>1023 (0.9)</td>
</tr>
<tr>
<td>2011</td>
<td>102103</td>
<td>77897 (76.3)</td>
<td>17598 (17.2)</td>
<td>1691 (1.7)</td>
<td>1304 (1.3)</td>
<td>1665 (1.6)</td>
<td>678 (0.7)</td>
<td>387 (0.4)</td>
<td>901 (0.9)</td>
</tr>
<tr>
<td>2010</td>
<td>82555</td>
<td>63761 (77.2)</td>
<td>13966 (16.9)</td>
<td>1340 (1.6)</td>
<td>574 (0.7)</td>
<td>1315 (1.6)</td>
<td>570 (0.7)</td>
<td>256 (0.3)</td>
<td>773 (0.9)</td>
</tr>
<tr>
<td>2009</td>
<td>69148</td>
<td>55266 (79.9)</td>
<td>9712 (14)</td>
<td>895 (1.3)</td>
<td>551 (0.8)</td>
<td>1301 (1.9)</td>
<td>524 (0.8)</td>
<td>259 (0.4)</td>
<td>640 (0.9)</td>
</tr>
<tr>
<td>2008</td>
<td>67728</td>
<td>55193 (81.5)</td>
<td>8642 (12.7)</td>
<td>825 (1.2)</td>
<td>527 (0.8)</td>
<td>1269 (1.9)</td>
<td>449 (0.7)</td>
<td>205 (0.3)</td>
<td>618 (0.9)</td>
</tr>
<tr>
<td>2007</td>
<td>59629</td>
<td>49923 (83.7)</td>
<td>6429 (10.8)</td>
<td>649 (1.1)</td>
<td>464 (0.8)</td>
<td>1050 (1.8)</td>
<td>405 (0.7)</td>
<td>201 (0.3)</td>
<td>508 (0.8)</td>
</tr>
</tbody>
</table>

Comparative data from the table shown an increase in the number of employees in PA in general, while the principle of equitable representation of communities in central government bodies and local, public enterprises and service marks mild improvement, though some institutions do not apply this principle. Representation in managerial positions of non-majority communities is still not in satisfactory level, particularly in the independent state bodies and public health authorities.

3.2 Interview

Extract from the Interview of Deputy Prime Minister of Macedonia, Musa Xhaferi.6

1. How do you assess the implementation of the Ohrid Framework Agreement after 12 years of its signing?

Changes are made, as in the Constitution as well as in many laws, while supposed to exceed a time to view their

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practical realization. I think these normative changes have contributed to the stability of the country, while also remaining open topics which in the future will have to be resolved.

2. During these 12 years progressed, why you have not analyzed the effects and shortcomings, how to act further?

Within institutions, there is qualitative analysis, probably not debated publicly, and there are different perceptions on this issue. Sometimes there is the political misuse of this topic.

3. When it comes to employment and fair representation of the communities, according to government competitions, many community members that have received decisions for work, now they are staying at home and receive salaries? How would you comment this?

I am not saying that there is no obstacle, but the perception that they stay at home is erroneous, since there also are those who are not yet systematized workplace, due to procedures, which must pass each to place in appropriate institutions.

In this process, representatives of the communities are employed to achieve the right balance in representation. Thus, not only are employed Albanians and other communities, but also Macedonian. In this race, if we would have employed continuously Macedonians, then the goal will not be achieved.

The aforementioned estimates should be understood more as a political assessment of the perspective of representatives in power, while the reality of this problem may be different. Particularly, there is a truth which everyone knows, but that silence during the selection of candidates for employment associated with fair representation, and that is the issue that their selection is made only by belonging to the subject who is in power, not according to the quality and the professionalism of the candidates presented in competition. The key for employment continues to be an exclusively partisan affiliation of parties in power, while bypassing all other measurable criteria.

What irritates ordinary people? It is the selection of candidates with lower performance and improper professional, against candidates with professional performance that are not part of the political parties in power. Such representation only quantitative, not only goes to the detriment of fair and adequate representation, but also seriously undermines the prospects of young people who specialize to work in AP.

On the other hand, fair representation requires a concrete strategy with other supporting instruments (Financial and institutional) to be achieved fair representation, but also a concrete time frame in which affirmative measures will be undertaken for fair representation of communities less represented. While extending these measures, should raise awareness for understanding, on the part of overrepresented.

4. Conclusions

- The implementation of the principle of adequate and equitable representation requires taking continuous actions.
- There is some progress in implementing the principle of equitable representation. In a number of institutions, the percentage does not reflect the composition of the population.
- The unequal application of the principle of adequate and equitable representation in non-managing and managing staff is striking. Members of smaller communities are represented satisfactorily as non-managing staff. The management staff is composed only of members of the Macedonian and Albanian ethnic community, while members of smaller ethnic communities are not represented in the managing staff.
- Implementation of the principle of adequate and equitable representation of all communities, especially among funds, public companies, educational-corrective institutions, appellate courts, senior public prosecutors, and in the application of this principle in setting, managing staff in the state administration bodies, for which constant upgrading of the system for implementation of this constitutional principle is required.

My general conclusion is that this year the state bodies showed progress in implementing the principle of adequate and equitable representation, whereas in some institutions a progress was made, while in others there is no change in the situation compared to previous years.

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Report on the state of implementation of all policies emanating from the Ohrid Framework Agreement, GOVERNMENT OF THE Republic of Macedonia, Secretariat for the implementation of the Ohrid Framework Agreement, Skopje, 2012
The Necessity and Features of Local Government Reform in Albania

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Abstract

“Construction of state systems in different countries, is consistent with a number of social and economic factors, The combination of them adapted to the internal environment and external determines the level of welfare of the respective communities. Horizontal separation of powers is given an importance local government; first in bringing quality services and timely; secondly in the definition and implementation of appropriate policies in the economic development of the respective community. Various social problems and poor work in local government services closer to the community makes its reorganization necessary, to increase the efficiency and quality of services. Reform of local government in developed countries and those in transition adapted to the specific conditions of the respective countries is a good experience for us to consider the reorganization process in Albania, to make this process in the most effective. The aim of this study is the focus behavior problems encountered in discussions about local government reform, the specifics of our country, as well as practical recommendations implemented in other countries, problems and practices.

Keywords: Government, Administration, Reform, Local, Community.

1. Introduction

Construction and operation of local government existed in ancient times and has been the basis of modern state building itself that exists today in all societies throughout the world. Even in Albania, it has always been a basic social and political development with a strong impact despite internal situations of external stabilization of the national state itself. The reason of this effect is the economic structuring of Albanian society, compared with other European countries which had the possibility of economic development of the capitalist order. Albania remained up later a feudal country, due to the late separation from the Turkish Empire. But the regional strong feeling reflected in the efforts to acquire power after separation from the Turkish Empire had a negative impact and became an obstacle to achieve a successful government up to the years 20 of XX century.

In the construction of power in general and state in particular are based associations which are unions by rational interests accounts, in a sense, the basis of nation are communities which are communions based on having close natural connection to communities in a particular territory, characteristics of history, language, common customs. Precisely these communities are the basis of local government in Albania, taking into account the impact of their psychological characteristics, economic, social, in the construction of local government has a vital importance. For this reason in the Constitution1 of the Republic of Albania is specifically expressed the opinion taking of the population, to change the territories of local units. The aim is not only to protect the right of regional interests, but considering them as an asset for their traditions and history.

2. Theoretic Debate

The reform of local government, has been a problem of all European countries during the last century, which made an extreme reduction in the number of local units. But who was the cause of this transformation: first, the efficiency improve of governments local services, to have better quality service and in due time according to the needs of the respective communities; secondly, the change of economic and social conditions in these countries. Industrial development itself brought the natural concentration of population in urban areas. Development of infrastructure made it possible to reduce the implementation time delivery of quality services. Development of information technology made possible governance, transparency and citizen participation in governance respective communities. European countries used different ways, due to the nature of the national population characteristics and heritage of local government organization. In the countries where traditional feeling was stronger, as in the case of Germany and France, was used voluntary mergers and

1 Constitution of Albanian Republic, art. 108, sec 2, pg. 37

~ 71 ~
socialization. While in the Nordic countries were used the forced union way, but not in a single period, only Sweden has made this transformation process into four stages during the last century by adopting the construction of local power to the economical changing conditions. In general, Western European countries have an economy based on industry and a modern agriculture which have had a positive impact on the transformation of local government.

The purpose of local government reform is to increase the quality of services to citizens which can be achieved through two ways: primarily through increased service efficiency by reducing misuse of funds by the administration, secondly doing administrative-territorial reform, which automatically reduces duplication of services but also reduces administrative costs by reducing their joined number in a unit according to the case.

The countries of Eastern Europe after the fall of the communist system were involved all to the local government organization under the relevant national legislation. They relied on the principles of "European Card of Local Self-Government" for the necessary autonomy to the local government, to perform its function by western concepts. The way that former communist countries followed is a good experience to be considered by the Albanian government for local government reform. The typical countries approximated to the surface and population with Albania is the case of the Republics of Moldova and Lithuania, for the

3. Albanian Case

Functioning and organization of local government in Albania has historically been a result of the political classes, under political systems that have led Albanian society during a time of a century. In general has dominated the practice centralization of this power from the center. Despite attempts by Vlora government that had as project the French model of organization of local government, it remains the only attempt over a century democratization of power in Albania until 1992.

In parallel with the efforts of King Zog for centralization of the country, significant changes were done even in administration. In early 1930 the local administrations were reorganized by providing a greater control over them. Law on Promulgation of municipalities was named "villager law" approved on April 11, 1929, communes of their own and communes composed by gathered villages, the firsts with over 2500 inhabitants and the seconds with united villages that were not far than 15 km with each other. The structure of local government was: prefecture, sub-prefecture, municipality for cities, municipalities for villages.

In the years after the Liberation of Albania, local government was concentrated, administration was organized on Law No. 684 dt. 11. 03. 1949, prefectures, sub-prefectures, districts (cities), towns (villages).

With the democratization of the Albanian society life, the local government was organized by "European Card of Local autonomy" and the Constitution of Albanian Republic by conducting elections for local leaders and representatives. By decision of KM No. 269 dt. 25. 06. 1992 was done the administrative reorganization, where the largest unit was the district consisting of municipalities and communes. Law No. 8652 approved by the Council of Ministers on 30.10 2001 made changes reducing districts and reorganized counties as a second level of local units. In the practice of the District existence there are shortages in its competence which today raises question for this kind of organization. Among the projects presented I have the opinion about organizing regional levels and 6 units. A further reduction of the number of regions may require changes in its form of organization of local power because the regional expansion approaches the district power space. As an example we can bring the case of Moldova has 10 regions, compared to the number of 33 thousand area and population 4 million, that are similar to Albania.

Lithuania also has 12 regions, with 64 thousand surface and population 2.3 million inhabitants. What matters is to define the competencies that will have the region, which should be in accordance with the practices of the European community in order to take advantage of development funds.

The fragmentation of local government and its dysfunction, large numbers of under 2,000 inhabitants in 70 municipalities, 94 municipality with at least 5000 inhabitants makes this reform necessary.

Mountainous terrain and lack of infrastructure, can hinder this process, but a financial support of the reformed units

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2 European Card of Local Autonomy, followed way and the extended time of this process. Moldova has at the first level 225 local units, while Lithuania has a lower number 112 local units because of a smaller population.
3 State and right History in Albania, Tirane, 1994, pg. 71-73.
4 King Zog and the effort for stability in Albania, Bernard J. Fischer, Botim Cabej 2004, pg. 184
7 Press “Shekulli” Tirane, on 05. 05. 2014.
8 INSTAT, 2011
will be a success of Albanian politics and society. The short time of doing this process is a negative factor for a studied decision. It is worth to mention a quote in the Constitution\(^9\), to be taken in consideration the opinion of the population to change the territorial boundaries. This is an unclear problem that how the majority will operate without the consensus of opposition, to review the constitution.

### 3.1 A study case

To see what the population thinks I've taken as a reference a survey conducted in the district of Tepelena. Despite different political systems, which made the organization at different times of existence history and organization of local units, there is a common feature that the elements of local units are stored at nearly similar edges. To prove this we will consider the district of Tepelena: Communes of Qesarat and Krahes were together in the three periods mentioned above as well as those of Buz and Luftinje; Commune of Kurvelesh has always been of it's own. Tepelenaas a town had sub-prefectures in 1924 anda prefecture in 1953. All the units above-mentioned today must undergo a reform, but the ideas are different, the Government has a unit project with over 10,000 inhabitants/unit. But should it be a condition to determine the local unit? The difficult terrain of 40% mountain and the infrastructure where all the villages have no paved roads are a negative factor for expanding the surface and distance of the center of the local units. A resident of the village Hallkomemaj actually spends 300 new lek, with the reorganization will spend want 600 new leke, but even a double time from 2 hours to 3.5 hour round trip car.

Considering the cast of projects presented in public for territorial administrative division, according to "Web State" for 88 units is considered the nearest municipality, according to this Tepelena will have only 2 units: Municipality of Tepelene and that of Memaliaj. The municipality mayors are proposed by the majority in order to have cities in the first level (Albania has had 36 cities).

Project: Considering the history of the organization of local government in the district of Tepelena, difficult terrain to have major functional areas, difficulties in infrastructure for communication and a complete service in time, I propose this division:

1. Union of Krahes and Qesarat communes because: a) both have a common regional and organizational history of the local power; b) and lie in a functional Valley connected by the national road.
2. Union of Buz and Luftinje communes because: a) both have a common regional and organizational history of the local power; b) and lie in a functional Valley connected by the national road.
3. Union of Memeliaj village and Memaliaj municipality because: a) the center of Memaliaj village is 400m far from the center of Memaliaj municipality.
4. Union of Center commune with municipality of Tepelene because: a) Center commune is centered in city of Tepelene.
5. Union of Lopes, Center and Tepelene: a) asphaltling of road Lopes-Tepelene will make possible service approach in time.
6. Cummune of Kurvelesh to stay by its own because: a) it has been by its own historically and a sub-prefecture in 1924; b) dysfunctional infrastructure and terrain make the necessary preservation of a separate unit.

### 3.2 Methodology

To confirm this project a survey was conducted in the district of Tepelene to prove what citizens thought. The questionnaire contained three variants: a) joined units by district-based model; b) model with the nearest municipality center; c) Localities model of the communes that matches to the above version.

Conclusions are as in the following table: The interviewed citizens are respectively as the municipalities with corresponding numbers in table 1. 1: Krahes, Qesarat, Buz, Luftinje, Memaliaj village, Lopes, Kurvelesh, QenderTepelene, Memalaij, Tepelene.

The sample is based on the number of voters in%, which varies from 300 an up. All municipalities are according Cesusit under 3000 inhabitants.

\(^9\) Constitution of Albanian Republic, art. 108, sec 2, pg. 37

~ 73 ~
Table 1.1

<table>
<thead>
<tr>
<th>Communes</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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<th>6</th>
<th>7</th>
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<td>24</td>
<td>29</td>
<td>46</td>
<td>126</td>
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Variables: Yi is dependent and is the no of citizens pro-reform, Xi is independent and is the no of citizens pro-project.

3.3 Regression Analysis

By processed data resulted that there is a connection between variables by regression analysis with this equation:

\[ Y_i = 9.80 + b_1 X_i \]

Given the value of the determining Coefficient 0.99096, we can say that it is within the range of 0 and 1 and shows that there is an important connection between the variety variables, which is satisfactory.

The coefficient of correlation value is 0.980626 within the range -1 and +1, indicating that the model selected is important as the variable. Student's test: if between variables exists a connection than \( \beta_1 \) can't be equal to 0, this connection is estimated by checking assumptions.

\[ H_0: \beta_1 = 0 \quad H_a: \beta_1 \neq 0 \]

By the regression table we can find out the value of \( t_{\text{factic}} \), with a 2 scale loose, \( t_{\text{factic}} = 20.154 \) From the spread table, the student for the importance level 0.01 and loose scale n-2 we can find out \( t_{\text{critic}} = 3.355 \). Since \( t_{\text{factic}} > t_{\text{critic}} \) and \( P\text{-value} = 4.3E-08 < 0.01 \), \( \beta_1 \) is not equal to 0, \( H_0 \) is refused.

4. Conclusion

I think that this model could be a possible variant when economic and political support such as the problems in infrastructure, would hinder a model with the merger of more municipalities.

Pic 1. Map of Gjirokaster District
References

“State and right history in Albania”, Tirane, 1994, pg. 71-73.

Summary Output

Regression Statistics

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<tr>
<th></th>
<th>Multiple R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
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ANOVA

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<td>Total</td>
<td>9</td>
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Coefficients

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<th>P-value</th>
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<td>1.159353</td>
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Importance of Social Media as Communication Channel in Bank Marketing

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Abstract

Simplex transmission means such as advertisement and other promotion activities are no longer efficient for the banks. To increase the efficiency in promoting and communicating, simplex transmission activity should be converted to a communication activity. Target is not the "mass" but the "individual's in today's banking business. Because of these reasons it is a necessity to reach individuals, determine their expectations via specialized tools, and build up strategies for these expectations. Social media helps banks to produce concurrent, effective and fast solutions with its opportunities for practicing the aimed communication at this level. In addition, it became a solution partner as a flexible and low-budget communication channel. Wide properties of social media tools are going to surpass present media tools as “classical media” and be a pioneer in developing these kinds of new generation tools as “neo-media”.

Keywords: Marketing, Social Media, Bank, Communication, Competition

1. Introduction

Innovations and developments in social media environments are becoming effective in meeting the needs of the individuals in sharing and socializing. Social media is generally around Facebook and Twitter, but it includes very large amount of different platforms. Social media is a media system which enabled people communicate bilaterally and simultaneously after the launch of web 2.0. Social Media can be evaluated as a postmodern reflection of the internet and a new civilisation by its new features.

Use of social media by the firms as a part of communication channel could be explained by its cumulative properties which were designed by M. Fruchter as 5C. These are; Conversation; mutual unlimited communication and sharings, community; communities with common interests, commenting; comments to other sharings, collaboration; accord and co-operation, contribution; response and contributions. Unlimited accessibility, personal interface, customizable toolkits, user numbers, measurable feedbacks and finally often updated dynamic structure of social media has created, the concepts of “Content of the Users” and “the Media Produced by the Customers”. Its importance increased in the commercial life by this structure. Although face to face communication is the most reliable way for most of the enterprises and persuasion process works better with this method, technology included various environments and media channels into the communication methods of the enterprises.

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5 M. Andreas Kaplan, “If you love something, let it go mobile: Mobile marketing and mobile social media 4x4”, Business Horizons, 55(2), 2012, p. 129-139.
6 Özgen ve Doymuş, a.g.e.,s.92
2. Change in Marketing Communication

Nowadays it is quite difficult to reach the target community by a true channel effectively due to communication opportunities increasing and diversifying rapidly. In addition to this, cost of access increased but on the other hand communication demands of consumers increased and varied as well. These changes expedited the searches on communication and as result of these searches the term Marketing Communication (IMC) emerged. Marketing communication comprises all marketing components and actions. It also comprises versatile informative, persuasive and reminding actions. When it is considered from this point of view, marketing communication is all of the efforts of communication which is used to provide information about what the enterprise promise and supply to its target. Marketing communication is effective in both sending messages to the customers and acting in a line with the responses received from the customers. Thus, while the enterprises have the opportunity of giving the better information about their products to the customers they have chance in evaluating and changing their products and their messages according to the demands of their customers.

Banks should apply customer centred strategies instead of sales centred communication strategies in their IMC efforts. The event of communication is tried to be practised as process and concept in marketing communication. By its process side, enterprises aim at an approach which is going to contribute the institutional identity and use of communication in an administrative sense. By its concept side, enterprises aim at a general synergy which will provide unity with the all marketing communication activities creating supremacy and differentness and marketing mix.

Communication activities of companies focused on advertisement and advertisement became mostly and most frequently used communication channel towards 2000s by the development of media tools. But in the next periods the internet took its place as the most effective instrument of the advertisement World. Advertisement has not got a «communication» property but a «transmitting» property since it is a one sided promotion activity. To add «communication» feature to this promotion activity which has problems in measuring the event and creating the expected impact could only be possible by the development of the internet.

Since advertisements are broadcasted in many different places in different formats along with a lot of other advertisements, many advertisements for only one aim cause ineffectiveness of them. And advertisers want to reach their customers in a more effective way with rational advertisement budgets. More than half of the advertisement expenses are used on televisions. Other half of the advertisement expenses are used on printed media. But while television advertisements are increasing their share, printed media began to take less share from the advertisements. Instead of printed media advertisements enterprises began to use more open air public advertisements. Nowadays internet advertisements are the fastest growing sector of all. Advertisement has gained an informative and communicative property after the use of toolkit applications of social media tools as a one sided communication tools.

Banks have to compete with the other brands and their products in advertising their products and services to their target groups. Besides, when the target group showed an act of avoiding the advertisements, the enterprises began to search for suitable and effective tools for reaching the customers. Because many people consider that the advertisements are the legal ways of telling lies.

Avoiding advertisements has been a problem for a long time and it is a natural reaction of people against information overload. People want to get rid of advertisements when they are not suitable for them and disturbed by the unwanted ones. As a result of this act they may miss the advertisements which could attract their interests. Speck and

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8 Haluk Mesci, Reklamlılık, T.C. Anadolu Üniversitesi, A.Ö.F. Yayımlı, Eskişehir, Ekim 1984, s.2
9 S.Inci ÇELEBİ, Pazarlama Amaçlı Haftalık İlişkiler ve Bütünleşik Pazarlama İçindeki Rolü, Yüksek Lisans Tezi, Ege Üniversitesi, İzmir, 1999, s.10
Eliot accept the advertisement as a thing which damage the communication and a significant source of noise.

3. Importance of Social Media in Bank Marketing

Since banking is an area of service in which personal communication is used densely, it is essential to determine the needs of the customers well and present the most suitable servicing to the customers. For this purpose, the social media which is used to determine and evaluate the expectations should be significant along with the netnography which is one of the qualitative methods.

Netnography is the branch of ethnography that studies the behaviour of individuals on the Internet. Netnography is the technic which adapts current ethnography research technics to online groups. It is generally defined as a new research method developed from ethnography in order to understand today’s customers who are very social among online societies. Nowadays social media increases its importance in converting the digital data of target group to marketing and sales tools as a direct channel.

At this stage banks are trying to do penetration to this type of customer segment in order to enable synergies that is based on the assumption of few people with so much potential that is defined essentially as “great mass” with social media and having a lot of money and to be effective in content marketing. Briefly, content marketing recommends person or the companies to act as the publisher and consists of three stages: i) to create a content that is meaningful to a specific audience, interesting, valuable and original, ii) to deliver this content to the target audience in an organized and systematic style, iii) to promote individuals in the target audience to read, to watch, to listen, to think and to act in accordance with this content.

Social media strengthens its presence as a tool of new generation of media in ensuring the customer to become acquainted with the service and sustainable user for the banks. Thus, banks prefer to take place in the social media, that the masses widely use and follow, in order to reach the great mass. While doing this preference, they are especially prominent with content marketing in social media.

Social media means the new information source of which content created and shared by consumers, informing and educating consumers about brands, products, services, ideas, and a variety of social problems from the standpoint of marketing communication. Blogs including digital audio, video, and movies, bulletin boards supported by the enterprises, chat rooms, e-mail systems from consumer to consumer, web sites where the products and services are rated, forums, micro-blogs like Twitter, social networking sites like Facebook, MySpace and Bing take place among these.

While advertisement is having chronic problems mentioned above, the banks discovered the social media which adds dimension to their marketing strategies. Social media is very appropriate for banking services, because of its this kind of property it enables a sustainable communication between banks and customers.

Elements which makes the use of social media and the investment necessary can be listed as follows;

- Banks are the corporations about which opinion is most reported and touching all sections of society in a way. Social media has most effectively become a course of listening, understanding and monitoring the customer for the banks.
- It is benefited significantly from the social media tools for the innovation of alternative banking applications that social media offers. Thanks to the advertising and campaigns, the products and services offered to target customer groups by social media, customers are being informed of promotions, discounts and developments which only concern themselves.
- Also, customer can communicate with the bank and send their complaints and suggestions to the customer.

14 H. Kemal Suher ve N. Bilge İspir, “Televizyon Ve Gazetede Reklamdan Kaçınmayı Etkileyen Değişkenler” Selçuk Üniversitesi, İletişim Fakültesi Akademik Dergisi, ISSN 1302-2865, Ocak 2010, Cilt: 6, Sayı: 2, s.6
15 Aziz Öztürk ve Ömer Faruk Güven, Bankacılık ve Sigortacılıkta Pazarlama, Beta Yayımlar, İstanbul 2014, s.278.
19 Özgür Küseoğlu, “Bir Pazarlama İletişimi Ortamı Olarak Facebook: Reklam Ve Elektronik Ağızdan Ağza Mesajların Karşılaştırılması” Global Media Journal, ISSN1309-7601, Cilt: 3, Sayı: 6, Bahar 2013, s.76
20 Burcu İter ve Habil Gökmem “Mevduat Bankalarında İlişkisel Payda ile Müşteri Memnuniyeti Arasındaki İlişki Üzerine bir İnceleme: İzmir l il Örneği”, Dokuz Eylül Üniversitesi, Sosyal Bilimler Enstitüsü Dergisi, Cilt: 11, Sayı:1, 2009, s.5

~ 78 ~
satisfaction section. These increase the degree of satisfaction by monitoring continuously and returning to the customer in a short time.

- It makes inevitable the competitive environment with the number of customers and including different customer profiles in the banking sector. Banks can easily share their campaigns or advertisements with millions of customers by social media in this competitive environment and access instantly to their customers. Social media is an important course for banks in establishing deeper relationships with customers, recognizing them, understanding, shopping, monitoring investment objectives and complaints management. Some banks are also developing applications that provides customers, who save targets and share via social media, to ask for help from friends.

- The social media data also taking place in the solutions offered, provides an opportunity to be able to make more personal campaign and activities by creating new and micro-segments, enrichment of customer data by collecting the contents like customers’ life style, preferences, the places where they are, comments they make,

- Thanks to the MobileBank applications developed in Facebook and Twitter, customers can also transfer money from social media. Customers are able to add units to their or someone’s account, even they are able to share and pay the accounts coming to the table immediately at dinner. Again, anyone, whether or not the bank’s customer, has the opportunity of following current market news, accessing shares information, applying for a credit or credit card at their computer with developed table top applications.

Banks are found in act of “chase” with advertising and other one-way promotional activities. That may cause inefficiency and waste in planning of resources rationally and gauging repatriations. Hence, short-term business trends should be used instead of chasing. And the way of it is the use of the social network which allows to obtain the furthest feedback in communication. At the future not too distant, media tools known in promotional tools are going to be memorialized as “Old type” media and personalized promotional tools are going to return to “neo media” under the leadership of the social media.

4. Use of Social Media by Banks

Turkish banks have begun to take part in social area recently. Since Turkish people are number one in spending time on internet in Europe21, banks began to give importance to social media more than ever. In addition, the internet users in Turkey who are mostly interested in social media spend their one hour for internet and 24 % of them write personal blogs. This ratio is higher than the European average22.

Mobile Banking is very popular among young users according to a survey which was conducted by ING Group on “Mobile Banking, Social Media, and Financial Behaviour”. 51% of the young people in Turkey would like to pay their payments via social media. According to the survey, the people getting in touch with their banks by social media and using mobile banking services feel themselves confident in managing their money. 39% of the survey participants use social media to get general information about the bank, 32% use it for their complaints, 31% use it for assistance and communication with the bank. According to survey results the clues about saving money are number one among the expectations of the customers. According to results, young people expect paying their payments via social media. 51% of the young bank customers in Turkey hope to pay their payments by using social media23.

According to the survey conducted in Europe, the Middle East and Africa within 38 countries as well as in Turkey in more than 70 banks about “customer focuse in retail banking” by the European Financial Management Association (EFMA) and Peppers&Rogers Group, banks use social media platforms for two-way customer communication. Mostly used social channel is Facebook with 84% ratio, Twitter-63%, YouTube 54%, and Linkedin-42%. In this level, customer relations activities are carried on as one way communication activity such as sending promotion messages to the customers or customers’ messages about their complaints and demands. Banks usually watch on the comments and complaints on Facebook and Twitter. Facebook is used wider than the other channels but Twitter is used more effectively.

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in meeting the complaints24.

Facebook like numbers, Twitter follower numbers, Twitter Klout scores, websites Alexa ranking, mostly used apps from Apple Store, research numbers on the internet of the banks will help understanding the rise of the social media.

Number of Facebook users in Turkey is 33 million in late 2013. Turkey is 1st in Europe and 6th in the world in terms of Facebook user number. In addition, six million people use Twitter actively in Turkey25.

Fan of the banks on Facebook is 9million in Turkey at the end of 2013. First three banks are; 1- Garanti Bank: 1.480.000, 2- Akbank: 1.460.000 and 3- TEB: 910.000

486.000 people follow the banks on twitter at the end of 2013. First three banks and number of their followers are: 1- Garanti Bank: 98.000 2- İşbank : 51.000 and 3- Yapı Kredi Bank : 39.000.

Also, there are 3 Turkish banks (Garanti Bank, İşbank, and Yapı Kredi Bank) in the top 100 of Alexa Web Site ranking. Mobile banking applications of 4 Turkish banks (Finansbank, Garanti Bankası, İşbankası and Akbank) are in top 100 list of the world banks.

5. Conclusions

Social nets are gaining importance as an information source. Besides, social media channels let the customers express their positive or negative opinions more freely. Use of social nets for different banking activities by the customers is a common trend among the countries participated the surveys of the subject. According to the results of Global Private Banking Survey which was conducted by Ernst&Young; 44% of customers use social media tools to get information about private banking. Turkey is in a leading position for this kind of use in the world. 78% of the consumers use social media to get information about banking services. 53% of the customers use social media to express their opinions about the service they had from their banks. In addition to these results, customers demand flexibility in using different channels for different kind of operations26.

Social media is a kind of flexible low budget channel for the banks where they could present their innovative behaviours freely, contact the customer in promotion and communication process, and regulate their services according to the demands of their customers freely without a limitation. Also it is a box of ideas in which they can store not the ideas of a research-development team but the ideas of millions of customers. Social media is more effective than the classical promotion activities for the banks. Because target group takes part in these activities willingly. From this aspect, it is possible that advertisement media will gather in the middle of the social media or close to it.

The competition among the banks are in a different dimension today because the banks are semi-public institutions and they are strictly observed and advertisement and promotion activities resemble each other very much. For this reason, price, delivery and service type of activities are not the tool which determine the competition. Competition evolved in the direction of touching the customer and meeting the expectations. As a result of this process, social media became a “solution partner” and these solutions carry out the marketing communication in the expected way. Thus, the data obtained from the marketing communications and the tools providing the communication take a different place among competition tools as an important competition field.

By analysing interests, demands and behaviours of the customers via social media, products and services for the target can be presented and the feed backs of these activities can be obtained fast and transparently. The banks which want to apply social media analyse should draw a road map to determine how to use the data of the customers. This road map provides reaching maximum benefits in a best way. While carrying out customer data analyse it is seen that presenting products and services which were classified according to customer’s behaviours before is a very innovative act. Banks could only analyse and classify the customers’ data by a true planned technological infrastructure. Presenting proposals by associating it with strategy, developing products which could provide add value, marketing all these services and products help the management of customer relations27.


~ 80 ~
6. Acknowledgements

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M. Andreas Kaplan, “If you love something, let it go mobile: Mobile marketing and mobile media 4x4”, Business Horizons, 55(2), 2012, p. 129-139.
Özgen ve Doymuş, “Küresel bankacılık sektöründe içerik pazarlaması” E.T. 11.05.2014
Self – Isolation of Albania and the First Steps Toward Opening to the West

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The years 80s are important for Albanian diplomacy, because the historical documents of the period observed variation between pre-self-isolation and steps back towards establishing relations with the West. Was the Albanian foreign policy in the ‘80, a fulfilled diplomacy, after 1985, Enver Hoxha testament whereby it was cornered the general foreign politics? These principles were a mixture of the universal principles of the UN Charter, the principles and the special interests that had Tirana regime in the late twentieth century. The principles established by Enver Hoxha were in the political, economic, cultural and security.

At the political level, the Albanian government will refrain: the principles of respect for independence, national sovereignty and territorial integrity, non-interference in internal affairs, cooperation on the basis of mutual interest and weakness. In the normal development there was free economic support and international trade while respecting equality, mutual benefits and convenience. Albanian state, under the constitution of 1976 on the principles refused aid, loans and credits from abroad. Although in principle the policy of economic cooperation with the outside of Albania was normal, in practice it did not bring any result. During this period they tried strongly from the ruling party, cultural exchanges. With most of the countries cultural activities were most frequent.

After the death of communist leader E.Hoxha, Ali took his place. Analysis and his vision on international affairs failed in the ninth Congress of the PLA held in November 1986 it did not represent new elements, in order to disclose the place of self-isolation. This platform presented basic principles of the Albanian state positions, for the last period of communism. In this Congress, it was stated that: " He knew both friends and enemies of his country. He had attacked U.S. policy new global meetings between the two superpowers and making oath that there could be no reconciliation socialist Albania and two superpowers." Alia echoed Greek-Serbian thesis, which contained the view that: the Balkan should be for the people of the Balkans. In this context, the policy with neighbors took considerate place during his rule. Communist leader stressed that: the development of good neighborly relations would be a foreign policy priority of the People's Socialist Republic of Albania.

Albanian government began to take part in round tables, held between representatives of the governments of the Balkan countries. Thus, in February 1988, the Albanian delegation took part for the first time at the meeting of Ministers of Foreign Affairs in Belgrade Balkan states. Political commentators praised this fact as evidence of substantial changes in the foreign policy of Albania. Reis Malile former minister of foreign affairs, who headed the delegation was defended with the assertion: "It is not we who change, it is the others who change." Albania was determined as: a place that would cut future meetings of this level in January of 1989. Albanian government it self praised this as a very positive event. Albanian Radio and Television Newspapers and made too echo this issue. This was a big step forward for Albania, since it was the first time in the history of the communist regime, which expected a meeting of such a level. With the establishment of these contacts in the diplomatic field, Albania can not be called isolated. However, this association was curtailed and realized within strictly defined limits. Albanian society was still closed. The instinct of self-defense of new phenomena, coming from the Soviet Union and the socialist countries of East Central Europe watched.

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2 The Central Archive, The Albanian Republic, Fond 14, Year 1988, File 4 , pg 7
3 Same place, pg.8
6 Same place
7 Bashkurti, Lisen.(2004). Self-Isolation diplomacy, Tirana , GEER, pg.676
8 Smimova, Nina. (2004). The history of Albania during 20 Cent. Tirana, Ideart, pg.417
9 AQSH, Fond 14, File 37,Year 1988, pg.17
10 Smimova, Nina. (2004). The history of Albania during 20 Cent. Tirana, Ideart, pg.410
Recent developments in the Balkans, but also important events that occurred in the years '89-Eastern European countries, such as Czech Republic, Bulgaria, Hungary where mass demonstrations led to the liquidation of communism and warned his end in Albania.\textsuperscript{11} The dire economic situation in the late 80s and early 90s, Alia forced to undertake some reforms, which affected and foreign policy. Albania came with a new idea for international relations. The biannual experience was collected as a result of active participation in Balkan cooperation made to understand the necessity of government involvement in European processes. In the January plenum of the Central Committee of APL, foreign policy was defined as task expansion of bilateral relations with its neighbors, as well as establishing links with other countries. It was followed by the principle: ‘to each state which answers with friendship, friendship will be proposed by us as well.’ Withdrawal from the ideological point of view of foreign policy made it possible to take another step and multilateral cooperation and radically revised attitude to relations with the USSR and the USA.

In April 1990, Alia said bluntly: Albania’s interest for the creation of the European Security System; in collaboration with the European community, and that in light of new approaches to the changes that have occurred in the European continent, was put on the agenda the problem of establishing relations with the U.S. and the Soviet Union.\textsuperscript{12}

In this spirit, the liberalization of Albanian foreign policy was conducted to establish diplomatic relations with the Federal Republic of Germany. The long road of negotiations had begun in fact, in 1980. The main obstacle in establishing reparations was the Second World War. Albania demanded that the Federal Republic of Germany to pay war damages to Albania. Messages coming from Tirana, in the years 1979-1980, Bonn answered; they were willing to enter into negotiations for the establishment of diplomatic relations, but without setting preconditions. German messages were widely discussed in the Albanian communist leadership for quite some time. The answer came to them in the VIII Congress of the Labour Party in November 1981, Enver Hoxha had declared that: ‘between Albania and the Federal Republic of Germany there are no insurmountable obstacles to establishing diplomatic relations.’\textsuperscript{13} While, in January 1982, in a meeting Communist leader dismissed the next step to not put precondition to establishing diplomatic relations between the two countries. He said: ‘Albania and Bonn government wanted to link diplomatic relations, the case of reparations came in the second inning. This problem should be seen as related to diplomatic relations.’\textsuperscript{14}

These statements by E.Hoxha, the Congress Party was assessed by the federal government, as a step towards solving the problem of normalizing relations between the two countries and that the attitude of Albania was clear. But the German side asked the Albanian side a formal written statement: where it is not constrained to engage the establishment of diplomatic relations with other issues. This requirement was set as condition for further talks. Ministry of Foreign Affairs of Albania, and he wrote the text was handed government through diplomatic channels FRG. In written and reparations: "you pay and find appropriate ways and forms of payment, which responds to our laws as well as your laws." In response to the German government returned in 1982 marked a step back compared with previous positions.\textsuperscript{15} “The talks stressed that they would be meaningful when the Albanian side would wave the connection with the request for reparations. FRG would not talk about such claims neither before nor after the establishment of diplomatic relations.” Albanian government answered the German note. The arrival of the new coalition, headed by German Chancellor Helmut Kohl, initially downplayed the official contact for this matter until the summer of 1983. Meanwhile, this government submitted a request to the government to discuss the problems of war. The German government proposed the development of direct talks in Bonn in April 1984, to the representatives between the two Ministers of Foreign Affairs. Albanian leadership accepted the proposal. Bonn talks marked a step forward in recognizing the clarification of positions on both sides and in presenting the alternatives to overcome the deadlock of negotiations due to the issue of reparations.\textsuperscript{16}

The new, during these talks was that the representatives of the Ministry of Foreign Affairs stated German: these relationships would create conditions for economic benefits for the country. In the span of two years that followed, after first meeting in Bonn, three other meetings were developed in Vienna in November 1984, October 1985 and March 1986. There were thrown in two alternatives that would lead to a good solution for both parties concerned.\textsuperscript{17} They gradually created a warm climate of mutual trust, which gave a valuable contribution to the Bavarian Prime Minister Franz Josef Strauss. In mid-1986 it seemed that both sides came close to a final compromise. After resolving issues the two-three pending, in September 1987, in Tirana between representatives of both governments it was signed the protocol for the

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\bibitem{15} The History of the Albanian nation. (2009). Vol.IV. The science Academy, Tirana , Toena, pg.343
\bibitem{16} Same place
\bibitem{17} Same place, pg.344
\end{thebibliography}
establishment of diplomatic relations. This protocol, after its approval by the Government and the German parliament ratification October 2, simultaneously became public in city-capitals of the two countries. Establishment of these relations was to the benefit of both countries, especially Albania. Besides these relationships appeared important the establishing of relations with the United States and England too. U.S. government had shown interest in Albania since the dissolution of the Albanian-Chinese relations. In April 1980, the State Department had made a statement expressing the willingness of the U.S. to establish diplomatic relations with Albania. A number of senators, congressmen tried to visit Albania even President Richard Nixon himself, in July 1982 had asked to come to Tirana, but was rejected by the Albanian government. After these negative reactions to the Albanian communist regime, Washington took no other attempt in the second half of the 80-th.

After the death of E.Hoxha State Department intensified back efforts to establish relations with Albania. Despite the willingness shown by the U.S. government, just as it was forced Albanian developments of events in the late 80s and early 90s, specifically in April officially declared desire to restore relations with the United States. The State Department responded immediately. The first official contact Albanian-American became May 1, 1990 between representatives of the two countries. This was an introductory meeting to discuss the procedures that would be followed to restore diplomatic relations. Those who had hastily placing these relations were the Albanian government. They asked that talks would begin later in May. Impatience of the Albanian Communist authorities, the State Department responded on July 20 with a clear message: "July 2 events in Tirana worried the U.S. about the situation in Albania which has slowed the internal consultations on the issue of relations."20

In Albania, in the framework of the reforms undertaken by the government in May 7, a number of changes to the Criminal Code which were made. "The escape no longer was qualified as a crime against the state, but as illegal border crossing." After these changes in legislation and simplifying procedures for obtaining passports, many young people were encouraged to leave Albania.21 In the first days of July, about 6,000 youngsters entered the embassies of foreign countries, seeking political asylum. 'The crisis of the migrants' of July 1990 was the biggest shock in the life of the Albanian society.22 According to the U.S., police clashes and attacks on innocent citizens in the path of the embassies of the United States government had done, that he saw suspicious attitude towards the issue of the regime of freedoms and human rights.

On May 11, 1990, UN Secretary General Javier Perez de Cuellar visited Albania. He stated that "without dismantling the system of violence, without drastically improving the status of respect for human rights, Albania could not hope to participate in international organizations."23

A second meeting between the two sides took place on August 23. The U.S. diplomat had delivered Albania, a project memorandum understanding between the two governments, to restore diplomatic relations, with five articles and other financial matters of the real ones. The Government’s response returned in September, once again showing its readiness, for restoration of these relations. U.S. administration demanded that the Albanian government would implement the commitments that had taken over after the CSCE membership as an observer.24

As a result of tremendous international pressure to improve human rights and freedom of conscience and the exercise of faith, Tirana official declined to sign the Helsinki Charter. Consequently, they accepted freedom of religion. Albania was liberated from the notorious name the only atheist state in the world. It was also recognized freedom of speech and press.25 December 1990: political pluralism was declared, there was created before the opposition parties with the old regime, was recognized fundamental freedoms and human rights. Only after these legal changes, the U.S. threw the final step: on March 15, 1991 was signed in Washington "Memorandum of Understanding between the Albanian government and American government to restore diplomatic relations."26

This event marked the beginning of a new era in the political arena of our country's international relations after the Cold War. The restoration of these important relationships displayed, because politically it warned radical democratic changes. Also, at the end of the Cold War and the destruction of the Yugoslav Federation light came back on the national issue, but it was important for the Albanian living abroad and who understood that the end of communism in Albania was
Almost at the same time was also restored the relations with Great Britain. These relationships were held hostage by: solving the issue of Albanian monetary gold trapped in the London bank and British claims for damages set by the International Court of Justice for human losses as well as damage to British ships in the Corfu Channel incident. Attempts to solve these problems and first contacts with England had begun in 1979. Albanian government reactivates the issue of monetary gold Albanian defined as a solution to the economic situation, after breaking relations with China.

Despite attempts by both parties to resolve these outstanding issues from the past, in the period 1979-1982 appeared vain results. There was a restoration of contacts between the two sides in 1984. Shadows and inherited problems become more apparent over time, instead of diminishing. During this time, there were also exchanges of letters between the two countries, a series of talks ended in 1985. The Albanian communist government was still hostage to old prejudices. By the autumn of 1987 there were further talks with the British government and restore the normalization of diplomatic relations. Only after R.Alia statements, in tenth plenum in April 1990, the issue of gold and the normalization of relations Albanian-English returned to the attention of both parties.

British reacted immediately, repeating the offer made ten years ago in 1980, to restore bilateral relations without preconditions. They requested formal negotiations with the government to establish diplomatic relations with Albania, without preconditions were established as the FRG. London had given a clear message to Tirana, Albania's membership in the CSCE and the establishment of diplomatic relations with TPE definitely seeks consensus from English government. Talks resumed again, this time after diplomatic contacts. In the first months of 1991 was reached on a joint decision, according to which: at first was declared the restoration of diplomatic relations between the two countries and then held another meeting for full and final resolution of outstanding issues. On 29 May 1991, it was announced the restoration of diplomatic relations between Albania and the United Kingdom.

In conclusion, it seems clear that diplomacy early years'80 almost non-existent; it was totally dogmatic and led by the Marxist-Leninist doctrine. With the death of E.Hoxha and the arrival of R.Alia, this diplomacy began to detach somewhat from the old principles and in the mid-80s the first signs emerged of a more active foreign policy, especially in the Balkan tables. But, after major changes at the beginning of the 90s our country will change and foreign policy course. On the basis of this course, diplomacy was oriented towards western countries, trying to solve the problems inherited from the past.

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Destination Image and Tourism Satisfaction: The Case of a Mediterranean Destination

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Abstract

In tourism industry the competitiveness among tourism destinations has become increasingly demanding. A large number of existing and new destinations are competing to attract tourists in order to enhance their results as well as to gain better position on international tourism market. Creating and managing destination image is becoming one of the key sources of competitive advantage and one of the important elements in the process of selection of destination. On the other side image is considered as one of the relevant factors in a process of evaluation of services by tourists since it moulds the expectations tourists have before visiting destination. Numerous authors have pointed out that destination image influences tourism satisfaction since destinations with positive image experience more visits and greater satisfaction of tourists. The aim of this paper is to determine the factors that influence destination image and to explore the relationship between destination image and tourism satisfaction. The research was carried out in Dubrovnik, Croatia on a sample of 705 tourists. The SEM results indicate: (1) that natural resources and natural environment, economical factors and social environment as well as tourist leisure and recreation and atmosphere of the place have positive influence on a destination image, (2), that destination image has positive effect on tourism satisfaction.

Keywords: destination image, tourism satisfaction, structural equation modelling (SEM)

1. Introduction

Tourism sector changes, growing competition among existing and new destinations, as well as changes in tourism expectations and habits, force destinations to find new ways of attracting tourists in order to stay competitive. Researches are showing that image is becoming one of the key factors in destination choice (Schneider and Sonmez, 1999; Bigné et al., 2001; Gallarza et al. 2002; Beerli and Martin, 2004; Castro et al., 2007; Chen and Tsai, 2007; Chi and Qu, 2008; Lee, 2009; Wang and Hsu, 2010) and that destination with strong and positive image has higher probability of being chosen by the tourists (Hunt, 1975; Gartner and Shen, 1992; Echtner and Ritchie, 1993; Beerli and Martin, 2004; Lee, 2009). Taking into consideration the intangibility of tourism product, image is becoming the only mean that potential tourist has in comparation and selection of destination (O’Leary and Deegan, 2005) because what motivates consumer/tourist to act or not to act are perceptions rather than reality (Gallarza et al., 2002, p. 57). Nevertheless destination image, perceived post visit, influences tourism satisfaction depending on the destination capacity to provide experiences that correspond with their needs, and as well as with the image that tourists had before visiting (Chon, 1990; Bigné et al., 2001). So, image plays a fundamental role in the success of tourism destinations since it strongly influences the choice of a destination and tourism satisfaction (Chon, 1990; Bigné et al., 2001; Bigné Alcaniz et al.,2005; Castro et al., 2007; Hernandez –Lobato et al., 2006; Chi and Qu 2008; Prayag, 2009; Xia et al., 2009; Wang and Hsu, 2010; Prayag and Ryan, 2011). Therefore, destination image and especially factors influencing it are becoming extremely important for good positioning of destinations on international tourism market and, if it is/are positive, can increase competitive advantages of a destination.

Although destination image has received considerable academic interest in the past forty years, and scholars agree that it is a complex, multidimensional concept (Gallarza et al. 2002; Prayag, 2009), there is no consensus about its dimensions (Leisen, 2001; Beerli and Martin, 2004; Bigné Alcaniz et al., 2008) leaving space for further researches.

For the purpose of this research, adjusted attributes /dimensions presented in Beerli and Martin (2004) are used to define factors influencing destination image of the city of Dubrovnik, one of the leading destinations on the Adriatic coast. SEM model is used to define relations between factors and destination image as well as between destination image and tourism satisfaction.

2. Literature Review

Interest of scholars in number of disciplines regarding the concept of image started with early works of Boulding and
Martineau in the late 1950es proposing that human behaviour depends upon perceived image rather than objective reality (Baloglu and McCleary, 1999a; Wang and Hsu, 2010). Hunt's statement that pictures that potential tourists have of destination are very important in a process of destination selection and can influence it's sustainability became an axiom for scholars in tourism field (Pike, 2007) creating general consensus about importance of image for destination sustainability and effective positioning (Tasci and Gartner, 2007).

Destination image is usually defined as set of beliefs, ideas and impressions that people have about some place or destination (Crompton, 1979). A great number of scholars focus their attention on holistic nature of image, defining destination image as the expression of all knowledge, impressions, prejudices and emotional thoughts that individual or group of people has about particular object or place (Hunt, 1975; Fakeye and Crompton, 1991). Recent studies view destination as a multidimensional construct consisting of rational (cognitive image) and emotional (affective image) interpretations (Baloglu and McCleary, 1999a; Beerli and Martin, 2004). The cognitive image refers to the beliefs or knowledge that a person has of the characteristics or attributes of tourism destinations (Pike and Ryan, 2004). The affective component (Pike, 2002) defining image only on the cognitive component which is considered inappropriate due to the fact that image does not depend only on physical characteristics of destination. The combination of cognitive and affective images gives rise to an overall image that is greater than the sum of the parts (Fakeye and Crompton, 1991; Wang and Hsu, 2010). Overall image can be similar to or different from cognitive or affective perceptions of the destination (Baloglu and McCleary 1999a; Wang and Hsu, 2010). So in order to measure the image of a destination Ahmed (1991) suggests that the evaluation of overall image as well as its two components is necessary to understand the positioning of destination.

Tourism satisfaction is considered to be a central concept in tourism (Chen and Tsai, 2007; Prayag, 2009) since it influences the choice of a destination, the consumption of products and services and the decision to return (Kozak and Rimmington, 2000; Armario, 2008). It is an important indicator of the tourism sector activity giving crucial feedback of how good the services are delivered (Prebežac and Mikulić, 2008). Although there is general agreement about the importance of customer satisfaction at the destination level in improving destination competitive position the definition of the concept remains varied. One of the most cited definitions is given by Oliver who said that satisfaction is defined as pleasurable fulfillment (Giese and Cote, 2000, p.1). That means that the consumer senses that consumption fulfills some need or desire and that this fulfillment is pleasurable. This view on satisfaction reflects its cognitive nature (exercise in comparison of expectations and performance) on one side, and its affective nature (associated feeling) on the other side (Hernandez-Lobato et al., 2008). In the case of tourism destination, tourists value the degree of pleasurable fulfillment of their needs and wishes on a full range of services offered in a destination so satisfaction depends on the experience they have with using those services. Baker and Crompton (2000) defined satisfaction as emotional condition of tourist after the experience of travelling high lightening only affective nature of satisfaction while Chon (1989) concluded that tourism satisfaction is based on the coincidence of the expectations tourist have before visiting destination and the results of experiences achieved in the destination which represents a comparation between previous image tourist had about destination and those he really sees, feels and remembers about destination.

In the terms of satisfaction measurement most authors agree it is important to differentiate overall destination satisfaction and attribute satisfaction on the destination level (Chi and Qu, 2008; Bigne et al., 2001; Castro et al., 2007; Faullant et al., 2008). The reason lies in the fact that overall satisfaction with a destination is much broader term than the sum of attribute satisfaction (Bigne et al., 2001), so tourism satisfaction measurement must be based on the overall satisfaction dimension (Truong and Foster, 2006).

Researching the relations between destination image and tourism satisfaction became popular in the last fifteen years. The increased life standard resulted in increased tourist demand giving tourist the opportunity to travel to numerous destinations. In such surrounding the perceptions tourist have about particular destination are becoming more and more important. In order to stay competitive destination must be perceived as safe (Truong and King, 2009) products and services must be attractive and better than the ones from competitive destinations. It is becoming very important to understand how tourists perceive destination, its products and services and how these components influence tourism satisfaction. Previous studies show that the image of a destination has positive influence on tourism satisfaction (Chon, 1990; Bigne et al., 2001; Bigne Alcaniz et al., 2005; Castro et al., 2007; Hernandez –Lobato et al., 2006; Chi and Qu 2008; Prayag, 2009; Xia et al., 2009; Wang and Hsu, 2010; Prayag and Ryan, 2011) and that image is a critical factor.
in influencing tourism satisfaction (O’Leary and Deegan, 2005; Cai, Wu and Bai, 2003.; Castro et al., 2007.).

3. Methodology

A questionnaire composed of four parts was used in this research: Section 1 enquired about the basic background data of the tourist vacation in a destination, that is questions about number of visits to the destination, the purpose of travelling, duration of the stay and companionship; Section 2 included forty two attributes of the destination in a form of statements defined on a 5 point Likert scale (1- strongly disagree, 5 –strongly agree) in order to define factors influencing destination image; Section 3 involved question to define overall image on a 5 point Likert scale (1- very negative, 5 – very positive) and question to define tourism satisfaction (1- very unsatisfied, 5- very satisfied); Section 4 included demographic information of the respondent: gender, age, country of residence, marital status, education and annual household income.

The questionnaire was carried out in Dubrovnik, Croatia, on a purposive sample of 705 tourists visiting hotels and private accommodation in a period May- September 2010, with a response rate of 68 %.

To ensure the reliability of measurement scales Cronbach Alfa coefficient together with Alpha if item deleted and CR (Composite Reliability) were used. Convergent and discriminant validity of measurement scales are tested using exploratory factor analysis (with Varimax raw rotation) and confirmatory factor analysis (RMSEA index, CMIN/DF indicator and AVE). Structural equation model (SEM) was used to test relationship between factors and destination image as well as between destination image and tourism satisfaction. Statistical software SPSS, Smart PLS and AMOS are used for data processing.

4. Results and Discussion

The sample profile shows that 53.5% respondents were females and 2/3 of the participants were between 18 and 49 years old (67.2%). Most of respondents have college of faculty degree (73.4%), are married (56.2%), and 62.2% have annual household income between 30 and 75 thousand euros. 80.9% visited Dubrovnik for the first time, for the vacation purposes (87.5%), with family (60%) with an average stay of 6-7 days (34.6)%.

Table 1: The results of Cronbach Alfa and Composite reliability for measurement scales

<table>
<thead>
<tr>
<th>Measurement scale</th>
<th>Cronbach alfa coefficient</th>
<th>Composite reliability (CR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elements of natural resources and natural environment</td>
<td>0.601</td>
<td>0.636</td>
</tr>
<tr>
<td>Elements of general and touristic infrastructure</td>
<td>0.772</td>
<td>0.747</td>
</tr>
<tr>
<td>Elements of tourist leisure and recreation</td>
<td>0.697</td>
<td>0.775</td>
</tr>
<tr>
<td>Elements of culture, history and art</td>
<td>0.786</td>
<td>0.744</td>
</tr>
<tr>
<td>Economic factors and social environment</td>
<td>0.662</td>
<td>0.789</td>
</tr>
<tr>
<td>Atmosphere of the place</td>
<td>0.702</td>
<td>0.731</td>
</tr>
</tbody>
</table>

Source: Results of the research

Results of Cronbach alfa coefficient as well as composite reliability (CR) show that all measurement scales have satisfactory level of reliability as follows: elements of natural resources and natural environment (Cronbach alfa =0.601, CR=0.636), elements of general and touristic infrastructure (Cronbach alfa=0.772, CR=0.747), elements of tourist leisure and recreation (Cronbach alfa =0.697, CR=0.775), elements of culture, history and art (Cronbach alfa =0.786, CR=0.744), economic factors and social environment (Cronbach alfa =0.662, CR=0.789), atmosphere of the place (Cronbach alfa =0.702, CR=0.731). Alpha if item deleted is measured for each of forty two statements and those that lower reliability of each measurement scale are excluded from further research (three statements).
Table 2: Factor structure (with Varimax rotation)

<table>
<thead>
<tr>
<th>Factors</th>
<th>Elements of tourist leisure and recreation</th>
<th>Elements of general and touristic infrastructure</th>
<th>Atmosphere of the place and elements of natural environment and culture, history and art</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dubrovnik is a town with pleasant climate</td>
<td>Dubrovnik is a town with attractive beaches</td>
<td>The coast of Dubrovnik has many beautiful islands</td>
</tr>
<tr>
<td></td>
<td>6.07</td>
<td>6.32</td>
<td>7.47</td>
</tr>
<tr>
<td></td>
<td>Dubrovnik has attractive natural attractions and scenery</td>
<td>The quality of public transport is good</td>
<td>The coast of Dubrovnik has many beautiful islands</td>
</tr>
<tr>
<td></td>
<td>6.44</td>
<td>6.93</td>
<td>7.26</td>
</tr>
<tr>
<td></td>
<td>The coast of Dubrovnik has many beautiful islands</td>
<td>The quality of taxi service is good</td>
<td>Commercial infrastructure is good</td>
</tr>
<tr>
<td></td>
<td>7.47</td>
<td>7.72</td>
<td>7.11</td>
</tr>
<tr>
<td></td>
<td>Dubrovnik has many quality restaurants</td>
<td>Dubrovnik has many quality bars and discoteques</td>
<td>Dubrovnik offers good sport and recreational activities</td>
</tr>
<tr>
<td></td>
<td>6.17</td>
<td>7.84</td>
<td>7.70</td>
</tr>
<tr>
<td></td>
<td>Dubrovnik offers good shopping possibilities</td>
<td>Dubrovnik is a town with good nightlife and entertainment</td>
<td>Dubrovnik offers good shopping possibilities</td>
</tr>
<tr>
<td></td>
<td>6.37</td>
<td>8.32</td>
<td>6.37</td>
</tr>
<tr>
<td></td>
<td>Dubrovnik has many quality restaurants</td>
<td>Dubrovnik is a town with good festivals, concerts and folklore</td>
<td>Dubrovnik is a town rich on cultural heritage</td>
</tr>
<tr>
<td></td>
<td>7.84</td>
<td>8.59</td>
<td>.784</td>
</tr>
<tr>
<td></td>
<td>Dubrovnik is a town with good festivals, concerts and folklore</td>
<td>Dubrovnik is a town with hospitality</td>
<td>Dubrovnik is a town with hospitability</td>
</tr>
<tr>
<td></td>
<td>.579</td>
<td>.778</td>
<td>.778</td>
</tr>
<tr>
<td></td>
<td>Dubrovnik offers good value for money</td>
<td>The atmosphere in Dubrovnik is relaxing</td>
<td>Residents of Dubrovnik are friendly</td>
</tr>
<tr>
<td></td>
<td>.547</td>
<td>.617</td>
<td>8.03</td>
</tr>
<tr>
<td></td>
<td>The atmosphere in Dubrovnik is relaxing</td>
<td>The atmosphere in Dubrovnik is amusing/fun</td>
<td>Quality of life in Dubrovnik is good</td>
</tr>
<tr>
<td></td>
<td>.617</td>
<td>.533</td>
<td>6.29</td>
</tr>
<tr>
<td></td>
<td>Dubrovnik offers good value for money</td>
<td>Dubrovnik is a safe destination to visit</td>
<td>Residents of Dubrovnik speak foreign languages well</td>
</tr>
<tr>
<td></td>
<td>.547</td>
<td>.742</td>
<td>6.29</td>
</tr>
<tr>
<td></td>
<td>The atmosphere in Dubrovnik is relaxing</td>
<td>Visiting Dubrovnik is a pleasant experience</td>
<td>Dubrovnik offers good shopping possibilities</td>
</tr>
<tr>
<td></td>
<td>.617</td>
<td>.755</td>
<td>.547</td>
</tr>
</tbody>
</table>

Source: Results of the research

Results of exploratory factor analysis extracted 6 factors showing that measurement scales have necessary characteristics of convergent (related statements have high loadings on associated factors) and discriminant validity (related statements have low loading on other factors). Statements that are not loading significantly on any factor are excluded from further research (fourteen statements).

Table 3: RMSEA Index and CMIN/DF indicator

<table>
<thead>
<tr>
<th>Index</th>
<th>The value of the Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMSEA</td>
<td>0.063</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>3.827</td>
</tr>
</tbody>
</table>

Source: Results of the research

Confirmatory factor analysis shows that RMSEA index is 0.063 which is significantly below the level of 0.08, taken as a limit that model is adjusted with the data (Hair, Black, Babin and Anderson, 2010). CMIN/DF indicator of the quality of
model is 3.827 showing satisfactory level.

Table 4: Results of comparison between AVE and squared correlation between latent variables

<table>
<thead>
<tr>
<th>Natural resources</th>
<th>Infrastructure</th>
<th>Leisure and recreation</th>
<th>Culture</th>
<th>Social environment</th>
<th>Atmosphere</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural resources</td>
<td>0.305</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0.070756</td>
<td>0.314</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leisure and recreation</td>
<td>0.080089</td>
<td>0.130321</td>
<td>0.381</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td>0.257049</td>
<td>0.072361</td>
<td>0.045369</td>
<td>0.497</td>
<td></td>
</tr>
<tr>
<td>Social environment</td>
<td>0.075625</td>
<td>0.2304</td>
<td>0.020449</td>
<td>0.157609</td>
<td>0.500</td>
</tr>
<tr>
<td>Atmosphere</td>
<td>0.287296</td>
<td>0.203401</td>
<td>0.106929</td>
<td>0.251001</td>
<td>0.353</td>
</tr>
</tbody>
</table>

Source: Results of the research

Results of comparison between AVE and squared correlation between latent variables show that absolute values of the correlation coefficients do not exceed limiting value of 0.85, are in a range from 0.02 to 0.28 and are smaller than AVE (0.305 for natural resources and natural environment, 0.314 for infrastructure, 0.381 for leisure and recreation, 0.497 for culture, 0.5 for economic factors and social environment and 0.353 for the atmosphere of the place) confirming that analysed measurement scales have characteristic of discriminant validity.

The results of SEM testing (Scheme 1) show that (1) elements of natural resources and natural environment (β=0.180; p=0.003), elements of tourist leisure and recreation (β=0.305; p=0.000), economic factors and social environment (β=0.186; p=0.001) and atmosphere of the place (β=0.205; p=0.004) have positive influence on destination image. So, for the perception of image of Dubrovnik very important elements are: climate, cleanliness of the sea, coastline; quality of the restaurants, availability of sport and entertainment facilities, nightlife and shopping; good value for money, quality life of local people together with hospitality and friendliness of the local people and safe, interesting and relaxing atmosphere.

Elements of general and touristic infrastructure do not have statistically significant influence on destination image (β=-0.093; p=0.051) as well as elements of culture, history and art (β=0.062; p=0.215). The above mentioned can be explained by the fact that today more or less all tourism destinations have similar general and touristic infrastructure. So, infrastructure is one of the basic elements for tourism destination development and not the element of differentiation among destinations. Therefore it does not influence the image of a tourism destination. On the other hand results show that elements of culture, history and art do not influence image of Dubrovnik. The cause can be found in a fact that tourists visit Dubrovnik mainly for its outstanding cultural, historical and art accomplishment. Due to the fact that they have great expectation ex ante, by coming to Dubrovnik these expectations are fulfilled but not exceeded so they don’t have influence on the image of Dubrovnik.

(2) destination image has positive influence on tourism satisfaction (β=0.678, p=0.000).

Scheme 1: Structural model based on empirical results

*p-values**<.01; *** < .001

Source: Author
5. Conclusion

On a turbulent tourism market, with a growing number of international tourists on one side and destinations on the other side, competition is greater than ever. In order to stay competitive destinations are forced to find new ways of attracting tourists. In such conditions, image of destination is becoming more and more important and understanding the dimensions that influence image is becoming crucial for the destination marketing.

The aim of this paper was to define dimensions/factors that influence destination image as well as to explore relation between destination image and tourism satisfaction. The research was carried out in Dubrovnik, Croatia. The SEM results indicated that elements of natural resources and natural environment, tourist leisure and recreation, as well as economic factor and social environment and atmosphere of the place have positive influence on destination image. Also, the results indicate that destination image positively influences tourism satisfaction. These results will greatly benefit to the destination marketing of Dubrovnik as guidance for improving destination image of the city. Future studies should take into consideration the limitations of conducted research (convenience sampling, time of conducting - high season-measurement of tourism satisfaction on one item scale) and include other concepts that can influence tourism satisfaction (perceived quality, tourism motivation).

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Offshore Outsourcing (O2) and Human Capital

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Abstract

In recent decades the economic development of many countries is much more as a result of the innovative ideas of human capital, rather than the material inputs. Today many states have set as a priority the knowledge based economy, and this for various reasons such as the intense specialization in specific activities, the impetus of research & development, the requirements of the market demand, etc.. Human resources are determined the currency of every society, in promoting the economic development or smoothing any crisis. On the other side a new trend is growing faster and faster, the outsourcing offshoring (that I have denoted shortly O2), considering the alternative the oxygen of a firm regeneration. What actually happens? If we refer to recent developments O2 and workforce training are mutually motivating each other. The development of technology and the ability to move freely brought the displacement of a range of activities from developed countries to developing ones, by increasing global labor turnover. This slipping initially motivated by the low cost of labor, is accompanied by two effects: Enhancing the importance of this production factor and finding alternatives for maintaining or increasing the level of employment in developed countries. The request for re/qualification of the workforce as per developed countries and the developing ones. The novelty of this paper lies in a cleave analysis of human capital as a determinant factor (labor costs, quality of work, education and training, etc..) of outsourcing offshoring.

Keywords: Outsourcing-offshoring, human capital, cost, skills.


1. Introduction

In recent decades, the economic development of many countries is the result of human capital innovative ideas of rather than the material input. Today, many countries have established as a priority precisely the economy based on knowledge, due to various reasons, such as specialization in specific activities, research and development, market demand, etc. Good examples of this are countries like the U.S, China, Germany and India, which are the leaders in terms of development trends. The competitive advantage of developed countries such as Germany or the United States is based largely on the level of education of their labour force (Garner Schwartz 2004). On the other hand, even the countries in development are not lagging behind. According to Kehal Singh (2006), many developing countries, which today are the leaders of global market in outsourcing/offshoring, have invested heavily in sciences, mathematics and engineering. For example, few people are aware that India in 1960s and 1970s realized major investments to establish education institutions offering competitive learning environments and that today a good part of the employees in off-shoring projects have graduated in these institutions.

Being in front of an overall globalization pressure, the qualification of labour force has become indispensable, especially if we observe the absorption indexes and the struggle for absorbing foreign investment.

The economic entities, either public or private, have no more limits in the distribution of output and activities. According to Singh Aron (2005), with the development of outsourcing / off-shoring there is no more a localized organization, but an organization extended in many different forms.

An important factor in their horizontal and vertical expansion is opportunity to locate anywhere in the world. It is enough that the destination country has the characteristics or meets the requirements of multinational companies, where human capital is one of the motivating factors. Many researches (Carmel, 2003; Farrell, 2006 etc. ) rank labour force as one of the most important factors in terms of redistribution of activities outside the firm or/and abroad.

\textsuperscript{1} For more information see table 1- Role of Human resources in the selection of host country.
2. But what Happens in Reality?

If we refer to the recent developments, O₂ and the high skilled human resources are mutual motivators of one another. The development of technology and the ability to move freely has brought the displacement of several activities from the developed countries to the developing ones, thus increasing the global movement of labour. This shift, which initially was motivated by the low cost of labour force, is accompanied by two effects:

- **The increase in importance of this production factor and finding alternative solutions to preserve or increase the employment level developed countries.**

Many developed countries in Europe or USA have tried for years to prevent or prohibit the development of O₂, through negative media coverage, governmental laws or trade-unions which exercise constant pressure on companies not to outsource their activities abroad. The given motivations are different, such as, for example, the safeguard of data security, or privacy rules, loss of jobs, decrease of national income, etc., (Suri, 2005).

On the other hand, many government agencies, while trying to absorb investment, are being informed on the types of outsourcing and their adaption to the needs and capabilities of the host country (Graf & Mudambi 2005). The US President, Obama, stated in 2012, that he disapproved that American companies seek for qualified workers in China or India. For this reason, he asked the Congress to make available to schools and teachers, the necessary resources to train students in US (The Economic Times, 2012).

- **Increasing demand for high skilled labour force in both developed and developing countries.**

Outsourcing, offshoring and O₂ have brought changes in occupational and professional identity and are creating new challenges for government drafting their policies for education and training, and for the professional associations thinking about upgrading the capabilities. (Sako, 2005).

Precisely, this erosion of workforce has obliged many U.S. think tanks search for strategies increasing the skills of labour force in knowledge- intense industries or activities. (D'Aveni, 2004).

In 2011, the Malaysian Minister of Human Resources, S Subramaniam, asked urgently a reform related to the training of workers, expressing his concern about the low level of high skills jobs (about 28%). The Malaysian government invested 500 million Ringgit to increase the skills of workers in the framework of 2011-2015 development plan. (The Economic Times, 2011).

Education is on the means a society can use to promote economic development and mitigation any crises, especially, when the economic boundaries between countries are fading more and more and the domino effect in the world cannot be called anymore "unusual", (here it is sufficient to mention the Eurozone financial crisis in).

The trend of offshoring / outsourcing should be first studied; in the perspective weather a country is ready to meet the market requirements by making available a skilled labour force. The purpose of this paper is to study the role of education of labour force in Albania, referring to the potential of human capital, the nature of development policies, the profile of the companies operating these last 5 years and their readiness to respond to the requirements of foreign companies foreign while providing the required activities.

3. Literature Review

The role of human resources, treated in all studies having in their focus the factors which affect in the selection of the host country.

According to Emmanuel (2009), "human resources is an inclusive concept which refers not only to human capital-health and education of an individual- but also to mentality, his view of the world, values, emotional stability and other personal features....... while human resource development as the process of increasing human resources, competencies, skills, intelligence and talents of the members belonging to a particular organization and to all people in a society ".

Intelligent countries strive to make attractive the "brainpower industry", through education of their population. An example is the Indian government, which in 2005 established the National Knowledge Commission with the purpose to make India not only a manufacturing society of knowledge, but also a consumer society and distributor of knowledge. Emmanuel (2009)

The table below gives some of the main studies on the selection of the host country, where the importance of human capital is seen in different perspectives. In their study, Graf & Mudambi (2005) have analysed human capital in five dimensions: availability of labour, experience, quality, cost and cultural distances. The first three elements influence positively on the growth of O₂ while the two others influence negatively.
According to Oshri, Kotlarsky, & Willcocks (2009) the skills required through localization in one place, include business technical know-how, leadership skills, foreign languages and the ability to learn and create new things (innovations).

According to "Professional Digest" (2013), two factors determine the degree of offshoring of activities to another country: the size of talents pool offered by this countries and its geographical position. It is very important for the successful outsourcing of activities to control the level of workforce training and demand-supply ratio in terms of density of the labour force, but forgetting education and the risk of diminution.

### Table 1. Human Capital role in the selection of the host country

<table>
<thead>
<tr>
<th>Authors</th>
<th>Year</th>
<th>Title of paper</th>
<th>Motivator factors of destination (Human Resources)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carmel</td>
<td>2003</td>
<td>The New Software Exporting Nations: Success Factors</td>
<td>Orientation and national traditions; size, human capital; composition; language skills, managerial skills.</td>
</tr>
<tr>
<td>Graf &amp; Mudambi</td>
<td>2005</td>
<td>The outsourcing of IT-enabled business processes: A conceptual model of the location decision.</td>
<td>Availability; experience; quality; cost; and cultural differences.</td>
</tr>
<tr>
<td>Farell</td>
<td>2006</td>
<td>Smarter Offshoring</td>
<td>Availability of workforce with the required skills; The size of the domestic sector which provides information technology services and other business functions.</td>
</tr>
<tr>
<td>Liu, Berger, Zeng, &amp; Gerstenfeld</td>
<td>2006</td>
<td>Where to Outsource: Selecting an Offshore Outsourcing Location</td>
<td>Culture / Language; Expertise / Sustainability in the supply of labour force.</td>
</tr>
<tr>
<td>Oshri, Kotlarsky, &amp; Willcocks</td>
<td>2009</td>
<td>The Handbook of Global Outsourcing</td>
<td>Market size for the required skills and capacity in the long-term.</td>
</tr>
<tr>
<td>Liqin</td>
<td>2011</td>
<td>Study on the Ability for Jilin Province of China to Undertake Outsourced International Service</td>
<td>The quality of the workforce; Technological skills.</td>
</tr>
<tr>
<td>A. T. Kearney</td>
<td>2011</td>
<td>Offshoring Opportunities Amid Economic Turbulence</td>
<td>Experience and evaluation of the quality of the services sector in the distance; Availability of labour force; Education and Language; Risk of attrition.</td>
</tr>
</tbody>
</table>

### 4. Recent Developments

Almost all reports discuss the growing importance of value in international chains, accompanied by a spread of production networks across the globe. In Europe for 2010-2014, about 63 companies offshored their activities outside the borders (offshore and O2), mainly in the manufacturing sector activities (Eurofound, 2014). According to OECD, the value of imported intermediate inputs accounts for 25% of total exports in OECD countries. If a country, gets involved in value chain market it increases revenues from exports, increases the number of employees and also indirectly affects positively in areas such as management, technical know-how and access to new technologies (World Economic Forum, 2013).

Among other things, nowadays companies are looking for educated and trained employees, especially in technical fields. The most important reason for outsourcing is achieving a competitive advantage through the acquisition of a skilled workforce with a cheaper cost.

Another concern of our times, is the cost trade-off versus quality and quantity of workforce. The solid presence of these factors has made two Asian countries, like China and India to be leaders of outsourcing (Radwan & Fernando, 2005). According to Farrell, Laboissière & Rosenfeld (2005), 11% of jobs in the service sector can be accomplished in distance everywhere in the world, thus turning into priority the employment and training/education for specific functions. The Labour Statistics Bureau, in an analysis of 2007 in USA, it was estimated that over 30 million employees (20% of the workforce) carry out tasks which could be realised also outside the borders (Levine, 2012).

The sensibility of this phenomenon has affected Europe as well, as due to offshoring the number of jobs lots are counted over a quarter million (Eurofound, 2014), while US in 2013 has outsourced outside the borders (O2) 2.637.239 jobs (The Countries of the World, 2014).
According to statistics (Eurofound, 2014), few new jobs are created in Europe by offshoring. Even the service sector is associated with a decrease in employment in EU countries with 44% Kirkegaard (2007).

This has happened and continues to happen due to technological developments and liberalization of economies, which make possible (1) the diffusion of diverse geographic distribution, and (2) a more visionary businesses. According Tholons (2013), for U.S. firms, the transfer of activities is a strategy to search capacity with higher value. European firms main goal is to reduce costs, increase efficiency and flexibility, while for Asian firms this strategy enables concentration in the core activities and standardize the activities.

Eastern Europe, Southeast Asia and South America are among the most preferred locations. O2 rate is different by sector. The sector with more O2 is the manufacturing sector, followed by technology sector, the information sector and research and development sector.

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Source: (Eurofound, 2014)

Source: (THOLON, 2013)
Reallocation of activity in the manufacturing sector has decades that happens, even a great impetus of O2 expansion in this sector are technological innovations that have facilitated and expanded the range of activities that early were judged as unspeakable (Kirkegaard, 2007). In the Information Technology sector although the dominant factor of O2 is the cost-effectiveness, another motivational factor is the availability of world class talents. For customers firms of O2, the focus is on technical skills, education in the field of information technology and research and development level of destination countries. From the offer point of view, destination countries compete through the availability of workforce which is professionally trained, the size of this reserve and language skills. For Jensen & Pedersen (2011), comparison lies not only at the macro level (between countries or sectors) but in the nature of the activities carried out also. The picture is more colorful if should make a distinction between standardized activities (not main) and that are more advanced such as the research and development. But essentially every decision is based in the cost of inputs and efficiency in their use. This translates into technology, skills, economic development level, ease in the transfer of the product, etc.

In assessing the cost of workforce, the developing countries continue to enjoy the advantage of low wages. India’s case is typical, where as simple professions and that that’s require a high degree of qualification, have lower salaries compared to some countries in Europe and USA (Sridhar & Bharadwaj, 2006). Even the countries of Central and Eastern Europe have lower wage levels compared with the European Union. Poland, which leads as destination O2, has an average of the monthly salary as the half of the average monthly salary which is given in Germany (BBC, 2012). In Asia "the cheaper labor power" is found in Vietnam (O2 destination site), with an average monthly wage of about 186 $ (Carter, Bédard, & Bist, 2013).

**Figure 4- Gross Annual Wage by Professions**

**Source:** (Tholons, 2013); (IMD, 2013)
Low cost often does not justify the quality of the work in the destination countries. In an analysis done by (Deloitte, 2012), the main reason of the outsourcing contracts termination is exactly the quality of work. In assessing the quality of work in these destination countries, trials are different. According to (Oshri, Kotliarsky & Willcocks, 2009), workers in these countries tend to be more motivated by the work for the reason of higher payments than usual salaries. However, even when employees have proper education again has problems with the quality of work. In their study, (Farrell, Laboissière & Rosenfeld, 2005) highlighted the problems regarding lack of language skills, focus on theory at the expense of practical knowledge and the gap on the cultural adapting (such as lack of interpersonal skills, attitude towards teamwork or labor flexibility, which are contrary to the norms of international companies). According to (Oshri, Kotliarsky & Willcocks, 2009) a factor which improves the quality of services is the training of the workforce.

When it comes to activities global market, its size comes narrowed by distance of countries-destination, culture in these countries, the socio-economic development level, the activities’ nature etc. This approach is reinforced by the size of the human resources reserves, especially skilled workers. A common feature in European and American labor market is the increased demand for skilled workers versus that unskilled (Author & Dorn, 2009).

According to (The National Association of Manufacturers, The Manufacturing Institute and Deloitte & Touche, 2003) "The biggest challenge for America is not the low cost of products manufactured by the manufacturer with low wage levels in developing countries, but has to do moreover with high quality products realized by highly skilled employees in emerging economies". If 2003 is considered remote, this trend appears in the IMD report of (2013), as one of the most influential developments in the global overview of competition for 40 future years.

From a cheap workforce towards an intellectual power with favorable price - the world is running out of a competition model based on cheap labor power towards a model based on a free intellectual power. In total India, Russia and China have 14 million students, as much as America. These students quickly return to professionals eager for success, which are relatively affordable and highly motivated. Through technology, these minds (brains) can be accessible to the entire globe. (IMD, 2013)

Knowledge of English is a very important incentive of the Q2. For example, all Eastern Europe countries, as part of the Tholons map (2013), are listed as English speaking countries and positively assessed in PISA test.

Table 2- Percentage of English-speaker population.

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of English-speaker population</th>
<th>Order in PISA-test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>25%</td>
<td>47</td>
</tr>
<tr>
<td>Croatia</td>
<td>49%</td>
<td>40</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>27%</td>
<td>24</td>
</tr>
<tr>
<td>Estonia</td>
<td>50%</td>
<td>11</td>
</tr>
<tr>
<td>Hungary</td>
<td>20%</td>
<td>39</td>
</tr>
<tr>
<td>Poland</td>
<td>33%</td>
<td>14</td>
</tr>
<tr>
<td>Romania</td>
<td>31%</td>
<td>45</td>
</tr>
<tr>
<td>Russia</td>
<td>5.48%</td>
<td>34</td>
</tr>
<tr>
<td>Slovakia</td>
<td>26%</td>
<td>35</td>
</tr>
<tr>
<td>Slovenia</td>
<td>59%</td>
<td>21</td>
</tr>
<tr>
<td>Ukraine</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>


The education system in these countries is much improved in recent years especially in science, technology and engineering being accompanied by a high number of admissions in universities (Oshri, Kotliarsky & Willcocks, 2009). What is observed in the Eastern European countries is the difference in approach of the education system. If under the communist regime high school was compulsory for the entire population of these countries, English language today is involved in almost 100 % in the second cycle of education. The disadvantage of the population size (excluding Russia) compared with other Tholon’s map countries (Philippines, Brazil, etc), is compensated by a skilled and educated workforce. In the Asian continent India is the leading country in terms of educational level, which has a big stock of talents, especially in the information technology industry. Number of employees in the IT and ITES - BPO from 1999-2000 to 2011-2012 is decoupled, reaching 2.77 million employees. Every year to the Indian workforce are added 2.5 million graduates, of whom 300,000 engineers and 150,000 professionals of information technology. According to (IMD, 2013), India is ranked 20-th in terms of the education system, and in the 22-th place in the university education with 634 universities. (IMD, 2013)
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The Role of Economic Diplomacy in Increasing the Value of Exports to Mediterranean Countries – The Case of Slovenia

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Abstract

This paper examines the role of economic diplomacy, which is the activity of managing economic relationships between countries, in increasing the value of exports to Mediterranean countries in the case of Slovenia. Additionally, it also examines the role of economic promotion (especially trade promotion), which is one of the main activities of economic diplomacy, in increasing exports to the aforesaid countries in the same case. However, neither economic diplomacy nor economic promotion are panaceas for economic mismanagement, which is one of the main reasons for the current financial and economic crisis in Slovenia and certain other countries, mainly in Southern Europe.

Keywords: economic diplomacy, economic promotion, foreign trade, Mediterranean countries, Slovenia.

1. Introduction

Diplomacy is the activity of managing relationships between countries (see, e.g., Freeman, 1997; Berridge & James, 2001; Rana, 2002; Jönsson & Hall, 2005; Barston, 2006; Boleswki, 2007; Jazbec, 2009; Bertridge, 2010; Pigman, 2010; Siracusa, 2010; Hamilton & Langhorne, 2011; Bjola & Komprobst, 2013; Cooper, Heine & Thakur, 2013). There are several types of diplomacy, some of which are more important than others. One is economic diplomacy, which is the activity of managing economic relationships between countries (see, e.g., Bergeijk, 2009; Veenstra, Yakop & Bergeijk, 2010; Bayne & Woolcock, 2011a; Bayne & Woolcock, 2011b; Bergeijk, Okano-Heijmans & Melissen, 2011; Larson, 2011; Verhagen & Bieker, 2011; Romih, 2013a; Romih, 2013b; Woolcock & Bayne, 2013). Economic diplomacy is becoming increasingly important for Slovenia (Jaklič, 2010; Samec & Romih, 2010; Žbogar, 2010; Gasparič, 2011; Sovič, 2012; Erjavec, 2013, Erjavec, 2014). There are several reasons for this. One is the current financial and economic crisis, which is continuing to affect its economy. Slovenia thus faces certain economic and social problems. Foremost among these is increased unemployment. Additional measures are therefore needed to promote employment and the social inclusion of unemployed people. These measures are also needed to prevent the migration of people from Slovenia to other countries, mainly in Europe and North America. In 2012, 14,378 people emigrated from Slovenia, which is an increase of 19.6 per cent over the previous year; nearly three-quarters of them were aged 25–64 ( Statistical Office of the Republic of Slovenia, 2013a). Among these, 59.9 per cent were employed prior to emigration. Most of them immigrated to a European country, mainly Austria, Germany, Croatia and Bosnia and Herzegovina, the latter two being Mediterranean countries.

2. Economic Promotion

Economic promotion is the activity of promoting an economy. It is very important for countries, regions, cities, etc., due to its impact on their economic performance. This is one of the reasons why economic promotion is so important for Slovenia (Romih & Logožar, 2011a, p. 135; A. Cantarutti, personal communication, 7 January 2014), whose economy is still in crisis.

Economic promotion is the main activity of economic diplomacy (Pigman, 2010, p. 69; Rana & Chatterjee, 2011, pp. 6–9). One reason for this is that this type of promotion may assist in the achievement of goals such as increasing the value of exports. Economic diplomacy is, therefore, becoming increasingly important for countries whose economic...
growth is driven by exports, as is the case with Slovenia. Increasing exports is, therefore, very important to improving economic performance. Other measures are also needed, such as the promotion of cooperation between companies (especially small- and medium-sized ones) in entering foreign markets (Cantarutti, 2012).

There are several types of economic promotion, such as trade and investment promotion (see, e.g., United Nations, 2009; Naray, 2011; Mills, 2013). Trade and investment promotion are essential for a country in accelerating its foreign trade and investment. This is one of the reasons why trade and investment promotion are becoming increasingly important for countries affected by the current financial and economic crisis.

3. Trade Promotion

Foreign trade is the activity of trading goods and services with other countries. It is very important for Slovenia, contributing to its economic growth and development (the main goals of its economic policies) (Romih, 2013b, p. 95; Cantarutti, 2014). Trade promotion, which is the activity of promoting foreign trade, is essential to achieving these goals; this is one of the reasons why trade promotion has become an important activity of Slovenia’s diplomatic and consular representatives.

Slovenia is heavily dependent on trade with other European countries (see Figure 1), mainly Austria, Italy and Germany (see Figure 2). Foreign trade diversification is thus essential in order to accelerate Slovenia’s foreign trade. It is also essential to accelerate Slovenia’s economic growth and development in order to restore economic stability (which, in addition to political stability, is essential for peace and prosperity). Removing trade barriers is, therefore, crucial for achieving these goals. However, the policies directed at these goals are more or less inconsistent, making them ineffective and inefficient and leaving Slovenia less competitive by comparison to some other countries. Estonia, for example, ranks 32nd out of 148 countries according to the Global Competitiveness Index 2013–2014, which is 30 rankings higher than Slovenia (Schwab, 2013, p. 15). This requires immediate action at all levels of governance (Romih, 2013c). In order to become more competitive, Slovenia needs to carry out economic reforms, which should be consistent in order to become more effective and efficient (Romih & Samec, 2010; Romih, 2013a, p. 101). This is integral to increasing public confidence in these reforms (especially during the current financial and economic crisis) and to creating an environment conducive to the economic reforms necessary if the country is to adapt to changing economic conditions at home and abroad. Furthermore, it is vital to accelerate Slovenia’s foreign trade in order to improve labour market conditions and stop the ‘brain drain’ to more competitive countries (e.g., Austria, Germany and Switzerland). This is another reason for Slovenia to accelerate its trade promotion.

In 2012, the value of Slovenia’s exports of goods to European countries amounted to 18.9 billion euros (Statistical Office of the Republic of Slovenia, 2013, p. 398), which is a decrease of 0.7 per cent over the previous year. In the same year, the value of Slovenia’s exports of goods to non-European countries amounted to 2.2 billion euros, an increase of 9.5 per cent over the previous year. The main importers of goods from Slovenia among non-European countries were Algeria, Turkey and the United States of America. Also in 2012, the value of Slovenia’s imports of goods from European countries amounted to 19.1 billion euros (ibid., p. 398), which is a decrease of 2.5 per cent over the previous year, while the value of its imports of goods from non-European countries amounted to 3 billion euros, an increase of 0.7 per cent over the previous year. China, the Republic of Korea and the United States of America were the main exporters of goods to Slovenia among non-European countries.

Figure 1: Slovenia’s exports and imports by country groups, 2009–2012

Figure 2: Slovenia’s exports and imports by European countries, 2012

Austria, Italy and Germany are the three main trade partners of Slovenia. In 2012, the value of Slovenia’s exports of goods to these countries amounted to 8.6 billion euros, which is 40.7 per cent of the value of Slovenia’s exports of goods (see Figure 3) and 45.3 per cent of the value of Slovenia’s exports of goods to European countries. In the same year, the value of Slovenia’s imports of goods from Austria, Italy and Germany amounted to 10.8 billion euros, which is 48.7 per cent of the value of Slovenia’s imports of goods (see Figure 3) and 56.2 per cent of the value of Slovenia’s imports of goods from European countries.


Figure 3: Slovenia’s exports and imports by country groups, 2012

Italy, Croatia and France are the three main Mediterranean trade partners of Slovenia. In 2012, the value of Slovenia’s exports of goods to these countries amounted to 4.9 billion euros, which is 23.2 per cent of the value of Slovenia’s exports of goods (see Table 1) and 74.5 per cent of the value of Slovenia’s exports of goods to Mediterranean countries. In the same year, the value of Slovenia’s imports of goods from Italy, Croatia and France amounted to 6.0 billion euros, which is 27.2 per cent of the value of Slovenia’s imports of goods (see Table 1) and 82.1 per cent of the value of
Slovenia’s imports of goods from Mediterranean countries.

Table 1: Slovenia’s exports and imports of goods by Mediterranean countries, 2012

<table>
<thead>
<tr>
<th>Country</th>
<th>Slovenia’s exports of goods</th>
<th>Slovenia’s imports of goods</th>
<th>Slovenia’s exports as a percentage of Slovenia’s imports</th>
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<td>Mediterranean countries</td>
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4. Investment Promotion

Investment promotion, which is the activity of promoting foreign investment, is a type of economic promotion. It is very important for a country for several reasons. One is the impact of foreign investment on a country’s economic growth and development. For Slovenia, foreign investment is particularly important because the country lacks domestic investment (Romih, 2013a). This is, to some extent, a result of the current financial and economic crisis, which is continuing to have a negative impact on Slovenia’s investment climate. There are also certain other investment barriers in Slovenia. One is economic nationalism, which does not benefit Slovenia’s economy (S. Dajčman, personal communication, 29 March 2014).

In 2012, the stock of inward foreign direct investment in Slovenia amounted to 15.5 billion US dollars at current prices and exchange rates (United Nations Conference on Trade and Development, 2014), which is an increase of 4.4 per cent over the previous year. In the same year, the stock of outward foreign direct investment in Slovenia amounted to 7.8 billion US dollars at current prices and exchange rates (ibid.), a decrease of 0.1 per cent over the previous year.

5. Tourism Promotion

Tourism promotion is also very important for a country. There are several reasons for this. One is the impact of tourism on a country’s foreign trade and investment (see, e.g., Pigman, 2010, p. 93). For Slovenia, tourism is particularly important because it is one of the economic activities which has been least affected by the current financial and economic crisis.
crisis. In 2012, 2.2 million arrivals of foreign tourists were registered in tourist accommodations in Slovenia (Statistical Office of the Republic of Slovenia, 2013b, p. 423), which is an increase of 5.8 per cent over the previous year. In the same year, 5.8 million overnight stays were registered in tourist accommodations in Slovenia (ibid., p. 423), an increase of 5.7 per cent over the previous year. Most foreign tourists in Slovenia were from Austria, Italy and Germany, who are the three main trade partners of Slovenia.

6. Conclusion

Slovenia is a small country which faces particular economic and social problems, such as increased unemployment (especially among young people). There are several reasons for this. One is ongoing economic mismanagement, which has had a negative impact on Slovenia’s economic performance. Economic diplomacy, which has the opposite impact on a country’s economic performance, is therefore very important for Slovenia and its stakeholders.

7. Acknowledgements

The author would like to express its gratitude to Viktor Baraga (Consulate of Australia), Aleš Cantarutti (Chamber of Commerce and Industry of Slovenia, Centre for International Business), Klavdij Logožar (University of Maribor, Faculty of Economics and Business, Department of International Economics and Business), Arne Mislej (Consulate of the Republic of Indonesia), Žan Jan Oplotnik (University of Maribor, Faculty of Economics and Business, Department of Finance), Tomáš Siviček (Jan Evangelista Purkyně University in Ústí nad Labem, Faculty of Social and Economic Studies, Department of Economics) and Janez Šumrada (Ministry of Foreign Affairs of the Republic of Slovenia, Directorate for Economic Diplomacy) for their views on economic promotion.

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~ 105 ~
Challenges Faced by Girls Trafficked, during the Reintegration Process in Albania

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Abstract

The political changes after the regime during the years 90-91 in Albania had opened a new market of human trafficking such was the phenomenon of exploitation of girls for the sex industry. Those people who wanted to enrich themselves through illegal forms (although Albanian state at that time had an anti-trafficking legal framework) by trafficked, recruited, exploited girls and women. The phenomenon of exploitation of girls in Albania is still a serious social problem. Albania is still considered as the origin country for trafficking in women for sexual exploitation. The purpose of this study is to analyze difficulties that have to face the trafficked girls during their reintegration in the society. The specific objectives of this study are: Exploration of the opportunities, resources, systems and support structures that can help for a successful reintegration of trafficked women in Albania. The methodology used to conduct the study is qualitative, as an effective method in providing specific information and in-depth understanding of the subjects exploration. The instruments that were used are semi-structured interviews with the target group as well as existing information, which refers to data that are conducted previously by the respective institutions that have to treat such problems of trafficked women and girls.

Keywords: victims of trafficking, reintegration, process, sexual exploitation.

1. Introduction

Even nowadays Albania is still considered a country of origin for trafficking of women for sexual exploitation. These data are provided to us by four refuges that offer residential services for victims of trafficking and that are currently coming out of four members of the National Coalition of Anti-trafficking Refuge including: 1. The Psychosocial Center "Vatra", 2. "Different & Compeer Organisation" 3. "National Host Center for Victims of Trafficking", 4. "Another Vision". These are refuge centers that provide residential services for girls trafficked victims.

The reason for undertaking this survey relates to the importance for the victims of trafficking in the reintegration process in the social life. In everyday life, we often discuss about the shocking consequences that this phenomenon causes to vulnerable girls, but it is not spoken about the challenges that should be faced by women who have left behind such a life, with the difficulties that girls should face for the reintegration in the society. Being aware that the process of reintegration is a very difficult one, I think, through this study, to examine this process in its entirety, and the factors that lead to a successful reintegration of victims of trafficking in Albania. Cases of victims of trafficking who have been reintegrated completely in society are not lacking, but on the other hand of coin, there have been girls who were victims of trafficking that are reactivated/recycled, becoming trafficking victims again or tutors for other girls.¹ There has been established a main hypothesis for this study, to see how the Albanian reality proves this hypothesis. The raised hypothesis of the survey is:

\[ H \Rightarrow \text{Challenge of girls / women after the trafficking process: reintegration or reactivation/recycling?} \]

The difficulty of this study lies in the fact that in Albania there are a few authors who have studied the phenomenon of trafficking in girls / women for sexual exploitation reasons. There are used mainly resources from foreign literature, from well-known foreign authors who have previously conducted studies related to the phenomenon of trafficking in girls, providing in this way, a critical analysis.

2. Literature Review

Today, trafficking in human beings is a social problem. This is because: it has affected a significant number of people (1), in a way that it is considered unacceptable (2), that could be reacted against it (3), through using an organized collective action (4). According to social issues researchers, there are four conditions for a given problem to be

¹ Top Channel, the news, date 23.11.2013
classified as 'social'. Drawing a comparing between this definition of social problems, and that of trafficking, it turns out that human trafficking has not always been a social problem.

Throughout the history there have been periods in which, for instance, to be a slave, was just 'normal' as to be a slaveholder. People are also used as 'cannon fodder', for many things: from the battlefield to the bed. Trafficking has become a social problem in the later stages of development of society, at the time of demolition of the slavery in general, and then, at the stages of civilization and enlightenment, of the transformation of freedom into a universal human aspiration, especially with coming out of the rule of law, with emphasis on fundamental human rights, etc. The reaction to trafficking took the features of an organized collective action, especially during the twentieth century, with the foundation of the international institutions, like the League of Nations (later the UN), or the European ones (Council of Europe, EU, etc.). After World War II, not to go further. Of all forms of trafficking, the one for sexual exploitation is the most common and the most intensively surveyed. We can draw conclusions from it, directly or indirectly, on the trafficking in general. On one hand, it is accepted, almost unanimously, that prostitution is the "oldest profession in the world". On the other hand, it has been proven that voluntary prostitutes have never sufficed to 'saturate' its market. Recruitment through trafficking, is just the response to this requirement.

Human trafficking is a major problem in Europe. International Labour Organization (ILO) estimates that there are more than 2,45 people trafficked in Europe, mostly women and children.

Human trafficking is a major problem in Europe. International Labour Organization (ILO) estimates that there are more than 2,45 people trafficked in Europe, mostly women and children.

3. The Evolution of the History of Trafficking in Albania

While trafficking in Albania for prostitution purposes or exploitation for profit-making, "has no history". At least, it is not at all a typical Albanian phenomenon. There is not any evidence that trafficking of girls have existed in the first half of the twentieth century, the time when it is attested the spread of prostitution in Albania, and even its legalization (between the years 1920-1944) estimated at the time, as a measure for the protection of public health and morality.

The archival documents show that in Albania, during this period, the girls practiced the sex worker profession with their own desire and "free will". Setting dictatorial regime in Albania ceased the era of prostitution organized during that period (1944 - 1945), because trafficking was considered part of the class struggle and the prostitutes as "the thrown away from the Society".

In Albania, women trafficking began after 1990, in the conditions of lack of a legal framework on anti-trafficking. The first law on trafficking was approved in 1995.

The trafficking data in Albania are quite contradictory. According to the official data, referring to denunciations of the family members, more than 600 Albanian women result still missing.

It is asserted that only Western Europe has more than 30 thousand Albanian prostitutes, not to mention other countries.

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3 In fact, Albania has acceded to the International Convention for the elimination of trafficking of women and children, before World War II, back in October of 1937
4 Bryan, 1968; p. 257
5 Sokol, Lekë. 2005b. The Professional Prostitution in Albania and debates about the assessment "Prostitution is a typical Albanian phenomenon". "The Human rights" magazine. No. 2
6 The quotation is taken from the Council of Europe: The Convention on trafficking human beings. Tirana, 2006, p. 5
9 Legalization of prostitution based on government decision No. 196, dated February 10, 1922, which approved rules of prostitution. After its approval in the Parliament, this regulation became law. (Official Gazette, No. 30, August 1922, p. 4.
10 Sokol, Lekë. 2006a (The father and the trafficked daughter) 2006, (Integration and traditional morality)
12 Alia, Ramiz. 1986, p.153
14 Hoxha, Edmond. 2005. Than women missing in Albania. 'Metropol' Newspaper, July 21
15 Çupi, Alma. 2001. Prostitution, 'an endless epidemics.' 'Albania' newspaper: April 18
However, I would point out the fact that in the Albanian society, there are no more cases of those girls who exercised sex-worker profession in countries outside the Albanian territory and once identified by police, they have been extradited from neighboring countries and turned back either to their families (in rare cases, due to the stereotypes and prejudices that they had on trafficked victims), or they were assisted in residential centers that provided services to them. Actually, the internal trafficking is widespread in Albania; girls that practice the sex- worker profession by their traffickers within the Albanian territory. Such cases are more difficult to be identified by the Police (Anti-trafficking Department). In order to carry out this survey more efficiently, I have raised a set of research questions such as: - Are the trafficked girls supported by their family of origin? (stereotypes and prejudices they face in their family and community) - Trafficking of girls / women, an irreversible process or otherwise, how can we get out of this situation? - What is the challenge of girls / women after the trafficking process: Reintegration or reactivation/recycling? – What is the attitude hold by the families and the society towards the girls after trafficking process?

The shelters that deal with the victims of trafficking in Albania face with many difficulties in the process of reintegration of girls, victims of trafficking, as the process of reintegration itself, according to Surtees, refers to “the process of improving the situation as well as social - economic involvement after a trafficking experience. This process is costly not only financially, but it is complex and influenced by a number of personal factors and other broader social, cultural and economic factors”16

If you provide a definition for the reintegration process of VOT I would say that:

Reintegration refers to the process of recovery and social -economic involvement of the individual after a trafficking experience. Reintegration involves placement in a safe environment, access to reasonable living standards of living, opportunities for personal economic development, as well as access to emotional and social support. In many cases, reintegration includes the return of the victim in their families / community of origin. However, it may also include integration into a new place, depending on the needs and interests of the victim.17

4. About the Methodology Applied

This study is entirely qualitative, as an effective method in providing specific information and profound understanding in exploring the subjects.

I initially used, an extensive bibliography of studies, monographs, scientific articles or from the daily press, from the Albanian and foreign authors, who have previously written for human trafficking.

The methods used in this study include analysis of primary and secondary data.

5. The Primary Data Refer to

- Semi-structured interviews (with a focus group of 10 girls) which I have conducted with victims of trafficking, re/integrated or in the process of reintegration.

Regarding semi-structured interviews, they contain closed and opened questions and personal narratives of victims of trafficking.

For the preparation of the interview questions I have reviewed and taken into account a number of strategic documents related to the issue of trafficking, and I have taken into consideration ten guiding principles with regard to ethical issues of interviewing victims of trafficking.18

Taking into consideration that trafficking victims are regarded as "vulnerable" groups, they are ensured not to be exposed to any danger.

6. The Justification of the Used Methodology

Reintegration of victims of trafficking exploited within the territory Albania, is a challenge of this study. Albania, being a "small country ", the main problem is that trafficked victim girls are recognized by the people of their towns, who label them as "prostitutes ", and this fact hinders their involvement in social life. Therefore, the method that I have necessarily

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16 Surtees, Rebecca. 2008. Re/integration of trafficked persons: how can our work be more effective, NEXUS Institute.
17 (Surtees, 2008) 6 Surtees, Rebecca. 2008. Re/integration of trafficked persons: how can our work be more effective. NEXUS Institute (2003). WHO ethical and safety recommendations for interviewing trafficked women. London School of Hygiene and Tropical Medicine, London: Daphne Program of the EU.
applied in this survey is the qualitative method, as an effective method in providing specific information and deepened understanding in exploring the subjects. Regarding this phenomenon, the collection and analysis of data could be accomplished efficiently using semi-structured interviews, thus giving the opportunity to the interviewee to talk about a number of issues on their own way.

7. The Measuring Instrument

In this study, the compilation of instruments is conducted by relying on the work of Holstein and Gubrium (1995). There are used "semi-structured interviews", which do not focus on structured questions but in techniques. There are included two elements in the interviews, objective and subjective, and such interviews are directed with easiness. The subjective element consists in how the interviewer will interpret "what the interviewers want and have got the opportunity to develop their own opinion based on this perception, which can also be wrong." Objective elements are mainly related to the zealous discussion realized between the interviewees and the Interviewers.

8. The Survey Outcomes

Since part of the research methodology is the focus group, thus this study is focused on the implementation of ten interviews with victims of trafficked girls, that have been assisted previously at the residential center "The New Moon", in Elbasan –Alabania, and currently leading an independent life.

According to the data analysis, carried out through SPSS program for the demographic section of the questionnaire, the following data resulted:

8.1 Age

The interviews conducted with victims of trafficking show that their age is from 15 to 38 years old. Of these, one trafficked girl is at the age of 15 to 20 years old, the largest number of trafficked girls are at the age of 20-25 years old (six), two girls belong to the age of 30-35 years old and one girl belongs to the age 38 years old.

8.2 Level of Education

The education level of the victims of trafficking is mostly that of primary school graduates; five of the trafficked girls turn out to have completed it, two of the girls have not completed the primary education. Meanwhile, one victim girl has completed the secondary school, one victim girl of trafficking is attending the secondary school (part-time) and one victim girl of trafficking has not attended any primary education (she is illiterate)

8.3 Marital Status

From the interviews, it comes out that the legal marital status of the most of the interviewees are seven girls are 'single'; three trafficked victims are currently married.

8.4 Birthplace and Origin

The birthplace of the victims has a wide geographical distribution and to better facilitate the interpretation, I have divided it into three provinces: Northern regions, provinces in central Albania, and southern provinces. More specifically, six interviewed victims were from the southern region of Albania, three victims belong to the middle region of Albania and one trafficked girl belongs to the Northern areas. It is evident that the smallest number of cases of trafficked girls is the Northern regions of Albania, probably because of the traditionally conservative, patriarchal, isolated mentality characterizing this province.

9. Interview Questions

The second part of the questionnaire was compiled for the difficulties encountered by girls after reintegration process (independent living). To the question "What are the difficulties faced by trafficked girls after reintegration process"?

Out of ten victims interviewed, eight girls identified as a primary difficulty finding a job, one girl was working as a
secretary in a enterprise in the country of Italy, one trafficked victim girl was physically unable to work because she suffered from a mental disease.

Regarding the question "If they were supported by the family of origin ", out of the ten girls interviewed, it comes out that: five of them have no contact with the family of origin since when they were trafficked, because they do not want to have direct contact with their daughters; two girls keep contacts with their families, and three VOT are reintegrated in their families.

Concerning the question " If they so feel fully reintegrated ", out of ten girls interviewed it resulted: one girl VOT is fully reintegrated outside the Albanian territory ( Italy ), where she currently has a satisfactory job ( secretary in enterprise ), she has created her own family, leaving behind negative experiences she suffered during her previous life; three girls were reintegrated in a city of Albania, where one of the girls was working in a tailoring company, one girl working as a hairdresser and one girl working as cleaner in a bar; but one of the major challenges faced by them was the economic hardship to survive with the income that they earned with their job. one girl returned to the family of origin, in a commune of the city of Korça, but she did not classify herself as a person leading an independent life, for this girl was not working and stayed isolated in her house; one girl was reintegrated into the family of origin and attended the high school; one girl was reintegrated in her family of origin and suffered from mental problems, who found it impossible to get hired and to create an independent living, three girls confirmed that they are reactivated again exercising the profession of sex worker.

Concerning the question " What are the factors that have influenced their reactivation/recycling": The three girls confirmed that they were reactivated again for they were not able to find a job and keep it; the financial difficulties resulting from the unemployment and lack of education to find a job.

10. Conclusions and Recommendations

I think and that there are a series of factors that influence the process of reintegration of trafficked girls and make it difficult to be carried out in the Albanian society. The failure to carry out with proper efficiency the process of reintegration into society of the trafficked girls is primarily related to the political, social-economic, demographic, moral and family transformations, etc., occurring in the recent 22-23 years.

Based on the interviews with the victims of trafficking, I assessed that it is important to identify the key elements that would lead a trafficked victim towards a successful reintegration process as:

1. Compilation of social policies to come to the aid of victims of trafficking as far as employment is concerned, since it is regarded as one of the primary factors for a successful reintegration.
2. Central/local government must help the victims for their accommodation by reducing the cost of their residence.
3. District Education Departments should create opportunities for the education of this group (free education).
4. Enforce laws, national strategy against human trafficking, against traffickers.
5. To financially reimburse VOT by the traffickers, so that they would commence a normal life.
6. Accessing free health service, education and free legal aid to them.

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Surtees, Rebecca. 2008. Re/integration of trafficked persons: how can our work be more effective, NEXUS Institute.

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In fact, Albania has acceded to the International Convention for the elimination of trafficking of women and children, before World War II, back in October of 1937

~ 110 ~
Participation in the Labour Market - Generation Y and Other Age Groups

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Abstract

The objective of the Europe 2020 strategy is to achieve the employment rate in 2020 on level of 75% for the European Union. Strategic objectives for the Member States are different. In Poland in 2020, the employment rate should reach 71%. Employment rates differs depending on age groups, gender and country in which it is measured. There are also many factors that mobilizing generations to maintain employment. These factors determine the level of employment rate. They also cause that determination of the participation of social groups in the labour market is a multi-dimensional task. The aim of the study is to examine the labour market participation of people from generation Y in comparisons to other age groups. People in this age group are guided by other values in lifestyle than older people. To achieve the objectives of the study were used statistical analysis methods adequate to the scale of measurement of factors observed on the labour market.

Keywords: generation Y, participation in labour market, Europe 2020 strategy, cluster analysis

1. Introduction

In June 2010 the European Council adopted the European Commission's proposal of Europe 2020 strategy. The creation of guidelines of this strategy was a response to effects of economic and financial crisis after 2007. The activities of the European Commission for the creation of the Europe 2020 strategy were based on the objective of achieving smart, sustainable and based on social inclusion growth. Social inclusion in accordance with the Communication from the European Commission Europe 2020 is understood as an activity for supporting the economy with high employment rate and social and territorial cohesion.

Implementation of the Strategy for 2010-2020 will promote achievement of the five main objectives in the following areas (European Commission, 2010):

1) Employment: employment rate of the 20-64 year-olds: 75% (for Poland 71%);
2) Research and development: 3% of the EU's GDP to be invested in R&D (for Poland 1,7%);
3) Climate change and energy sustainability: greenhouse gas emissions 20% (or even 30%, if conditions are right) lower than 1990 (for Poland 14%); 20% of energy from renewables (for Poland 15,48%); 20% increase in energy efficiency (for Poland 14%);
4) Education: reducing rates of early school leaving below 10% (for Poland 4,5%); at least 40% of 30-34-year-olds completing third level education (for Poland 45%);
5) Fighting poverty and social exclusion: at least 20 million fewer people in or at risk of poverty and social exclusion (for Poland 1,5 million).

The aim of the study is to examine the labour market participation of people belonging to the Generation Y in comparisons to other age groups. So objectives of research were: evaluation of participation in the labour market of generation Y and the older people; checking the level in 2013 of objectives of the Europe 2020 strategy in Poland compared to other countries of the European Union; comparison of the level of indicators of employment and unemployment in Poland and EU countries in 2013; analysis of percentage of population with tertiary level education as a factors determining the participation of young people in developing the labour market with high qualified workforce. Referred objectives of the article allow to assess one of the Europe 2020 Strategy flagship initiatives, i.e. inclusive growth (an agenda for new skills and jobs).

2. Analysis of Employment Rate and Unemployment Rate

Generation Y is already participating in the labour market or is preparing to start work. They begin to play an important role in the workforce. Their outlooks upon life and work are reasons of many changes that need to introduce employer's managing young employees. There are also problems related to the meeting in one place of work of employees from different generations (Gen Y, Gen X, Baby Boomers). Managers must often solve the task of "how to turn this..."
"(Generation Y) high maintenance workforce into a high productivity workforce" (Martin, 2005). Unfortunately, even young people are confronted with a major problem in the labour market - unemployment. "The unemployment rate among them is getting higher in many European countries" (Generation Y is entering the labour market, NKOS - Trnava, http://www.eza.org/en/publications/project-reports/structural-challenges-of-the-labour-market/generation-y-is-entering-the-labour-market-nkos-trnava/, retrieved 2014/04/27). In Fig. 1 are shown employment and unemployment rates of young Europeans.

Figure 1. Employment rates and unemployment rates of young Europeans

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Source: Own elaborations on Eurostat data (lfsa_urgan; lfsa_ergan).

Employment and unemployment rates for both age groups were stable until 2006. During the years 2006 and 2007 the employment rate increased. However, in the following years the unemployment rate increased – ascending trend of this variable remained until 2013.

The unemployment rate and employment rate differs among gender. Therefore, in the analysis of these variables in 2013 included sex and age groups: younger and older. The division into age groups was made based on the available age groups in the EUROSTAT database.

The employment rate in EU countries in year 2013 is shown in fig. 2.

Figure 2. Employment rate of young and older Europeans in 2013

Source: Own elaborations on Eurostat data (lfsa_ergan).

Highest differences between employment rate of younger and older citizens were in 2013 in Greece, Italy, Bulgaria, Slovenia, Luxembourg (nearly 30 percentage points the employment rate of young people was lower than the employment rate of older people). In countries with highest employment rate of younger people this differences were smaller. Employment rates for both men and women were much more smaller in younger group than in older (in each countries). Highest employment rates were observed for men in every country. In Poland all shown employment rates...
were average in comparison with other countries. The unemployment rate in EU countries in year 2013 is shown in fig. 3.

**Figure 3. Unemployment rate of young and older Europeans in 2013**

![Unemployment rate of young and older Europeans in 2013](image)

*Source: Own elaborations on Eurostat data (lfsa_urgent).*

The lowest unemployment rate of younger citizens was observed in Malta, Germany, Austria. In this countries also unemployment rates of older people were really low. In Germany, Austria and Netherlands unemployment rates for older people in total, and for youngest and older men and women was lowest too. In Malta very high in comparison to other indices was unemployment rate of young men. Very high unemployment rates were observed in Spain and Greece. Situation on labour market in these countries of younger and older men and women was very difficult. In Poland the unemployment rate of older women and men was not high, but the level of this index observed for younger Poles was much higher.

3. **Analysis of percentage of population with tertiary education**

Fig. 4 shows percentage of both age groups with tertiary educational.

**Figure 4. Population of young and older Europeans in 2013 with tertiary education**

![Population of young and older Europeans in 2013 with tertiary education](image)

*Source: Own elaborations on Eurostat data (edat_lfse_07).*

However, on this basis, it cannot be stated that the young and older Europeans, who have a tertiary education have comparable knowledge. It is important for both younger and older people to attended in different kinds of lifelong learning. According to the Europe 2020 strategy 40% of EU citizens in age 30-40 should have a higher education by 2020. The results of this procedure will be easier functioning of the labour market and increase job opportunities. In almost all countries the percentage of women (both age groups) with tertiary education was in 2013 higher than men. The percentage of young women with tertiary education was highest than for men and older women in Italy, Romania, Czech
Republic, Hungary, Slovakia, Malta, Greece, Latvia, Poland, Belgium, France, Ireland, Cyprus (the highest of all). In Bulgaria, Finland, Slovenia, Denmark, Estonia, Sweden percent of older women with tertiary education was higher than younger women and all men. Only in Austria, Germany, Luxembourg percent of older men was higher than values of this index for all other analysed groups. In Poland percent of young and older women with tertiary education was in 2013 higher than for men.

4. Cluster Analysis of Countries on the Basis of All the Variables

The best way to find a similarly evaluated countries due to the considered variables are methods of classification. Dillon and Goldstein (1984) state that cluster analysis is a technique for data reduction, and that the goal of this methods is identify a smaller, homogenous groups of objects. For the analysis was chosen hierarchical classification by Ward. Adenberg (1973) underlines that Ward’s method is based on within group variance.

Ward technique was performed to indicate the group of countries that have reached similar results in terms of inclusive growth. Fig. 5 presents a diagram for younger people, and fig. 6 for older. For younger people are distinguish eight classes, for older – seven.

Figure 5. Results of Ward classification – younger Europeans

Source: Own elaborations on Eurostat data (lfsa_ergan, lfsa_urgan, edat_lfse_07).

Classes of countries for younger European are as follow (fig. 5):

I. Austria, Denmark, Finland, Germany, Malta;
II. Netherlands, Sweden, UK;
III. Belgium, France, Ireland, Lithuania, Luxembourg;
IV. Cyprus;
V. Estonia, Latvia, Poland, Slovenia;
VI. Bulgaria, Italy, Portugal, Slovakia;
VII. Czech Republic, Hungary, Romania;
VIII. Greece, Spain.

The highest level of employment rate in 2013 was observed in groups I and II (this implies a low level of unemployment rate in these two groups). In group I, the participation of people with higher education was among the lowest, while in group II was at an average level. In VIII group the highest unemployment rate was observed. In the countries belonging to this group both the employment rate as the percentage of men with higher education is very low. Poland participate in group of countries with average level of all variables in 2013.
Figure 6. Results of Ward classification – older Europeans

![Diagram showing results of Ward classification for older Europeans]

Source: Own elaborations on Eurostat data (lfsa_ergan, lfsa_urgan, edat_lfse_07).

Classes of countries for older European are as follow (fig. 6):

I. Austria, Czech Republic;
II. Bulgaria, Portugal;
III. Hungary, Italy, Malta, Poland, Romania, Slovakia;
IV. Greece, Spain;
V. Belgium, France, Latvia, Lithuania, Slovenia;
VI. Cyprus; Ireland;
VII. Denmark, Estonia, Finland, Germany, Netherland, Luxembourg, UK.

Group VII contains countries in which the highest level of employment, the lowest unemployment rate and the highest the participation of people with higher education were observed. This group includes countries which in classification of young Europeans were among the best two groups. In the group number IV are countries where indicators were rated the same as for younger Europeans. They are Greece and Spain. Poland is in group number III in which are countries where employment rate of women was one of the lower and of men in 2013 was high. In this group unemployment rate of men and women was low. In group number III percentage of older people with tertiary education was in 2013 one of lower in this age group among all countries.

5. Conclusions

Results of the analysis indicated that employment rates calculated for age groups significantly differ from each other. Highest values of this rate was in 2013 for people aged over 30 years. The lowest value was for people aged 19-24 years. Accomplishment of a fixed value for the year 2020 the number of employment rate at the level of 75% for the whole European Union will require significant efforts in all Member Countries. Among countries of the EU-28, there are significant differences in the level of employment rates in 2013: 30% for young Greeks (60% – older Greeks) to 72% for young Dutch (85% of older Swedes). The level of unemployment rate corresponds to the rate of employment. Here among young people the highest unemployment rate was observed in Greece - 43.5% and the lowest in Malta – 6%. Among older people, the unemployment rate fluctuated between 4% (Austria) and 25% (Greece). Among all countries of the EU can be indicated countries in which analyzed indicators take a similar level. For example, both young and older citizens of Greece and Spain have been classified into one group – the worst group in terms of employment and unemployment rate. Older Polish people also have been included in one of worse groups with regard employment rate but this class has a very high level of the percentage of people with higher education.
6. Acknowledgements

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Good Governance and Regulatory Reform, Need Public Participation in all Development Stages in Albania

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Abstract

This article sets out to examine the World Bank’s efforts at strengthening good governance in Albania case study, in developing countries and improving the effectiveness of aid. It focuses on the relationship between good governance and aid effectiveness in providing a critical assessment of the Bank’s approach to governance reform in developing countries. This paper scrutinizes the shifts in policies and strategies of the Bank during the 1990s as well as the research it generated to support them. The wide array of issues under “governance” occupies center stage in the development debate and the agenda of the international financial institutions (IFIs). The concept of governance captures “the manner in which power is exercised in the management of a country’s economic and social resources for development” (World Bank 1992, 1). Dervish Kaptur and Richard Webb attest: “For the IFIs, the new mandate is a boost to their importance, but one fraught with peril. The new mission arrived at a moment when growing doubts regarding the purpose and effectiveness of the IFIs. On matters of public administration, the Government’s strategy focused on addressing two inter-related sets of interventions: (a) strengthening public financial management, including the management of both public expenditures and revenues; and (b) strengthening human resource management. On matters relating to public sector human resource management, the reform strategy envisaged addressing this issue in two major stages: civil service reform and broader public sector human resource management reform. During the first stage, the reforms aimed to create the managerial and professional nucleus required to lead any serious efforts to improve the accountability and performance of public institutions. Subsequently, in a second stage, the reform would address the larger body of public employees to improve productivity and accountability for their work and ensure that public policies, programs and services are delivered reliably and cost-effectively.

Keywords: Public financial management, HRM, Public sector, cost-effectively

1. Introduction

We want to start this paper research with definition like this:

"Justice without strength is helpless, strength without justice is tyrannical. Unable to make what is just strong; we have made what is strong just." --Pascal, Pensées (1670)

The role of an effective regulatory regime in promoting economic growth and development has generated considerable interest among researchers and practitioners in recent years. In particular, building effective regulatory structures in developing countries is not simply an issue of the technical design of the most appropriate regulatory instruments; it is also concerned with the quality of supporting regulatory institutions and capacity. This paper explores the role of state regulation using an econometric model of the impact of regulation on growth. The results based on two different techniques of estimation suggest a strong causal link between regulatory quality and economic performance. (Jalilian H 2007)

In December 2007, the government adopted amendments to the Law on evaluation of the performance of civil
servants. In January 2008, a new reward system for civil servants entered into force. However, turnover of staff due to political pressures has continued. The Civil Service Law regulating public administration is in place, but it is not applied systematically. The Department of Public Administration is currently drafting a strategy on public administration reform including sectoral training plans and covering local government bodies. (Gallon S 2009)

However, the role of the in ensuring implementation of the Civil Service Law and the capacity of the Training Institute of Public Administration (TIPA) remain weak. The Government worked with donors on the public financial management agenda by strengthening core public financial management units (Ministry of Finance, Supreme Audit Institute, Procurement Directorate within the Office of the Prime Minister) as well as the financial management units within each line agency (e.g., budget departments within line Ministries). (TIPA 2001 report)

1.1 The public Administration and its development impact

The capacity of the Department of Public Administration to steer the civil service towards an independent, merit-based and professional body needs further strengthening. The absence of sound accountability mechanisms in public administration increases the opportunities for bypassing established procedures. Appointments have continued along political party lines in contravention of the Civil Service Law. The authority of requires strengthening in order to implement the official recruitment, job classification and promotion criteria consistently. Full enforcement of the Civil Service Law and adoption of the Strategy for public administration reform will be keys to progress in this regard.

1.2 Public sector and the independence of the civil service

Public sector salaries were increased in July 2008. The government continues to encourage Albanian graduates of foreign universities to join the civil service. The training plan for civil servants has been revised to reflect real needs better. However, frequent replacements of civil servants are undermining the independence of the civil service and increase the opportunities for bribery of public officials. (Enlargement Strategy and Main Challenges 2008-2009)

Overall, the public administration is continuing to stabilize, but the lack of transparency and accountability in appointments is endangering its independence. What is now needed is to further strengthen public sector governance by enhancing the impartiality of public administration, a key European Partnership priority. Further progress is needed to establish an independent, merit-based, professional civil service. Since 2007, pre-accession financial assistance to Albania is provided under the Instrument for Pre-Accession Assistance (IPA). The EC allocated a total of € 70.7 million in 2008. The Multi-Annual Indicative Planning Document (MIPD) for 2008-2010 for Albania under IPA was adopted in September 2008.

Hypothesis 1a. Rational persuasion is used more in an upward direction than in a downward or lateral direction.

Hypothesis 1b. Rational persuasion increases task commitment in all three directions.

When people gain a sense of ownership of a project, strategy, or change after participating in planning how to implement it, they are likely to be more committed to making the project, strategy or change successful (Yukl 1989). This influence tactic can be used in any direction, but it appears especially appropriate in the situation in which an agent has the authority to plan a task or project but relies on the target to help implement the plans. Because authority to assign work and make changes in work procedures is mostly downward a manager probably has more opportunity to use consultation to influence subordinates than to influence peers or superiors (Yukl & Falbe, 1990).

Main focus areas continue to be justice and home affairs, administrative capacity-building, economic and social development and democratic stabilization. Ongoing CARDS and IPA assistance is implemented by the EC Delegation in Tirana. The management of aid on a decentralized basis is a medium-term objective for Albania. The IPA Framework Agreement was signed on 18 October 2007. Association process (SAP 2006-2007)

Tab 1. The cycle of rationality developments of hypotheses,

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<th>Hypothesis</th>
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<td>1.4</td>
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Source: Mow day, theory concepts 1978
H 3: This influence tactic can be used in any direction, but it appears especially appropriate in the situation in which an agent has the authority to plan a task or project but relies on the target to help implement the plans.

H 4: The Financing Agreement for the National Programmed for 2007 under the Transition Assistance and Institution Building Component was signed on 22 January 2008 and the implementation of the programmed has started. The existence of a functioning market economy

1.2.1 Economic policy essentials and functioning market economy

The government submitted the Economic and Fiscal Programmer for 2007–2010 in December 2007, setting out a coherent framework for the government’s economic policies. The policies continued to support the establishment of a functioning market economy, but suffered in some cases from the lack of detailed action plans. The economic strategies were broadly consistent with the current International Monetary Fund three-year 2006–2009 PRGF/EFF programmed in the country. In 2008, the government supplemented the longer-term strategy framework, adopting the National Strategy for Development and Integration (NSDI) for 2007–2013, prepared in consultation with domestic and international stakeholders. In line with the Integrated Planning System (IPS) the government also adopted the Fiscal and Macroeconomic Framework 2009–2011 and the Medium-Term Budget Programmers 2008–2010. Overall, political consensus on the fundamentals of market-oriented economic policies was strengthened, but planning at too general a level sometimes presented a risk for the implementation of economic reforms. Association process (SAP 2006-2007)

1.3 Macroeconomic stability

The economy experienced strong growth despite a severe drought in the summer of 2007 and continuous electricity shortages. Extensive investments and high consumption led to a 6% growth in real terms in 2007 – the highest since 2002. Economic activity was fuelled by a robust, though slowing credit growth and continuing large-scale remittances inflows (12% of GDP). Unreliable electricity supply continued to pose a heightened risk to sustainable economic growth. The average per capita income in 2007 was around 22% of the EU27 average, up from 21% in 2006. Overall, economic growth remained strong and speeded up, while the general income level remained low. External balances deteriorated, resulting in a current account deficit of 10.6% of GDP in 2007 - up from 6.5%. The deficit widened, mainly due to an increase in the merchandise trade deficit (26.8% of GDP in 2007), in spite of strong growth in exports. Higher energy imports (30% of the total increase in imports in 2007), resulting from a severe domestic drought, and demand for machinery contributed strongly to increase in imports.

2. Literature Review and Hypotheses

Merchandise exports remained more than 3.5 times lower than imports, despite a strong increase in mineral exports. The trade deficit continued to deepen in the first half of 2008 due to high imports. The surplus in services trade remained limited and surpluses of income flows and other transfers (including remittances) were lower (relative to GDP) than in the previous year. Overall, external imbalances remained high and continued to widen. Net capital inflows increased, covering the current account deficit in 2007. Net foreign direct investment reached 5.9% of GDP in 2007 (up from 3.5% in 2006), with strong inflows from a large-scale privatization in the telecommunication sector. Other capital inflows (mainly foreign borrowing by the private sector and non-residents’ deposits) rose, reaching 3.2%

2.1 Albanian decentralize government functions

Albania has achieved high economic growth and has enjoyed macroeconomic stability over the past few years and average real Gross Domestic Product (GDP) growth rates of approximately six percent – the highest in South-eastern Europe – underpinned by rising exports (albeit from a low base), and continuing improvements in productivity. Maintaining this performance will be increasingly difficult; Albania will need to increase public, private and foreign investment. Above all, it will need to build human and physical capital, and improve governance structures to maintain its impressive progress to date. Association process (SAP 2006-2007) Despite GDP per capita reaching an estimated US$3,912 (2008), poverty, high unemployment, and wide regional disparities remain daunting challenges. Institutional capacity at both, central and local levels remain among key challenges. Albania has begun to decentralize government functions, but the pace of devolution has been slower than expected due to political constraints and limited capacity at the municipal and local Government levels. Nonetheless, the decentralization process holds great promise to improve the delivery of services to the poorest Albanians, especially in health, education and water supply. The Stabilisation and Association process (SAP) with the European Union (EU) is very important to Albania. Eventual membership in the EU remains an overarching national goal; the signing of the Stabilisation and Association Agreement with the EU in June 2006 has been one of the important achievements in this direction. Association process (SAP 2006-2007)

Short description: Under the National Strategy for Development and Integration (Albania’s EU integration framework), the Government is aligning ownership and regulation of activities in these public utility sectors, and its consumer protection framework, with European institutional and policy frameworks. The programme intends to further develop the capacities of the relevant ministries and regulatory bodies; facilitate the pro-active engagement of civil society as watchdogs to safeguard the public interest, at other times as partners helping to improve service delivery; and help to institutionalise the dialogue between suppliers and users needed to strengthen the pro-poor character of public utility regulation and consumer protection Higgins, J. M. 1983

3. Methodology and Research Goal

This study aims both to improve operational practices and also to help identify a strategic agenda, which is an ideal focus in developing a strategic programmed for the sector. This has the potential to raise capacity in important areas. The Albanian Government is committed to achieving balanced regional development through measures and priorities in developing public infrastructure, services and institutional reforms at the regional level.

The Government has introduced a Regional Development Cross-cutting Strategy – as part of the National Strategy for Development and Integration – to address widening disparities among Albanian regions, establish a direct linkage between budgetary resources and regional development planning and align regional development policy to EU accession. However, considerable investment is needed in almost all regions. The UN has been a strong advocate for regional development, providing assistance to building regional and local capacities for improved service delivery, planning and monitoring. Guxolli Z 2012

By 2005, all 12 regional governments of Albania formulated regional development strategies and reports. During this process, the UN promoted participatory community development to ensure people’s participation in local development initiatives and the decision-making process. The UN has also supported the Regional Councils of Kukes, Vlora and Fier in development software for data collection and management for decision-making at the regional level.

The UN has been focusing assistance in Kukes, Albania’s poorest region where: unemployment scores twice as high as the national average, infant and maternal mortality rates are four to five times higher than EU averages, infrastructure is poor and largely not functional and a considerable part of the natural resources are affected by the presence of landmines.

3.1 The balanced and sustainable economic growth among the regions of Albania

In 2005, the UN consolidated its programmes into an Area Based Development Framework with the introduction of the Kukes Regional Development Initiative (KRDI), developed based on the priorities of the Kukes population and aligned with the Regional Development Strategy. KRDI provides support in improving rural and urban livelihoods through small capital investments in rehabilitation of community infrastructure.

Priorities are identified through a wide participatory process involving the communities and local governments and focus on social services for the poorest and mine affected communities. Glueck, W.F. and Jauch, L. R 1984, Albanian
Report 2000

The UN also provided support to the drafting process of the national Regional Development Cross-cutting Strategy. Combined UN agency support will assist the Government of Albania to realize its vision as set out in the Regional Development Cross-cutting Strategy: “a balanced and sustainable economic growth among the regions of Albania, in general and of mountainous and remote areas, in particular.” The performance evaluation is mainly characterized by qualitative indicators and there are only a few quantitative indicators.

According to the data collected from the questionnaires the employees’ asses the importance of the performance evaluation in concretize it with the objectivity in the evaluation to the question “Is the performance evaluation objective in your institution?”- 20% answered positively, 54% avoided the answer and 26% of them think that it is dictated from the subjectivity of the leaders. According to the questionnaire the major part of the questioned employees think that the performance evaluation takes to conflicts between the subordinate and the superiors.

3.2 Data and methodology of study in this paper research

When evaluations failed to meet the standard, the three most common concerns were: (1) evaluation teams received too many questions—especially questions that are too general and ill-defined—relative to the resources available for the evaluation, (2) the data collection and analysis methods were not appropriate to answer the evaluation questions, or (3) evaluation reports did not clearly demonstrate how evidence led to new findings and conclusions.

Source: Higgins, J. M. 1983 “Organizational and Strategy” Management strategy” 2nd Dryden New York,

3.3 Analyzing data

The performance evaluation is mainly characterized by qualitative indicators and there are only a few quantitative indicators. According to the data collected from the questionnaires the employees asses the importance of the performance evaluation in 100%, they concretize it with the objectivity in the evaluation. To the question “Is the performance evaluation objective in your institution?”- 30% answered positively, 44% avoided the answer and 26% of them think that it is dictated from the subjectivity of the leaders. According to the questionnaire the major part of the questioned employees think that the performance evaluation takes to conflicts between the subordinate and the superiors. This is also another factor that contests rewarding according to the performance.

3.4 The comprehension of the importance on the Albanian entrepreneurship.

The field of Albanian entrepreneurship is recognized as being of fundamental importance for our economy. In this framework, it’s very important understanding or forecasting the entrepreneurial act and its success or failure, and defining more accurately the environmental conditions favorable to that act. A key element in the field of entrepreneurship is the dialogic between individual and new value creation, within an ongoing process and within an environment that has specific characteristics. This definition emphasizes the fact that we will always not understand the phenomenon of entrepreneurship if we do not consider the individual (the entrepreneur), the project/devoir, the environment and also the links between them over time. Higgins, J. M. 1983
The implementation of the strategy involves all the working groups in planning, designing, conducting product or service, development, evaluation and marketing in the accomplishment of its mission. If during the process of implementing the strategy, the strategy chosen is not able to overcome the difficulties arising from the external or internal shortcomings in the company then the company can change the strategy, choosing one of the alternative scenarios defined in a strategic SWOT analysis carried out above to overcome difficulties and facilitate the work of all groups to achieve their goals in fulfilling the mission. Glueck, W.F. and Jauch, L. R 1984

Figure 3


4. Finding and Results of this Paper Research

The problem lies in policies that respond to the bond market but virtually exclude any other community interest in policy making. It is recommended that openness in government and allowing taxpayers to understand government services are essential goals in ensuring responsible citizen oversight and providing taxpayers the opportunity to be less likely to propose restrictive initiatives or force dramatic political or management changes through the electoral process or bond referenda. Despite good progress in those areas, Albania needs to do more to improve its ranking in other indicators. In addition, much remains to be done because the report doesn’t measure other important indicators that have significant impact on the business climate like corruption, infrastructure and the efficiency of the public administration.

4.1 Resolve the problems of Albania’s economic, developing the governance capacity.

The financial collapse in 1997 was a watershed event in Albania’s transition from its communist past. It highlighted the problems of Albania’s economic governance capacity and, from an administrative standpoint, reaffirmed and highlighted the inefficacy of a public administration, unable to enforce its laws and regulations. As the public’s confidence in Albanian institutions had been significantly eroded by the recent events, restoring the public’s trust in the government became the main priority of the government. In order to achieve this objective the capacity of the public administration needed to be dramatically strengthened.

5. Conclusions and Recommendations

The expected results of this research consist on realizing the following conclusions:

- The importance of innovation as such for the future of the sector was strongly emphasised by policy makers responsible for forestry in all Central European countries. Current innovation support is piecemeal, fractioned and often not co-ordinated. This issue-by-issue approach foregoes the benefits of a more coherent and comprehensive approach; there is support for new approaches and ideas. It would considerably strengthen the development of an innovation and entrepreneurial oriented climate. Higgins, J. M. 1983

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For the purpose of strengthening innovation and entrepreneurship and the promoting of financial system in the different sectors it is therefore recommended to develop an explicit innovation policy, strategy or programme. When developing innovation policies, strategies or programmes, it is important to consider each of the three main functions of an innovation system separately and as a comprehensive whole. The most important areas to cover and the main areas for improvement are the following:

- Provide Information on New Markets and Improve Information Flows;
- Include a Cross-Dimension in the Management of Conflict and Coordination;
- Provide Incentives that Systematically Innovation in the field.
- In the field of entrepreneurship, the classical positivist paradigm and constructivism can exist side by side, as they do in the field of strategic management.

The field of entrepreneurship, and in particular the study of its archetype is undoubtedly one of the most complex in the social sciences. Albania has made real progress towards replacing the highly centralized political system inherited from communist times with one that gives real authority and autonomy to Albania’s local governments.

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Steps towards Recognizing the New Albanian State by the United States of America (1921-1922)

Ada Ramaj

Doctoral process (P.H.D), History and Geography

Abstract

Our referral will focus on the time frame of 1921 to July of 1922, when the Albanian state was recognized by the United States. The introduction will briefly treat the state of Albania post World War I, notably (particularly) after Lushnjë Congress in January 1920 and the formation of the temporary government lead by Sulejman Delvina, (followed by its) and the struggling effort to consolidate the new Albanian state in the domestic affairs and foreign affairs, two of which were the achievements of Albania’s accession to the Leagues of Nations on December 17th 1920 and the Albanian State Recognition from the Ambassadors Conference on November 9 1921. This was followed by the recognition of Albanian origins from other European countries and onwards. Firstly, it will examine the level of affairs between Albania and United States throughout the year 1920, where the Albanian side tied relations with U.S. authorities through a diplomatic path and requested its support for recognition of the Albanian state by the Congress of Ambassadors in Paris. Simultaneously, it will reflect the government’s requirements for recognition of the Albanian state in the U.S. Department of State, starting from March 1920, continuing to repeat these claims even after. At the same time Albanian government representatives engaged its diplomatic corps at the nearby countries in which it had established diplomatic relations to enter into negotiations with American representatives there. Subject treating will be the establishment of an Albanian consular office near the famous Albanian society in Boston "Vatra" (the “Hearth”), the office that would keep constant connection with the U.S. government. Secondly, it will treat the role of the Federation “Hearth” to sensitize the American public opinion, for the recognition of the Albanian state from the United States, strengthening its ties with the local press for this problem; as well as a variety of politicians personalities of American society to support its lobbying. Additionally, it will give the facts about its contacts with the U.S. Department of State for the implementation of Albanian’s state recognition. This issue will indicate the role of some American personalities, old cognitive of Albania and its long-time friends such as the Kennedy couple, Carls, Telford, Erickson, etc. Thirdly, this paper will follow treating the further growth of the Albanian request near by U.S. by the end of the year 1921, when by this time the Conference of Ambassadors had already recognized Albanian state. These efforts were increased in the spring of 1922. In particular, attention will be paid to the reaction of the American party that decided to investigate the political, economic and social origin in Albania. In this context, we will analyze the activity of Maxwell Blake, the representative of the United States arrived in Albania in June 1922. He would inform the Department of State in America of the degree of stability in the Albanian government as well as for investment opportunities of American capital in Albania, which was accompanied by a recommendation for recognition of the Albanian state, which was held on July 28, 1922. The process of establishment of diplomatic relations associated with its acts and its relevant clauses will not be part of the scope of this referral but perhaps of any other scientific activity. The referral will be based mainly on literature and monographs and various scientific articles surrounding the issue at hand as well as archival sources, Diplomatic Archives of the Ministry of Foreign Affairs of the Republic of Albania and in some organs of the press of the period we are confronting.
people (Milo, 2013). The President with a passionate defense of the principles of the American foreign policy, expressed these word:

“We can not recognize, - he concluded, - any unfair solution based on a secret treaty, the terms of which are incompatible with the new situation in the world, even a wrong adjustment that seeks to be achieved using this secret treaty as an instrument of coercion.”

The approach of the U.S. and especially the reaction of the president's plans for the dismemberment of Albania may have surprised the traditional diplomacy of France and England. It became clear that they did not expect such an American commitment to the debate on the regulation of peace in Europe and less so in the Albanian issue. However, the American position and Wilson’s repeated interventions in defense of the Albanian issues were not a momentary gesture, nor random. They were an expression of an opinion that America was rupturing paths and was starting to be sensible about the great injustice that was taking place at the expense of the abused population, far away in the Balkans. There has definitely been an impact and the efforts of Albanian-American communities that were showing particularly active during the First World War. Particular interest, with frequent interventions for linking the relations between the two countries had already been expressed by the American citizen, Telford Erickson, who was long known in the Albanian community, especially during the Peace Conference, it should be mentioned the major role of Kennedy couple who began anew many activities and strenuous, but tireless in supporting the Albanian patriotic movement (Gogaj, 1995). The attitude of the U.S. president together with the American delegation in Paris had a decisive influence in the Paris Conference of resolving the issue of Albania in its entirety. He prevented premature solutions, which at the time would have surely harmed Albania. Through this holdup it was possible for the matter to be presented to the League of Nations and to the Conference of Ambassadors in Paris at the time when Albania was already a member of the League of Nations with full rights and when the international circumstances imposed a different solutions and perspective. Albania became a member of the League of Nations on 17 December in 1920 and it was admitted to the League of Nations as its member with equal rights to other countries, and finally, the Conference of Ambassadors, with the verdict of 9 November 1921, reaffirmed the Albanian's international status as an independent and sovereign state. However, it did not happen the same with its internal government, hence remained a difficult situation in the field of foreign policy (Puto, 2003).

Following the receipt of the League of Nations on 17 December 1920 and that of the decision of the Conference of Ambassadors in Paris for Albania on November 9, 1921, which reaffirmed the status of an independent Albania and its territorial integrity in 1913, the first official steps of the Albanian government was put forward for its recognition by the U.S. government, where a number of European states were recognizing it (Dervishi, 2006). In these domestic and international conditions was made possible diplomatic recognition of Albania and its government by the U.S.

Federation "Vatra" of Albanians in America was known everywhere in Albania and Diaspora for its starting time as an organization, as well as its manifold activities, which played an important role in the initiatives and the first steps of the Albanian Party for it to be recognized by the United States (Meta, 2001).

The Albanian government official request was submitted to the U.S. Department of State from K. Çekrezi on March 27, 1920, which also handed over the credentials that had been signed Sulejman Delvina and Mehmet Konica (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1920). Therefore, this institution recognized him as a semi official representative of a country, that America had not previously recognized. From that moment he regularly contacted with the appointed diplomatic representatives for the Near Eastern, nearby this department. He held open the Albanian representation in Washington until 4/14/1922, where in New York it was opened a sub-consulate and Konstandin Tashko became the Albanian Vice-Consul in America (Silajxhiç, 1999).

The request of March 1920 was repeated again two months later, on May 19, 1920, a step that was prompted by the response of the U.S. representatives at the Satate Department B. Colb, who claimed that it was still necessary to wait (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1920). While the facts claim that this initiative did not fall on empty grounds and the U.S. were gathering information about Albania, where it was allegedly strong nationalist feelings in the country and the support of people around the Albanian government, that there was "great religious tolerance" and that Albanian had no foreign deficit or debt (Silajxhiç, 1999).

Around that time, the activity of the Federation "Vatra" became more intensified, next to the U.S. administration, with numerous letters and petitions. "The Sun" newspaper informed that there had been sent from the branches of "Vatra" over two thousand requests for the recognition of the Albanian government (Konica, 2001). To make the country even more attractive for American businessman, executives of "Vatra" did not skip mentioning the many natural assets of Albania, such as oil, iron, chromium, and the need for their exploitation by foreigners through investments.

By the end of 1921 it was clear by the archival sources that the Albanian side increased its efforts for recognition
by the U.S., firmly relying on the determination of the Albania's international status by the Conference of Ambassadors on November 9, 1921. In this framework, in December 1921 the Albanian side repeated its request again. Whilst in January 1922, F.Noli at the time foreign minister conveyed to the U.S. State Department another formal request for the establishment of diplomatic relations between the two countries. F.Noli supported this step as admission to the Leagues of Nations and in recognition of an independent Albanian state and its territorial integrity as well as recognition of the Albanian government from England, France, and Italy. By the end of 1921, the Albanian government had addressed all countries of Europe and America, with a request for recognition by their part (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1922).

At this preliminary stage even diplomatic representatives of the Albanian state were engaged in this issue, accredited in countries that had established diplomatic relations, such as Italy. In March 1922, Tefik Mbroja Charge d'Affaires of Albania in Rome, acknowledged Tirana for his continuous efforts at the U.S. Embassy for the diplomatic recognition of the Albanian government (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1922).

Another attempt by the Albanian Ministry of Foreign Affairs at the U.S. State Department was on June 7, 1922. In this request form the Prime Minister Ypi, which also covered the job of the foreign minister, conveyed to the U.S. government a new request, noting that such an attempt was carried out earlier (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1922).

Meanwhile, in April 1922, Koco Tashko, the surrogate of Çekrezi, on time charters was listed as the head of the Albanian vice-conulate. In September 1922 a document of the Albanian Ministri of Foreign Affairs, pointed out that since Albania was not recognised by America, "his master cabinet (K. Tashko), had remained hanging until today" (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1922).

Thirdly, an important step towards establishing diplomatic relations between Albania and the United States was sending in Albania Blake Maxwell. The Albanian government was informed of this on May 19, 1922 by the Albanian legation in Rome. This legation portrayed Blake as a consul of the State Department who had previously been the American general consul in Tangier-Morocco. He came to Albania on June 10, 1922, to observe the internal situation and would inform at the time to the center about the situation in the country, in order for it to assess the possibility of recognizing the Albanian government (Milo, 2013). In correspondence with the Albanian government, he labelled himself as the "America's unofficial commissary," while his office as "American commissars". These labeling were derived from his correspondence with the Albanian Ministry of Foreign Affairs (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1922).

According to U.S. government guidelines, Blake would be informed and would announce the primarily of the two problems: the degree of stability of the Albanian government and the possibility U.S. equity investments in Albania (Dishnica, 2007).

One of the problem was economic and the other political. For the political aspect, frequent changes of the Albanian governments did not speak in favor of Albania, although recognition the Albanian government in several states was a good test for the USA. On the economic aspect of the information collected the data was positive. According to him, Albania had no external debt, that its subsoil was rich with precious minerals; the country is surrounded by numerous streams with significant potential for electricity and also covered with forests, to extract from its timber. This stirred and set in motion especially the American companies for the extraction of oil (Puto, 2001).

On June 23, 1922 Blake sent a letter to the Albanian Prime Minister, who raised the issue regarding with the respect for the Albanians who hold the American citizenship residing in the U.S. and a temporary stay in Albania as well as the protection of American interests, according to the principle of the most favored nation, as a clause in any future trade agreement Albanian-American (Milo, 2013 & Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1922).

In his reply on June 25 Albanian Prime Minister accepted Blake's proposals. The tone of the letter was quite warm. He stated "I feel deep satisfaction to access unofficial correspondence with the representative of the U.S. government, which has more than once saved Albania from dismemberment and dissolution, defending its case in the most complex periods in its history". Xh. Ypi also accepted Blake's proposal and clearly expressed the Government's willingness to give concessions to American capital and determining the U.S. as "the nation (nation) more favorable". In this proposal Albanian government went further in its proposals. "The Albanian Governor – underlined there - is ready to show any kind of facilities for the installation of the American capital in Albania and to give concessions to the American societies" (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1922).

With this correspondence according to researchers H. Silajxhiç, was set the basis of the the first agreement, the Albanian-American, which had significant impact on the future of the relations between the two countries (Silajxhiç, 1999).
In this context, the American diplomat Blake created his belief that there should not be any further delays for the establishment of diplomatic relations between the two countries. In his information in December 1922 he was of the opinion that the current government representing all sections of the people; it has been recognized by the League of Nations and 20 countries; that the country was rich, that the attitude of the government and the Albanian people against American interests was "particularly advantageous as they were convinced the Americans disenchantment politically". Disagreeing with the view for the further delay for the recognition of Albania, he suggested that the recognition of Albania from America, to be done much earlier, before September 1922, when the Albanian Parliament assembled (Silajxhiç, 1999).

Fourthly, the U.S. State Department, positively evaluating these trials, decided to officially recognize the Albanian government and to tie diplomatic relations with it.

Therefore on July 28, 1922, M.Blake, through a letter sent to Xh.Ypit, notifying him in accordance with the instructions of the Secretary of the U.S. Department of State that the this government recognized the Albanian one, since the July 28 and forth. He informed in this paper that under the guidance his center, he would continue to be called commissioner of the U.S. in Albania, but at the current time he would have had a higher rank, that of Minister Plenipotentiary (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1922).

Regular and full diplomatic relations between this two countries would be made with the arrival of the head of the American legation W.Grand Smith in Albania, this of a career diplomat, who his credentials (as Envoy Extraordinary and Minister Plenipotentiary), had been presented on the 4th of December 1922 in the Supreme Council, which then performed the functions of chairman of the state collegiate. These credentials that hold the date of 26 October 1922, have been signed by former U.S. President, Warren G.Harding and countersigned by the Secretary of State for Foreign Affairs, Ch.Hughes (Charles Evans Hughes) (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1922).

In this letter disposed in the Archives of the Ministry of Foreign Affairs, the president of the United States addressed it to the Secretary of State expressing: "Desiring to prove the goodwill and friendship of the American government towards Albania, the United States Congress in its latest session, enabled for an extraordinary diplomat and plenipotentiary minister of the United States for the Albanian government. Having stated my greetings to Your Excellency, it is my duty to inform you ..., in accordance with Mr.Grand-Smith choice, a distinguished citizen of a United States will stand by the Albanian government as a Exceptional diplomat and Plenipotentiary minister. "He, -the letter continues-, knows of mutual interests of both countries and the sincere desire of this government, the opportunities to cultivate our greatest friendship that should exist between them. My recognition for his strong character and his logical skills give me great confidence that he would make a constant effort to develop interest and prosperity by being self-confessedly by Your Excellency. Therefore I urge your Excellency of accept with favour and give full credibility to what he says by the U.S. and for the security that I have charged in the realization of great desires for the prosperity of the government of Albania" (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1922).

On December 4th G. Smith presented credentials at three senior members of the Council: Sotir Peci, Refik Toptani and Xhafer Ypi (the latter had occupied the post recently) and prime minister Ahmet Zogu and External Affairs, Pandeli Evangjeli, that held and the occasional speech (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1922). Regarding the appointment G.Smith expressed: "I feel honored to have been selected as the first accredited American to this country, that finally won his freedom after so many centuries of foreign invasion. I am allowed to observe and assist in the early stages of your development, as long as it remains in my consistent and in my position". "I assure you - he continued to conclude his speech - in the great interest of the government and people of the United States in the progress of the people of Albania and that of selfgoverning" (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1922). He finished his mission on February 8, 1925, a date that marks his departure from Albania.

In August 1922, a month after instituting US-Albania diplomatic relations, the Government appointed its diplomatic representative in Washington to the rank of Envoy Extraordinary. This was Mithat Frashëri, whose credentials were sent to Paris, where he was at the time. But he did not depart to the U.S. after being appointed to the same post in Greece, where it was thought that his contribution would be greater (Archives of the Ministry of Foreign Affairs of Albania, 1922).

The instructions that accompanied M.Frashërit in Paris, it was recommended that "first diligence should be towards the U.S. equity interest, for (this) to be installed in Albania (Puto, 1922). Meanwhile in his accreditation letters in the was made the same political formulation, presented by P.Evangeji on on the 4th of December 1922, at the time of submission of credentials from G.Smith, where it was stated that the Albanian people recall with deep gratitude that "in its most critique and resistance moments, the great noble nation of U.S., through its worthy representatives in the peace conferance, was one of the most valuable defenders towards the Albanian issue ..." (Archives of the Ministry of Foreign Affairs of the Republic of Albania, 1922).
The establishment of diplomatic relations U.S. - Albania marks a milestone in relations between the two countries and in particular for the new Albanian state. Soon this act would be followed by other evolving agreements, to switch to a full freeze during the communist regime after World War II and a successful resurgence after its fall.

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Financial Management for Sustainable Administration and Institution Building

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Abstract

This paper, entitled “Financial Management for Sustainable Administration and Institution-Building”, seeks to demonstrate the possible application of sound financial management techniques for the attainment of enduring employment relationships and sustainable university governance. It should be recognized that employment relationships in the university system could be very complex, involving often delicate diversities, several competing multilateral interests and decision processes. Consequently, positive university governance should leverage strategic financial management approaches for the effective and efficient utilization of financial resources that are available in meeting the demands of their founding objectives.

1. General Introduction

The structure of this paper is broken into some six broad parts for ease of presentation. Background information is initially provided on the societal role of education and social capacity building, while some key associated underlying concepts (e.g. financial management, financial planning, financial accountability) are explained. Thereafter, the issue of University funding and finances is discussed. The variables that influence availability and management of university funds are further elaborated, with a particular emphasis on the imperative of strategic financial management for probable sustainable futures of university governance and institution-building. The paper concludes that the future of the university system, especially in an emerging nation such as Nigeria, lies in the embrace of best practices of university governance, including sound resource management, financial accountability and reporting as well as initiatives in favour of strategic capacity building for symmetrical organization development in line with the founding objectives.

2. Conceptual Framework of Thought

Education is regarded as the singular most important instrument for holistic human development and the empowerment of citizens of any nation. The global perception agrees that for economic and social development to be derived effectively there is a need for advancement in, and application of knowledge (Adebayo, Oyenike and Adesoji, 2007). It is evident that illiteracy, or the lack of formal education, often constrains the logical process of human development in any nation. Given the importance of human capital and its harnessing for economic growth and sustainable development, widespread or free education is often a desirable ideal. However, depending on a country’s economic endowment or financial resources, and the existence of various competing demands of public expenditure in the social sector, the financing of free or widespread education may be problematic and unaffordable or uneconomical. However, with the effective and efficient management of a nation’s resources (human, material or physical/natural and financial), organizations therein, including universities, can very well sustain their existence, operations and growth.

Financial management means planning, organising, directing and controlling the financial activities such as procurement and utilization of funds of the Institution. In other words, financial management is the management of the finances of a business/organization in order to achieve financial objectives. In general terms, it means applying general management principles to catalysing and sustaining the financial resources of the Institution.

Financial management includes (16financialmanagement, 2006);
• Financial planning and budgeting,
• Financial accounting,
• Financial analysis,
• Financial decision-making and
• Action.
Financial planning is about (16financialmanagement, 2006);
• Making sure that the organization can survive.
• Making sure the money is being spent in the most efficient way,
• Making sure that the money is being spent to fulfil the objectives of the organization,
• Being able to plan for the future of the organization in a realistic way.

Financial Accountability: In non-profit organizations, whatever money is available for expenditure only is meant to be held in trust – on behalf of the affected community that is being served. The money is not the personal possession of any organisation or person. Financial managers, therefore, have to account for the ways and means by which such money may be used as well as particularly justify such usage with interest of public good.

However, financial accountability can be broken down into two components (16financialmanagement, 2006):

(a) Financial Accountability in terms of being able to account for the way the money is spent to:
   • Donors,
   • Boards and committees,
   • Members, and
   • The people whom the money is meant to benefit.

(b) Financial Responsibility, on the other hand, involves the following:
   • Not taking on obligations the organization cannot meet,
   • Paying staff and accounts on time,
   • Keeping proper records of the money that comes into the organization and goes out of the organization.

3. Objectives of Financial Management

The primary purpose of financial management is to do with procurement, allocation and control of financial resources of a concern. The objectives of financial management specifically encompass the following (Ishola, 2008);

• To ensure regular and adequate supply of funds to the concern,
• To ensure optimum funds utilization. Once the funds are received they should be utilised in maximum possible way,
• To ensure safety on investment. This implied that funds should be invested in safe ventures so that adequate rate of return can be achieved,
• Overall control of the Institution’s resources;
• Guidance to all departments in all financial matters, particularly as regards the preparation and monitoring of their budgets;
• The Institution’s accounting, reporting and internal control procedures;
• Maintaining the financial information system;
• Administering the pay-roll, loan and pension schemes;
• Arranging adequate insurance cover for the University’s assets;
• Ensuring that surplus funds are invested and managed prudently.

4. Financial Resources Available to the Universities

Financing higher education in Nigeria in the present is a crucial national problem. The political, social and economic factors, which are currently having significant impact on the world economy, have necessitated the need to diversify the resources of education funding, mainly because reliance on only one source of revenue can inhibit educational growth. There are however some possible options of financing higher education (Omolade, 2008):

• Fund from owner government, popularly known as subvention,
• Tuition and fees,
• Gifts, Grants and Endowments,
• Investment income,
• Auxiliaries (Enterprises, Licenses, Parents and Alumni Association)
• Consultancies and Research activities,
• Community Participation,
• Scholarship/Bursary Scheme,
• Loan Scheme, etc.

The existing circumstances in the country and the attendant financial constraints have made education to suffer.
Government is unable to ideally fund higher education effectively and efficiently due to lack of accurate baseline statistics. The asymmetrical planning and prevalent economic crises. To sustain higher education in the country, all stakeholders must become involved in the financing, parents and guardian, the society in general, the private sector and non-governmental agencies. The education sector can only approach the optimal in provision and production when every stakeholder strives to do its part on the financing of higher education in Nigeria.

This paper, therefore, also isolates six critical factors that tend to influence new trends in the funding of Universities in Nigeria. These are (Erinosho, 2004):

- Massive expansion in University Education;
- Inability of the Country to finance this massive expansion, leading to the emergence of the private sector;
- The rationale for cost-sharing with parents and students;
- The public call for accountability and value for money;
- The emergence of foreign providers through the General Agreement on Trade in services (GATS);
- And, finally, the need for adjustment in Country funding to reduce widening disparity.

5. Financial Operations of Universities

It should be noted that there have been major recent changes in the financial operations of universities in many countries. This change is as a result of diminishing public resources with the resultant effect, in most cases, of financial constraints within the university system. This situation has led to pressure from the government, and from within the university system itself, for a diversification of sources of financial support to the University which must also be backed by effective resource management. From the above observations and scenarios, it is clear that the University can no longer rely solely on government funding, if it is to remain financially healthy. New styles and mechanisms of financial management are necessary. There are six key characteristics of the financially healthy University. These are (Akintayo, 2006):

- Short term solvency;
- Retention of reserves;
- The effective management of long term debt;
- The effective management of the estate;
- The stability to generate non-state funding;
- Consistency of budgetary strategy with mission.

Nevertheless, in spite of differences between various institutions and systems, I believe that there are six fundamental principles that must be observed. They are (Akintayo, 2006):

- Financial stability, which should make a key contribution to academic success;
- Financial management, which is too important to be left to the Bursar or Director of Finance alone;
- A conservative approach to institutional spending at the top, which should constantly send a message in favour of lean management of organizational resources, as well as transparency and accountability throughout the institution;
- That, risks should be examined carefully but, when accepted, the instrument should be sufficient to ensure a successful outcome;
- Good financial management requires that, where financial targets are not met, action should be taken immediately;
- Financial monitoring by policy makers, rather than technicians, can make a significant impact on the management of an institution.

It is necessary to state, at this juncture, that it is impossible to point to a ‘right way’ of managing University finance in general, because funding systems differ, and in particular, institutions differ. For example, managing the finances of a research university which has a significant grant income and major research facilities to maintain and, if it has a medical school, special relations with hospitals and state medical services or, if it has an agriculture or veterinary faculty, university farms to manage, are entirely different to managing the finances of a largely teaching university. This is not just a question of what the accounts of the two kinds of universities look like and the difference in the make-up of their income streams, but a matter of a different organization and structure.

It must be further noted that the most viable source of financing University education is the effective management of the university educational system and associated institutions. Consequently, this paper also isolates six critical factors that tend to influence new trends in the funding of universities. This can be done in the following ways (Obieumani, 2006):
• Rational allocation of cash funds;
• Management of cash reserves;
• Production of financial indicators;
• Better utilization of resources;
• Evaluation and auditing;
• Protection of funds from fraud.

In order to determine whether or not the finances of an organization are effectively managed, there is the need for financial reporting. The objective of financial reporting in the public sector, for example (where most universities in the developing countries are located), is to give a formal record of the financial activities and resources entrusted to it and provide information useful for decision making by (Edukugbo, 2008):

• Indicating whether resources were obtained and used in accordance with legally adopted budget;
• Indicating whether resources were obtained and used in accordance with legal and contractual requirements, including financial limits established by appropriate legislative authorities;
• Providing information about the resources, allocation and uses of financial resources;
• Providing information about how the government or unit financed its activities and met its cash requirements;
• Providing information that is useful in evaluating governments or units’ ability to finance its activities and to meet its liabilities and commitments;
• Providing information about financial condition of the government or unit and changes in it;
• Providing aggregate information useful in evaluating the governments or units performance in terms of service costs, efficiency and accomplishment.

6. On the Need for Sustainable University Administration and Institution-Building

For a country, such as Nigeria, to get her quest for solid national development, there is the need to build sustainable and strong institutions. It must be noted at this juncture, that, if there has to be sustainable development in Nigerian universities, they have to be “adequately” funded. The financing of education should be the function of all the major stakeholders. This is because government alone cannot fund higher education. Inadequate funding of public universities has been identified as the prime cause of the problems of the universities (Ifakachukwu, 2009). There is need for strong institutions for service delivery, government efficiency, and strong policy and programme implementation. More importantly, there is the need to build capacity divorced from our individual, regional, religious and personal aggrandizement in order to encourage public and private sector sustenance.

It must be noted that, a country cannot grow or achieve much if she depends on individual genius, personality cult, and passion to run her public institutions.

The development of infrastructure, as well as maintenance and delivery of other state services need viable and functional institutions. These institutions should be the driving force towards the maintenance of the Country’s dilapidated roads, outdated power infrastructure and other conceivable public sector services.

It may be pertinent to further state, at this juncture, that government agencies have failed because they failed to build an enduring institutional structure. If the government had built sustainable institution or leveraged on strategic capacity building, most of the critical challenges that are being encountered in the country could have been minimized.

Further still, on Nigeria, substantial investments of the nation’s wealth should be made in favour of the training and retraining of the national workforce. This is because every nation’s strength is in her work force. If an emerging nation such as Nigeria would develop a well-dedicated and trained work force, a substantial part of the nation’s developmental problems could have been solved.

7. Conclusion

By and large the importance of effective university governance cannot be under-stated, given the primacy of strategic educational and knowledge management for the possible attainment of necessary economic growth and sustainable human development across the globe. The pursuit of the inclusive but multidimensional goals of sustainable university administration and strategic capacity building are also dependent on the extent to which institutional financial resources are prudently harnessed and managed.

Consequently, the university administration has a critical role to play in this nexus. Indeed, successful university administration in this 21st century must leverage on the tenets of sound resources allocation, utilization and financial
management to catalyze processes of necessary capacity building for balanced organization development and sustainable futures of the knowledge industry.

In conclusion, the instrumentality of financial reporting, international best practices in strategic university administration and the necessary understanding of the harvestable pool of financial resources that is available to the global university system as well as various mechanisms for putting these into usage for the promotion of industrial peace and organizational stability in the university system are all necessary ingredients for sound financial management for sustainable university administration and institution-building.

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Social-Environmental Problematic in the Socio-Geographical Space of Lapraka

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Abstract

The favorable physical-geographical and social-economic conditions have made Tirana very much attractive for the population of various territories in our country. Borough no: 11 is chosen for habitation by the incomers due to its appropriate regional position, the existence of free land surfaces and low rents. In Borough no: 11, there has been a growing population from year to year affected by the natural child birth and migratory movements. The increase of the population number in this borough has been associated with numerous economic and social problems. After 1990, there has been a construction boom, which gave the borough a view of a more typical suburban area in Tirana, by creating a suburban neighborhood that lacks urban plans. The construction boom was not associated with the infrastructure development. The normal conditions of habitation and infrastructure increase the life quality and as a result they facilitate the contribution of citizens on a sustainable development. The participation of the community in the daily activity, also their focus on the short and long term planning, is a necessity. Despite all the improvements that these last years have been evident, its further improvement is an imperative need for the residents of this borough. A special assistance in this direction is the education and qualification level of the individuals as simple citizens, members of the community, also as professionals.

Keywords: Informal areas, lack of services, environmental situation, the equipping with home appliances.

1. Introduction

Lapraka as part of the city with its deficiencies as far as development is concerned, represents the suburban problematic of the last urban development in Albania. Borough no: 11 has around 62 thousand residents, 16 production confectionary businesses, shoes businesses, furniture businesses, wood procession, construction materials, 600 entities, 6 schools, 4 nursery schools, four kindergartens, 3 health centers, but on the other hand, there is also great unemployment, where 60% of the labor power, capable of working, are unemployed. The only models that make Lapraka similar to Tirana are the “Gintash” block of residencies which offer a better looking environment. The rest is different. With a population where over 75% have come from rural areas, Lapraka cannot escape from some serious problems. In these recent years, the situation has somewhat changed for the better and this is verified by numerous projects implemented in the area.

2. The Needs and Problems of Borough:11

The increase of the population number is accompanied with a significant increase of the buildings’ number. This fact is indicated by numerous constructions where high buildings like villas, dominate in the area. Before 1990, part of Lapraka has been only the area that was bordered by “Rruga e Durresit”, former “Shoe Factory”, Don Bosko Street, the National Road axis Tirana-Fushe-Kruje and Tirana River. This was an industrial-agricultural area which had only a few residential blocks. After 1990, where there was a population influx, there were built 3770 illegal buildings, 97 interventions in flats and 11 buildings 5-7 storey high. In borough 11, 70% of the buildings (residential houses) are in informal areas, 1-3 storeys, mainly of concrete blocks, where the sewage system and the water supply system are presented as very problematic. The Area of Bregu i Lumit has joined Borough 11 after 1993, where there are 1930 houses constructed before 1990, also there are 1370 illegal buildings constructed after 1990.
Graph 1. Division of families according to the houses they live in, 2011

Source: Survey

2.1 Conditions of accommodation and residence

As for the type of the houses they live in, from the surveys it resulted that 44% live in private houses or villas, 40% in apartments, 8% in temporary constructions and 8% in buildings of different functioning from that of living. Two or more families live in such houses “villa type”, a phenomenon that is linked to the extended traditional family of two couples (parents+ their son and bride), but even to the phenomenon of the lack of the free spaces for construction. As for the construction boom, after 1990, it resulted that the period of the construction boom was linked to the considerable number of incomers.

Around 72% of the interviewers result to be owners and 28% are tenants. The high percentage of the families that are owners of their houses is a premise to not cause the movement of the population from one area to another. As a matter of fact, not everything comes as you expect. The studies over the population movement in town show that the movements may be voluntary and involuntary. Involuntary movements come as a result of the property losses, marriages, divorces, deaths in families or big distances between home and the workplace, whereas the voluntary movements are associated with various factors such as living conditions, environment, and personal reasons.

As for the house surfaces, nearly half of the interviewers live in a surface of 40-69 square meters, whereas the maximal and minimal surface (40 square meters–130 square meters) have almost the same percentage.

Graph 2. Division of the houses according to the surface of their houses

Source: Survey

As for the number of the rooms, more than half of the families live in 2 or 3 rooms (61%), whereas the percentage of the families that live in 5, 6 or 8 rooms (19%) is linked to the high buildings (villa type), where an extended family lives and the percentage of the families that live in a room is 7% and belongs to the temporary buildings and to those who live in school buildings.

2.2 Social-environmental problems

The massive uncontrolled movement of the population towards Tirana has not been associated with the construction of the necessary infrastructure. As a matter of fact, various problems have been identified in these informal areas of the city that have to do with the lack of services; a) water supply; b) roads construction, c) water services and water purity, d) new
health centers for healthcare, education centers, etc. The problems that are linked with the basic unfulfilled needs are mainly present in the poor areas of Tirana and especially in its suburbs. They have aggravated even more as a result of the social and health culture of the newly incomers, the big number of children in a family, inappropriate living areas, lack of the hygienic conditions, lack of water supply which make them subject to epidemics. As far as the supply with water is concerned, about 60% of the interviewers are supplied with drinking water in their house, and 12% provide water outside the house, 22% provide water from water wells and 6% were not supplied with water at all. The situation of water supply appears even more concerning in Kodër-Kamëz and Bregu i Lumit neighborhoods. These neighborhoods are supplied with water only three hours a day, whereas in Lapraka neighborhood, the lack of water during 24 hours is 8-9 hours.

**Graph 3.** Division of the families according to the supply with water

![Graph 3](image)

**Source:** Survey

Even the situation of sewages is presented problematic; the half of the interviewers possess hygiene and sanitary equipment, whereas the percentage of the families that own two hygiene and sanitary equipment is 10% of the respondents. The high percentage of the lack of water filtering plants (around 40%) witnesses about the situation of the sewage system in the area. However, the situation has significantly improved in comparison to 1990-2001 and thanks to the considerable investments made by the local and central power, there is still much to be done. As far as heating is concerned, the majority of the population provides individual heating, whereas central heating comprises a very small percentage.

The high percentage of the interviewers that use individual heating is based on wood stoves, a fact that is linked to the difficult economic situation, also with the traditional way of the incomers’ living. A considerable percentage comprises even the number of families that don’t use heating due to the economical difficulties, because they have to afford the high electricity bills, gas and wood as well.

As far as the electrical appliances are concerned in Borough 11, many families choose to buy the main electrical appliances first, such as TV, fridges, washing machines and then the others. The other appliances such as computer, air conditioner are still considered luxurious and only a small number of the families have them. Having a car is a privilege of a relatively small part of the population for every borough, even for borough 11, the number of families that own a car is relatively small. Many families that own a car do not use it due to the high price of fuel.

**Graph 4.** Division of the families according to the possession of the electric appliances, 2011

![Graph 4](image)

**Source:** Survey
As for the question whether they used any means of transport, it resulted that the best part uses public transport, even the private one, mainly the residents of “Koder-Kamez” and “Bregu i Lumiit” neighborhoods. There are three bus lines that operate in Borough 11; Laprakë – Tirana center, Agricultural University –Tirana center and “New Ring”, where the latter serves mostly to the residents of Lapraka neighborhood. The lines which are on demand are “Ura e Kamzës-Paskuqan, Breg Lumas- Tirana center, which in fact are covered by private means of transport.

Another problem is even the equipping of the families with telephones. According to the respondents, only 38% of the families had a telephone at home, however the problem has somewhat alleviated due to the equipping with mobile phones, which has become the major means of communication.

2.3 Environmental problems

Some concerning problem for the residents of Borough 11 as well as for the citizens that live in Tirana are dust, gases, waste and inert, the unpaved roads, etc. A good job has been done by the borough for the increasing number of the garbage containers, but more is expected by the borough as it covers only 90% of the urban waste.

A great concern for the residents of the borough is Tirana River, which is exposed to great pollution due to its bed damage and sewage spill. In Borough 11, there are 150 Roma families that comprise around 1200 residents who live along Tirana River shore. Dozens of Roma people’s houses are flooded every time it rains heavily in the area. Tirana River bursts out of its bed and floods their houses, whereas residents try to escape the floods and survive. Some of the Roma families are accommodated to the relatives’ houses, whereas others pass the night in open sky.

The sewage system comprises another concern in Lapraka area, where the area behind “AMC” and behind the “Military Hospital” has no access in the sewage system, whereas most of the area in “Bregu i Lumit” is filled with septic holes.

As for the road signs, an intervention is necessary in some areas in order to improve it and put up road signs in places they are missing, also the road lightening system is partial or totally lacks in some parts of the roads. In these recent years, the situation is changing for the better, and this fact is verified by the numerous projects where we can mention that of 2003, where several projects were concluded such as the extension of the water supply system and sewages in Koder-Kamez amounting to 80 million ALL, even in Bregu i Lumit, a project amounting to 45 million ALL; the project of Lapraka area started in 2010 and consisted in the reconstruction of some road segments in the area. There are around 7 km of road, which were rehabilitated in the area, such as “Gjergj Legisi”, “Lord Bajron”, “Pandi Dardha”, “Vangjeli Noti”, “Marin Barleti”, “Riza Kuka”, “Gjergj Kastrioti”, “Rexhep Preza”.

Photo 1: Views from the street rehabilitations in Borough 11

It is the duty of the governance of all the levels not to allow the degradation of the situation to the point that people lose hope for their lives and their children’s lives` improvement. The normal habitation conditions, infrastructure, enhance the life quality and as a consequence they encourage the contribution of the citizens for a further development. The participation of the community in the daily activity, even in the short and long term planning, is essential. The individuals’ education and qualification level is of great importance in the position of a simple citizen, member of the community and professionals as well.
3. Conclusions

- The rapid increase of the population number was accompanied with a boom of constructions and various economic activities. After 1990, we have an increasing number of buildings which give the area the view of one of the most suburban typical areas of Tirana, by creating suburban neighborhoods that lack urban planning.
- The human’s activity is intensified in the exploitation of the natural resources. Instead of surfaces with fruit trees, now one may see endless constructions, from one storey buildings to 10-12 storey ones.
- As for the habitation conditions such as the supply with drinking water, the number of hygiene and sanitary equipment, the use of electric appliances, and the possession of a car, are in a non satisfactory level.
- Green spaces for relaxing and unwinding as well as the functioning of a cinema are necessary for the area residents.

References

Surveys
Borough 11, Urbanity Office, Registry Office, different materials
INSTAT "The registration of the population and residences ", April 2001
INSTAT Maps of poverty and inequality in Albania, 2004
Evaluation of Shadow Economy Emergence and Development Factors in Service Sector: Greek Case

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Abstract

Despite the steady growth in the number of the studies on shadow economy, relatively little research has been done to identify the factors that cause emergence and development of shadow economy in particular countries. This article is aimed at evaluation of shadow economy emergence and development factors in Greek service sector. The methods of the research include logic, systematic analysis of scientific literature and the method of expert evaluation. The research has enabled to identify the factors contributing to the emergency and development of shadow economy in such factor groups as market-related, economic-financial, public administration, social and individual factors. Neither of legal factors was marked by the statistically significant number of the respondents, and weak resource base of the country, attributed to the group of resource-related factors, was not marked by any respondent, which shows that its impact on the emergency and development of shadow economy was not recognized. From all analysed factor groups, economic – financial factors were recognized as the ones that have the greatest impact on the emergency and development of shadow economy in Greece service sector.

Keywords: shadow economy, the factors of shadow economy, informal activities, service sector.

1. Introduction

During the recent decades, both Western and Eastern countries face the phenomenon called shadow economy. It means that many entities transfer their activities to households and perform illegal, unregistered business. Shadow economy is not a new phenomenon. Although the state always attempts to define economic and juridical lines between official and non-official business, the activeness of shadow economy has always been linked with the strength of administration and standardization. The potential of shadow economy is caused by interaction of sufficient material and financial resources and demand (Misiunas, 1999).

Shadow economy has earned scientific attention due to it serious implications for economic performance and a deeper level of awareness about the steady growth of black-owned business startups, warranting the description as the “fastest mutating phenomenon” (Nwankwo et al., 2010). The informal economy is a sizeable and expanding feature of the contemporary global economy (Charmes, 2009; Jutting, de Laiglesia, 2009; Sallah, Williams, 2011; Schneider, 2007; Williams, 2010).

Researching the phenomenon of shadow economy, much of the existing scientific literature focuses on the following points:

- Black business characterisation (La Porta, Shleifer, 2008; Charmes, 2009; Nwankwo et al., 2010; Williams, 2006; Williams, 2010; Williams, Nadin, 2012; Dellot, 2012; Barbour, Llanes, 2013 and others);
- Shadow economy size (Williams, 2006; Bose et al., 2012; Jutting, de Laiglesia, 2009; Rasanayagam, 2011 and others);
- The scope of illegal activities (Aidis et al., 2006; Williams, 2006; Arbex et al., 2013 and others);
- The methods of an appropriate shadow economy measure (Schneider, 2007; Minard, 2009; Williams et al., 2012; Williams, Martinez, 2014 and others);
- Identification of shadow economy regions and sectors (Williams, 2007; Virta, 2010; Watkins, 2011; Williams, Nadin, 2012 and others).

The determinants of informal activities (Misiunas, 1999; Friedman et al., 2000; Aidis et al., 2006; La Porta, Shleifer, 2008; Dabla-Norris et al., 2008; Williams, Round, 2009, Williams, 2010; Nwankwo et al., 2010 and others).

But, despite the steady growth in the number of the studies, relatively little research has been done to discover and identify the factors that cause emergency and development of shadow economy in particular countries. The aim of the article is to evaluate the factors of shadow economy in Greek service sector. The following objectives have been raised to fulfil the defined purpose: 1) to present the interpretations of the term of shadow economy in Greek service sector. The following methods of the research include logic, systematic analysis of scientific literature and the method of expert evaluation.

The rest of the paper is organized as follows: section 2 presents different scientific interpretations of the term of shadow economy; section 3 reviews the factors that determine the entrenchment of shadow economy; section 4 describes the methodology and data; section 5 presents the results of the empirical research and section 6 concludes.

2. Interpretations of the Term of Shadow Economy

Before identifying and evaluating the factors of shadow economy in the analysed sector, it is purposeful to review interpretations of this term in the scientific literature. It should be noted that the term of shadow economy is not universal. Scientific literature applies different economic, juridical, sociological and other criterions to define it. Shadow economy is known by a multitude of names such as the “informal”, “black”, “cash-in-hand”, “underground” and “hidden” economy (Barros, 2005; Bahmani-Oskooee, 1999; Dessing, 2004; Gang, Gangopadhyay, 1990; McCrohan, Sugrue, 2001; Odedokun, 1996; Williams, 2006). The origin of the term informal economy has been attributed to the papers written by the anthropologist Keith Hart in the early 1970s when he used it to refer to the irregular income earning opportunities of the urban poor in Ghana (Rasanayagam, 2011). Also, shadow economy can be interpreted as a small family business where simple technologies and intensive work are applied (Misiunas, 1999) or a new business which emerged in the market not regulated by competitive environment (Williams, 2006). With reference to different interpretations of informal activities in the scientific literature, the following types of shadow economy can be distinguished:

1. Shadow economy not depending on economic systems – it is any economic activity that increases GDP of the country but is not included in the national accounting.
2. Shadow economy under market conditions – it is amount of illegal activities that fail to meet formal regulations of the state.
3. Transition period shadow economy - it is a hidden, profit-making activity in public and private enterprises in transition economies.

Summarizing, despite such wide variety of terms, definitions of informal activities share some common characteristics - informal activities involve market-based production and sale of goods and services which are unregistered or hidden from authorities for tax (avoidance payment of income, value added taxes, social security contributions), benefit (profit or income increase) and/or performance simplicity (avoidance having to meet labour standards, certain administrative procedures) purposes.

3. Systematization of the Factors of Shadow Economy

In order to reduce the volumes of shadow economy, the factors that determine its emergence and development have to be identified. Applying the methods of shadow economy evaluation, scientific literature leans on numerous factors (economic, social, labour market, legal and others), and in some cases the impact of particular factors remains unresearched due to the lack of the statistical data. However, interdisciplinary analysis of the causes of shadow economy is necessary since the research based on a single category of factors can only partly explain emergence and development of shadow economy while the factors of different categories have a complex impact on the tendencies of economics in the country (Krupmlyte, 2008). The factors of shadow economy analysed by different authors have been presented in Table 1.
### Table 1. The factors of shadow economy (compiled by the authors)

<table>
<thead>
<tr>
<th>Author, year</th>
<th>Country</th>
<th>The factors of shadow economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nwankwo et al., 2010</td>
<td>UK</td>
<td>Failure to market services effectively; lack of cultural awareness and understanding of business support; business tendency to be more concentrated in non-priority sectors (e.g. retailing); weak resource base</td>
</tr>
<tr>
<td>Williams, 2007</td>
<td>UK</td>
<td>Competition, regulations, taxation, cost of premises, shortage of skills generally, shortage of managerial skills, lack of financial knowledge, criminal mind</td>
</tr>
<tr>
<td>Virta, 2010</td>
<td>Finland</td>
<td>Different kinds of corruption</td>
</tr>
<tr>
<td>Watkins, 2011</td>
<td>Canada</td>
<td>Investment in leading-edge technology, particularly related to computers and communication; lack of skilled managers; failure to adapt best practices; failure to meet business innovation pace</td>
</tr>
<tr>
<td>Williams, 2006</td>
<td>UK</td>
<td>Taxes; high costs of social security</td>
</tr>
<tr>
<td>Bose et al., 2012</td>
<td>USA</td>
<td>The level of financial development of the country</td>
</tr>
<tr>
<td>Schneider, 2007</td>
<td>145 countries</td>
<td>Public policy, public administration, the burden of taxes and social security contributions, complexity and perceived fairness of tax systems, the extent of bureaucracy, regulations, and corruption</td>
</tr>
<tr>
<td>Misiunas, 1999</td>
<td>Lithuania</td>
<td>Market imbalance, inelasticity of economic systems, structural distribution problems, the problem of debts, asymmetries in the labour market, inflation</td>
</tr>
<tr>
<td>Arbex et al., 2013</td>
<td>Brazil</td>
<td>Worker’s education level, ability bias and wage differentials</td>
</tr>
<tr>
<td>Rasananayagam, 2011</td>
<td>Uzbekistan</td>
<td>Political issues, corruption, extractions for personal profit, complicated formal structures of state organs</td>
</tr>
<tr>
<td>Williams, Nadin, 2012</td>
<td>UK</td>
<td>Population’s low income, excluding population from formal labour market, absence or unattractiveness of other opportunities</td>
</tr>
<tr>
<td>Williams, Martinez, 2014</td>
<td>UK</td>
<td>The need for business mature before formalizing it, tax burdens, policy issues</td>
</tr>
<tr>
<td>Williams, 2010</td>
<td>Developing countries</td>
<td>Unattractiveness of other opportunities, necessity, avoiding taxes, rationality, difficulties to get a job, strict procedures of business formalization</td>
</tr>
<tr>
<td>Dabla-Norris et al., 2008</td>
<td>Developing countries</td>
<td>Tax and regulation burden, financial market development, financial constraints, the quality of the legal framework, legal obstacles</td>
</tr>
<tr>
<td>Friedman et al., 2000</td>
<td>69 countries</td>
<td>High tax rates, wish to keep all profits, inefficiency of political and social institutions, bureaucracy, corruption, weak legal system</td>
</tr>
<tr>
<td>Krumplyte, 2008</td>
<td>Lithuania</td>
<td>Tax burden, income inequality, regulation intensity, imbalance between labour supply and demand, significant gap between medium and minimal wages in the country, distortion of competition caused by tax exemptions, regulation gaps, constant changes of laws</td>
</tr>
</tbody>
</table>

As it can be seen from Table 1, the factors of shadow economy noted and analysed by different authors can be attributed to the following groups:

1. Market-related factors (failure to market services effectively, competition, competition distortion caused by tax exemptions, failure to meet business innovation pace, market imbalance between demand and supply, distribution problems).
2. Economic – financial factors (the burden of high taxes, high costs of premises, high costs of social security, poor financial development of the country, poor development of financial market, problem of debts, inflation, inelasticity of the economic system, financial constraints).
3. Public administration factors (intensive regulation, corruption, bureaucracy, complicated formal structure of state organs, inefficient political and social institutions).
4. Legal factors (complexity of the tax system, perceived fairness of the tax system, complicated procedures of business formalization, poor quality of loyal framework, constant changes of laws).
5. Resources related factors (weak resource base of the country).
6. Social factors (lack of cultural awareness, poor understanding of business support, wage differentials, population’s low income, excluding population from formal labour market, unattractiveness of other opportunities to earn income).
7. Individual factors (low education level, shortage of skills, shortage of managerial skills, lack of financial knowledge, wish to keep all profits, criminal mind).

Market-related factors reflect imbalance between demand and supply. Developed market economies usually face the problem of demand surplus. In such situation, official economics can only partly meet all customers’ needs, which causes emerging of unofficial production, speculation.
Economic – financial factors reflect the negative market reaction to the inelasticity of the industry and poor development of financial market. Under such conditions, governments are hardly able to make efficient investment, they increase their indebtedness, which, in turn, causes tax and cost rising for business and increases the attractiveness of shadow economy.

Public administration factors reflect inefficiency of the work of public institutions, complexity of public administration system as well as too intensive and/or unreasonable business regulation. Although the apparatus of state institutions is extensive, it does not provide the expected effects. On the contrary, the wish to prevent these barriers while performing business activities becomes a strong incentive to operate underground.

Legal factors reflect the weakness of legal framework in the country. Businessmen can hardly be expected to make a decision to formalize their activities when they find it difficult to understand complicated regulations, when businessmen’s rights are not sufficiently protected, when activity and income planning is impossible due to constant changes of laws and/or when it is thought that tax system in the country is unfair. It all becomes a strong motive to perform in a shadow.

The resources related factor – weak resource base of the country - means that the country is not rich in resources, so the resources necessary to start-up and develop a business can be expensive or difficult to access. This motivates businessmen to look for illegal ways to get access to cheaper resources.

Social factors reflect weakness of the social system of the country. Asymmetry in the labour market between supply and demand, wage differences as well as inability to create attractive business alternatives discourage citizens from business formalization. Also, perception of inequality contributes to public thinking changes. It all becomes an incentive of shadow economy emergence and development.

Finally, individual factors of shadow economy are related with businessmen’s personal characteristics such as low education level, shortage of skills, especially managerial and financial ones, the wish to keep all profits and even criminal mind. On one hand, these factors seem not to be linked with general economic state in the country, but on the other hand, higher development level often serves as a base to provide businessmen with necessary education. Therefore, according to Misiunas (1999), the role of these factors increases in the countries with transition economies.

Although the analysis of theoretical literature has enabled to establish the factors of shadow economy, it has not revealed what factors and factor groups explicited above have significant impact on shadow economy emergence and development. That is why it is purposeful to carry out the research that would enable to identify the factors determining the emergence and development of shadow economy in particular countries and industries, in this case – in Greek service sector.

4. Methodology

In order to identify the factors that contribute to the emergency and development of shadow economy in Greek service sector, 14 enterprises, operating in service industry in Greece, were included in the research.

The representatives of the enterprises (enterprise owners or managers), treated as experts, were asked to fill in the questionnaire consisting of 5 questions. At first, the experts were asked if their business had ever had any activities of shadow economy. The following two questions were included to find out the activity sphere of the enterprises and the type of businessmen the respondents attribute themselves to. Finally, the respondents were asked to indicate the factors that, in their opinion, contribute to the emergency and development of shadow economy in their country and write down the motives which have the most significant impact on the presence of shadow economy in their business.

The distribution of the researched companies by activity sphere has been detailed in Table 2.

Table 2. Distribution of the researched enterprises by industry and activity sphere (compiled by the authors)

<table>
<thead>
<tr>
<th>Number of the enterprises</th>
<th>Activity sphere</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Catering</td>
</tr>
<tr>
<td>2</td>
<td>Handicraft</td>
</tr>
<tr>
<td>1</td>
<td>Dressmaking</td>
</tr>
<tr>
<td>1</td>
<td>Rent of carnival accessories</td>
</tr>
<tr>
<td>1</td>
<td>Real estate management</td>
</tr>
<tr>
<td>1</td>
<td>Sport facilities</td>
</tr>
<tr>
<td>1</td>
<td>Video rental</td>
</tr>
<tr>
<td>1</td>
<td>Education</td>
</tr>
</tbody>
</table>
As it can be seen from Table 2, distribution of the researched enterprises by the activity sphere is rather wide: the majority of the researched enterprises are involved in catering, 2 – in handicraft, and the remaining 6 enterprises are engaged in dressmaking, rent of carnival accessories, real estate management, sport facilities, video rental and education. Since the research covers a wide variety of service businesses in Greece, the data collected during the research can be treated as representative and statistically reliable.

5. Research Results

The results of the research have revealed that all enterprises had had some business of shadow economy. It shows that the volumes of shadow economy in Greek service sector are really significant. The biggest part of the businessmen (9 out of 14 respondents) attribute themselves to the group of permanent entrepreneurial moonlighters acting in officially registered business and paying taxes, but not declaring part of the income and having no intention to declare it in the future. The rest part of the businessmen (5 out of 14 respondents) consider themselves to be temporary entrepreneurial moonlighters acting in officially registered business but not declaring part of the income with intentions to act absolutely legally in the future. These results show that Greek entrepreneurs operating in service sector see the necessity to register and formalize their activities. Shadow economy appears as avoidance to declare part of the income which is acceptable for most of the entrepreneurs working in Greek service.

Analysing the factors that contribute to the emergency and development of shadow economy in Greek service sector, it has been established that competition (which was marked by all 14 respondents) is the dominating factor that contributes to the emergency and development of shadow economy in the group of market-related factors. In the group of economic – financial factors, high costs of social security (which were marked by 93 per cent of the respondents) are considered to be the most influential. In the group of public administration factors, the predominant factor is complicated formal structure of state organs, which was marked by 57 per cent of the respondents. In the group of legal factors, there was not any single factor to be recognized by more than 50 per cent of the respondents. Anyway, the respondents admitted the importance of complexity of the tax system (37 per cent of the respondents) and constant changes of laws (29 per cent of the respondents). Weak resource base of the country, which in the questionnaire was attributed to the group of resources-related factors, was not marked by any respondent, so its impact on the emergency and development of shadow economy was not recognized. In the group of social factors, population's low income appeared to be the most influential factor (it was marked by 79 per cent of the respondents). Finally, in the group of individual factors, the majority of the respondents (64 per cent) recognized the wish to keep all profits as the factor significant for the emergency and development of shadow economy.

From all analysed factor groups, economic – financial factors were recognized (79 per cent of the respondents) as the ones that have the greatest impact on the emergency and development of shadow economy in Greece service sector. The factors that have the greatest impact on the emergency and development of shadow economy in different Greek service sphere enterprises have been detailed in Table 3.

Table 3. The factors determining the emergence and development of shadow economy in different Greek service spheres

<table>
<thead>
<tr>
<th>Service sphere</th>
<th>The factors of the shadow economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catering</td>
<td>Economic - financial</td>
</tr>
<tr>
<td>Handicraft</td>
<td>Economic – financial</td>
</tr>
<tr>
<td>Dressmaking</td>
<td>Economic - financial</td>
</tr>
<tr>
<td>Rent of carnival accessories</td>
<td>Market-related</td>
</tr>
<tr>
<td>Real estate management</td>
<td>Economic - financial</td>
</tr>
<tr>
<td>Sport facilities</td>
<td>Market-related</td>
</tr>
<tr>
<td>Video rental</td>
<td>Public administration</td>
</tr>
<tr>
<td>Education</td>
<td>Economic - financial</td>
</tr>
</tbody>
</table>

As it can be seen from Table 3, economic – financial factors determine the emergence and development of shadow economy in such service enterprises as catering, handicraft, dressmaking and real estate management. Wrong invoices presented by business partners and suppliers as well as avoidance to issue an invoice were identified as additional influential market-related factors in the spheres of rent of carnival accessories and sport facilities. An additional public administration factor that was appointed as the one determining the emergence and development of shadow economy in
the sphere of video rental was availability of illegal films and music records in the internet.

6. Conclusions

Considering the results of the research, the following conclusions can be made:

1. The analysis of the theoretical literature has revealed that definitions of informal activities share some common characteristics - informal activities involve market-based production and sale of goods and services which are unregistered or hidden from authorities for tax (avoidance payment of income, value added taxes, social security contributions), benefit (profit or income increase) and/or performance simplicity (avoidance having to meet labour standards, certain administrative procedures) purposes.

2. Since the results of the survey have revealed that all researched Greek enterprises had had some business of shadow economy, it shows that the volumes of shadow economy in Greek service sector are really significant. The biggest part of the businessmen attribute themselves to the group of permanent entrepreneurial moonlighters acting in officially registered business and paying taxes, but not declaring part of the income and having no intention to declare it in the future, which shows that Greek entrepreneurs operating in service sector see the necessity to register and formalize their activities. Shadow economy appears as avoidance to declare part of the income which is acceptable for most of the entrepreneurs working in Greek service.

3. Analysing the factors that contribute to the emergency and development of shadow economy in Greek service sector, it has been established that competition is the dominating factor that contributes to the emergency and development of shadow economy in the group of market-related factors, high costs of social security – in the group of economic – financial factors, complicated formal structure of state organs – in the group of public administration factors, population’s low income – in the group of social factors and the wish to keep all profits – in the group of individual factors. Neither of legal factors was marked by the statistically significant number of the respondents, and weak resource base of the country, attributed to the group of resources-related factors, was not marked by any respondent, which shows that its impact on the emergency and development of shadow economy was not recognized.

4. From all analysed factor groups, economic – financial factors were recognized as the ones that have the greatest impact on the emergency and development of shadow economy in Greece service sector.

References


~ 145 ~
Impact of EU Gender Equality Policy on Albanian Economic Development

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Abstract
Lack of economic development, unemployment and lack of work-life balance between woman and men has been one of the main challenges of Western Balkan countries. Their fragile internal political and economic structure has made external actors be very powerful in shaping national policies. In the last fifteen years, European Union has been the main promoter of reforms that can bring the countries of the region closer in line with the EU. The main goal of this paper was to firstly look at the EU gender equality policy in the Western Balkans that applies to Albania as well, and assess its compatibility with the real concerns of Albanian woman. Secondly, the study measured the impact of the first policy, i.e. women inclusion in the labor market, on the economic growth of Albania. This research employed a quantitative methodology based on surveys and a regression analysis. Surveys were conducted with 537 female in Albania clustered mainly according to age and geographical location. Regression analysis was based on official statistical data of the women employment and annual real growth of GDP of Albania in a range of ten years. The results showed that Albanian women are mostly concerned with the lack of economic development and their expectation is that the EU accession policies should primarily address that. In addition to that, the study found out that there exist a direct and positive relationship between women inclusion in the labor market and economic growth. Therefore, EU gender equality agenda covers the main needs of Albanian women as women employment means higher economic growth and less inequality that are factors of economic development.

Keywords: Gender Equality, EU Policy, Women Employment, GDP Growth, Albania.

1. Introduction
Albania is a small country with a young open economy. Since 1992, Albania operates as a democratic country with an open trade. For years, the main political and economic goal of the Albanian state has been the EU Accession. As such, the Albanian political framework has developed toward incorporating any necessary law or regulation as part of EU integration process. One of the most essential requirements for the Albanian democracy and its road toward EU has been the adoption and implementation of EU gender equality framework.

Gender equality is not a concept that works only as a fundamental human right but it also acts as an essential tool for the alleviation of poverty in a country and obviously for its economic growth. The contrary has been an evidence for many studies. Countries that have improved the role and the status of the women were a step ahead to stronger economic growth. Governments should tend to implement more policies toward the gender equality, as it needs to be valued for the determinant effect on the poverty or the economic growth of a country.

People of the same economy must have same opportunities to contribute equally to the improvement of an economy. In many countries the economic development and gender equality have been improved in parallel motion. According to many countries or societies, the women's access to different sectors as health care, employment, education etc, have limit the space between the women and men in the economic opportunities and this obviously have increase the impact in the economic development and growth. (Cathan House; Vivid Economics, 2010)

The EU Gender Equality policy has evolved from a focus on women's issues to gender relations and the need to transform the traditional gender perception. (S, 2009)The first interconnectedness of gender equality policy with economic development has been incorporated in the Treaty of Amsterdam (1997) and that expects to lead to policies that affect employment as well as other gender related fields.

The main goal of this paper is to firstly look at the EU gender equality policy in the Western Balkans with a special focus on Albania, and assess its compatibility with the real concerns of Albanian woman. Secondly, the study measures the impact of the first policy, i.e. women inclusion in the labor market, on the economic growth of Albania. It starts with an
overall evaluation on the current Albanian legislation in respect to gender equality and then it searches the changes in male and female employment in Albania over years. Then the impact of the Gender Equality on the economic growth of the Albanian is statistically observed over the regression analysis that will be focused on the data of the labor market and the economic growth of Albania in a range of 10 years. Concluding with the real impact on percentage unit of the gender equality in the economic growth of Albania, the research will present some policy recommendations in order to reach the narrowest difference on gender and a stronger development.

2. Literature Review

EU Gender Equality Policy on the Western Balkans is built on three pillars: (1) Employment, that is about closing the gender gaps in employment and social protection including the gender pay gap. This pillar aims to meet the objectives of Europe 2020 Strategy especially in the areas of employment, education and promoting social inclusion through reduction of poverty and thus, contribution to labor force. (2) Work-Life Balance between Woman and man in order to promote gender equality and contribute to demographic challenges. (3) Violence against women that aims to combat all forms of violence against women in order to ensure full enjoyment by women of their human rights. (Strategy for equality between women and men, 2014)

The strong impact of gender equality policy on the economic growth is briefly affirmed from many studies and real statistical data. According to Series of the Women's Economic Empowerment study on the gender equality and the poor-poor link, there are some evidences that support the connection of the gender equality and growth. Firstly, the gender equality in education would increase the human capital in the society and the possibilities to allocate the resources would be better off. The study explains that the gender equality increases the economic growth indirectly through the improving of the health and education of the next generation. Supportive evidence deals with the fact that the smaller the gender gaps leads to more effective strategy to boost growth. Accordingly: “Growth as a result of higher gender equality in the labor market ‘increases the size of the pie’”, picked from the study explains the fact that some considerable losses might be leaded from the gender discrimination, so the economy would get through a loss that has came up from the women. Research suggests that if the women wages would be increased, by narrowing the barrier between the women and men, there would be a slice loss in the men wage but if the overall economy would be studied; there would be an “increase of the size of the pie”. (SIDA, 2010)

The study of Agenon and Canuto covers the long-run impact of policies aiming the encouraging of the gender equality on the economic growth in Brasil. This research concluded that fostering gender equality, which may partly depend on the sides that groundwork creates in terms of the allocation of the women time and exchange power, may have an impact on the growth, as well as the health and education outcomes, in Brazil. (Ageon & Otaviano, 2013)

Inspired by many studies, collaboration between Chathan House and Vivid Economics, have concluded on a brief study of the situation and brought some evidences for action. Gender equality is a critical fundamental of the social progress. There are some global development objectives dealing with gender equality, as it has been considered as a positive indication of economic and social development. Maternal mortality is a significant issue that should be reduced, as an aim to promote gender equality and empower women; that might not be reached at the current progress situation. The research brings out some indications on how the gender equality could impact the world economic growth by setting eight key factors. The factors as human and physical capital, competitive market, stability, infrastructure, the rule of law, availability to trade and investments and higher agricultural productivity, can be considered as the important conditions which would ensure strong economic performance. (Cathan House; Vivid Economics, 2010)

The correlation and the impact of the gender equality to the economic growth is a broad subject studied in many aspects and analyzed in many methodologies. The research of Raju, Morrison and Sinha covers the gender equality, poverty and economic growth. In conclusion to this relation the research shows that the gender equality effect on the economic growth in different forms and through various channels. Firstly, there is an increase in the quality of the human capital which would impact directly on the productivity of the labor force and other equivalent factors of production. Some studies cited in the research have concluded that in different societies the impact of schooling in women bring more effort in growth comparing to the men schooling. Another link of gender equality and the economic growth deals with the proper allocation of the economic inputs. The women discrimination brings big gaps in the right share and the reach of the needed growth. The correlation of economic growth and gender equality appears to be positive. The figure 1 below shows better the correlation and position of the capita GDP growth rates and gender equality by the female to male ratio in HDIs. (Morrison, Raju, & Sinha, 2007)
In addition to the review of studies above, another study of (Goldman Sachs Institutional Portal, 2007) gives some specific statistical based data for the situation of this linkage of gender equality or inequality and the economic growth all over the world. According to the study the narrowing of the female and male employment would have a great effect for the global economy, as the increase of US GDP by approximately 9%, Eurozone GDP by 13% and Japanese GDP by 16%. In the past 10 years in European countries the increase of the female employment has been a key driver of the economic growth. The right policies of that increase had given a positive effect by increasing the total employment rate. Encouraging more female in the labor market has been very successful for most of the countries growth. The Eurozone is projected to keep rising the female employment and it would increase the economic growth by 0.25 percentage point. In Japanese it is projected to have 0.1 pp, showing slow progress in the female employment rate, while in US, where the young female employment has been fallen from the stats of the past 10 years is projected to have a boost to growth of 0.

Gender equality, mainly observed in the equal employment opportunities, so the rise of the female employment will continue to have important significance for equity market sector performance. Quoting: “Higher disposable income growth among women boosts, for instance, the consumption of luxury clothing and accessories.” (Goldman Sachs Institutional Portal, 2007)

3. Gender Equality Frameworks in Albania

3.1 The Legal Framework for Gender Equality in Albania

Gender Equality is part of the highest legal act of Albania, the Constitution, from 1998; Article 18, which guarantees equality between the men and women before the law. The country endorsed the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1993. Albania regularly reports to the CEDAW Committee on its progress in fulfilling with and implementing CEDAW provisions. As previously mentioned the European Union accession is an important goal for Albania and its legislation and policies of the gender equality are very essential for the process. Firstly, the basic step ahead initiated by the signing of the Stabilization and Association Agreement in 2006. As equality is one of the instructing principles of the EU, Albania’s gender mainstreaming obligations are contained in the five policy areas spelled out in the EU Strategy for equality between women and men 2010-2015. (Van der Leest, Xhelo, & Wittberger, 2012)

Legislation claims the equality between women and men also by the Law No. 9970 “On Gender Equality in Society”, which entered into force in 2008. This law would adjust important issues of the equality between men and women in different aspects, starting from the public life, the equal treatment and equal opportunities and chances for their engagement and contribution in the improvement of all social circles. The aim of this law is to a) assure right protection against gender discrimination; b) define measures to guarantee equal opportunities for men and women in order to eliminate gender-related discrimination; and c) specify the responsibilities of state authorities at all levels for drafting and implementing normative acts and policies that support gender equality. This law introduces specific precautions in political and public decision making areas, as well as in other areas as employment and education. (The Assembly of the Republic of Albania, 2008)
Gender equality is adjusted by two other laws in Albania as, Law No. 10221, “On Protection against Discrimination”, adopted in 2010, and Law No. 9669 “On Measures against Violence in Family Relations”, adopted in 2007. The first law prohibits discrimination in political, economic and social spheres not only on the grounds of race, ethnicity, disability or religion, but also on the grounds of sex, gender, gender identity and sexual orientation. The second law is designed to prevent and reduce domestic violence, and prescribes the adequate response to as well as services for victims. (Van der Leest, Xhelo, & Wittberger, 2012)

4. Research Methodology

This study has two main assumptions.

(1) **Gender Equality Policy can be successfully implemented if it meets the real needs of Albanian women and men.** In order to identify Albanian women and men needs and interests, the study asks 537 females and 547 man from 8 different regions of Albania about the socio-political situation in Albania and their expectations on Albania–EU relationship.

(2) **There is a positive correlation between gender equality and economic growth and development in all countries.** There is a slight percentage point of growth that is caused from the gender equality. As previously mentioned from the data proceeded from the official site of statistics in Albania, research will consider a regression analysis between the GDP growth rate of Albania from 2000 to 2011 and the data of the labor market mainly the Female and Male percentage employment, basically focused on the female employment rate from year 2000 to 2011. (INSTAT, 2013)

5. Analysis and Discussion

5.1 Albanian Gender Perceptions and Expectations on EU

When asked about the main problem of Albania 53.7% of female and 46.3% of male consider the lack of economic development to be the main problem of Albania. (Yenigun, Baltaci, & Ozcan, 2011) For both the majority of Albanian women and men, economic development is the most important issue and as such their first need. Additionally, 89.4 % of female and 94.4% of Albanian men want Albania to become a member of European Union. The finding shows that a very high percentage of both men and female wants Albania to be a member of EU; thus EU is a very legitimate external actor in the eyes of Albanian men and women. Legitimacy helps in promoting the messages better and quicker. 47% of female and 50.3 % of male believe that EU membership would improve Albanian economy showing that for the first main expectations of Albanian women and men is economic development. When it comes to security expectations, only a few see it as a priority in terms of EU-Albanian relations. Only 6 % of female and 3.9 % of male don’t want Albania to be a member of European Union. Among that Females mostly disagree because they think that Albania will lose the cultural values whereas male mostly believe that nothing will change. Nevertheless the numbers are too low and they don’t risk EU’s legitimacy as a strong promoter.

To conclude, the main findings cite that according to Albanian women, lack of economic development is one of the crucial concerns in their country and EU accession process should primarily address that. While, a lot of them evaluate internal politics as problematic as well, as a matter of fact very few consider their security in threat. When asked about EU membership, the majority of women and men claimed that EU membership should improve their economy. While only 15.4 % of female asserted that it should increase safety. EU gender equality program designed for the Western Balkans is assessed to have addressed Albanian women perception as two out of three main reform headings focus on employment and work-life balance between woman and men but violence against woman, which is the third main reform heading, is far from being their real concern

6. Gender Equality Policy and Its Interconnectedness to Labor Market and Economic Growth in Albania

According to the main official data regarding the Labor market in Albania, INSTAT, labor market and the employment and unemployment rates reflect gender relations among the coverage of special roles and percentages of women and men. This does divide and shows up the concentration of differences between men and women in different sectors of labor market. Women are part of the basic part of textile sector workers and a high number of the service sector workers. When there is a study of the distribution of the men and women workers across main sectors (agriculture, construction, services etc), there should be a search also on the distribution of men and women through different positions in job hierarchies.
Therefore it is important to study the labor market not only in the plain structure but also in the “logic” it has been structured. (Sejdini, 2012)

Human Development Index (HDI) is a summary of measures in the long term progress in three basic dimensions of human development as the long and healthy life, the access to knowledge and decent standard living. This index would mainly explain also the equality that exist between men and women and is taken in consideration as a right observatory. The HDI in Albania from 1980 to 2011 is positively increased from 0.6 to 0.748. (UNDP, 2013)

Economic growth has been in an increasing motion in each year too. The data taken from the official site of statistics of Albania shows it. According to the data GDP annual growth rate for the 1980 year has been 2.684 and in the 2011 have been 3. (INSTAT, 2013)

According to the data above, the chart below will show the positive correlation that exists between the gender equality (HDI) and the GDP growth rate in Albania from 1980 to 2011 in a five year periodical collection.

Figure 2. HDI and GDP growth rate in Albania.

Source: (INSTAT, 2013)

According to the data above the regression analyses was applied and the below results are concluded:

<table>
<thead>
<tr>
<th>Summary Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression Statistics</td>
</tr>
<tr>
<td>Multiple R</td>
</tr>
<tr>
<td>R Square</td>
</tr>
<tr>
<td>Adjusted R Square</td>
</tr>
<tr>
<td>Standard Error</td>
</tr>
<tr>
<td>Observations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ANOVA</th>
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<tbody>
<tr>
<td>df</td>
</tr>
<tr>
<td>Regression</td>
</tr>
<tr>
<td>Residual</td>
</tr>
<tr>
<td>Total</td>
</tr>
</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>
<th>Lower 95.0%</th>
<th>Upper 95.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-5.820385436</td>
<td>7.674147</td>
<td>-0.75844</td>
<td>0.482386</td>
<td>-25.5474</td>
<td>13.90664</td>
<td>-25.5474</td>
</tr>
<tr>
<td>66</td>
<td>0.910446639</td>
<td>0.126804</td>
<td>7.179936</td>
<td>0.584486</td>
<td>1.236407</td>
<td>0.584486</td>
<td>1.236407</td>
</tr>
</tbody>
</table>

The linear regression equation is as follows:

\[ Y = \alpha + \beta X + \epsilon \]

Where:

(Y) The dependent variable = GDP growth rate
(X) The independent variable = Female employment
(\beta) The coefficient of the independent variable
(\alpha) Intercept parameter
The standard error
The summary output of the regression is in the Annex according to the result the graph below shows the negative relation of the two variables.

X Variable coefficient = 0.910446639
Intercept coefficient = -5.820385436
R Square = 0.911584984
Standard Error = 0.881247289

So, estimated regression equation is as follows:

\[ Y_t = -5.820385436 + 0.910446639 \cdot X_t \]

Due to results of the analyses there is the expected observation of a slight impact of the gender equality to the economic growth. So the change, as we expected the female employment, has a slight impact on the economic growth even though in small percentage point. The graph below would consider showing also the Residual graph, presenting how much deviates the observation through the expected values.

Figure 3. Line Fit Plot.

7. Conclusion

Aim of the research was to study the impact or the effect of the gender equality to the economic growth. Considering all the overview and the real statistical data observation, it can be concluded that there exists an impact of the gender equality to the economic growth of Albania. Albanian economic is small and there exists many factors affecting its economic growth and development but with the improvement of the gender equality policies it is expected to have higher economic growth and as well as an improvement of the social development. The impact in the last 10 years is considered to be slight but the positive correlation gives high potential to accept the impact of the equality between men and women in the economic growth and development in Albania.

References


Internalized Stigma among People with Mental Illness in Serbia and the Psychometric Properties of the Ismi Scale

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Abstract
This study was aimed at exploring the experience of internalized stigma in persons with mental illness. It also served the purpose of exploring the feasibility of using the Internalized Stigma of Mental Illness Scale (ISMI) to establish basic psychometric characteristics. The study is a part of the international INDIGO-ASPEN project. Participants (N=103) were service users of two psychiatric clinics and one primary health service in Serbia, with severe mental illnesses (52 with diagnosis of Major depression and 51 with Schizophrenia). Participants were of different age, gender, level of education, marital and employment status. For internalized stigma assessment the ISMI scale was applied. It consists of 5 subscales and 29 questions. Participants completed a questionnaire about socio-demographic and clinical data. 17.5% of participants reported experiencing moderate or severe stigma and 82.5% mild or minimal stigma. An elevated score was established for answers at all subscales: Alienation (27.2% of participants), Social Withdrawal (24.3%), Stereotype Endorsement (16.5%) and Discrimination (16.5%). Results show that socio-demographic and clinical variables are not linked to ISMI subscales. The study results confirm the good psychometric characteristics of the ISMI. Though the experience of internalized stigma in the sample of people with depression and schizophrenia in Serbia is mildly grave it should not be discarded. Effective stigma reduction interventions should include empowerment of interpersonal relationships in persons with mental illnesses, their inclusion in self-help groups and self-esteem improvement.

Keywords: Internalized stigma, Mental illness, ISMI, INDIGO project

1. Introduction

In studies exploring the stigma of mental illness, the difference between public stigma and self-stigma has been pointed out. Public stigma refers to reactions of the general population to stigmatized group of persons with mental illnesses, while internalized stigma (also termed self-stigma) refers to prejudice which people with mental illness turn against themselves [7]. The concept of internalized stigma is of core importance in explaining the inner psychological harm done by stigma [6]. The reactions to stigma among persons who suffer from mental illnesses may differ. Some persons can be empowered with righteous anger, some remain indifferent or experience low self-efficacy and low self-esteem. Watson et al. [24] explain that stereotypes about mental illness become important when one encounters mental illness. Awareness of stereotypes alone is not enough for self-stigmatization; what is needed is that persons agree with and internalize social stereotypes [12]. People with depression assume they will be rejected socially and so believe they are not valued [13]. Internalized stigma is connected with various negative outcomes, such as aggravation of depressive symptoms, social isolation, lowered self-esteem and hope, worsening of psychiatric symptoms and decreased willingness to accept
treatment or fail to pursue work and other important opportunities due to anticipated discrimination. Scales exploring subjective experience of stigma and discrimination are many [22]. The ISMI scale is the most extensive and widely used in many studies [17;3;11;8;15;14;5]. The measure of internalized stigma conceptualized by Ritsher et al. [17] is based on the idea that the cause of mental illness stigma is the perception of dissimilarity and deviancy held by the general public as well as by persons with mental illnesses. In an overview of the best-validated instruments to measure internalized stigma, 21 instruments were assessed. Of all the instruments included only two were positively evaluated, ISMI and Child Attitude towards Illness Scale [21].

Studies exploring self-stigmatization of persons with mental illnesses in Serbia are few. The ISMI and Rosenberg self-esteem scale applied to a sample of 30 persons with a diagnosis of schizophrenia suggest that internalized stigma is an important factor affecting the self-esteem in patients with a diagnosis of schizophrenia [16]. One study showed a moderate level of internalized stigma in the sample of 40 persons with schizophrenia [2]. Patients with higher levels of internalized stigma had significantly worse quality of life and lower self-esteem. There was a positive correlation between the level of depressive symptoms and the level of internalized stigma.

2. Aim of the Study

This study was aimed at exploring the experience of internalized stigma in persons with mental illness in Belgrade, Serbia. It also served the purpose of exploring the feasibility of using the Internalized Stigma of Mental Illness Scale (ISMI) to establish basic psychometric characteristics.

This study is a part of the international project The Anti Stigma Program: European Network (ASPEN) and the INDIGO-Depression (International Study of Discrimination and Stigma for Depression) research network. The aim of the project is to contribute to the reduction of stigma and discrimination against people with depression. ASPEN assesses the extent of stigma and discrimination against people with depression (both adolescent and adults) and gathers and disseminates information on best practices. The project is focused on the effect stigma and discrimination have in everyday lives of people with depression, and the recognition of proven strategies to reverse such forms of social exclusion.

3. Methodology

3.1 Research Design and Procedure

The study was cross-sectional survey with face-to-face interview. Data were collected in the context of the INDIGO Depression (International Study of Discrimination and Stigma Outcomes for Depression) and INDIGO Schizophrenia study. Interviews were conducted by two clinical psychologists and a physician specializing in psychiatry. The study was approved by the appropriate ethical review board at each study site. All participants provided written informed consent.

3.2 Participants

A sample of 103 participants with depression and with schizophrenia was assessed. The sample consisted of 51 respondents treated at the psychiatric hospital Dr. Laza Lazarević, with a diagnosis of schizophrenia, according to the Diagnostic and Statistical Manual of Mental Disorders criteria and 52 respondents treated at the Clinical Centre Dr. Dragiša Mišović Dedinić, at the psychiatric hospital Dr. Laza Lazarević and at the primary health care centre Stari grad, in Belgrade, diagnosed with a major depressive disorder, according to Diagnostic and Statistical Manual of Mental Disorders criteria. The average age of respondents was 44.2 years, and the average age of first contact with mental health services was 31.7 years.
Table 1: Socio-demographic and some clinical data of respondents (n=103)

<table>
<thead>
<tr>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male gender</td>
<td>45.6</td>
</tr>
<tr>
<td>University degree</td>
<td>23.3</td>
</tr>
<tr>
<td>Employed</td>
<td>26.2</td>
</tr>
<tr>
<td>Married</td>
<td>17.5</td>
</tr>
<tr>
<td>Stayed at a day hospital</td>
<td>58.3</td>
</tr>
<tr>
<td>Attended outpatient mental health care</td>
<td>33.0</td>
</tr>
<tr>
<td>Respondents knows the diagnosis</td>
<td>74.8</td>
</tr>
<tr>
<td>Respondents agrees with diagnosis</td>
<td>63.1</td>
</tr>
<tr>
<td>Respondents underwent compulsory treatment</td>
<td>39.8</td>
</tr>
</tbody>
</table>

Participants completed questionnaires regarding gender, age, years, years of education, marital status, current type of treatment, age of first contact with mental health services, knowledge of diagnosis, level of agreement with diagnosis, compulsory admission.

3.3 Instruments

3.3.1 Internalized Stigma of Mental Illness Scale

The ISMI was designed to measure the subjective experience of stigma using twenty-nine items are grouped into five subscales: Alienation, Stereotype endorsement, Perceived discrimination, Social withdrawal, and Stigma resistance. The Alienation subscale, with six items, measures the subjective experience of being a devalued member of the community. The Stereotype Endorsement subscale, with seven items, measures the degree to which respondents agree with common stereotypes about people with mental illness. The Discrimination Experience subscale, with five items, measures respondents' perceptions of the way they tend to be treated by others. The Social Withdrawal subscale, with six items, measures different aspects of social withdrawal. The Stigma Resistance Subscale, with five items, measures a person's ability to remain unaffected by internalized stigma. All items were measured on a 4-point Likert-type agreement scale (1 = strongly disagree to 4 = strongly agree). Higher total scores are indicative of higher levels of internalized stigma. In the research of Ritsher et al., [17] high internal consistency (α=0.90) and test-retest reliability (r=0.92) was reported in a sample of veteran psychiatric outpatients.

More recent studies suggested that the Resistance subscale is at odds with other subscales [14;20]. In this respect the resistance could be considered a construct separate from self-stigmatization.

We translated the scale into the Serbian language and back-translated it into English. This was done by two psychologists with a good knowledge of English who participated in the study.

4. Results

4.1 Psychometric characteristic of ISMI

According to the results of this study the reliability of ISMI is high (0.90), for the whole scale as well as for subscales, except for the resistance subscale. In table 2 the results of four studies applying ISMI are presented [17;5;9] and Mlačić Vidojević.

Table 2: Psychometric data for Internalized Stigma of Mental Illness Scale (Cronbach’s Alpha)

<table>
<thead>
<tr>
<th>Subscales</th>
<th>N=127 (Ritsher et al., 2003)</th>
<th>N=1229 (Brohan et al., 2010)</th>
<th>N=138 (Ghanean et al., 2011)</th>
<th>N=103 (Mlačić Vidojević et al., 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alienation</td>
<td>.79</td>
<td>.84</td>
<td>.81</td>
<td>.84</td>
</tr>
<tr>
<td>Stereotype endorsement</td>
<td>.72</td>
<td>.75</td>
<td>.77</td>
<td>.76</td>
</tr>
<tr>
<td>Perceived discrimination</td>
<td>.75</td>
<td>.79</td>
<td>.80</td>
<td>.77</td>
</tr>
<tr>
<td>Social withdrawal</td>
<td>.80</td>
<td>.84</td>
<td>.77</td>
<td>.80</td>
</tr>
<tr>
<td>Stigma resistance</td>
<td>.56</td>
<td>.55</td>
<td>.89</td>
<td>.64</td>
</tr>
</tbody>
</table>
The results of the Kolmogorov Smirnov test showed normal distribution only for the global ISMI scores while the scores for subscales showed significant deviations. While the global scores were highly discriminative, the discriminative power of subscales was weak (see table 3). Most of the scores for Alienation, Endorsement of Stereotypes and Social Withdrawal subscales being low means that the distribution of scores for these subscales is mildly positive.

However, the survey of the value for kurtosis suggests that only the subscales of Discrimination and Social withdrawal have low discriminative power (scores are grouped around the mean value). Since the kurtosis is high just for these subscales it means that their distribution is leptokurtic.

Table 3: Discriminativity of the scales and subscales – deviation from the normal distribution

<table>
<thead>
<tr>
<th>Statistic</th>
<th>ISMI_alienation</th>
<th>ISMI_endorsment</th>
<th>ISMI_discrimination</th>
<th>ISMI_withdrawal</th>
<th>ISMI_total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>2.1809</td>
<td>2.0578</td>
<td>2.0568</td>
<td>2.1841</td>
<td>2.1655</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.70209</td>
<td>.56203</td>
<td>.61381</td>
<td>.66308</td>
<td>.44829</td>
</tr>
<tr>
<td>Skewness</td>
<td>.540</td>
<td>.507</td>
<td>.441</td>
<td>.545</td>
<td>.308</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>.124</td>
<td>.746</td>
<td>.984</td>
<td>.146</td>
<td>.029</td>
</tr>
</tbody>
</table>

4.2 Prevalence of internalized stigma

The prevalence of elevated internalized stigma was defined as an item mean score of 2.5 or higher (this criterion represented the “midpoint” on the 1 to 4 item scale). A cut-off score of 2.5 was used in previous studies [18;5]. Lacking internal consistency and stronger connections to other subscales, the Resistance subscale is left out. Lysaker et al. [15], who used the Internalized Stigma of Mental Illness Scale in a sample of people with schizophrenia in the United States, suggests that a score of 2 or less should be labeled ‘minimal stigma’, scores greater than 2 but less than 2.5 ‘mild stigma’, scores greater than 2.5 but less than 3 ‘moderate stigma’, and scores greater than 3 ‘severe stigma’.

For participants in this study the mean total score was 2.16, pointing to mild self-stigmatization. Moderate and strong self-stigmatization is experienced by 17.5%, and mild and minimal self-stigmatization by 82.5% of participants. Scores higher than 2.5 are obtained with 27.2% participants on the Alienation subscale, 24.3% on the Social Withdrawal subscale, 16.5% on the Endorsement of Stereotype subscale, and 16.5% on the Discrimination scale.

The experience of self-stigmatization in participants of this study is lower in comparison to results obtained for self-stigmatization experienced by participants in other European countries [5;4] and in Iran [9] (see table 4).
Table 4: Comparison of Internalized Stigma of Mental Illness subscales in Serbia, Europe and Iran

<table>
<thead>
<tr>
<th>ISMI subscales</th>
<th>Serbia (Milačić-Vidojević et al., 2014) N=103 (schizophrenia and depression.)</th>
<th>Europe (Brohan et al., 2010) N=1229 (schizophrenia).</th>
<th>Europe (Brohan et al., 2011) N=1182 (depression and bipolar disorder)</th>
<th>Iran (Ghanean et al., 2011) N=138 (depression, bipolar disorder and schizophrenia)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alienation</td>
<td>Mean 2.18 SD 0.70</td>
<td>Mean 2.53 SD 0.70</td>
<td>Mean 2.22 SD 1.09</td>
<td>Mean 2.33 SD 0.73</td>
</tr>
<tr>
<td>Stereotype endorsement</td>
<td>Mean 2.06 SD 0.56</td>
<td>Mean 2.19 SD 0.53</td>
<td>Mean 1.59 SD 0.78</td>
<td>Mean 2.30 SD 0.60</td>
</tr>
<tr>
<td>Discrimination</td>
<td>Mean 2.06 SD 0.61</td>
<td>Mean 2.43 SD 0.61</td>
<td>Mean 1.91 SD 0.96</td>
<td>Mean 2.32 SD 0.67</td>
</tr>
<tr>
<td>Social withdrawal</td>
<td>Mean 2.18 SD 0.66</td>
<td>Mean 2.48 SD 0.66</td>
<td>Mean 1.98 SD 1.00</td>
<td>Mean 2.64 SD 0.83</td>
</tr>
<tr>
<td>Stigma resistance</td>
<td>Mean 2.39 SD 0.59</td>
<td>Mean 2.47 SD 0.51</td>
<td>Mean 2.81 SD 0.98</td>
<td>Mean 2.46 SD 0.39</td>
</tr>
</tbody>
</table>

Almost all differences between mean scores of internalized stigma in this study and in studies in Europe and Iran are significant, with the exception of the Resistance subscale. The experience of internalized stigma is significantly milder in participants in Serbia in comparison to participants from other parts of Europe [5] for all ISMI subscales: Alienations (t = -5.046 df 102 Sig .000), at Stereotype Acceptance Subscale (t=2.387 df102 Sig.019), Discrimination Subscale (t=6.171, df 102 Sig .000) and Social Withdrawal Subscale (t=-4.528 df 102 Sig.000), as well as from Iran [9]: Alienations (t = -2.155 df 102 Sig.033), at Stereotype Acceptance Subscale (t=4.374 df 102 Sig,000), Discrimination Subscale (t=4.352 df 102 Sig .000) and Social Withdrawal Subscale (t=6.977 df 102 Sig.000). Experience of internalized stigma was significantly milder for participants in the Brohan study [4] than for participants in Serbia for three subscales: Stereotype Acceptance (t = 8.447 df102 Sig .000), Discrimination (t = 2.427 df 102 Sig .017) and Social Withdrawal (t = 3.125 df 102 Sig .002).

Table 5 presents the item responses. On the Alienation subscale 34.15% of the respondents agreed with all the statements, on the Social withdrawal subscale 38.1%, on the Stereotype endorsement 27.9% and on the Discrimination subscale 26.5%. Higher level of agreement point to the higher level of stigmatization. On the Resistance subscale 47.96% of the respondents agreed with statements presented in the subscale which points to a higher level of stigma resistance.

Less than half of the respondents (45.6%) agreed or strongly agreed with the Alienation subscale statement: I am disappointed in myself for having a mental illness, 37.8% of the respondents agreed or strongly agreed with the statement: I feel inferior to others who don’t have mental illness, and 32% agreed or strongly agreed with the statement I feel out of place in the world because I have mental illness.

On the Stereotype endorsement subscale 38.9% agreed with the statement: People with mental illness cannot live a good, rewarding life, 35% agreed with the statement: Mentally ill people shouldn’t get married, and 33% agreed with the statement: Stereotypes about the mentally ill apply to me.

Items on the Discrimination experience subscale show similar prevalence of negative experience. 40.8% respondents agreed with the statement: Others think that I can't achieve much in life because I have a mental illness, 30.1% agreed with the statement: People often patronize me, or treat me like a child, just because I have a mental illness.

On the Social withdrawal subscale 54.4% of the respondents agreed with the statement: I don't talk about myself much because I don't want to burden others with my mental illness, 46.6% agreed with the statement: I don't socialize as much as I used to because my mental illness might make me look or behave "weird", and 38.8% agreed with the statement: Negative stereotypes about mental illness keep me isolated from the "normal" world.

Stigma resistance subscale shows that respondents express considerable empowerment. 70.9% respondents agree with the statement: I can have a good, fulfilling life, despite my mental illness, 58.3% agreed with the statement: In general, I am able to live my life the way I want to, 43.7% agreed with the statement: People with mental illness make important contributions to society and 33% agreed with the statement: I feel comfortable being seen in public with an obviously mentally ill person.
Table 5: Responses to Internalized Stigma of Mental Illness Items (n=103)

<table>
<thead>
<tr>
<th>Alienation</th>
<th>Strongly disagree (%)</th>
<th>Disagree (%)</th>
<th>Agree (%)</th>
<th>Strongly agree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel out of place in the world because I have mental illness</td>
<td>28.2</td>
<td>39.8</td>
<td>19.4</td>
<td>12.6</td>
</tr>
<tr>
<td>Having a mental illness has spoiled my life</td>
<td>20.4</td>
<td>45.6</td>
<td>18.4</td>
<td>13.6</td>
</tr>
<tr>
<td>People without mental illness could not possibly understand me</td>
<td>33.0</td>
<td>48.5</td>
<td>12.6</td>
<td>5.8</td>
</tr>
<tr>
<td>I am embarrassed or ashamed that I have a mental illness</td>
<td>29.1</td>
<td>41.7</td>
<td>19.4</td>
<td>9.7</td>
</tr>
<tr>
<td>I am disappointed in myself for having a mental illness</td>
<td>24.3</td>
<td>28.2</td>
<td>30.1</td>
<td>15.5</td>
</tr>
<tr>
<td>I feel inferior to others who don’t have mental illness</td>
<td>26.2</td>
<td>30.1</td>
<td>26.2</td>
<td>11.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stereotype endorsement</th>
<th>Strongly disagree (%)</th>
<th>Disagree (%)</th>
<th>Agree (%)</th>
<th>Strongly agree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stereotypes about the mentally ill apply to me</td>
<td>27.2</td>
<td>38.8</td>
<td>26.2</td>
<td>6.8</td>
</tr>
<tr>
<td>People can tell that I have a mental illness by the way I look</td>
<td>35.0</td>
<td>46.6</td>
<td>13.6</td>
<td>4.9</td>
</tr>
<tr>
<td>Mentally ill people tend to be violent</td>
<td>26.2</td>
<td>49.5</td>
<td>19.4</td>
<td>4.9</td>
</tr>
<tr>
<td>Because I have a mental illness, I need others to make most decisions for me</td>
<td>35.9</td>
<td>45.6</td>
<td>13.6</td>
<td>4.9</td>
</tr>
<tr>
<td>People with mental illness cannot live a good, rewarding life</td>
<td>22.3</td>
<td>38.8</td>
<td>28.2</td>
<td>10.7</td>
</tr>
<tr>
<td>Mentally ill people shouldn’t get married</td>
<td>27.2</td>
<td>35.9</td>
<td>20.4</td>
<td>14.6</td>
</tr>
<tr>
<td>I can’t contribute anything to society because I have a mental illness</td>
<td>32.0</td>
<td>43.7</td>
<td>16.5</td>
<td>7.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Discrimination experience</th>
<th>Strongly disagree (%)</th>
<th>Disagree (%)</th>
<th>Agree (%)</th>
<th>Strongly agree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>People discriminate against me because I have mental illness</td>
<td>25.2</td>
<td>53.4</td>
<td>12.6</td>
<td>7.8</td>
</tr>
<tr>
<td>Others think that I can’t achieve much in life because I have a mental illness</td>
<td>24.9</td>
<td>34.0</td>
<td>27.2</td>
<td>13.6</td>
</tr>
<tr>
<td>People ignore me or take me less seriously just because I have a mental illness</td>
<td>28.2</td>
<td>49.5</td>
<td>17.5</td>
<td>3.9</td>
</tr>
<tr>
<td>People often patronize me, or treat me like a child, just because I have a mental illness</td>
<td>30.1</td>
<td>39.8</td>
<td>24.3</td>
<td>5.8</td>
</tr>
<tr>
<td>Nobody would be interested in getting close to me because I have a mental illness</td>
<td>31.1</td>
<td>51.5</td>
<td>12.6</td>
<td>4.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social withdrawal</th>
<th>Strongly disagree (%)</th>
<th>Disagree (%)</th>
<th>Agree (%)</th>
<th>Strongly agree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I don’t talk about myself much because I don’t want to burden others with my mental illness</td>
<td>13.6</td>
<td>21.1</td>
<td>39.8</td>
<td>14.6</td>
</tr>
<tr>
<td>I don’t socialize as much as I used to because my mental illness might make me look or behave “weird”</td>
<td>28.2</td>
<td>25.2</td>
<td>34.0</td>
<td>12.6</td>
</tr>
<tr>
<td>Negative stereotypes about mental illness keep me isolated from the “normal” world</td>
<td>28.2</td>
<td>32.0</td>
<td>29.1</td>
<td>9.7</td>
</tr>
<tr>
<td>I stay away from social situations in order to protect my family or friends from embarrassment</td>
<td>31.1</td>
<td>42.7</td>
<td>17.5</td>
<td>8.7</td>
</tr>
<tr>
<td>Being around people who don’t have a mental illness makes me feel out of place or inadequate</td>
<td>31.1</td>
<td>38.8</td>
<td>22.3</td>
<td>6.8</td>
</tr>
<tr>
<td>I avoid getting close to people who don’t have a mental illness to avoid rejection</td>
<td>35.0</td>
<td>44.7</td>
<td>10.7</td>
<td>9.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stigma resistance</th>
<th>Strongly disagree (%)</th>
<th>Disagree (%)</th>
<th>Agree (%)</th>
<th>Strongly agree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel comfortable being seen in public with an obviously mentally ill person</td>
<td>18.4</td>
<td>48.5</td>
<td>22.3</td>
<td>10.7</td>
</tr>
<tr>
<td>In general, I am able to live my life the way I want to</td>
<td>17.5</td>
<td>24.3</td>
<td>44.7</td>
<td>13.6</td>
</tr>
<tr>
<td>I can have a good, fulfilling life, despite my mental illness</td>
<td>13.6</td>
<td>15.5</td>
<td>54.4</td>
<td>16.5</td>
</tr>
<tr>
<td>People with mental illness make important contributions to society</td>
<td>21.4</td>
<td>31.1</td>
<td>34.0</td>
<td>9.7</td>
</tr>
<tr>
<td>Living with mental illness has made me a tough survivor</td>
<td>31.1</td>
<td>38.8</td>
<td>18.4</td>
<td>8.7</td>
</tr>
</tbody>
</table>

4.3 Correlation with demographic and clinical variables

The t-test for independent samples shows no difference between married and unmarried participants on ISMI scores, between participants with a university degree and participants with lower education, as well as between participants of other types of employment.

As for clinical variables the differences in ISMI scores between participants who did and those who did not have experiences of forced hospitalization were not significant. One-factorial analysis of variance shows that ISMI scores were ~ 158 ~
not connected with the level of diagnosis acceptance.

Chi square testing in crosstabs established that ISMI scores were not related to socio-demographic variables when cut-off score is 2.5. The only exception was that more participants with university degree have scores lower then 2.5, at the Resistance subscale (x2=4.443, df 1, Sig .035) indicating that more education is associated with less stigma resistance.

5. Discussion

The primary purpose of this study has been to validate the psychometric characteristics of the ISMI scale in a population with mental illness in Belgrade, Serbia. The results show that the reliability of the scale in general is high (0.90), and of subscales it is high or satisfactory. The Kolmogorov Smirnov test has been used to verify deviation from normal distribution and the test showed that only the total score had the optimal discrimination, while other subscales had reduced discrimination. The ISMI scale can be recommended for examination of internalized stigma in study population.

We also attempted to use the with ISMI scale to examine the internalized stigma in people with mental illness in Belgrade, Serbia. We examined 103 individuals (52 with depression and 51 with schizophrenia [17] who were on psychiatric treatment in different mental health facilities in Belgrade. In our study 17.5% of subjects experienced moderate to severe stigma, and 82.5% minimal or mild stigma. Studies conducted in Serbia on people with schizophrenia [16;2] indicate mild to moderate levels of experienced internalized stigma. A comparison of this study with research conducted in European countries and Iran shows that the experience of stigmatization of people with mental illnesses in Belgrade, Serbia is mild. Results of the Brohan [5] study suggest that self-stigmatization becomes frequent and sometimes very serious in people with schizophrenia and other psychotic disorders in Europe, where almost half (41.7%) of the patients experienced moderate or high levels of internalized stigma. The study by Brohan [4] exploring the level of stigmatization in people with depression and bipolar disorder in 13 European countries indicates that 76.4% of respondents reported minimal and mild stigma, and in the study of Ghanean [9] in the sample of persons with depression, bipolar disorder and schizophrenia, 61% of respondents reported minimal and mild stigma and 39% moderate and severe. The level of stigmatization may vary depending on the sample included in the study, but Brohan [4] suggests that additional research is needed to examine the impact of other indicators that help us to clarify the relationship between diagnosis and self-stigmatization. Differences in scores between the findings of our study and the findings of research in Europe and Iran is significant on most of the scales. The sample from Serbia differs from the samples from the other three studies. It is considered that the development of the stigma may be conditioned by the social context so it is important to compare the concepts of internalized stigma in different countries in order to understand the processes that are at its core. The milder experience of self-stigmatization of respondents in Serbia could be explained by a lower index of individualism in Serbia and a more collectivistic centered community [10]. The fundamental issue addressed by this dimension is the degree of interdependence a society maintains among its members. Serbia, with a low score of 25 is considered a collectivistic society. This is manifest in a close long-term commitment to the member ‘group’, be that family, extended family, or extended relationships. The society fosters strong relationships where everyone takes responsibility for fellow members of their group. In our study respondents have the lowest scores on the Discrimination and Stereotype Endorsement subscales and the highest scores on the subscales Alienation and Social withdrawal, which is consistent with other studies [4;14;17;20;16]. Brohan [4] argues that the internalization of the stereotypes, which refers to the acceptance of reduced expectations or the application of stereotypes to themselves is not so common, which has implications for the concept of internalized stigma. The findings of our study confirm that the acceptance of the stereotypes is the aspect of the construct of internalized stigma which is accepted with the lowest frequency. Alienation is the most generally accepted, social withdrawal and discrimination as well. This suggests that a sense of isolation and difference can be one component of the self-stigmatization process. Social withdrawal is another mechanism through which stigma affects people with mental illness (Link et al., 1991). People with mental illness tend to avoid situations in which they anticipate to be stigmatized and discriminated against, which largely leads to passivity of people with mental illness in social relations and realization of personal needs. In the research of self-stigmatization and factors associated with it in the population of persons with depressive disorder, Yen et al., (2005) results show that the higher self-stigmatization is associated with the severity of depression and lower levels of education. Gender, age, duration of illness, knowledge about depression, contact with the person with depression and social status were not associated with self-stigmatization. Self-stigmatization in bipolar patients was observed more frequently in patients with low socioeconomic status, low level of education, rural residence, lack of work, and more children [23]. A higher rate of internalized stigmatization at lower education level has so far been demonstrated in other mental diseases, which is...
consistent with the literature [1]. Employment, education, and a high socioeconomic level appear to be factors that decrease the incidence of internalized stigmatization, which might be because they increase self-esteem. In our study the t-test for independent samples demonstrates there was no difference in the subscales according to socio-demographic variables. Only the subscale for Resistance shows correlation with education, such that the people who have a graduate degree have a score lower than 2.5.

6. Limitations of the Study

The sample was obtained in two psychiatric facilities and a health care center in Belgrade, and the question is to what extent this sample is representative for the population of persons with mental illness in Serbia. A notable limitation of the current analyses is that we did not collect data on symptom severity, and therefore are unable to examine the relationship between these important variables and the likelihood of elevated internalized stigma. Also, we cannot rule out that some of the respondents, apart from their main illnesses, had other psychiatric or somatic health problems that could contribute to their perception of being stigmatized.

7. Conclusion

The ISMI has good psychometric properties and is a good instrument to measure internalized stigma in our sample. All ISMI scales have adequate internal consistency, except Resistance scale (alpha 0.59) which points to the need to continue working on the development of the independent Resistance scale [20]. The experience of the internalized stigma in psychiatric patients in Serbia is mild, but it should be taken seriously. Empowering people with mental illness and their organizations is important, as well as raising awareness of the stigma in professional groups working with people with mental illness.

Pointing to discrimination against people with mental illness is often used as an intervention to combat internalized stigma. However, the survey results suggest that the experience of the discrimination do not have to be strong and that is probably necessary to reduce the experience of social withdrawal and alienation by empowerment of people with mental illness, interpersonal engagement and increasing self esteem.

Although there is strong evidence of internalized stigma, the mechanisms of its formation and operation is still not determined. It is unclear whether it operates on an automatic, implicit level, beyond awareness and control, being important for the design of the anti-stigma campaign. Perhaps the experience of internalized stigma is broader and it could not be always directly determined. For that reason projective or semi projective techniques for internalized stigma assessment could be constructed.

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~ 161 ~
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Application of Small Area Estimation of SME in Albania for Survey Research Method of Analyze

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Abstract
Challenges in identifying the appropriate electoral system and institutional arrangements to achieve inclusiveness require developing an adequate knowledge of the local electorate and identifying a combination of electoral system and affirmative action which best suits the structural as well as institutional context. The capacity of public administration was weak; the system, stemming from a party focused environment, was highly politicized. Corruption was pervasive in every facet of the public sector. Citizens feared public administration and did not trust it to provide even the most basic services in a fair or impartial way. It highlighted the problems of Albania’s economic governance capacity and, from an administrative standpoint, reaffirmed and highlighted the inefficacy of a public administration, unable to enforce its laws and regulations. As the public’s confidence in Albanian institutions had been significantly eroded by the recent events, restoring the public’s trust in the government became the main priority of the government. In this paper research we are trying to analyze empirically: 1) the impact of Application of Small Area Estimation of SME in Albania, 2) reforming in Albanian public administration, like Balkan countries. Based on positive political theory and the benefit principle of taxation, we are present new math models of ASEA survey and the concrete results of ASEA.

Keywords: ASAE survey, Administrative system, Implementing financial reforms, Accountable & Administration strength, Math method of survey.

1. Introduction
This study empirically examines the impact of debt management policies on borrowing costs incurred by state governments when issuing debt in the municipal bond market. Based on positive political theory and the benefit principle of taxation, it is proposed that states that adhere to best practice debt management policies transmit signals to the credit ratings, investment community and taxpayers that the government should meet its obligations in a timely manner, resulting in lower debt costs. This was my entire point with temporarily nationalizing the banks.

The EU remains Albania’s main trading partner, providing 64.1% of Albania’s imports and receiving 70.2% of exports as of September 2010. Trade with Italy and Greece, although steadily declining since 2008, continues to represent the largest share of EU trade, with a combined 40.8% of imports and 56.4% of exports as of September 2010. Other major trading partners include Turkey, China, and Germany. (Anthony, R. N. and Dearden 1980)

1.1 What is Small Area?
Small Area is a small geographic area within a larger geographic area or a small demographic group within a larger demographic group. The sample size in the domain of interest is too small to use a standard estimator. Most small area estimation methods borrow strength from related or similar areas using auxiliary data. (Source: SEA Washington 2011) There is growing demand from the public for reliable small area statistics. At the design stage, we don’t consider attaining precision at the state and function code level. However, we have to handle this challenge at the estimation stage. Let g represent state and f represent function code level. We want to estimate the total of employees or payroll.

information at the state by function level:

\[
\hat{y}_f = \sum_{g} \frac{y_{g}}{n_{fg}}
\]

where \( U \) is the universe of function codes in all states, and \( U_{fg} \) is the universe of function code \( f \) state \( g \). Thus, \( U_{fg} \) is subset of \( U \), that is, \( U_{fg} \subseteq U \). The sample size for function code \( f \), \( n_f \), is less than or equal to the sample size \( n \), that is, \( n_f \leq n \). The domain of sample for function code \( f \) of state \( g \) is the intersection of the sample domain of state \( g \) and the universe of function code \( f \) and state \( g \), \( S_{fg} = S_g \cap U_{fg} \).

**Figure 1:** Briefly shows how we estimated the variable of interest in each cell of state by function code table. We applied the design-based direct estimator (Horvitz-Thompson), and the synthetic estimator in each cell.

The impact of CEFTA in Albania’s trade with member countries has been small. Albanian case study during this on the outcome of electoral systems and local politics and how more inclusive systems of local governance can be developed. It was emphasis that the choice of electoral system can create opportunities for greater representation of women, ethnic minorities, the poor and other disadvantaged groups in local government. Structural as well as institutional factors pose major challenges faced in achieving this outcome. Affirmative action was not seen as a viable long-term solution for achieving increased representation of these groups.

1.1.1 Albanian transition and needs for changes in public sectors.

Albania Government worked with donors on the public financial management agenda by strengthening core public financial management units (Ministry of Finance, Supreme Audit Institute, Procurement Directorate within the Office of the Prime Minister) as well as the financial management units within each line agency (e.g., budget departments within line Ministries). On matters relating to public sector human resource management, the reform strategy envisaged addressing this issue in two major stages: civil service reform and broader public sector human resource management reform. During the stage, the reforms aimed to create the managerial and professional nucleus required to lead any serious efforts to improve the accountability and performance of public institutions. There was some progress as regards the establishment of technical infrastructure for electronic signature.

In January, the National Agency for the Information Society was accredited by the National Authority for Electronic Certification to provide the public administration with certificates enabling it to process electronic documents as from September. The first application, to be used by the General Directorate of Customs, is being set up. Licensing of a second private e-certification service provider is ongoing. The number of businesses that have been given e-certification increased to about 500. The implementation of e-signature by the state authorities has yet to be verified. In the area of corporate accounting, preparations for aligning legislation on accounting and national accounting standards with acquits have started.

The National Accounting Council increased efforts to strengthen its capacity by training its staff and working on a series of internal guidelines. The membership of the Council’s board was revised in May. In the field of auditing, the Public Oversight Body continued its monitoring activities and was involved in a direct review of the quality of auditing of public interest entities. The roadmap for the reform of accounting and auditing for the period 2013-2015 was approved in August. The independence of the Public Oversight Body and its funding remain to be addressed as part of the reform.

Some progress was made in the field of company law through the adoption of legislation in the area of cross-border mergers. Some progress was made in the areas of corporate accounting and auditing, but legislation remains to be aligned with acquits. The Public Oversight Body needs to be strengthened. Overall, preparations are moderately advanced.

2. Literature Review and Hypotheses

2.1 Public Administration and EU policy of enlargement in Albania

Countries wishing to join the EU can proceed from one stage of the process to the next, but only once all the conditions at each stage have been met. In this way, the prospect of accession acts as a powerful incentive to reform. The EU policy on enlargement ensures that the process is meticulously managed, so that accession brings benefits simultaneously to the EU and to the countries that join it. At that time, Albania’s administrative system was considered chaotic and ineffective. Its administrative culture - a combination of many influences - emphasized security over service delivery.

~ 164 ~
The capacity of public administration was weak; the system, stemming from a party focused environment, was highly politicized. Corruption was pervasive in every facet of the public sector. Citizens feared public administration and did not trust it to provide even the most basic services in a fair or impartial way.

The responsibility for the relatively high standards of living involved here certainly does not rest completely with unionism. Clearly, one must also examine such a variety of other factors as skill levels, industrial ability to pay, imperfections in the product market, and industrial productivity (among others) in explaining these wage levels. And one can readily cite such unionized areas as the boot and shoe industry and the meatpacking industry, where the overall situation often allows no real wage improvement at all and, consequently, none is received by organized labor.

H 1. The definite upsurge in unionism among government employees—although probably attributable far more to enabling legislation than to any pronounced rank-and-file militancy—is combining with the (lesser) emergence of collective bargaining in other white collar areas to gradually weaken the nonmember's traditional association of organized labor with manual work.

But the hazards of accepting the more impressive union bargaining totals at their face value are not particularly relevant in this context. Misleadingly or not, such dollar amounts often symbolize in a highly visible fashion the ability of unionism to effect dramatic wage gains. And, as the gap between the incomes of the blue collar and white collar worlds continues to widen, a greater willingness to consider union membership may conceivably be the result. Indeed, appreciation of the fact that snobbishness for some of the increased willingness of at least teachers and to undertake such a consideration.

H 2. It is probably also only a question of time before considerably more aggressive, imaginative, and empathetic leadership than organized labor now possesses comes to the fore, which would also make widespread white collar unionization more likely.

2.1.1 The impact, performance and cultural development in Albania and Balkan.

After the fall of socialism, Albania largely succeeded in providing targeted assistance to the poor when compared with other low-income countries (Alderman 2002). And, despite strong turmoil, Albania has found its way to becoming a democratic nation-state with a commitment to gender equality. These can be seen in the approval of a democratic constitution in 1998 and the ratification of international agreements, like the Convention on the Elimination of all Forms of Discrimination in Albanian public administration. (Calloni 2002) Weak lending, affecting both households and investors, reflects tighter credit standards applied by banks amid a high and rising share of non-performing loans and subdued credit demand due to economic uncertainties. In an effort to reinvigorate lending, the Boa adopted specific regulatory changes in March aiming at releasing financial resources for banks and channeling them towards lending to the private sector, but so far credit growth has not picked up.

One of the main gender concerns in Albania today seems to be the missing link between putative and real equality in terms of access to employment, businesses, credit institutions, health care and social services. There are also questions about gender equality in civic participation and political decision-making. Albanian law prohibits gender discrimination and job segregation in public and private employment.

H 3. The Albanian reforms aimed to create the managerial and professional nucleus required to lead any serious efforts to improve the accountability and performance of public institutions.

Balkan countries and Albanian government, on the other hand, should meet its obligations in a timely manner, resulting in lower debt costs. Although the field of entrepreneurship in Balkan is recognized as being of fundamental importance for Balkan economy, and many researchers throughout the world have turned their attention to it, there’s, as yet, no agreement as to the research object in this scientific field.

Table 1: The heads of central and local government institutions,
Source: Albanian BB for Albania, report 2011

~ 165 ~
2.2 The economic dimension of regional cooperation

Regional cooperation is essential for increasing prosperity and economic growth. Economic development is a key issue if the WBs countries are to make better, faster progress towards European integration. In many areas, such as trade, energy and transport, because of the limited size of each WBs country and the fragmentation of the economic space in the region, there is no other option but to embark on intense regional cooperation as the only realistic way forward. Enhanced regional cooperation in the economic field is just plain common sense. Beyond the intra-regional challenges, the ultimate goal is to reconnect the WBs countries fully with all their neighbours, EU Member States and candidate countries alike.

2.2.1 Research Goal and data collected

The Development Credit Agreement (DCA) states the objective of the project to be: The objective of the Project is to assist the Borrower to improve its capacity with regard to policy formulation and coordination, and administrative performance so as to create conditions that will encourage the Department of Public Administration of the Borrower to improve their service delivery.

2.2.2 Albania's administrative system and public sector.

At that time, Albania's administrative system was considered chaotic and ineffective. Its administrative culture - a combination of many influences - emphasized security over service delivery. The capacity of public administration was weak; the system, stemming from a party focused environment, was highly politicized. Corruption was pervasive in every facet of the public sector. Citizens feared public administration and did not trust it to provide even the most basic services in a fair or impartial way. Source: (Dumi A, MJS CER Roma Italy, Vol 2, nr 4, 2013)

Supported by the Structural Adjustment Credit (SAC), and Public Expenditure Support Credit, the government undertook a number of pivotal actions which defined the framework of reform. Among them, Parliament revised the Civil Service Law in November 1999, and an independent Civil Service Commission (CSC) was created and staffed. (Bishop, E. B.1986)

3. Methodology

3.1.1 Research Goal

In this survey we aim to identify the Application of Small Area Estimation of SME in Albania. During the first years of the reform, the government focused on improving the legislative framework to ensure that its objectives could be achieved. By 1999, and prior to the approval of the credit under review by this ICR, the Government had identified and adopted a large number of measures which provided important institutional capacity to strengthen the public administration. As regards horizontal issues, the government allocated about €6.8 million in 2013 for direct support and national investment schemes in agriculture and agro-processing.

Agricultural production in 2012 increased slightly, mostly due to improved production in fruit trees and olives. Part of the growth is linked to the government direct support schemes that have encouraged the planting of new trees. While exports increased, the trade balance has improved marginally. There has been good progress with agricultural statistics. Since the beginning of 2013 the National Statistics Institute (INSTAT) has been responsible for agricultural statistics. The Census of Agricultural Holdings was conducted in October 2012.

3.2 Modified composite estimator

With MD estimator available, we can modify the composite estimator as:

\[ Y_{i}^{\prime} = \phi_{i} Y_{i}^{obs} + (1 - \phi_{i}) Y_{i}^{proj} \]  

\[ Y_{i}^{proj} = X_{i} \beta + \sum_{j \neq i} w_{ij} Y_{j} \]  

where

\[ Y_{i}^{obs} = y_{i} - X_{i} \beta + \epsilon_{i} \]

The first term \( X_{i} \beta \) is the synthetic regression estimator and the second term, \( \sum_{j \neq i} w_{ij} Y_{j} \),

~ 166 ~
According to preliminary results, the total number of agricultural holdings is 324,013, compared to 350,654 in 2010. The share of holdings keeping livestock fell from 84% in 2010 to 71% in 2012. The work on setting up a functional land cadastre continues to progress very slowly. Under the Law on agricultural cooperation companies, new cooperatives have been registered for the production of oil, cereals and vegetables. The work on creating a functioning electronic agricultural information system (farm register, animal register, etc.) must intensify in order to create a basis for sound financial management of national and EU assistance. (Enlargement Strategy and Main Challenges 2013-2014)

Credit lines are considered as a limit granted to a customer for use within a specific period of time. Micro businesses often use working capital to pay short term obligations as inventory or it can be also utilize for long term projects such as renovations or expansion. If working capital dips too low, a business risks running out of cash. (Albania Enlargement Strategy and Main Challenges 2013-2014)

3.3 What is Small Area and the impact of this paper research

Small Area is a small geographic area within a larger geographic area or a small demographic group within a larger demographic group. The sample size in the domain of interest is too small to use a standard estimator. Most small area estimation methods borrow strength from related or similar areas using auxiliary data. There is growing demand from the public for reliable small area statistics. At the design stage, we don’t consider attaining precision at the state and function code level. However, we have to handle this challenge at the estimation stage.

In general, the Albanian banking system remained well capitalized and liquid. The net results of the banking system in 2012 amounted to €26.71 million, reflecting a significant increase compared with the previous year. The capital adequacy ratio increased to 16.7% in May from 15.6% at the end of 2011, with each individual bank remaining above the 12% regulatory minimum. The ratio of liquidity assets to short-term liabilities as of the end of December 2012 increased to 36.7%, comfortably exceeding the minimum regulatory requirement of 25%.

The direct estimator has high variability due to the small sizes. On the other hand the synthetic estimator reduces the variability but introduces some bias. Therefore, we introduce the composite estimator, which is a weighted average of those two estimators. We also modified the direct estimator (modified direct) from borrowing strength from similar cells to smooth the direct estimator. We will go through each of our estimators in detail in subsequent sections.

In some cases, the changes in Employment statistics are relatively stable. Therefore, a linear regression is suitable for some state by government type cells as done prior to Fiscal Year (FY) 2009. However, due to small sample sizes and poor fits on many cells, a small area estimation method (SAE) is more appropriate. SAE is only applied on PPS sample. For certainties, the direct estimate was used. Information on Births and Non-Activity (B&N) units is not available at the sampling stage. Therefore, we sample B&N separately from the PPS and Certainties sample.

Deposits were the main source of financing and parent-bank credit lines were significantly lower than at the end of 2011, strengthening the banking system's resilience to foreign shocks. However, banks’ exposure to credit risk has increased, as the ratio of non-performing loans rose further to 24.4% in the second quarter of 2013 compared to 21.2% a year earlier.

This has led to a surge in loan loss provisioning, up by 24.3% in June on an annual basis.

3.4 Methodology of gather data

In this section, we discuss how to estimate indicators: for a given state $g$ and function code $f$.

Here, $Y$ represents the survey total of key variables: full-time employment, full-time payroll, part-time employment, part-time payroll, part-time hours, full-time equivalent employment, total payroll, and total employment. We describe all the estimators used in our estimation process: Direct (Horvitz-Thompson), Decision-based, Synthetic, Composite, Modified Direct, and the Composite estimator.
We created also a questionnaire, which was composed by 45 questions and 18% of the employees in the central level of the public administration answered. We are concluding in these seven key factors for success, such as:

- Coherent links among, infrastructure and economic development

<table>
<thead>
<tr>
<th>First choice</th>
<th>Indicator A</th>
<th>Indicator B</th>
<th>Indicator C</th>
<th>Indicator D</th>
<th>Criteria X</th>
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<td>17</td>
<td>25</td>
<td>43</td>
<td>41</td>
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</tbody>
</table>

In this paper research we ingrained sex different in traits and behavioral tendencies a spillover of gender role onto organizational roles and subtle differences in the structural position of woman and men could cause leadership behavior to be somewhat sex different even when occupants of the same organizational studies would not be surprising.

3.5 Direct estimator (Horvitz-Thompson)

Total assets of the non-banking financial sector stood at 2.8% of GDP. The insurance market, in which foreign capital has a 50% stake, increased its gross written premium revenues by some 9% in 2012 but its share of GDP remains low. The securities market focused on government bonds and saw two new investment funds start up. The voluntary pension market grew by 83% in 2012 from a very low base and is still in the very early stages of development.

3.6 Decision-based estimator

The Decision-based (DB) method helps to estimate the synthetic in each cell by providing a stable state total as a reliable estimator in a large area covering all small areas, states by function code level. DB was a process of testing the possibility of combining the strata. This strengthened statistical models for the area of estimation. The state total was estimated by a single stratum weighted regression (GREG) estimator specified as follows:

\[
\hat{y}_{i,\text{area}} = \hat{y}_{i,n} + \hat{b}(n - \hat{n})
\]

where the inclusion probability, \( \pi_i \), and \( \hat{b} \) is the auxiliary data from the Employment portion of the Census of Governments for government unit \( i \).

The slope \( \hat{b} \) was obtained by the Decision-based (DB) process proposed by Cheng et al. (2009). The DB method improved the precision of estimates and reduced the mean square error of weighted survey total estimates. The idea was to test the equality of linear regression lines to determine whether we can combine data in different substrata. The null hypothesis \( H_0: b_1 = b_2 \), that is, the equality of the frame population regression
Our research showed that it was unnecessary to do the hypothesis for the intercept equality because our data analysis showed that we never rejected the null hypothesis of equality of intercepts when we could not reject the null hypothesis of equality of slopes. This is reasonable because the 2007 payroll could be 0 essentially only if the 2002 payroll was.

\[ \hat{b}_1 - \hat{b}_2 \approx N(0, \Sigma) \]

where \( \hat{b}_1 \) and \( \hat{b}_2 \) are the estimated intercepts for two substra, \( \Sigma \) is the covariance matrix of the estimates, and \( N(0, \Sigma) \) is the normal distribution with mean 0 and covariance matrix \( \Sigma \). The test statistic is

\[ t = \frac{\hat{b}_1 - \hat{b}_2}{\sqrt{\Sigma}} \]

We will discuss the variance estimator for \( \hat{b} \) in Section 3. The critical value for a test based on (3) was obtained from a chi-squared distribution with 1 degree of freedom. The test was performed with a significance level of \( \alpha = 0.05 \). If we could not reject the null hypothesis, then the slopes estimated in sub-strata \( S_1 \) and \( S_2 \) were accepted as the same, and the Decision-based estimator was equal to the GREG estimator for the union of two sample sets, that is, for \( S = S_1 \cup S_2 \). Otherwise, the Decision-based estimator would be the sum of two separate GREG estimators of stratum totals, that is, approximately corrects the bias of the synthetic estimator. Figure 2 shows all the estimators we discuss in this paper.

<table>
<thead>
<tr>
<th>values</th>
<th>21</th>
<th>14</th>
<th>55</th>
<th>26</th>
<th>27</th>
<th>47</th>
<th>17</th>
<th>28</th>
<th>29</th>
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</thead>
<tbody>
<tr>
<td>Ranks</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>

\[ M_n = \frac{\sum (n_1 + n_2 + 1)}{2} = \frac{4(4+5+1)}{2} = 20 \]

where \( \hat{y}_{\text{greg}} \) denotes the GREG estimator from the combined stratum \( S \), while \( \hat{y}_{\text{greg}}^h \) is the GREG estimator for the union of two sample sets.

![Cross-Tabulation of State by Function Estimators in Each Cell](image)

Notes: States, DC and Hawaii had \( CV = 0 \) because they are census.

This variance can be estimated using proc survey means in SAS software.

The composite estimator was used to estimate the survey totals in each cell (state by function) of the ASPEP. As mentioned earlier, the composite estimator is the weighted average of the two estimators: the design-based and the synthetic. The composite balances out the instability of the unbiased due to small sample sizes with the synthetic quantity. The weight pulls the estimate to the design unbiased estimate when it has enough data, and towards the synthetic estimate when there is insufficient sample size in the small area (Rao, 2003).

By applying the methods described in Section 2, we created Table 3 which is a typical illustration of our data.
analysis. Those methods included a combination of Decision-based estimation and an application of a SAE method. Table 3 is for the variable, Full Time Equivalent Employment, in several randomly selected states. The 2007 data (census data) is included in the Table 3 to see the changes of the variable overtime from different estimators. It is not used to evaluate different estimators. However, for some stable variable like Full Time Employees, 2007 census data is useful to see the performance of the estimators. The conclusions are as follows:

- When there were no observed sampled units, we used the synthetic estimate where the design-based direct estimates were not present.
- The synthetic estimates were stable in small size areas where the design-unbiased estimates were very volatile.
- The modified direct estimates were closer to the 2007 census values.
- When the sample sizes were big enough, all the estimators performed well and they were close to each other.

4. Conclusions of this Paper Research

Bias of the synthetic estimator is the biggest disadvantage for synthetic estimation. Departures from the assumption may lead to large biases. Empirical studies have mixed results on the accuracy of synthetic estimators. The bias may not be estimated from the data. While leadership researchers have emphasized that managers need to vary the performance of their leadership functions depending on characteristics of their followers, the task, the organizational culture, their position power, and other factors, they have commonly equated followers with subordinates. The research presented in this paper has taken a distinctly different approach and examined the leadership behaviors of two groups of managers in their interactions with the members of their superiors and peers, in addition to their subordinates.

The argument was made that in order for managers to be effective leaders in their interactions with their subordinates, peers, and superiors, they need to have a broad repertoire of leadership functions at their disposal as well the ability to vary the performance of these leadership functions depending on the organizations role of the person with whom they interact. The variance estimator for the complicated composite estimator derived from a Decision-based method needs separate research which will be presented in a future paper.

This paper presents two applications: Decision-based and Small Area Estimation methods. They were applied to the estimation of Annual Survey of Public Employment and Payroll. SAE provides the composite estimate which smoothes the design unbiased estimators in small areas by introducing the synthetic term. The synthetic estimate is more reliable when derived from the Decision-based estimates. This property cannot be obtained from a simple regression synthetic.

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Greece and Social Impacts under Economic Crisis: An Example to Avoid?

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Abstract
The global economy is experiencing its worst crisis and this is due to the globalization of markets. The proposed study is an attempt to record the social impact of the global economic crisis we are experiencing. For this reason, this paper presents the social, psychological, employment and political consequences of the economic crisis in Greece. Also, it will be presented, the way in which citizens perceive the crisis, in order to ascertain whether the welfare state and the process of European integration are affected. Finally what is the model of the modern welfare state to be established in Greece? What should be the characteristics of this and what are the prospects and the impact on human resources of businesses? How the relations between social groups are formed? The findings are particularly important and any utilization would contribute significantly to the understanding of the effects of the economic crisis and their treatment.

Keywords: Financial crisis, welfare state, human resources, social impacts.

1. Introduction

"The crisis afflicting some years now our place was marked by a highly tragic dimension. The increase in suicides. Those that are least known, since experts believe that their number always is considerably higher".

Stated in an article of the Archbishop of Athens and all Greece Ieronimos (Kathimerini, 10/20/2013, 21). Unfortunately this is only one dimension of the social implications of the memoranda.

In May 2010 it was agreed and voted in the Greek parliament the first memorandum. The ignorance of the majority of citizens, led to underestimation of its effects on both the economy and society. The aim was for the next three years the country to overcome the crisis and to be put on a growth trajectory with economic data to return to the pre-crisis period, namely in 2009.

All these predictions failed miserably. Memoranda affected wages, reduced consumption and reduced the standard of living in the country with particularly violent way. The effects of the economic crisis and the implementation of the memoranda are many and different for employees, pensioners and the unemployed. And these effects the authors will try to study and record in this paper.

2. Literature Review
By memorandum usually it is referred to a short text message from a person or a department to another. Informally, we
refer to a written agreement between different parties. Generally, it is a formal diplomatic document in which opinions and thoughts on a matter are exchanged between governments and / or international organizations (the law does not recognize it as a contract of international law) (http://www.merriam-webster.com/dictionary / memorandum).

As a society we understand all of the people who live in one place or in one historical period and has wide (humanity) or tight fit (groups of people in time and space) as a concept. In alternative definition as a society is reportedly an in constant time collaborative group whose members have developed organized patterns of relationships through continuous interaction (http://www.merriam-webster.com/dictionary/society).

As health, according to World Health Organisation, is defined as "a state of complete physical, mental and social well being and not merely the absence of disease or infirmity" (WHO, 1946).

Economic crisis is a phenomenon in which an economy is characterized by a sustained and significant decline in economic activity. That all aggregates, such as employment, national product, pricing, and other investments. The key indicator of economic activity are investments, which fluctuate leading to drift and influence other financial indicators (Koufaris, 2010).

Marx and Engels wrote the "Manifesto of the Communist Party" (1848) saying that "in the crises an epidemic breaks out that in each other previous season it will have seemed like absurdity, the epidemic of overproduction. The society is suddenly thrown back into flash mode barbarity. (...) The industry and commerce seem to be destroyed. And why? Because in society there is too much civilization, too much means of subsistence, too much industry, too much commerce (...) How does the bourgeoisie overcome crises? On the one hand by enforced destruction of masses of productive forces. On the other by conquering new markets and exploiting deeper old ones. How then? By paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented"(as cited in Milios, 1992).

3. The Financial Crises in Greece and their Impact on Society

The global economic recession of 1929 affected international trade, income, tax revenues, prices and profits. The economy of cities around the world were affected, especially those who depended directly on industry. The construction sector stalled, agricultural and livestock operations declined and unemployment has reached heights. The bankruptcy of 1893 resulted in the Greek society to become more conservative and many social conflicts to occur, such as the Evangelika (1901) (translation of the Gospels in modern Greek language), the Oresteiaka (translation of Aeschylus' trilogy in modern Greek language), the emigration, urbanization, the movement in Goudi, the change in the political system and others (National Geographic, 2010). The events that punctuated the end of this period was the demonstration of farmers in Kileler and the election of the prime minister Eleftherios Venizelos.


4. The social impacts of the current crisis in Greek society

The economic crisis leads to job insecurity, unemployment, poverty and ultimately leading to social exclusion more and more teams which is a source for various mental disorders. During the second quarter of 2013 the number of employed amounted to 3,632,184 people and the unemployed to 1,350,435. The unemployment rate was 27.1%, versus 27.4% in the previous quarter and 23.6% in the corresponding quarter of 2012 (EL.STAT, 2013).

Unemployment also is associated with an increase in daily alcohol consumption, increase in suicides, domestic violence, but also to reduce road fatalities by 1.4%. Poverty is associated with the occurrence of diseases as people are forced to surviving in a degraded environment, fed poorly and work in dangerous and unhealthy environments (Liaropoulos, 2010).

Research at the University of Oxford (reprinted in Financial Times) linking unemployment to 25% with both morbidity and mortality in populations affected economically and highlights that the economic crisis in 26 European countries between 1970 and 2007 associated with a significant increase in mental disorders and alcoholism (Xanthaki, nd).

More specifically, the percentage of reported suicides from 26.5 % in 2011 shot up to 43 % compared to 2007, which was the last year before the crisis. In 2007 there were 328 suicides (268 men and 60 women), in 2008 373 suicides (268 men and 65 women), in 2009 recorded 391 suicides (333 men and 58 women), in 2010 recorded 377 suicides (336 men and 41 women) and in 2011 recorded 477 suicides (393 men and 84 women). In the period January - August 2013
all the facts concerning the suicides was 231 people (195 men and 36 women), according to the Centre for Suicide Prevention (http://www.suicide-help.gr/index.php?page=about).

Severe remains the problem of a diminishing workforce. This is due to two main reasons. First the low birth rate. Births have fallen by 10% since 2007 compared with 2012. According to the Minister of Health “the problem of low fertility in the Greek population increased continuously over the past two decades and significantly deteriorated last year, driven by strong economic crisis facing the country” (reprinted from the newspaper Dimokratia). Only in 2012 was recorded a population decline by 5.5%, while that in the EU increased by 2.2%. More specifically, 44,200 left the country, there were 116,700 deaths and 100,400 births (compared to 107,200 in 2011) (http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Population_statistics_at_regional_level/el).

Second reason is the migration of Greek and especially young people abroad. According to preliminary data (even informally) during the years 2009 to 2011, immigrants to countries mainly in Western and Northern Europe and America exceed approximately 120,000 people. These men (about 60% -70%), aged 30-40 years (and / or greater), graduates (by more than 60%) from Greek and foreign universities, master's or doctorate holders, middle-class or bourgeois offspring families (http://www.iefimerida.gr/node/99958 # ixzz2ijwJZPEi).

Many Greeks living abroad emphasize that observe "significant increase in the number of Greek students seeking abroad for graduate studies and an intense escapism established within Greek scientists" (according to Professor Pashalidis G. of the University of Boston, in "K", Kathimerini, 10/20/2013). And it makes sense if you believe the evidence of EL.STAT. pursuant to which the decline in industrial production continues and the overall manufacturing industrial production has fallen by 1.2% in the period January - September 2013 compared with the corresponding period of 2012 (Tsimitakis, 2013).

Initial effects are referred to mental health of workers. At the international conference "Crisis and Disasters. Psychosocial Impacts" (2013), which was organized by the Greek Psychiatric Association and the World Federation for Mental Health, in collaboration with the Society for Preventive Psychiatry, emerged that the dismissal of workers leads to an increase in suicide rates and argued that the dismissal from work, beyond the economic impact also entails a humiliating blow to the employee resulting from the reduction of family and social status (http://iatropedia .com/articles/read/3744).

A study by the University Research Institute of Mental Health, under the Academic Costas Stefanis for 2013 observed that depression has a significant increase of 57.6% for women and 42.9% men. Women in the age group 55 to 64 had the highest rate of depression (23%) while the age group for males was 35-44 (16.4%). Also, the third people suffering from depression has reduced costs for basic necessities, it has sold 7.4% of the movable and immovable property and 22.6% spent part or all of their savings (Ethnos of Sunday).

Due to the economic crisis, a new balance within the family has been formed. In a survey of People for Business society on "Crisis and family balances" (held from 15/10/2012 to 15/12/2012, a sample of 365 senior and middle management employees) showed that 49.1% of male executives, as still had their job, ensured fees constituted 50-80% of the family income, while 30.9% of strains before exiting unemployment had income that exceeded 80% of the family income. 20% of executives salary does not exceed 50% of total family income. During the same period the incomes of their spouses were much smaller than the total family income. Today the situation is completely different. The survey shows that 60% of women cover most, over 50% of the family income. Specifically, 45.5% of women provide more than 80% of family income, 16.4% cover 50-80% of the total income in home and 38.2% earning wages not exceeding 50% of family income. Turning now to the form of employment held by wives, 69.1% have a permanent job and 30.9% temporary. The percentage of women who have paid employment is 72.7%, while women who work as freelancers touching only 27.3% (http://gr.euronews.com/2013/02/21/greece-crisis-research-ereuna-krisi-oikogeniakes-isorrropies/).

70% of pensioners receive pensions below 750 €, while it is characteristic that Greece has the highest proportion of private health expenditure reached 57.1%. Salaries, pensions and other social costs remain low, while labor rights are reduced because of the elasticity of working relationships and market. Beside the unemployed - poor, workers - poor re proliferated fast. At the same time, workers accept distribution patterns of poverty and unemployment that turn us back several years (website http://www.insureddaily.gr/blog/?p=19475, accessed on the 17/8/2011).

A research by the Skilled Chamber of Thessaloniki (V.E.T.H.) demonstrated that 40% of pensioners forced to work to survive, while 69% consider that the pension is low. Furthermore, 43% answered that worsened his life after retirement (Tsiantos, 2010).

In a Eurobarometer survey (May 2010), about the social impact of the crisis on countries - EU members, Greeks appear to occupy the first place among EU citizens to consider how badly they have been affected by the crisis. 69.3% of Greeks thought that the next twelve months will be worsening economic situation of their households. 43.9% of people stated that giving constantly struggle to pay household bills and 93.7% of our fellow citizens believe that poverty has risen.
in Greece last year. 28.8% of people stated that during the last twelve months there was time when he had no money to pay utility bills, buy food or other consumer goods. 30.2% of people expressed fears that the next twelve months were likely not be able to pay timely the rent of their home or a loan. 34.9% of Greeks employed stated that the next twelve months is not too sure how to maintain their current job and 73% believed that it is "unlikely or very unlikely" to find a job if they go redundant (http://www.megaline.gr/2010-02-27-18-58-37/255-oi-epiptoseis-oikonomikhkrisis-2010.html, accessed on the 28/5/2011).

The World Health Organization (WHO) warned in January 2009 the effects of the global economic crisis. It emphasized that the first priority in every country will face steep economic decline, should be the protection of life and property of citizens who will be at greater risk. It observed increase in crime, especially in urban centers which undergo the greatest pressure from unemployment and job insecurity. One issue that takes explosive proportions, is the increase in suicides for economic reasons. At newspaper "Proto Thema" refers to "a Greek commits suicide every day due to debts" (Tsiantos, 2010). Also, WHO announced that the economic crisis threatens to undermine public health and the lack of action will lead to bigger problems in society, the economy and health (Konstantaras, 2013).

Crime rate is directly affected by the memoranda. Many people resort to crime in order to secure their livelihood. The result is the collapse of the system of values, morality and social control system is unable to control the whole situation. According to official figures, crime rates increased from 15% - 20%. This increase is mainly due to the increase of petty crime in relation to felonies (http://www.enet.gr/?i=news.el.article&id=391423).

Even relevant indicators show a reduction of the welfare state in Greece. According to the Welfare Index of the British Legatum Institute in 2010, for the most prosperous country in the world, Greece is ranked 39th in the relevant list (first is Norway). The comparatively "strong" parts of Greece, according to the Welfare Index, are twofold. Education and health. "Moderate" with yellow mark on the index is the economy, entrepreneurship and opportunity, governance and security. In "red" are individual freedoms and social capital (the website http://www.tovima.gr/world/article/?aid=363555, accessed on the 19/8/2011). Page for Greece is http://www.prosperity.com/country.aspx?id=GR (accessed on the 19/8/2011).

For the year 2012 the situation in the country deteriorated. More specifically Greece is in 49th position among 142 countries. Education and health remain the most powerful parts of Greece, while the economy (85th place) and personal freedoms (121st place in the table) are the weakest parts of the country (http://www.prosperity.com/CountryProfile.aspx?aid=300).

Last and most important impact is the effect on 3rd Greek Republic. Professor Kalyvas mentioned that "Rereading it these [the book of Juan Linz« Collapse of democratic regimes" (1978)] days I was impressed with the similarities with today's Greece: Weakness and inefficiency of the parties - the backbone of 3rd Republic, delegitimation of democratic institutions, rising edges, bloom to political violence : All the ingredients are here. We are moving, therefore, headlong towards collapse?" (Kalyvas, 2013).

And this of course because education is lacking. In a survey of Eurobarometer (2013), only 5% of respondents reported "high" or "very high" participation in cultural activities. And the numbers are worse when it comes to reading. There, 50% said they have not read a single book in the past 12 months (Chrysoloras, 2013).

Table 1 : The implications of the memoranda by social sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Impacts</th>
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<tbody>
<tr>
<td>Democracy</td>
<td>• Collapse of current political system?</td>
</tr>
<tr>
<td>Criminality</td>
<td>• Increase of minor-criminality</td>
</tr>
<tr>
<td>Health</td>
<td>• Reduction of the welfare state</td>
</tr>
<tr>
<td></td>
<td>• Mental health problems</td>
</tr>
<tr>
<td></td>
<td>• Increase in suicides</td>
</tr>
<tr>
<td></td>
<td>• Mortality of population</td>
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<td></td>
<td>• Morbidity of population</td>
</tr>
<tr>
<td></td>
<td>• Population with mental health problems</td>
</tr>
<tr>
<td>Workforce</td>
<td>• Increase of unemployment</td>
</tr>
<tr>
<td></td>
<td>• Salary reduction</td>
</tr>
<tr>
<td>Demographics</td>
<td>• Low birth rate</td>
</tr>
<tr>
<td></td>
<td>• Immigration</td>
</tr>
<tr>
<td>Society</td>
<td>• Alterations in family balance</td>
</tr>
<tr>
<td></td>
<td>• Pension decrease</td>
</tr>
</tbody>
</table>

Source: Personal Data Utilisation
5. Epilogue

Of all the previous reports, we assure that the economic crisis creates serious problems in all areas of the welfare state. This is due to many different reasons, such as the restrictions on the use of social services, the reduction of services and reducing of income. It is necessary to strengthen the welfare state and social cohesion.

Greeks are frustrated by the situation so far and do not distinguish immediate improvement of their economic policy and labor relations in the near future. They believe that the welfare state is constantly decreasing and cannot cope with the increasing problems posed by the economic crisis. And the result of all this is to show the same phenomena of social pathology as had occurred in the past, ie the society is being more conservative, immigration is increasing (according to a report in Kathimerini 2/9/2010, hundreds of thousands of individuals and companies have applied to go abroad - even worst wave than the one of the 1950s) (which is revealed in an interview with Professor Mark Mazower, 2011).

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An Overview of the Administrative Court and of the Law of Its Establishment in the Republic of Albania

Arjan Qafa

Abstract

Administrative Adjudication is the guarantee of effective protection of subjective rights and legitimate interests of the people through a fair trial and within quick and reasonable terms. The establishment of Administrative Court in Albania was a necessity with the sole purpose of creating a more peaceful climate for the progress of the reports between Public Administration and Private Entities. The need for judicial control of the Administrative activity derives from the principle of the Rule of Law, the latter led by the principle that the subjective rights of citizens should be protected, not only against other people, but also against the Public Administration. This paper addresses the necessity of establishing the Administrative Court and its role in the Republic of Albania, refered to the law for its creation. The activity of the Administrative Court, Administrative Law principles and innovations of this law are analysed here. An important part of this paper is the necessity of creating the Administrative Court referred to the efforts of the EU countries to unify the adoption of a law on Administrative Law. The establishment of this court has also been one of the conditions for the Integration in the European Community. In the context of reforms in the field of Justice and the Legal Administrative Reform in Albania suggested by the European Union conditions have been set for obtaining the Status of an EU candidate country. One of these conditions was also the establishment of the Administrative Court, as the Administrative Justice plays an important role for the economic development of a country.

Keywords: Administrative Court, the Law on the establishment of the Administrative Court, the principles of Administrative Law, Legal Background, Innovations of the Administrative Court.

The establishment of the Administrative Court in Albania was a necessity with the sole purpose of creating a more peaceful climate for the progress of relations between public administration and the private entities.

In the Republic of Albania, judicial power is exercised only by the Courts, in accordance with the Constitution and the powers assigned to them by law. Judges have the power to examine all matters determined by law.

The Constitution of the Republic of Albania is prohibited the creation of exceptional courts. This reflected in Article 135, paragraph 2 states: "The Assembly may by law establish the Court for specific fields, but in no case Exceptional Courts". This is reflected in the third paragraph of Article 11 of Law 8436, dated 28.12.1998 "On the Organization of the Judiciary in the Republic of Albania.

In the context of reforms in the field of Justice and the Legal Administrative Reform in Albania suggested by the European Union conditions have been set for obtaining the Status of an EU candidate country. One of these conditions was also the establishment of the Administrative Court, as the Administrative Justice plays an important role for the economic development of a country.

Within these legal provisions and recommendations given by the EU on the positive role played by the Administrative Court, all measures were taken for the establishment of this court.

The Judiciary Function of the Administrative Court focuses on determining the legality of an administrative action, as opposed to the administrative appeal, through which the administrative body examines the legality and regularity of the act.

Administrative courts adjudicate on the legality of a decision of an administrative body, actually by entering the case for finding a solution at the core of the conflict.

Administrative Adjudication is to guarantee effective protection of subjective rights and legitimate interests of the people through a fair trial and within quick and reasonable terms.

Furthermore, the procedure in administrative trials is based on a strict judicial inquiry, without exceeding the principle of the availability of the parties. This is a significant procedural principle, according to which the court which judges the dispute should be expressed on all that is required and only on what is required and the court must be expressed to all requirements set forth in the indictment, skipping its limits.

Judicial review of administrative acts is an essential element of protection system of human rights and at the same time is an indispensable tool for improving the quality of administrative action and consequently to ensure good governance.

Prior to treat judicial control of administrative activity must be treated the meaning of the administrative act, its features and the classification of administrative acts.

~ 177 ~
Administrative Act regulates in detail the activities of entities in the relationship they establish between them. In the way the laws regulate, process, sanction and implement the principles of the constitution of a state, the administrative acts are the ones that illustrate the rules of law, pursuant to which they arise. Administrative act is a fundamental concept of administrative justice.

From this point of view, an administrative act must be conceived as a manifestation of a government willingness by the authorities which operate administrative activities, in full compliance with the constitution and the laws, aiming at the establishment, amending, or extinguishing of certain juridical consequences, implemented through free will of the entities to whom it is addressed to or through the restrictive power of the state.

Administrative act is issued for a specific purpose, to establish, amend or extinguish specific juridical consequences for all entities who are obliged to undergo its commandments, and is performed with the desire and the will of the administrative body which has such a right. The will of administrative body is involved in the very nature of the act issued and it is not mentioned explicitly by the law or juridical act in question. The will expressed by the administrative authority in the judicial act aims to achieve a certain goal which is linked to the advent of juridical consequences.

According to the national legislation there are four particulars of the Administrative Act

- Firstly the administrative act is a juridical act; the jurisdictional element of an act defines whether this act establishes or extinguishes a juridical relationship given.
- Secondly the administrative act is unilateral. It is a manifestation of a state juridical will to the competent authority. The unilateral aspect of the act is related to the sense that necessarily and compulsory on its one side lays always the state through the authority of the administration.
- Thirdly the administrative act is the specific for the authorities which perform administrative activities. This feature means that the issuance of an administrative act is the prerogative of the administrative authorities which by law this right is recognized. Administrative authorities having this right are those which (in Article 1) the Administrative Procedure Code recognizes as such.
- Fourthly the administrative act is a bylow (subsidiary act). This feature means that the administrative act must necessarily find support in the law. The task of the administrative body issuing the act is to be based on the law or on the senior act and to implement it.

According to the national legislation, the criteria on which the classification of administrative acts is done are as follows

1. **Under the initiative for issuing the administrative act**, a. Administrative acts issued by the initiative of the authority, b. Administrative acts issued at the request of interested parties, c. Administrative acts issued by the commandments of the law, d. Administrative acts issued by the commandments of court decisions.
2. **According to the form and the expression of the will**, a. Administrative acts issued in written form, b. Administrative acts issued verbally, c. Administrative acts issued in signs,
3. **According to the effect that the act provides**, a. Binding administrative acts, b. Constructive and beneficial administrative acts,
4. **According to the character of the content of the act**, a. Individual administrative acts, b. Normative administrative acts (general)
5. **According to the title of the issuing body**, a. Decision (Council of Ministers), b. Order (local government bodies), c. Regulation (Minister), d. Instruction (Council of Ministers), e. Normative act with the force of law (Article 101 of the Constitution) f. The order, g. The decree.

The need for judicial control of the Administrative activity derives from the principle of the Rule of Law, the latter led by the principle that the subjective rights of citizens should be protected, not only against other people, but also against the Public Administration.

The Constitutional Court in its reasoning states that under Article 15 of the Constitution of the Republic of Albania are the fundamental rights and freedoms, those essential elements underlying on the basis of the entire juridical order, consequently, dictate the need for control over the activities of Administration Bodies. It is the Constitution, which in Article 42/2 of guarantees intervention of the judiciary to protect the rights, freedoms and constitutional and legal interests of the individual. Likewise, in the Code of Administrative Procedure (Article 18) it is accepted the principle of judicial control of administrative acts. (Decision No.32, dated 24.11.2003 of The Constitutional Court)

Judicial control of Public Administrative actions by a well functioning Administrative Judiciary, besides strict legal view of individual cases it is also a stimulating force for the modernization of the Public Administration, improving the quality of its services and as a result, increasing citizens' confidence in the effectiveness of the governmental institutions.

However attention should be paid, despite specific law no.49/2012 that entitles the court to issue the act, not all acts can be drawn from the the administrative courts

Pursuant to Article 7 of the Constitution of the Republic of Albania stipulates that the system of governance in
Albania is based on the separation and balancing between the legislative, executive and judicial government.

The three branches of the government are separate and distinct from each other. This presupposes independence of governments however it can not be concerned for absolute independence. This independence should be understood as a relative independence in the sense that each authority in its operation should not be affected or subjected by another, but there is no need to overcome the competences among them.

A Public Administrative Court is a specialized type of court in administrative law, particularly for disputes concerning the exercise of the public authority. Their role is to ascertain that official acts are in accordance with the law. Such courts are found in several European countries with civil law and are considered separated from general courts. However a fundamental idea is cast, accepted by all European countries in the last few decades, despite different attitudes regarding the creation and organization of Administrative Jurisdiction. Regardless that the field of the Administrative Trials varies considerably in the legal systems of the different countries, is being established an increasingly stable framework of common principles. Here it is not stated how judicial review should be organized, but there are provided the general rules that must be respected by the Member States in the organization of judicial review of Administrative acts, i.e., it reflects the current state of "European Standards" that must be respected.

In the context of this discussion, the following principles are valid:

Judicial review should be conducted by a court established by law, independent, impartial, which guarantees the Recommendation on Independence conditions.

Efficiency and the Role of Judges.

This basically confirms that the resolution of an Administrative disagreement is an issue of a court established by law, in accordance with the requirements the European Convention on Human Rights. Although the latter were expected to be implemented in the administrative field, the European Court of Human Rights has considered it applicable to administrative cases since 1971.

In some countries, in addition to general courts, there is a separate system of administrative Administrative courts, where general and administrative systems have no jurisdiction over each other, so this development is based on different traditions. Therefore, there exists a local administrative court of first instance, perhaps a Court of Appeal and the Supreme Administrative Court separated from the Supreme Court.

In France, Greece and Sweden, the system has three levels as in the overall system, with the local courts.

As above, the Assembly pursuant to Article 135, paragraph 2 of the Constitution, by law no.49/2012 approved to establish the Special Administrative Courts.

1. The Administrative Court and Its Role

The Administrative Court, which aims to ensure the effective protection of subjective rights and legitimate interests of the individuals, through a fair trial and within reasonable and quick terms, increasing the transparency of Administrative decisions, today starts its activity. The opening of this court was one of the conditions required by the European Union for obtaining the status of candidate country, to become part of the great European family.

In the low no.49/2012 it is determined the establishment of the Special Administrative Courts of First Instance, Administrative Court of Appeal and the High Court College, their organization and function as well as the Status of judges that will adjudicate cases on these courts. This law responds best to the concept of the term court specified by law, considered as an element of the regular legal process and as such an integral part of Article 42/1 of the Constitution and Article 6/1 of the ECHR - European Convention on Human Rights (see decision no. 23/2009, and no.16/2012 nr.31/2005 nr.7/2009 and The Constitutional Court).

This law provides the general principles of administrative adjudication and procedural norms relating to the jurisdiction, the competence of the Administrative Courts, the composition of the court under the trial rates and the nature of the cases, as well as procedural stages of the trial until the execution of the decision. So, in general, this law is procedural in nature, but not at the expected level, because no earlier than two months after the entry into force of this law, it was made the adjustment of the legal space by the Supreme Court with the unifying decision with no. 3, dated 06. 12.2013, concerning the competence of the ordinary courts to review the Administrative cases that were on trial, by shifting these cases to the administrative Court, notwithstanding the trial phase in which these cases were found; decision which addressed the case of the implementation of substantive and procedural law.

In the law no.49/2012 for the establishment of special Administrative Courts of First Instance, the Administrative Court of Appeal and the College in the Supreme Court, for the judgement of Administrative disagreements and the Organization of Administrative Justice, it addresses with priority the principles of Administrative Judgment in general but it devotes importance to:
1. Effective Protection of the subjective rights of individuals and their legitimate interests.
2. The right to a fair trial and within reasonable terms.
3. Principle of trial in absentia without the presence of the plaintiff, as a result of the failure of the parties to appear in the process. The Administrative Court In the following judges on written acts and the failure of the parties to appear in the process does not constitute a reason to the court recess.
4. The burden of proof, the obligation of the party that truly has the evidences to submit by imposing sanctions on parties that reject their submission.

Therefore the establishment of these courts brings new innovations under the adjudication of the administrative disputes regarding the obligation of public authorities to present the evidence that enabled the issuance of acts or performance of administrative actions, which afterwards have brought the violation of legal person’s rights.

2. Administrative Courts in Albania and their Organization

Administrative Courts in Albania are established by Law no.49/2012 as Special Administrative Courts of First Instance in some districts, the Administrative Court of Appeal and the College in the Supreme Court.

Administrative Courts according to the way of the organization are divided into three levels:
1. Administrative Courts of First Instance
2. Administrative Court of Appeal
3. Administrative College in the Supreme Court

• According to this law no.49/2012, the assignment of the Administrative Court of First Instance is done equal in number and territory to that of the Court of Civil Appeals. Relying on these criteria above mentioned, there have been assigned the Administrative Court of Tirana, Durres, Korca, Gjirokastra, Shkodra and Vlora.
• The Administrative Court of Appeal of Tirana which includes under its jurisdiction all Administrative Courts of First Instance.
• Administrative College of the Supreme Court.

The number of Judges in these Courts is determined by the Decree of the President no. 8349, dated 10.14.2013, of the President of the Republic.

Ground Competence, the central headquarters, as well as the number of Administrative Courts of First Instance and of the Administrative Court of Appeals is determined by the decree no. 8349, dated 10.14.2013, of the President of the Republic on the proposal of the Minister of Justice, pursuant to Article 70/5 of Law 49/2012.

• The law no.49/2012 permits the court to develop a part of the activity outside its headquarters (itinerant judge) when it is deemed necessary. Obviously with the rules determined by the Ministry of Justice and the High Council of Justice.
• The judicial panel of the Administrative Court of First Instance consists of three Judges who adjudicate the disputes regarding the public administrative contracts and the requirements outlined in the compliance of letters “d” and “f” of Article 7 of this Law. All other disputes are reviewed with a judicial panel consisting of one Judge.
• The judicial panel of the Administrative Court of Appeal consists of: three Judges, who adjudicate appeals against the decisions of the Administrative Court of First Instance, five Judges, adjudicating the lawsuits against the normative legal act.
• The Supreme Court adjudicates in the Administrative College with a judicial panel consisting of five Judges, except for the cases when otherwise provided by this law.
• The judicial session is held pursuant to the articles of the Civil Procedure Code to the extent they are not inconsistent with this law.

3. Principles of Law and Administrative Law addressed by the European Administrative Law for its Unification

European Union countries have attempted to unify the principles of the law of Administrative Law.

4. Principles of Law and Administrative Law

The concept of Administrative Law differs from country to country; despite this, attempts were made to agree on a
common definition of Administrative Law. These efforts are based on a set of principles and rules to be applied to the management and organization of the public administration and the relations between the administration and citizens.

In the field of European Community Law, the European Court has determined a large number of principles of Administrative Law by referring to general legal principles of Administrative Law common to all Member States, in a continuous process. Particularly significant are the principles in the jurisprudence of the European Court, which should be applied by all Member States that should apply those principles themselves: the principle of administration through law, the principle of proportionality, legal certainty, protection of legitimate opportunities, non-discrimination, the right to speak in cases of administrative decision-making procedures, preliminary release, equal conditions for access of individuals in administrative courts, non-contractual liability of Public Administration.

In Western European countries the basic principles of administrative law are identical and are classified as follows:

1) Reliability and predictability (legal certainty);
2) Openness and transparency;
3) Accountability;
4) Efficiency and Effectiveness.

Principles which have been treated as unique to Administrative Law and Administrative Law entirely;

4.1 Reliability and predictability;

These relate to legal certainty and juridical security, aiming to eliminate arbitrariness in the conduct of public affairs. The principle of the Rule of Law is a versatile mechanism for reliability and predictability. It assumes the principle of "administration through law". The public administration must decide according to the rule in power as well as according to the interpreting criteria set by the court, without any other consideration. Additional principles also operate in favor of the reliability and predictability such as the principle of procedural fairness, respect for the time, etc.

4.2 Openness and transparency;

Openness and transparency are also necessary instruments for the Rule of Law, equality before the law, and accountability. The principle of openness and transparency in public administration serve two specific purposes: on one hand, they protect the public interest as they reduce the opportunity of bad management and corruption; on the other hand, they are essential for the protection of individual rights because they provide the reasons for the administrative decision and therefore help the interested party to exercise the right of redress through Appeals.

4.3 Accountability;

Accountability also means that no authority should be exempt from scrutiny. Accountability is an instrument that indicates whether principles of legality, openness, transparency, fairness and equality are respected before the law. Accountability is essential to ensure values such as efficiency, effectiveness, reliability and predictability of Public Administration.

4.4 Efficiency and Effectiveness;

Efficiency is a managerial value consisting in essence of maintaining a good ratio between resources and results. Effectiveness consists of ensuring that the performance of Public Administration is successful in achieving the goals and solving public problems set by law and government.

5. Principles of Law No.49/2012

Except for principles discussed above about the unification of Administrative Law, the specific law on creating the Administrative Court addresses some principles which are elements of a due process.

5.1 Speedy trial

This law creates the possibility of speedy trial within reasonable terms. Administrative Court judgment provides Legal Protection of Rights, Constitutional and legal freedoms and interests of various entities, through a fair trial and within quick and reasonable terms.
5.2 Burden of proof

Establishment of this court in Albania brings an innovation within the judgment of the Administrative Disputes, regarding the obligation of public bodies to present the evidence which provided issuance of acts or performance of administrative actions, which then have brought the violation of legal persons’ rights.

Public authority has the obligation to prove the legitimacy of administrative acts. Public authority has the obligation to prove the legitimacy of operations in labor relations, from which the dispute has arisen, subject to judgment.

In other cases, the party has the obligation to prove the facts on which bases its claim. But even in these cases, the Court primarily, with an interim decision, may decide shifting the burden of proof to the public body, when there are reasonable suspicions, based on the written evidence, certifying that the public body hides or does not intentionally present facts and evidence relevant to the dispute resolution. This decision is appealed together with the final decision.

- Failure to submit evidence by a public body

Submission of evidence by the parties, in any case, is done before the first court hearing. When does the first deadline designated by the court, the parties shall be given a second term, which must end no later than five days before the hearing. In case of failure to submit the documents within the second designated deadline, the review of the case persists only on acts presented.

Unjustified breach of the obligation to submit the documents by the public body within the second designated deadline is a reason that the court, at the request of the party, imposes a penalty against the head of the public body. The penalty is equal to 20% of the national minimum wage for each day of delay.

5.3 Failure to appear does not bring the termination of the trial

Failure to appear in session does not constitute a due for the cessation of the adjudication of the case, written acts and evidence may be considered by the Court in the consultation room without the presence of the parties, which is not a due for their review.

5.4 Urgent actions

This law allows the Administrative Court to carry out some urgent operations without even the presence of the parties, such as defining security measures of the claim, assigning of experts.

These principles of law are treated as new innovations.

Establishment of Administrative Court has caused dispute regarding the jurisdiction of judgment of administrative cases being adjudicated in the ordinary courts.

Concerning this fact ascertained, on disputes between ordinary courts and the specific ones, in conditions when the legislator did not react to give a response to legislative vacuum left on the law no.49/2012, it was a necessity of the Administrative College of the Supreme Court to interfere, in order to pave the way to the stalemate created between the Courts.

Law No.49/2012 does not contain any transitional provisions wherein it is expressed in relation to the law applicable to administrative disputes that were on trial or whose trial had does not yet been completed until 04.11.2013.

Administrative College of the Supreme Court, based on Article 141/2 of the Constitution, and Article 17, paragraph "a" of the law No. 8588, dated 15.03.2000 "On the Organization and Functioning of the Supreme Court of the Republic of Albania", based on the competencies conferred by law has passed the case in the joint colleges to unify the judicial practice.

This unification suggested by the Administrative College of the Supreme Court was to fill this legal vacuum or gap of law no.49/2012, "On the Organization and Functioning of the Supreme Court of the Republic of Albania", unfulfilled by the country’s parliament.

The College has assessed that the issue of jurisdiction and a part of the law must be addressed in the United Colleges, with the aim of unifying the judicial practice, an interpretation which serves solving problems that arise in the practice in the courts of all levels as well as the law enforcement in the right way and in accordance with the will of the legislators in the adjudication of administrative cases.

Colleges during the review have addressed in total legal problems of administrative cases filed in civil courts before 04.11.20013, or the examination of which started before that date and has not yet given a final decision on them; another problem paved for handling is that concerning to which procedural law is applicable in this case.

It was laid for discussion The Material Law and the Procedural Law for the Supreme Court
6. United Chambers of the Supreme Court consider

Decree of the President of the Republic no.8349, dated 10.14.2013, has determined the date 11/04/2013, as the day of commencement of operation of Administrative Courts. This date marked the beginning of complete juridical effects and the enforcement in general of the law no.49/2012 regarding the jurisdiction, competence and procedure of adjudication of cases subject to administrative disputes mentioned in Article 7 thereof. Article 72, paragraph 1 and 2, of the law no.49/2012 provides that with the commencement of operation of Administrative Courts, determined by decree of the President of the Republic, are abolished the procedural rates on the substantive and ground competence as well as the special procedural norms, on the dispute Administrative adjudication provided by the Code of Civil Procedure. Joint Colleges of the Supreme Court referred to this situation and legal vacuum, take into consideration the court established by law, in the terms of the court competent to review the administrative disputes. In the following, colleges have addressed the procedural law which must be used during the adjudication of the cases found in the ordinary courts, the new law will be applied.

This attitude, held by the joint colleges comes in comply with the policies of the Constitutional Court, which has consistently stated its view related to the constitutionality of a process, stressing that in the procedural law differently from the material one, the new law is also applicable to the cases on trial, except when otherwise stated by itself, making transitional provisions. (See decision no.106/2002; no.11/2009 of the Constitutional Court.

Referring to this, the fact that the law no.49/2012 is a procedural law containing no transitional provisions to indicate which is the present situation, stage or extent of a trial dispute over which this law extends the effects, then subsequently it is admitted that starting by 04.11.2013, this law is applicable to all the cases that itself has defined as administrative dispute, regardless of in what situation, stage or extent the trial is.

Consequently, starting from 04.11.2013 Judicial District Courts Courts of Appeals and the Civil Division of the Supreme Court do not have material jurisdiction to address these administrative cases. As above, the Joint Colleges of the Supreme Court reach a unifying interpretation that: Administrative Courts of First Instance, the Court of Administrative Appeals and the Administrative College of the Supreme Court, established by Law No. 49, dated 03.05.2012 "On the organization and functioning of Administrative Courts and Administrative disputes" are responsible for reviewing all cases which, under Article 7 of this law constitute administrative disputes, despite the state, phase or the extent of the trial. These courts are competent for administrative cases for which the claim, appeal or recourse is filed before 04.11.2013, respectively in the Courts of First Instance, the Court of Appeal or Supreme Court and up to this date, the hearing has not yet finished in these Courts.

The following is addressed as another innovation of this law:

7. The Expansion of Jurisdiction and the Way to Appeal Against Court Decisions

In issuing its final decision the court itself may issue an administrative act, may completely or partially rescind Administrative act, may partially or completely change the administrative act or may force the public body to change the Administrative act, (Article 40, Law 49/2012).

8. New Rules of Jurisdiction

Not every case can be appealed, the economic criteria is required.

It is not permitted an appeal against the final decision of the Administrative Court for claims with object:

a) Opposing the punishment for committing administrative violations with the value less than 20 times the national minimum wage.

b) Opposing the Administrative Act containing an obligation in cash with the value less than 20 times the national minimum wage.

c) Opposing the Administrative act which has also rejected leaving the due in cash with the value less than 20 times the national minimum wage (appellate and recourse are limited).

9. Other Innovations Addressed are as Follows

- The trial at the Administrative Appeal in Counseling Room (Article 49 of the Law).
- Hearing of the Administrative appeal at the Administrative Court of Appeal as a rule is carried on the basis of documents in the consultation room.
The court in the consultation room decides the trial hearing in a court session, No.62 of law 49/2012.

Another innovation addressed is as follows:

10. Execution of Decisions

Articles 65-66 of this Law refer that: during the compulsory execution proceedings the judge who gave the decision, at the request of the parties or the bailiff, in the consultation room without the presence of the parties orders the performing of special operations and taking other necessary measures by defining the terms and manner of their performing. In case of ascertainment of failure to enforce the decisions, the judge demands disciplinary measures and where appropriate also presents lawsuit against persons.

With the entry into force of the law no.49/2012, and on 04.11.2013, with the operation of Administrative Courts enter into force some amendments to the following laws:


During the enforcement of the specific law no.49/2012 will be respected all its provisions, which have priority over the previous laws while in other parts where there is no overlap or disputes it will be implemented the Civil Procedure Code of the Republic of Albania.

References

Constitution of the Republic of Albania
Official Journal of the Republic of Albania
“The Administrative Right “, 1983 (J.Como)
The Administrative Right (S.Sadushi)
Law no.49/2012 “On the organization and functioning of Administrative Courts and adjudication of administrative disputes”
Code of Civil Procedure of the Republic of Albania
Code of Administrative Procedure of the Republic of Albania
Decision No.32 dated 24.11.2003 of the Constitutional Court
Unifying decision no. 3 dated 06/12/2013
Internet, approaches of the well-known authors on administrative area, as well as publications in printed media, etc.
Consumers Perceived Online Purchasing

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Abstract

The advanced of the Internet has empowered consumers. Consumers can access a virtually unlimited selection of products, brands, and sellers. They can switch brands or try different products in a single click. Internet shopping sites must be a wide range of products to attract consumers and influence their shopping decisions. The purpose of this study was to investigate consumers positive and negative perceive of online purchasing. The sample group of this study consists of consumers which have been working private company in Istanbul. Participation of the study was voluntary. In this context 500 people were interviewed. Beside descriptive statistics, t-test and one way variance analysis (ANOVA) is used in the analysis of the data. According to the results of the study, it was found that 46.3% of the internet users were using the online purchasing.

Keywords: consumer, online purchasing, online shopping, consumer online shopping, consumer perceive

1. Introduction

The world has undergone an important process of change; incredible developments have taken place in science and technology. The frequency of technological innovations increased and technologies in production and service sector began to change within short periods (Akbaş & Özdemir, 2002). Especially after the 2000s, with rapid technological change and the advent of the internet in our life, a time of change and development in retail sector too has emerged. Internet which has been qualified as a new shopping environment presents a whole different shopping environment than the traditional ones to the consumers (Saydan, 2008:390).

The internet now shapes nearly every aspect of a consumer’s purchasing decision (BDC, 2013:2). It offers variety goods and services such as; information, collect market research data, promote goods and services and ultimately to support the online ordering of merchandise, provides retailers with an extremely rich and flexible new channel both of retailers and consumers (Doherty, 2010). Due to the rapid growth of the Internet and its use as a channel for shopping, today’s consumers are able to shop from anywhere at any time with just a few clicks of their fingers (Kim et al., 2004). Therefore recent years purchasing via the Internet is one of the most rapidly growing markets (Chen, 2009, Suresh & Shashikala, 2011:336, Mandilas et al., 2013:435). Particularly individuals spending a significant part of their daily lives in work and exhausted by the stressful city life are able to spare less time for shopping can now easily shop in internet (Enginkaya, 2006; Ward & Lee, 2000).
More than 85 percent of the world’s online population has used the Internet to make a purchase increasing the market for online shopping by 40 percent in the past two years. Among Internet users, the highest percentage shopping online is found in South Korea (Alsharif et al., 2013; 383). According to a report published by Siemer & Associates (2013) Global e-Commerce spending in 2012 reached $820.5 billion as retailers made shopping online easier. It is expected to reach 963 billion in 2013. Global e-Commerce penetration increased from 4.0% in 2008 to 6.5% in 2012 and is anticipated to reach 9.3% by 2016, driven by high-growth emerging markets and the decline of specialty retail stores in developed markets (Siemer & Associates, 2013). Internet retail sales are expected to grow from $5.4 billion in 2012 to $10 billion in 2020 (Fernando, 2014).

As well as around the World also in Turkey, online shopping has been on a developing path. Consumers quickly adapting to technological developments shop online in virtual stores. According to a study undertaken by Ipsos KMG to reveal internet usage habits in Turkey; as of 2011 approximately 4.7 million person uses internet for online shopping. The percentage of people using internet for ordering personal goods or services among the overall internet users is 59.9%. According to the results of the Household Information Technologies Usage Research (TSI, 2013a) Internet users in Turkey online order or purchase goods and services for personal use rate was found to be 24.1%. The figure for the year 2012 is reported as %21.8. It is reported that for the period between April 2012-March 2013, %48.6 of individuals involved in online shopping purchased textile and sports equipment, %25.8 purchased electronic equipment, %25.6 purchased household appliances, %20 purchased travels (except accommodation), %15.9 went for the books, magazines and newspapers (including e-books) while %15.7 purchased supplies and daily necessities. Eurostat (2013) report in the EU28 in 2012, 75% of individuals aged 16 to 74 had used the internet in the previous 12 months, and nearly 60% of these internet users reported that they had shopped online. Among the Member States, the highest shares of online shoppers were registered in the United Kingdom (82% of internet users), Denmark and Sweden (both 79%), Germany (77%), Luxembourg (73%) and Finland (72%), and the lowest in Romania (11%), Bulgaria (17%), Estonia and Italy (both 29%). Today while online commerce is not a competitive threat for the conventional one, as the technology develops and online retailers gain experience and present new alternatives and amusements competition will increase (Saydan, 2008:390).

Nowadays the acceleration in the movement of life caused by various factors has affected the consumers as well. Especially consumers that have little spare time began to prefer online shopping for price advantages, convenience, time conservation, and product and price comparison facility. Another most obvious benefit of online shopping is the significant discounts that most of these e-retailers provide to attract the customers. Also online stores are usually available 24 hours a day and not limited by global time differences. Searching or browsing an online catalog can be faster than browsing the aisles of a physical store. Furthermore, online stores do not incur costs such as store staffing, maintenance, and inventory and might be able to specialize in items and extreme sizes that would not be practical for traditional stores to carry (Uzel & Aydoğdu, 2010; Park & Kim, 2003; Suresh & Shashikala, 2011; Cheung & Lee, 2005; 1, Tabatabaei, 2009).

Though the sharp increase in the number of the online shopping vendors has put encourage on the positive expectations (Vijayasarathy, 2004) still some consumers’ trust is yet to be not gained. Online consumers expect their personal information to be safe, being able to purchase every advertised product in the net, an insight on how to benefit from the after sales services, payment and credit facilities and a clear guidance on the address of the appeal in case of a problem. For those reasons while some of the consumers do not prefer to shop online, some of them choose to utilize the net as an information gathering tool for the goods they want to purchase conventionally (Mert, 2012).

In general the foremost reason of negative attitudes towards the electronic shopping is the lack of necessity. Concern for security and privacy is another leading factor. Security and privacy problems, inaccuracy, dubious quality, questions on delivery, lack of interest and knowledge on online purchase, previous negative comments on the desired product, doubts about the reliability of site of concern are amongst most important factors that consumers’ do not prefer online purchasing (Enginkaya, 2006; Belanger et al., 2002; Demirel, 2010; Lee & Turban, 2001;75). On the other hand one can observe that the trust laid upon the online transactions rises gradually. The relative quality of order track and delivery in Turkey provides a significant advantage to the players in domestic markets.

The rapid development in technology and its presence in daily life affect the individual's way of life directly. As a result whilst some consumers adopt virtual markets, some avoid them (Saydan, 2008). Hence, there exist different consumer attitudes towards the virtual markets and online shopping. Apart from that, the increase in the purchasing power of the consumers, the early involvement with technology in the new generations, the ever rise in the number of online shoppers all formed a target group both for the producers and researchers.

There are studies conducted on online purchasing both in Turkey and abroad. In those studies the consumer attitude towards online shopping (Saprikis, 2010; Delafroz et al. 2009; Mert, 2012; Tabatabaei, 2009; Demirel, 2010; Tan,2012), the factors affecting the consumers’ attitude towards online shopping (Kim et al., 2004; Hanzaeae and
Khodayari 2011; Mert, 2012; Raje & Khanna, 2012), the negative aspects of online shopping according to the consumers (Karabulut, 2013, Algür & Cengiz, 2011; Naiyi, 2004; Samadi and Nejadi, 2009, Noort at al 2007, Suresh & Shashikala, 2011) the building of trust towards online shopping (Yoo & Danthu, 2001; Lee & Turban, 2001; Büttner & Göritz; 2008; Kim et al. 2009; Tan, 2012), online shopping behavior (Silkü, 2009) have been emphasized. In those studies, the factors driving research on online shoppers are their low average age, high income and education levels, ability towards trying new technologies, high usage of internet and mobile phones, desire to access communication, consumption and shopping faster with less cost. For this reason this research has been planned to investigate the consumers’ perception of online purchasing conditional on the various demographic properties.

2. Method

2.1 Participants

The study designed to investigate consumers positive and negative perceive of online purchasing. The sample group of this study consists of consumers which have been working private company in Istanbul. Participation of the study was voluntary. In this context 758 people were interviewed. Each participant was contacted individually and completed the questionnaire form. Following the researchers’ introduction, the purpose of the study was explained. The consumers were also informed that participation was voluntary. After obtaining their consent, the questionnaire form was given to them and they completed the form on their own. Uncompleted and uncorrected questionnaire forms were not taken into consideration (258 questionnaires). Finally, a total of 500 consumers were conducted with a 66 percent participation rate. The data were collected between December 2013 – February 2014.

2.2 Instruments and Data Collection

A multi-item questionnaire was arranged for the purposes of the determining consumers perceive online purchasing (Saprikis et al., 2010; Delafrooz et al. 2009; Teo, 2006; Demirel, 2010; Turan, 2008; Uzel ve Aydoğdu, 2010; Silkü, 2009; Monsuwe et al. 2004). The survey form was composed of three sections.

The first section contained demographic characteristics such as gender, age, education, income and working status.

The second section contained questions that determined online using behavior and purchasing behavior on internet. This section involved questions such as “Do you use the Internet?”, “During the day, how much time do you spend in the Internet environment?”, “Do you shop anything online shopping sites?”, “How much did you spend on the internet for the last year?”

The third section involves two parts. First is “Positive perceived of online shopping”. This part include 16 items that measures of positive attitudes towards online shopping. A high score obtained from this part is an indicator of positive perceived toward online shopping. The second part of this section arranged negative perceive toward online shopping. This part was prepared by the researchers in order to explain negative perceive about online shopping and involve 10 item. A high score revealed that consumer have negative attitudes toward online purchasing.

Final section consist of consumers’ perceive toward online purchasing with 13 item. Apart from demographic-related questions, five-point Likert scale was used for all the sections. People who participated in the survey were asked to evaluate these items with one of the options, between “5=very important, 1=not important at all”.

2.3 Data Analysis

The analysis of the data was conducted using the “SPSS for Windows 18.0” program. Independent samples T - Tests were then used to compare mean values on the positive and negative perceive toward online shopping, between males and females. One-way analysis of variance (ANOVA) was then computed to compare means among categories of subjects on each remaining independent (age, income, education, vocation etc.) variable. When the F test indicated significant (.05) mean differences on a given variable, LSD multiple comparison test was used to isolate the specific between-category means that were significantly different.

3. Results

Descriptive statistics are presented in Table 1. Nearly 71% of the sample was male. The age of the consumers ranged
from 18 to 65, with a mean of 35.1 (S=8.7) years. Nearly half of the participations (45.8 %) had a primary school degree, 30.0 % had high school degree, whereas about 24% had only bachelors and over degree. According the data given by Turkish Statistical Institute (TUIK, 2013b) the literate rate was 95.78 % and across Turkey population enrollment ratio was found primary school degree 28.0 %, high school %22, university %16. Income earned between 800.00 – 8.000.00 TL/ month and the average mean 1705.7 (S= 1223,3) ($1 is equivalent to about 2.08 TL – May 2014). 50.8 percentage at the participation is technical and support services staff, 33.2% is administrative staff only 16.0 % is manager.

Table 1. Demographic Variables

<table>
<thead>
<tr>
<th>Demographic Characteristics</th>
<th>N</th>
<th>%</th>
<th>Demographic Characteristics</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td>Monthly family income</td>
<td>1705.7 (SD=1223.3)</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>147</td>
<td>29.4</td>
<td>Low (1499 TL and less)</td>
<td>282</td>
<td>56.4</td>
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<tr>
<td>Male</td>
<td>353</td>
<td>70.6</td>
<td>Middle (1500 – 2999 TL)</td>
<td>138</td>
<td>27.6</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td>High (3000 TL and more)</td>
<td>80</td>
<td>16.0</td>
</tr>
<tr>
<td>≥30</td>
<td>186</td>
<td>37.2</td>
<td>Working status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 – 40</td>
<td>193</td>
<td>38.6</td>
<td>Manager (executive)</td>
<td>80</td>
<td>16.0</td>
</tr>
<tr>
<td>≤41</td>
<td>121</td>
<td>24.2</td>
<td>Administrative staff</td>
<td>166</td>
<td>33.2</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td>Technical and support services staff</td>
<td>254</td>
<td>50.8</td>
</tr>
<tr>
<td>Primary school (8 years)</td>
<td>229</td>
<td>45.8</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>High school (12 years)</td>
<td>150</td>
<td>30.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor’s and over (13 + years)</td>
<td>121</td>
<td>24.2</td>
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</tr>
</tbody>
</table>

As Table 2 shows, Internet using and online purchasing behavior of consumers. A higher percentage of the consumers reported they use Internet daily (65.6%), 46.3% of the consumers who use the Internet daily (n=328) were using the Internet in order to purchase online. The online purchase years of the consumers range from 1 – 12 years with a mean of 3 (SD=1.9) years and more than half of the consumers (51.3%) have purchased online since “2 -3 years”. 54.6% of the consumers have spent “501 TL or more money” via online shopping over the last year. The annual online purchases were recorded nearly 7 (SD=5.8) products. Furthermore, consumers spent much more hours daily in front of a computer to online purchase. The mean of time spending on online purchase was 65.4 (SD=43.9) minute and the present of 44.1 participants were spent “31 – 60 minute” in front of a computer to online purchase. Clothing (Accessory/Shoes (80.3%) and Computer/Electronics/Software (67.1%) were the most commonly purchased categories of products (Table 2.)

Table 2. Internet Using and Online Purchasing Behavior

<table>
<thead>
<tr>
<th>Internet Using and Online Purchasing Behavior</th>
<th>N</th>
<th>%</th>
<th>Frequency of online purchase years (N=152)</th>
<th>N</th>
<th>%</th>
<th>The amount of money spent in internet shopping over the last year (N=152)</th>
<th>N</th>
<th>%</th>
<th>The number of online shopping transactions over the last year (N=152)</th>
<th>N</th>
<th>%</th>
<th>Time using to make shopping on online over the last year(minute) (N=152)</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily use of internet (hour)</td>
<td>140.5</td>
<td></td>
<td>Frequency of online purchase years (N=152)</td>
<td>3.0 (1.9)</td>
<td></td>
<td>The amount of money spent in internet shopping over the last year (N=152)</td>
<td>1125.0</td>
<td></td>
<td>The number of online shopping transactions over the last year (N=152)</td>
<td>6.7 (5.8)</td>
<td></td>
<td>Time using to make shopping on online over the last year(minute) (N=152)</td>
<td>65.4 (43.9)</td>
<td></td>
</tr>
<tr>
<td>No use of internet</td>
<td>172</td>
<td>34.4</td>
<td>1 years or less</td>
<td>29</td>
<td>19.1</td>
<td>500 TL and less ($1 is equivalent 2.08 TL- May 2013)</td>
<td>69</td>
<td>45.4</td>
<td>501 TL and more ($1 is equivalent 2.08 TL- May 2013)</td>
<td>83</td>
<td>54.6</td>
<td>30 min or less</td>
<td>43</td>
<td>28.3</td>
</tr>
<tr>
<td>1 hour and bellow</td>
<td>128</td>
<td>25.6</td>
<td>2 – 3 years</td>
<td>78</td>
<td>51.3</td>
<td>$1 is equivalent 2.08 TL- May 2013)</td>
<td>69</td>
<td>45.4</td>
<td>$1 is equivalent 2.08 TL- May 2013)</td>
<td>83</td>
<td>54.6</td>
<td>31 – 60 min</td>
<td>67</td>
<td>44.1</td>
</tr>
<tr>
<td>1.1 – 2 hours</td>
<td>91</td>
<td>18.2</td>
<td>4 years or more</td>
<td>45</td>
<td>29.6</td>
<td>1$ is equivalent 2.08 TL- May 2013)</td>
<td>69</td>
<td>45.4</td>
<td>1$ is equivalent 2.08 TL- May 2013)</td>
<td>83</td>
<td>54.6</td>
<td>61 min or more</td>
<td>42</td>
<td>27.6</td>
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<td>9.6</td>
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<td></td>
<td>The number of online shopping transactions over the last year (N=152)</td>
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<td>Time using to make shopping on online over the last year(minute) (N=152)</td>
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<td>3.1 hours and above</td>
<td>61</td>
<td>12.2</td>
<td>500 TL and less ($1 is equivalent 2.08 TL- May 2013)</td>
<td>69</td>
<td>45.4</td>
<td>501 TL and more ($1 is equivalent 2.08 TL- May 2013)</td>
<td>83</td>
<td>54.6</td>
<td>30 min or less</td>
<td>43</td>
<td>28.3</td>
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<tr>
<td>Internet purchase status (n=328)</td>
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<td>Time using to make shopping on online over the last year(minute) (N=152)</td>
<td>65.4 (43.9)</td>
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<td>Product or Services Purchase from Online (N=152)</td>
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<td>Clothing/Accessory/Shoes</td>
<td>122</td>
<td>80.3</td>
<td>31 – 60 min</td>
<td>67</td>
<td>44.1</td>
<td>30 min or less</td>
<td>43</td>
<td>28.3</td>
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<tr>
<td>Book/DVD/CD</td>
<td>30</td>
<td>19.7</td>
<td>61 min or more</td>
<td>42</td>
<td>27.6</td>
<td>31 – 60 min</td>
<td>67</td>
<td>44.1</td>
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<td>67.1</td>
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<tr>
<td>Food&amp; Drink</td>
<td>24</td>
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<tr>
<td>Health and Beauty</td>
<td>37</td>
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</tbody>
</table>
Among the consumer who have not use online purchase (n=328) means of reasons for not using online purchase vary from 2.27 to 3.15. Findings indicated that “Prefer to buy from brick-and-mortar stores” have the highest mean (M=3.15; SD=1.60). As for the reasons which has the least mean score, it can be seen that the reasons which stated as “Are unaware of the buying procedure through the Internet” (M=2.75; SD=1.58). Consumer who have used online purchasing reasons mean score is higher than the other group. The main reasons for using the online stores were respectively “Time savings” (M=3.89; SD=1.26), “Ease of gathering information about the product” (M=3.70; SD=1.26), “Wide variety of products” (M=3.68;SD=1.33), and “Various payment options” (M=3.57;SD=1.38). However the reasons mean of “Security” (M=3.26; SD=1.27) was the lowest score.

Results of the statistical analysis showed that education, monthly family income and working status significantly (at least .05) affected scores on the reasons of consumers who not use online purchase. For education (F=3.891df=347;p<.05), significant differences were found between the primary school education category (M=45.15 SD=22.48) and high school education category (M=50.70, SD=19.30) and primary school education category Bachelor’s and over graduates (M=52.79, SD=16.52). Differences reasons of consumers not use online purchases among the monthly family income categories are shown Table 4. As can be seen, the means increased as income increased (for Low: M=46.15, SD = 22.30; for Middle: M=51.01, SD=17.97; and for High: M=54.32, SD=15.24). F=3.456, df=347, p<.05. According to LSD test, there were significant differences between the group with Low income and High income groups. Results on working status (Table 4) also showed significant differences, with mean scores of the manager category (M=54.32, SD=15.24) being higher than those of the administrative category (M=50.28, SD=18.47) and of the technical and support services staff (M=46.10, SD=22.44), F=3.179,df=347, p<.05. According to the results of the multiple comparison tests, however, there was a significant difference only between manager and technical and support services staff.

Table 4. Statistical Analysis of Demographic Variables and Reasons for Using and Not Using Online Purchase

<table>
<thead>
<tr>
<th>Demographic Variables</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>Online Shoppers Statistical Test</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>Non-online shoppers Statistical Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>92</td>
<td>47.4</td>
<td>20.7</td>
<td>t=-0.386; df=346; .700</td>
<td>56</td>
<td>35.73</td>
<td>10.31</td>
<td>t=-0.424; df=150; .672</td>
</tr>
<tr>
<td>Male</td>
<td>256</td>
<td>48.4</td>
<td>21.0</td>
<td></td>
<td>96</td>
<td>34.97</td>
<td>10.94</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>≥30</td>
<td>109</td>
<td>50.59</td>
<td>20.01</td>
<td>F=1.461 df=347; .233</td>
<td>43</td>
<td>37.47</td>
<td>11.53</td>
<td>F=2.492; df=151; .086</td>
</tr>
<tr>
<td>31–40</td>
<td>135</td>
<td>45.39</td>
<td>20.80</td>
<td></td>
<td>74</td>
<td>35.45</td>
<td>10.37</td>
<td></td>
</tr>
<tr>
<td>≤41</td>
<td>104</td>
<td>48.20</td>
<td>21.88</td>
<td></td>
<td>35</td>
<td>32.11</td>
<td>9.77</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary school (8 years)</td>
<td>193</td>
<td>45.38</td>
<td>22.48</td>
<td>F=3.891df=347; .021*</td>
<td>36</td>
<td>32.83</td>
<td>9.32</td>
<td>F=1.4991; df=151; .227</td>
</tr>
<tr>
<td>High school (12 years)</td>
<td>96</td>
<td>50.40</td>
<td>19.30</td>
<td></td>
<td>52</td>
<td>50.17</td>
<td>12.92</td>
<td></td>
</tr>
<tr>
<td>Bachelor’s and over (13 + years)</td>
<td>57</td>
<td>52.79</td>
<td>16.52</td>
<td></td>
<td>64</td>
<td>36.67</td>
<td>9.21</td>
<td></td>
</tr>
<tr>
<td>Monthly family income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low (1499 TL and less)</td>
<td>234</td>
<td>46.15</td>
<td>22.30</td>
<td>F=3.456 df=347; .033*</td>
<td>48</td>
<td>33.08</td>
<td>9.67</td>
<td>F=1.941; df=151; .147</td>
</tr>
<tr>
<td>Middle (1500 – 2999 TL)</td>
<td>77</td>
<td>51.01</td>
<td>17.97</td>
<td></td>
<td>61</td>
<td>35.39</td>
<td>10.67</td>
<td></td>
</tr>
<tr>
<td>High (3000 TL and more)</td>
<td>37</td>
<td>54.32</td>
<td>15.24</td>
<td></td>
<td>43</td>
<td>37.47</td>
<td>11.53</td>
<td></td>
</tr>
<tr>
<td>Working status</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager (executive)</td>
<td>37</td>
<td>54.32</td>
<td>15.24</td>
<td>t=-3.1/9 df=34; .043*</td>
<td>43</td>
<td>37.47</td>
<td>11.53</td>
<td>t=-2.31; df=151; .103</td>
</tr>
<tr>
<td>Administrative staff</td>
<td>93</td>
<td>50.28</td>
<td>18.47</td>
<td></td>
<td>73</td>
<td>35.38</td>
<td>10.43</td>
<td></td>
</tr>
<tr>
<td>Technical and support services staff</td>
<td>218</td>
<td>46.10</td>
<td>22.44</td>
<td></td>
<td>36</td>
<td>32.33</td>
<td>9.72</td>
<td></td>
</tr>
</tbody>
</table>

Consumers’ perceptions were examined in terms of general perceptions with 13 items (Table 5). Concerning general perceptions, the mean scores of all items on online purchase users are higher the same compared to non-users demonstrating that both of them generally had common perceptions from online purchase. The t-test results relating to
the perceptions of the participating online purchase and the groups are shown in Table 5. As a consequence, t-tests values do reveal statistically significant differences in all items between the two groups of respondents.

4. Discussion

New communication technologies and the revolution of Internet especially have created new market environments called as virtual markets. Consumers’ online purchasing behavior is also a part of these new developments (Saydan, 2008). It is possible to discover numerous researches analyzing the online purchasing behavior and the knowledge, problems, reasons, attitudes and results of online shopping activities of consumers in developed and developing countries.

The rapid growth in numbers of internet users in Turkey provides a bright prospect for e-marketers. This movement also has brought new marketing in our country. Therefore this research was aiming to shed light on the consumers’ behaviors and attitudes toward online shopping in Turkey. In this respects its aim was to examine the online shopping behaviors, positive and negative attitudes toward purchasing and perceive of online purchasing of users and non-users. In addition the research also observed consumers’ perceive online purchasing behavior according to selected demographic and socio-economic variables.

The finding on this study, indicated that three fifths of consumers (n=500) used internet, however nearly half of the internet users are online purchasers. As can be seen from the finding relatively small numbers of participants are online shoppers. This findings are supported the results conducted by Saprikis and his colleagues (2010), Saydan (2008) and Turan (2011). This correspondence may be stem from consumers’ demographics variables, lack of finance, lack of information about online shopping or mistrust toward online purchasing.

Table 5. Consumers Perceive online purchase and t-test results

<table>
<thead>
<tr>
<th>Consumers Perceive online purchase</th>
<th>Users (n=152)</th>
<th>Non-Users (n=348)</th>
<th>t- test values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online shopping should provide sufficient information about available products</td>
<td>3.77 (1,31)</td>
<td>2.93 (1,57)</td>
<td>t=5,775; df=498; .000*</td>
</tr>
<tr>
<td>Online stores should have a good reputation</td>
<td>3.82 (1,25)</td>
<td>2.97 (1,53)</td>
<td>t=5,963; df=498; .000*</td>
</tr>
<tr>
<td>Online stores should provide adequate payment options</td>
<td>3.82 (1,27)</td>
<td>3.02 (1,56)</td>
<td>t=5,592; df=498; .000*</td>
</tr>
<tr>
<td>Online stores should offer sufficient number of value added services</td>
<td>3.83 (1,23)</td>
<td>2.98 (1,51)</td>
<td>t=6,107; df=498; .000*</td>
</tr>
<tr>
<td>Online stores should provide contact options, like telephone numbers and forms to their customers</td>
<td>3.80 (1,28)</td>
<td>3.01 (1,58)</td>
<td>t=5,418; df=498; .000*</td>
</tr>
<tr>
<td>Online stores use sufficient security mechanisms to ensure the privacy of consumers’ data</td>
<td>3.93 (1,28)</td>
<td>2.99 (1,57)</td>
<td>t=6,552; df=498; .000*</td>
</tr>
<tr>
<td>Online stores use consumers’ data for statistic issues without consent</td>
<td>3.95 (1,24)</td>
<td>2.97 (1,53)</td>
<td>t=6,964; df=498; .000*</td>
</tr>
<tr>
<td>Online stores ask for consumers’ permission in order to send advertisements to their e-mail accounts</td>
<td>3.97 (1,25)</td>
<td>3.06 (1,57)</td>
<td>t=6,373; df=498; .000*</td>
</tr>
<tr>
<td>Online stores forward consumers’ information to marketing companies</td>
<td>3.92 (1,27)</td>
<td>3.01 (1,57)</td>
<td>t=6,315; df=498; .000*</td>
</tr>
<tr>
<td>Consumers can return a product and get refunded the purchase price</td>
<td>3.86 (1,27)</td>
<td>2.99 (1,56)</td>
<td>t=6,012; df=498; .000*</td>
</tr>
<tr>
<td>Security mechanisms are used to ensure personal data safety</td>
<td>3.85 (1,22)</td>
<td>2.98 (1,56)</td>
<td>t=6,095; df=498; .000*</td>
</tr>
<tr>
<td>The company has also brick-and-mortar stores</td>
<td>3.59 (1,26)</td>
<td>2.69 (1,44)</td>
<td>t=6,667; df=498; .000*</td>
</tr>
<tr>
<td>Online stores offer guarantee for their provided products</td>
<td>3.74 (1,19)</td>
<td>2.82 (1,47)</td>
<td>t=6,801; df=498; .000*</td>
</tr>
<tr>
<td></td>
<td>3.80 (1,33)</td>
<td>2.80 (1,51)</td>
<td>t=7,072; df=498; .000*</td>
</tr>
</tbody>
</table>

* p<0.001

Consumers who have not use online purchase (n=328) mean scores of 17 items was not high (M=2.27 to M=3.15). These results indicated that consumers prefer to traditional purchase habits. Behaviors and attitudes are main components to determine adoption of online shopping. A lack of technology literacy is a critical factor which can drive consumers away from online shopping (Kwon and Lee; 2003, Silků, 2009; Mohd at al. 2006). On the other hand lack of trust is one of the most frequently cited reasons for consumers not purchasing from Internet shops. Consumers’ refusal can be explained by their ignorance to online methods of shopping, their preference to buy from traditional stores and...
reasons related to security matters.

Consumers' characteristics and goals may have influence their behaviors such as online purchasing. Demographic characteristics, such as gender, age, and ethnicity are examples of background characteristics (Wu, 2003). For instance, according to Mohd Suki et al., (2006) showed that internet shoppers among Malaysia are more likely to be young, affluent, highly educated and wealthy. The statistical analyses result showed that only education, income and working status have significantly affected on reasons consumers who not use online purchase. That means generally low educated, with low monthly income and low status workers do not purchase online. However the statistical analyses have not significant effect of consumers online purchase reasons.

Online shopping is a direct marketing innovation, which is still in its beginning. It involves changes in current patterns of consumption. These changes range from minor to major. It can be considered that online purchasing is a discontinuous innovation of a “consumption process” type (Karayanni, 2003) In general, the results indicated that consumers perceived significantly higher mean scores of online purchasing than consumers who not use online purchase. This results are supported the results conducted by Saprikis et al. (2010), Saydan (2008), Cheung (2005). According to the results of this research, it can be said that the factors advantage of online purchasing, which captures enjoyment of shopping through web page and variety of products, time saving and ease of comparing products online purchasing, appears to affect positively online purchasing behavior.

The results of this research have significant implications for consumers, business, and policymakers at marketing in Turkey for improving online shopping literature and better understanding of online consumer behavior.

The current study comprises a few limitations that must be addressed. First, the research was performed in small samples that have similar characteristics in Turkey. Consequently, its findings are not applicable to other group or consumers. Nevertheless, a comparative research with different countries that investigate similar variables could be conducted in the future. Second, the study was carried out within a short period. It is recommended that future researchers perform a longitudinal study to examine quality of life process over time, thus capturing relevant data during different occurrences of consumers’ online shopping behavior.

In addition, this study is limited with the survey questions applied depending on the subject. It is considered that this study constitutes a good infrastructure for the new studies to be conducted relating the subject our country or abroad.

References


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~ 192 ~
The Effect of Trade Openness on Economic Growth: Albanian Case

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Abstract

The main purpose of this study is to evaluate and determine the effects of trade liberalization on the economic growth in Albania. The factors included in this project are, foreign direct investment (FDI), exchange rate, and trade openness. Trade openness was computed as the ratio of total of imports and exports to total exports. The methodology comprises the use of the above mentioned macroeconomics indicators which are all gathered by official institution database for an interval time of 10 years measured in quarterly bases. Secondly a macroeconomic model will be performed in order to understand the impact and relationship of trade openness on economic growth (GDP). Finally based on the result from the statistics of all panel models, it is showed that trade openness and exchange rate has a significantly positive impact on economic growth.

Keywords: Trade openness, Economic Growth, Gross Domestic Product, Returns to Scale, Foreign Direct Investment, Exchange Rate

1. Introduction

The performance of the Albanian economy in the communist regime was in the worst and unproductive conditions that the country’s economy has faced. In this period the economic model was centralized and closed which mean that we couldn't not export nor import any resources, goods or innovative technology in order to increase the counties production and efficiency in satisfying the needs for goods and services that were needed in other words we were isolated and depending only in our own forces which as time and history has testimonies left our country in the group of the undeveloped and poor countries. This situation start to change when the period of the communist regime was over passed and left behind in 1990 time when Albania changed philosophy in how to lead and direct the country. In this period in Albania was establish the democracy and the free open trade economy which lead to a very positive step for the Albanian economy and to the entering to a new stage of evolution for Albanian economy because Albania was now a developing country try to enter to a new phase of improving its welfare and the wellbeing of the Albanian citizens. This short historical introduction was made in order to make more clear why I decided to write this paper that how can be easily understood that is to understand and clarify how trade openness and the advantages that comes from it affect the growth economic GDP and how this factors reflects in the improving of the overall macroeconomic indicators. In the time when open trade economy was implemented in Albania the country was focused on growth enhancing policies including promotion of exports, in this period a flow of the foreign investment was noticed in the economy whose trend was in a rapid increase year by year fact that was reflected in the increase of the GDP and in an overall improving of the macro situation of the country. Finally in this article I attempt to explain the effect and the relationship that the trade economic openness has had on the growth economic of Albania this associated with all the other factors that might have played a role in the change of the economic situation of the country as FDI, Exchange Rate and the Imports and Exports.

2. Literature Review

The relationship between trade and productivity has not been theoretically established even though some researchers have found some, if not complete, support for the view that increasing openness has a positive impact on productivity (Elwell, 2005). Albanians economic growth was relatively facing an increasing. The trade openness has played a crucial role in the recovery of the economic situation in Albanian showing that the factors associated with it like fdi exchange rate and import export has faced a big increase which are reflects in the positive performance of Albanian economy. The data’s observed in this article show that trade liberalization had a positive and significant effect on financial and trade
related reforms and these worked to enhance market efficiency, reduced distortions in price and fostered Albanians competitiveness and access to the global market; thus promoting inflow of capital and expansion of exports. In the 19970 Albania already had a growing fiscal deficit, a current account imbalance and an overvalued exchange rate and all these were supported by project aids and loans at an interest rate of zero or even negative due to bad decisions made by governments to ration credit and foreign exchange instead of increasing the money supply. This resulted in weak market institutions. GDP growth rates in Albania have shown a big increase and improvement fact that is in accordance with the assumption of this paper that the countries that adopted trade liberalization and export-led growth strategies have seen some improvement.

3. Data and Methodology

\[ \text{GDP} = B_0 + B_1 \times \text{FDI} + B_2 \times \text{RATIO} + B_3 \times \text{EURO} \]

GDP is the dependent variable, which shows the performance of the Albanian economy.

FDI is independent variable that shows the foreign direct investment in Albania.

RATIO is independent variable that is computed as the sum of total import plus total export to total export in order to understand the effect of the trade openness.

Euro is the currency taken in consideration to understand the impact that the changes in the exchange rate over the years have had on the GDP.

Firstly all the variables are tested if they have a normally distribution. A normal distribution means a symmetric distribution and it has a bell shape with a peakness leading to a Skewness of 1 and a tail-thickness leading to a Kurtosis of 3. If the Skewness is not near to 0 and Kurtosis is not near to 3 the normality distribution is rejected. After doing this on all variables is applied Augmented Dickey Fuller unit root test meaning that all variables are examined if they have a unit root so if they are non stationary. Non stationary means that a series does not fluctuates around a mean value and does not have a tendency of coverage toward mean value. If for 1%, 5% and 10% level the probability is greater than 0.05 it means that the variable has a unit root (non stationary) so it is first differenced becoming stationary meaning that for 1%, 5% and 10% level the probability is lower than 0.05.

Euro Graph

![Euro Graph](image1)

In this graph is shown the line graph of euro in the interval time from (2005-2014). From the graph we can easily notice a small fluctuation of euro from 2005 till 2008 after that as shown in the graph there is a drastic increase of the value of the euro compare to the Albanian currency (ALL).

Ratio (Import-Export) Graph

![Ratio Graph](image2)
In this figure is shown the graph line of the ratio of trade openness (import-export) in the interval time (2005-2014). From the graph it is showed that this ratio has preserved a constant trend till the end of 2008 and after that this ratio is accompanied by a dynamic increase.

GDP & FDI Graph

In this graph is shown the relationship of the GDP and FDI from (2005-2014). As shown in the graph from 2005 till 2009 the FDI are in a low level compare to the GDP and are associated with some fluctuations while during the same period the GDP in Albania is in a rapid and significant growth. Despite this fact in the next interval (2009-2014) the FDI faces a drastic increase till in the year 2012 where it overpasses the increase of the GDP and right after this period it is noticed a decrease of the FDI from the peak that it reached in the first quarter of the 2012. While the GDP during the period 2009-2014 it shows a slowdown in the rapid increase that was facing and maintains a constant trend of increasing associated with some fluctuations this as a result of the economic crisis.

GDP vs FDI Scatter Graph

In this figure is showed the scatter graph od GDO and FDI which shows us the connection that this variable have with one another and how this connection has changed through the years.

GDP-Euro Scatter Graph
In this figure is showed the scatter graph of GDP and the currency of Euro to demonstrate what relationship this two variables have with one another and how is showed from the graph this relationship is weak in difference with the relationship that the GDP had with FDI but despite this is important to underline the fact that this happens due to the fact that the values of GDP are taken in billion of (ALL) and the Euro values just shows how the exchange rate has changed through the years to explain better how much the euro is converted in the Albanian currency (ALL) through the years and due to this disproportion of values comes this lack of interception.

GDP-Ratio (Import-Export) Scatter Graph

In this figure is showed the scatter graph of GDP and Ratio (import-export) in the same interval of time. From the graph we can observe how the relationship of these two variables has changed through the years.

Histogram of GDP

For the GDP the skewness is -0.917929 which is near to 0 and kurtosis is 2.279423 which is near to 3 meaning that the GDP has a normal distribution.

Histogram of Euro

~ 196 ~
For the exchange rate (Euro) the skewness is -0.266066 which is equal to 0 and kurtosis is 1.255358 which is near to 3 meaning that the euro has a normal distribution.

Histogram of FDI

For the FDI the skewness is 0.611695 which is equal to 0 and kurtosis is 2.043604 which is near to 3 meaning that the FDI has a normal distribution.

Histogram of Ratio

For the ratio the skewness is 0.736577 which is near to 0 and kurtosis is 2.076593 which is near to 3 meaning that this ratio has a normal distribution.

Table.1. Descriptive statistics of all variables.

<table>
<thead>
<tr>
<th></th>
<th>GDP</th>
<th>EURO</th>
<th>FDI</th>
<th>RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>1.11E+10</td>
<td>131.7228</td>
<td>6.65E+09</td>
<td>1.327668</td>
</tr>
<tr>
<td>Median</td>
<td>1.20E+10</td>
<td>132.4350</td>
<td>4.67E+09</td>
<td>1.273716</td>
</tr>
<tr>
<td>Maximum</td>
<td>1.30E+10</td>
<td>142.1000</td>
<td>1.56E+10</td>
<td>1.508259</td>
</tr>
<tr>
<td>Minimum</td>
<td>7.46E+09</td>
<td>121.1200</td>
<td>3.03E+09</td>
<td>1.243716</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>1.81E+09</td>
<td>7.817251</td>
<td>3.72E+09</td>
<td>0.087318</td>
</tr>
<tr>
<td>Skewness</td>
<td>-0.753050</td>
<td>-0.075457</td>
<td>0.690814</td>
<td>0.749177</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>1.997789</td>
<td>1.207032</td>
<td>2.171666</td>
<td>2.160742</td>
</tr>
<tr>
<td>Jarque-Bera</td>
<td>4.909149</td>
<td>4.856246</td>
<td>3.892549</td>
<td>4.424123</td>
</tr>
<tr>
<td>Probability</td>
<td>0.085900</td>
<td>0.086201</td>
<td>0.142805</td>
<td>0.109475</td>
</tr>
<tr>
<td>Sum</td>
<td>3.99E+11</td>
<td>4742.020</td>
<td>2.39E+11</td>
<td>47.79605</td>
</tr>
<tr>
<td>Sum Sq. Dev.</td>
<td>1.15E+20</td>
<td>2138.830</td>
<td>4.84E+20</td>
<td>0.266856</td>
</tr>
<tr>
<td>Observations</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
</tr>
</tbody>
</table>

Table.1 shows the group statistic where for each variable is made the same analysis as in the series statistics (mean,
median, maximum, minimum, standart Deviation, Skewness, kurtosis, Jarqua-Bera, probability, sum, sum Sq. Dev) and again is seen that all variables are normally distributed.

Table 2: Estimated Equation Output

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>23.57332</td>
<td>0.485226</td>
<td>-0.954714</td>
<td>0.3469</td>
</tr>
<tr>
<td>EURO</td>
<td>-0.069761</td>
<td>0.052005</td>
<td>3.297109</td>
<td>0.0024</td>
</tr>
<tr>
<td>FDI</td>
<td>0.062747</td>
<td>0.046300</td>
<td>0.365901</td>
<td>0.7168</td>
</tr>
<tr>
<td>RATIO</td>
<td>0.109038</td>
<td>0.024869</td>
<td>-0.465112</td>
<td>0.6450</td>
</tr>
</tbody>
</table>

R-squared 0.581686  Mean dependent var 22.36947
Adjusted R-squared 0.542469  S.D. dependent var 0.705002
S.E. of regression 0.389822  Akaike info criterion 44.79719
Sum squared resid 5.166668  Schwarz criterion 44.97314
Log likelihood -802.3495  Hannan-Quinn criter. 44.85860
F-statistic 14.83251  Durbin-Watson stat 0.173457
Prob (F-statistic) 0.000003

4. The Model

GDP = B₀ + B₁*FDI + B₂*RATIO + B₃*EURO

This equation explains the relation of GDP the dependent variable with the independent variables (FDI, RATIO, and EURO).

As we can see from the results, the effect of FDI over GDP is positive. This means that an increase in GDP with 1% leads FDI to an increase with 0.06 or 6%. While for 1% increase in GDP leads Euro to a decrease of 7% because the increase of the GDP leads to an appreciation of Albanian currency and devaluation of the Euro. Finely 1% increase in GDP leads in 10% increase in the trade openness ratio which has actually a great significant and positive impact on the Albanian growth economy.

Table 3. Augmented Dickey-Fuller Unit Root Test on GDP, FDI, Ratio and Euro

<table>
<thead>
<tr>
<th>Variables</th>
<th>1% level</th>
<th>5% level</th>
<th>10% level</th>
<th>Propability</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>-3.615588</td>
<td>-2.941145</td>
<td>-2.609066</td>
<td>0.1631</td>
</tr>
<tr>
<td>FDI</td>
<td>-3.632900</td>
<td>-2.948404</td>
<td>-2.612874</td>
<td>0.7990</td>
</tr>
<tr>
<td>Ratio</td>
<td>-3.639407</td>
<td>-2.951125</td>
<td>-2.614300</td>
<td>0.8209</td>
</tr>
<tr>
<td>Euro</td>
<td>-3.615588</td>
<td>-2.941145</td>
<td>-2.609066</td>
<td>0.7753</td>
</tr>
</tbody>
</table>

Table 4. Augmented Dickey-Fuller Unit Root Test on D(GDP), D(FDI), D(Ratio) and D(Euro)

<table>
<thead>
<tr>
<th>Variables</th>
<th>1% level</th>
<th>5% level</th>
<th>10% level</th>
<th>Propability</th>
</tr>
</thead>
<tbody>
<tr>
<td>D(GDP)</td>
<td>-2.627238</td>
<td>-1.949856</td>
<td>-1.611469</td>
<td>0.0025</td>
</tr>
<tr>
<td>D(FDI)</td>
<td>-2.632688</td>
<td>-1.950687</td>
<td>-1.610599</td>
<td>0.0002</td>
</tr>
<tr>
<td>D(Ratio)</td>
<td>-2.634731</td>
<td>-1.951000</td>
<td>-1.610907</td>
<td>0.0431</td>
</tr>
<tr>
<td>D(Euro)</td>
<td>-2.627238</td>
<td>-1.949856</td>
<td>-1.611469</td>
<td>0.0001</td>
</tr>
</tbody>
</table>
The augmented Dickey Fuller unit root test is performed on all the variables in order to analyze if they have a unit root or not meaning if the variables are non stationary or stationary in other words if they are integrated in the same order. From the results of Augmented Dickey Fuller Unit Root Test is showed that all the variables have a unit root so they are non stationary because the value of probability is greater than 0.05 but when they are differenced they become stationary because their probabilities are lower than 0.05.

After converting non stationary variables into stationary, the Johansen co-integration test will be applied in order to observe whether these variables are co-integrated in the long run.

**Table 5. Johansen Co-integration Test of GDP**

<table>
<thead>
<tr>
<th>Hypothesized No. of CE(s)</th>
<th>Trace Statistic</th>
<th>0.05 Critical Value</th>
<th>Prob.**</th>
</tr>
</thead>
<tbody>
<tr>
<td>None *</td>
<td>0.515198</td>
<td>56.91005</td>
<td>47.85613</td>
</tr>
<tr>
<td>At most 1 *</td>
<td>0.475003</td>
<td>33.01758</td>
<td>29.79707</td>
</tr>
<tr>
<td>At most 2</td>
<td>0.253043</td>
<td>11.75364</td>
<td>15.49471</td>
</tr>
<tr>
<td>At most 3</td>
<td>0.062392</td>
<td>2.125959</td>
<td>3.841466</td>
</tr>
</tbody>
</table>

Trace test indicates 2 cointegrating eqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

<table>
<thead>
<tr>
<th>Hypothesized No. of CE(s)</th>
<th>Max-Eigen Statistic</th>
<th>0.05 Critical Value</th>
<th>Prob.**</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>0.515198</td>
<td>23.89247</td>
<td>27.58434</td>
</tr>
<tr>
<td>At most 1 *</td>
<td>0.475003</td>
<td>21.26394</td>
<td>21.13162</td>
</tr>
<tr>
<td>At most 2</td>
<td>0.253043</td>
<td>9.627680</td>
<td>14.26460</td>
</tr>
<tr>
<td>At most 3</td>
<td>0.062392</td>
<td>2.125959</td>
<td>3.841466</td>
</tr>
</tbody>
</table>

Max-eigenvalue test indicates no cointegration at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

In Table 5, Trace test indicates 2 co-integrating equations at the 0.05 level where the Trace statistic is greater than 5% critical value while Max-Eigen value test indicates that there is no co-integration at 0.05 level because Max-Eigen statistic is lower than 5% critical value. In other words GDP and the other three variables: FDI, RATIO, and the EURO are co-integrated to each other but in the long run this co-integration is weak.

5. Conclusions

This article has showed that the effect of the trade openness on the economic growth of Albania has a significant and positive impact on the GDP and on the macroeconomic indicators. From the statistical result is showed that exist a strong relationship and that the variables are co integrated with one another even though that in the long run this co integration appear not to be so strong. Hats why in order to keep this situation some reforms are needed to be undertaken that are as follow, try to keep a positive balance of net export and try to be an attractive country to the foreign investment and finally to maintain a healthy exchange rate in order to preserve the value of the native currency.
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~ 200 ~
Osce Mission in Kosovo, Stop or Continue

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Abstract

What was the role of the OSCE in Kosovo in the past, as are addressed effectively and in the future in counseling and support for institutions and politics, especially in strengthening democracy, as vital to the prospects of Kosovo. Is OSCE also extremely necessary to play a role in cooperation with institutions in support political parties, as well as in other sovereign countries in the region that the OSCE is involved such as mission?. Where OSCE continues to have positive role still ongoing mandate in Kosovo to help many different projects as in higher education in public universities, cognitive and educational projects of universities, the judiciary, and not the acts of violence rule of law as weak points to be improved and necessary for Kosovo. Currently the mission is conducting a number of activities in Kosovo, many of which have helped EUPT (European Union Planning Team for Kosovo), for information regarding the EULEX Mission in planning and has been especially helpful for teams of Police and Justice as complementary to each other. Therefore OSCE occasionally is in a sensitive position to stop acting or continue walking in Kosovo?. But one thing should be noted that he still needs to continue to support, contribute to Kosovo's efforts to continue democratic principles, to build a transparent society and governance practices to adhere better to the members of the communities in Kosovo. Supervision required in future electoral processes, political, to advance reforms in local governance, judicial reform for all citizens in realizing the vision towards Europe, in cooperation with the EULEX mission will be a direct push and guarantor for the European future Kosovo and will need to be continued for a long time to build and order in Kosovo issues important to the finalization of the process towards the EU. The need and the presence of this mission will be a necessity within medium to improve many sectors with a European standard.

OSCE is one of the international organizations, which differs from other European Security Institutions, the support that has brought this last decade because it was not created to act on the basis of international law, but is always considered as a special body that led to the creation and organization of permanent institutions in a limited scale (Gashi, 2008). In this organization almost all decisions are taken with consensus of all participating states. Based on Chapter III of the Helsinki Resolution which is fully dedicated to forewarning and conflict prevention, conflict management and peaceful settlement of the disputes (including here OSBE missions with objective of facts gathering, reporting and peacekeeping), whereby OSCE deployed to Kosovo its representatives since 1992 with the main purpose of the prevention and conflict resolution.

The European Union supported the OSCE Observers Mission, with objective of promoting the dialogue between the Serbian government and Kosovo representatives. The main goal of this mission was gathering information on the violation of human rights, providing assistance on drafting the legislation on minority rights, freedom of media and democratic elections, supporting and maintaining law and order, providing humanitarian assistance and medical relief, and as well as providing support to refugees.

OSCE Observers Mission of was supported and safeguarded by NATO forces which were stationed in the Republic of Macedonia, which was directed and commanded by the representative of the French military command within the NATO Alliance. This force, based on its authority, was programmed for rapid respond in case of any necessity during the process of OSCE mission withdrawal from Kosovo. This was the largest mission undertaken by OSCE since its establishment. The Head Quarter of the Mission was stationed in Pristina, with mission representations in five Kosovo regions/cities, and several field offices.

The terror of police, military and paramilitary forces upon the civilian population reached the critical point when those forces, on 15 January 1999 in the village of Recak, Municipality of Shtime, murdered and massacred over 45 unarmed villagers of different ages and genders (Ukshini, 2008). This action of terror, the Head of OSCE Observers in Kosovo qualified as genocide (massacre) and urged international organizations for immediate intervention to punish
Belgrade for non-fulfillment of the duties and responsibilities foreseen by the mandated of this mission. From this moment the work of the observer’s mission on the field was very difficult, while the Belgrade Authorities publicly declared William Walker as person non-grata in this mission, accusing him for unilateral stand on the Albanian side and gave him an ultimatum of the 48 hours to leave immediately Kosovo territory of and form the territory of remaining Yugoslavia (Ukshini, 2008).

When Holbrooke-Milosevic Agreement could not be realized, on that time the tragedy and massacres of innocent people were condemned immediately by all relevant international mechanisms such as the Secretary General of the United Nations Mr. Koffi Annan, EU, OSCE etc. Strong reactions were made by different personalities from the world such as e.g.: U.S. President Bill Clinton declared: "This is a premeditated murder, committed to sow fear among the people in Kosovo and an obvious violation of the obligations which the Serbian side has taken with the agreement of October."

After the massacre of the Racak, the international community began to move forward with concrete steps towards resolving the status of Kosovo. At that time all actors such as the UNO, OSCE, and NATO since 30th of January 1999 agreed that political decision should be made to resolve the Kosovo issue. International Consensus decided the date 20th February as the deadline for the implementation by Milosevic of all international agreements on Kosovo (Bashkurti, 2008).

In this context, the Racak massacre and its correct judgment by the OSCE Ambassador in Kosovo William Walker was a key which led to the convocation of an international conference for Kosovo in Rambouillet - France (Bajrami, 2002). Kosovo at the end of this century had become the largest international problem which required settlement of the right solution. The issue which raised major debates, doubts, contradictions, dilemmas and reflections at the end of the twentieth century, was undoubtedly the issue of Kosovo (Buja 2007). Public policy of the OSCE and international public diplomacy changed the course of international standpoint towards Kosovo (Bashkurti, 2008).

The Statement that pushed forward the international community and western countries diplomacy was driven especially by American diplomacy. The True picture presented by William Walker, the disclosure of Serbian regime and stigmatizing of Milosevic by powerful international media were the best reflection of what was really happening in Kosovo. After the failure of international efforts to find a solution, on 19 March 1999, the Chairman of OSCE, a Norwegian called Knut Vollebaek ordered immediate withdrawal of this mission, because the only alternative that remained was forcibly imposed solution.

For Kosovo, UN Security Council Resolution 1244, adopted on 10 June 1999, marked the end of the war, the withdrawal of Serbian military & police forces and deployment of KFOR troops. This resolution is related almost entirely to the security issue, which arises from the mandate of the Security Council for "Maintenance of International Peace and Security" (Resolution 1244).

The work of the OSCE Mission in Kosovo was established based on Decision No. 305 of the Permanent Council of the OSCE, on 1st July 1999. Adapting to new conditions that were created in Kosovo after the war, as well as with approval of Resolution 1244 (1999) of the Security Council of the United Nations, the Council Security determined that the OSCE would operate within the overall framework of UNMIK and that its lead role will be in matters relating to institution and democracy building and human rights.

OSCE, based in Helsinki final document took the decision to fulfill its mission in concentrating its work on following areas: (glossary.omik @ osce.org).

- Protection of communities rights, including education, language, culture, non-discrimination and property rights;
- Local governance reform in order to improve the quality of services and public participation in decision-making;
- Rule of law and human rights, monitoring within municipalities, courts and police;
- Supporting further development of independent institutions that work with human rights, rule of law and elections;
- Co-ordination in anti-trafficking efforts;
- Improving the procedures of Parliament and supervising role over the executive, and the participation of all communities within;
- Further development of public safety, including police, customs, correctional services, and fire and rescue brigades and strengthening of electronic media regulators.

Overall activity and the contribution of the OSCE in Kosovo was very important, because Kosovo society came out from a classic conquest (occupation) entirely deprived of institutional life therefore it required support from the international community to build and form the democratic institutions. OSCE as a security instrument had no objective to use imposing mechanisms towards Kosovo institutions, but use of cooperation mechanisms between different local and
international actors, to support political developments and building up the security and safety, preventive democracy, environmental protection, as a direct necessity of the occurrence developed in Kosovo (Bashkurti, 2006). Based on the division of responsibility of international organizations in Kosovo, OSCE was tasked to carry out aspects of democracy, which constituted one of the fundamental pillars of the post-crisis and its prospects of building civil society and of the state of Kosovo.

OSCE Mission played and continues playing a significant role in building the security sector through cooperation with the Provisional Institutions of Self-Government (PISG) of Kosovo, with particular emphasis has supported the establishment of institutions with special interest for Kosovo's state-building such as: Kosovo Police Service (now Kosovo Police); Fire and Rescue Service, Correctional Service and Customs Service of Kosovo; as well as Kosovo Judicial Institute and Kosovo Police Inspectorate.

To achieve intended objectives in the field of security, the OSCE supported PISG to establish Kosovo Center for Public Safety Education and Development for enhancing of these services in Vushtri. Moreover, OSCE is making a great contribution in the field of legislation, especially to past legislatures and monitoring of the parliamentary.

After the declaration of independence, prospect and mandate of this mission it was reduced to counseling, advising and supporting of the institutions in the security and justice sector. Therefore the impact of the OSCE, the EU and the international community it had their efforts on dialogue and peacekeeping because due to lack of interest of Serbia to make compromise with the Albanian side, had become imperative for the EU to find a way to calm down relations in the region, and urged the international community to act quickly. Upon seeing these reality, UN Security Council on 23 September 1998 adopts Resolution 1199, (with China abstaining) whereby demanded a ceasefire and stated that: "should the concrete measures demanded in this resolution, not be taken, to consider further action and additional measures to maintain or restore peace and stability in the region" (Mason & King, 2007).

This pressure obliged Kosovo Verification Mission organized by the OSCE to begin deployment of over two thousand OSCE observers throughout Kosovo, at November 1998, after pressure made by EU, Contact Group and NATO which resulted with not much success over Serbia but however international monitors relaxed the situation somehow but not also the people of Kosovo. The scope of this mission undertook a meeting thereafter, with Milosevic-Holbrooke (King and Mason, 2007), where the EU took the "promise" of Milosevic that he would abide by this resolution, which envisaged the deployment of OSCE Verification Mission throughout Kosovo.

The purpose of the OSCE was to carry out the Verification Mission in Kosovo, and observation of the overall situation in field (OSCE Report, 1999). OSCE Mission is one of the major international missions, which was involved in the processes of protection and promotion of human rights and building of institution in Kosovo. This mission had its main objective the policy development and building security institutions, preventive democracy, environmental security, as a direct substantiation of the events that took place in Kosovo. OSCE carried out efforts for stability, prosperity and democracy. Through common values, political dialogue and practical work, the organization asserted to bring sustainable and significant changes in Kosovo. OSCE Mission in Kosovo has been among the largest operations in the field that is ever taken in the history of the OSCE. This presence, until the declaration of independence, had employed a great number of international and local staff with significant involvement of the mission.

The OSCE Mission in Kosovo was founded by the Permanent Council of OSCE in June 1999, after the end of war and withdrawal of Serbian forces from Kosovo territory, which decided that the OSCE should operate within third pillar of UNMIK and to take leading role in matters relating to institution and democracy building and human rights. This mission has had its competences in five major areas: human rights and the rule of law; policy development and education; democratization as well as organizing and supervision of the elections (http://www.osce.org/kosovo/13194.html).

This mission carried out the most important challenges to its missions in a country like Kosovo, which involved immediately after the war to put efforts on building this country from the foundation in respect to political and economical aspects, to maintain security and fragile stability. All these successes which have been achieved brought the future of democracy into Kosovo by this mission longest operation since before the war and after independence.

Kosovo Independence Declaration Act, made the OSCE mission to clarify its the role for the future continuation, because taking to account the fact since 1999 OSCE has been the third pillar of UNMIK, responsible for building democratic and multi-ethnic institutions in Kosovo. OSCE Mission in Kosovo as a central part of the reconfiguration of UNMIK (based on Ban-Ki Moon, 6 points plan), after reduction of UNMIK and its final departure, should give more space to OSCE and a greater role also in the future. (Organization for Security and Co-operation in Europe, Permanent Council, Decision. No.305, PC.DEC/305, 1 July 1999).

Today, the role of the OSCE continues to be active in the ongoing processes and indispensable for a democratic future, on establishment and improvement of educational processes, on correct monitoring of many political sectors within Kosovo, and as a reflection of Kosovo processes towards Europe.

~ 203 ~
Although the OSCE has been neutral to some extent towards the status of Kosovo, this mission went step by step, changing, and reducing his role after the Status, whereby changing and its positioning in a close circle of supervising and monitoring of various issues in Kosovo. The role of the OSCE, after Independence practically has been addressed moreover on aspects relating to counseling, advising and supporting for institutions and Kosovo politics, especially in strengthening democracy, which is of vital importance to the perspective of Kosovo ("Infopress", October 4, 2008).

OSCE will be sought to play a crucial role for cooperation with Kosovo institutions and to provide assistance to political parties. The positioning of the OSCE, regarding cooperation in Kosovo at present it has facilitating approach towards engagement in processes and cooperation with EULEX, as well as with other organizations, various European missions which are indispensable for Kosovo. Moreover, OSCE will have a positive role to play with continuation of its mandate in Kosovo with assistance in various projects for higher education among the public universities, cognitive and educational projects to universities, and will continue even after the mandate of this mission.

OSCE mission has been very valuable and will be essential for a long time to build-up law and order in Kosovo and other important issues until the finalization of process of accession towards the EU. Therefore OSCE intermittently is in a sensitive position, ("Kosova Sot", 3. February 2009) but determined to continue to support Kosovo's efforts to towards democratic principles, building up a transparent society and best practices of the governance and adhere better to the members of the communities in Kosovo. Supervision and monitoring of election and political processes to advance the reforms in local governance, judicial reforms for all citizens in realizing their vision towards Europe, in cooperation with the EULEX mission will be a direct drive and guarantor for the European future of Kosovo.

OSCE presence from the past till present has made significant progress in the protection of human rights, and moreover this mission bears responsibility upon in terms of protection of the freedom of expression through the recent changes to the Criminal Code. Therefore, necessity and the presence of this mission will be a constant requirement in the medium terms to enable improving many sectors up to European standard.
Problems of Authentication of the Declaration of Intention of Co-Owners

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Abstract

Co-owners must take account of various legal and factual encumbrances. One of the encumbrances is the requirement as to the agreed declaration of intention by all co-owners in transactions involving joint property. Pre-emptive rights related to the alienation of undivided interest to a person other than the co-owner should be also viewed as an encumbrance. The encumbrances take the form of a special document (consent, waiver) that would establish the intention of a co-owner. Such a document gives rise to legal consequences for both the giver and the co-owner in whose favour or against whom it is issued as well as third parties. It should be concluded that the document presenting a co-owner's intention per se is a unilateral transaction that is fully subject to the principle of freedom of contract prevailing in private law. According to the general rules, a co-owner is free to choose the form of its declaration of intention: oral or written, public or private. However, for several reasons, this matter is not as simple as it might seem. According to laws, certain types of transactions (e.g., real estate transactions) are subject to public registration and, therefore, a public document is demanded by the law-giver. Another aspect to be considered is that written documents are essential for the procedure of proof in the countries adhering to Continental European law. Consequently, the legal nature of a document establishing a co-owner’s intention becomes vital. During the research, the author has analysed the form of a co-owners’ declaration of intention, focusing on the possibilities and necessity of authentication. The objective of the thesis is to research the legal criteria of authentication based on the existing laws insofar as those concern the recording of a co-owner’s intention. To this end, both descriptive and analytical methods have been employed to analyse the applicable legal framework. The author has relied on laws and opinions of legal scholars.

1. Introduction

Expression of intent, namely, the internal intent of a legal entity, and its materialization, is an essential component of any legal transaction. Latvian legal system is liberal on the issue of the form of expression of intent. The expression of intent may be express (in words, orally or in writing, or by signs which have the meaning of words) or implicit.

Observing the particular transaction procedure (the necessity for a written form, public registration of coherent expression of intent of co-owners), the expression of intent and its recording following the procedure as provided by law obtains particular importance in transactions of immovable property in joint ownership. Intent is a complex psychologically-legal phenomenon. The legal literature indicates that “the internal contents of the process of intent, in the mutual respect, is formed by a motif, a subjective perception of the legal objectives of transaction and the conformity of actions of an entity with the law and the requirements of law principles.” (Jegorovs, 2004). Following this definition, the intent can be described as a determined and motivated legal entity's wish to achieve a particular objective. On the other hand, the expression of intent is the legal entity's public announcement of his/her internal intent, which makes the internal intent perceivable and understandable to other legal entities. Internal intent, as long as it is not publicly expressed, remains an internal thing of a legal entity, while the expression of the intent may be subject to legal analysis, and it can be assessed.

In this Section, the author focuses on the legal conditions of intent and the recording of its expression and its necessity in legal transactions with joint ownership immovable property.

2. Research

Science of civil justice has long been dealing with the issue of intent and its expression, their interaction and legal implications. Discussion is ongoing on the priority issues when assessing, which is the key in a transaction — the intent or the expression of the intent.

In some cases, the internal intent has its own conceptual meaning in the analysis of legal transactions. The author agrees with prof. K.Torgans’s view that “the inner intent can play a role in establishing whether or not the legal entity’s activities are perceived correctly, was it possible that it was arising from the situation that the legal entity’s intent was
directed towards a particular transaction", (Torgans, 1998). However, it can be concluded that the expression of the intent is of the main legal importance.

Different scientific disciplines (psychology, law, philosophy), exploring the intent, understand it differently. Impossibility of a joint definition of intent is due to the fact that by intent each of these disciplines understands different categories. For example, intent is defined as a set of mental processes manifested in the form of motivated, determined, deliberate action to overcome some difficulties. (Joksts, Girgensone, 2011). Legal scholar S.Aleksejev (C.C.Anexceea) by intent understands an internal desire of a legal entity focused on a specific legal result.

In case law, the concept of intent is explained as follows: "a person's intent in civil relations is a subjective and indispensable the same time element for closing the transaction. It is not a formal requirement, but rather confirms the true desire of the parties to enter into business relations and his understanding of what is happening".1

Legal doctrine may distinguish three understandings of intent and its expression. According to the first - if the intent is different from its expression, than the intent has the preference. So V.Vitryanskiy and M. Braginskiy point out that "the transaction is based on the intent. This is what sets up the transaction and therefore the transaction is an act of intent." (Брагинский, Витрянский, 2010). The second position states that the transaction is an action, and therefore the legal consequences are associated directly with the expression of the intent as an active form, which gives priority to the intent of the expression. On the other hand, according to the third position – the intent and its expression are equally important, because the law is focused on the unity of intent and its expression as an essential prerequisite for the validity of the transaction.

Assessing the positions mentioned, it can be concluded that differently from the doctrine, but today the presumption of correctness of expression of intent is prevailing.2 Besides, the expression of intent shall properly and accurately reflect the internal intent of a legal entity of as well as the expression of intent should follow the form prescribed by laws and regulations.

In the shared ownership transactions, depending on the expressers of intent who is express their intent in a transaction, the author distinguishes between: common intent of all co-owners and individual intent of each co-owner. Each co-owner as a legal entity is endowed by his own intent and the sum of intents of all the co-owners forms the common intent of co-owners, which is necessary for dealing with the subject of joint ownership, i.e. a coherent intent of individual legal entities. Such an expression of intent is needed in transactions with the third parties concerning objects of joint ownership (such as the disposal of joint property subject, and leasing (renting) it) and in the event of actual conversion of the very joint ownership object (e.g., rebuilding, restoration).

Expression of individual co-owner's intent plays a role in mutual relationship of co-owners: where one of the co-owner is expressing consent, gives consents, or gives up the right of first refusal.

The real estate transactions are required to be in written form and the rights established by transaction shall be corroborated in the Land Register.3 Corroboration in the Land Registry is considered as a separate form of transaction (written form plus corroboration). (Torgans 2013)

Where, in making a transaction, a co-owner along with the others expresses his intent, which accumulates in a common co-owners' intent, or expresses his intent individually, a legal entity’s intent shall be materialized into a written document.

Considering that, according to Section 1 of the Law on Land Registry, the Land Registry records have public credibility,4 the documents containing co-owner's intent must be such as not to cause doubt as to their authenticity, understanding by that the fact that the document is "one which is consistent with the original; is based on the source; certain, credible."5

How to ensure that? In Continental European countries, notary is the officer to whom the state has delegated to certify the veracity of documents or transactions and to grant their public credibility. It is also highlighted by Professor S.Osipova: "A sworn notary shall assume responsibility for law and relate the legitimate interests of various persons,

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2 This follows from Section 1427 of the Civil Law, according to which "Part of the essence of a lawful transaction is the expression of intent by the transactor, but a bilateral or multilateral transaction requires a coherent expression of intent by all the parties. As long as intent has not yet been expressed, it has no legal effect" (underlining is mine)

3 See details: The Civil Law of 01.28.1937, Paragraph Four, Liability Law (Зипотаис, 1, 14.01.1993.) [Entered into force on 01.03.1993.] as amended Section 1483, Paragraph Three


explaining the possible consequences to all parties to the transaction."6 The Constitutional Court of the Republic of Latvia
gas given the following assessment to the place and role of the notary in transactions: "Notary as a person belonging to
the judicial system does public certification of this private intent".7

A document recording expression of intent must guarantee legal security without interfering with the legal entity's
"internal" intent and the right to choose the way of expression of intent. Any mandatory regulation could be understood as
a violation of the principle of private autonomy.

The only document in the Latvian legal system to which the legislature has clearly and unequivocally established a
requirement for a notarial certification, is the request for corroboration. The first paragraph of Section 60 of the Land
Registry Law provides that the "individual signatures on the requests for corroboration to be presented shall be certified
by a notary public or by the custody court."8

For any other documents (contracts, consents, refusals), the law does not require a notarial certification, however, the
author with her considerable professional experience working in the notary system can say for sure that for such
documents as co-owners' consent or refusal, the notarization is always required for submission to the Land Registry,
while in the case of contracts there is no such requirement. Lack of regulatory framework accounts for the conflict
between legal regulation and practice. The author's view is that a document containing an expression of intent and is to
be submitted to the public register (the Land Registry) must be publicly credible.

Associated professor K. Balodis states that "public credibility of legal transaction entered into notarially is
manifested so that third parties can be sure that the persons mentioned in the notarial document have concluded the
transaction, and have concluded it with the particular content (Balodis, 2007), i.e., the intent has been fixed truly and
correctly. Private documents do not have these qualities, they lack public credibility.

From Section 82¹ of the Notary Law follows that it is the notary deed that is provided for recording of the
expression of intent.9

The grammatical interpretation of law leads to the conclusion that for recording of the expression of co-owners'
intent on issues concerning the objects of joint ownership must be in the form of a notarial deed.

The author believes that a notarial deed is the most appropriate form for recording of the authenticity of expression
of co-owners' intent.

To describe notarial deed, the sworn notary L. Damane states that "a notarial deed is the certification of authenticity
of expression of intent and of the fact which has legal significance. It is the notarization, which ensures the authenticity of
the entire document, giving it the power of evidence and execution, in relation to which mandatory is the notary’s neutral,
but active counseling (counseling and explanation). A notarial deed is characterized by a mandatory document retention,
repeated issuance of transcripts and copies."(Damane, 2011)

It also should be noted that "the mandatory form of notarial deed as established by the state for all the most
important transactions guarantees legal protection of all the parties."10 This is one of the factors that gives priority to a
notarial deed. As a further condition of priority, the author wishes to emphasize the evidential value of the notarial deed.
In accordance with Paragraph three of Section 178 Of the Law on Civil Procedure, the veracity of notarial deed cannot be
doubted. They can be challenged only by bringing a separate action.11

3. Conclusions

Legally expressed intent is a prerequisite for the validity of the transaction. The co-owners express their intent, when
making their transactions with the objects of co-ownership. In case of dispute the manner of recording of expression of
intent can be legally assessed and analyzed from the point of view of the validity of the transaction.

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6 Functions of the Notary of Latvia and Availability of the Legal Assistance Provided, its Evaluation (Appendix 1, Appendix 2, Appendix 3,
Appendix 4, Appendix 5, Appendix 6, Appendix 7), p. 60. Available at: http://www.tm.gov.lv/lv/nozares-politika/petijumi, checked up on
21/05/2014.
7 Judgement by the Constitution Court of Republic of Latvia of 19 May 2009 to Case Nr.2008-40-01 "Latvijas Vāstnesis", 78 (4064),
20.05.2009.
10 Functions of the Notary of Latvia and Availability of the Legal Assistance Provided, its Evaluation (Appendix 1, Appendix 2, Appendix 3,
Appendix 4, Appendix 5, Appendix 6, Appendix 7), p. 78. Available at: http://www.tm.gov.lv/lv/nozares-politika/petijumi, checked up on
21/05/2014.
Laws and regulations do not contain a clear indication of cases when the expression of intent should be fixed in the notarial deed. This leads to different interpretations of the form of expression of intent.

4. Recommendations

The author considers it necessary to include provisions in laws and regulations stating that the co-owners intent in real estate transactions (giving consent, authorization, and waiving the pre-emptive rights) is to be recorded in the notarial deed.

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Functions of the Notary of Latvia and Availability of the Legal Assistance Provided, its Evaluation (Appendix 1, Appendix 2, Appendix 3, Appendix 4, Appendix 5, Appendix 6, Appendix 7), p. 78. Available at: http://www.tm.gov.lv/lv/nozares-politika/petijumi, checked up on 21.05.2014.

Judgement by the Constitution Court of Republic of Latvia of 19 May 2009 to Case Nr.2008-40-01 "Latvijas Vēstnesis", 78 (4064), 20.05.2009.


Socio Economical Effects of Migration in Geographical Migration of Bathore

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Abstract

After years 1990 the peripheral area of Tirana was affected by a massive interior migration, a fast, abusive and uncontrolled by the state structures. This fact found the local authoritative unprepared to arrange such an enormous number of people so the consequences were a lot and consecutive, serious, a part of them irreparable and with negative effects. We are in front of a wild urbanization which except others has misused and consumed the physical geographical space. And this as a result of a very fast pace of development happened to this area at the beginning of years ’90 which still continues though not in the same rhythm. This because of fast developments this area had at the beginning of years ’90 which still continue today though not at the same pace. The real representative of these big changes is Bathore which has lived an overall development of a high rhythm transforming from a village completely unknown to a phenomena that represents the uncontrolled and problematic urbanization of the main Albanian cities. Even the nowadays developments of this area form one more argument that testify for developments between suburb and urban zones of this area. The large immigration to this area, related to the lack of legislation allowed the population of this area and its construction without applying the minimum infrastructure requirements and out of any rule. This chaotic establishment was followed by social-economic and environmental problems which are still worrying for this analyzed area. Bathore is a bad example of misusing geographical area for which professional surveys, debates, multidisciplinary discussions must be made on purpose that such developments will not be repeated in the future. These surveys are not totally absent and some of them are even associated with interventions in improvement of situation in one part of Bathore, aiming in continue its integration as a whole into urban area. This paper aims to analyze the actual demographic, social-economical and environmental developments not only to make evident the changes of urban and rural changes in comparative view. This comparative analysis attempts to identify problems but also highlight the features of urban and rural development by identifying future trends that are particularly important in planning development strategies.

Keywords: Interior migration, negative effects, urban and rural spaces, development strategy etc.

1. Bathore, on Focus of Developments

Bathorja is comprised in the Municipality of Kamez. Regarding the extension we can say that its surface is approximately 362 ha. Bathore has nearly 30 thousands of inhabitants, a population that started after years 1992. Up to recent years, no one knew anything about Bathore. All that we knew was that Bathore was a small village in the suburb of Tirana in its north-west side. It had arable lands, vineyards, and fruit trees which was part of green crown of Tirana city. During the period 1992-1994 it was spoken a lot about it because of informal settlements phenomena of a very large population transferred from remote northern and northeast areas of the country and of their settlement in Bathore and beyond.

At the beginning the inhabitants were placed spontaneously building huts and small houses, while today many of them are replace with villas of 2-3 floors. But outside these villas the situation is different, problematic. Each of incomer occupied a piece of land and built according to his financial capacity he had at the start or which he did later. The incomers had also the same mentality that “let’s leave the areas of hill-mountanous areas, and later let’s hope for better”. Encouraged from chaos of political changes and from total lack of vision and control of authorities of that time about the disciplining of that immigration people of these areas took the initiative to be settled near the big cities and especially near Tirana, for a better life. They escaped to avoid famine. The opinion that a big city like Tirana would give them the chances for a better life, for a more secure life for themselves and their children, made them abandon their places and transfer near the capital city. The incomers, mainly from north area are settled in the northeast of Tirana, near the Agricultural Institute of Kamez.

Today in Bathore live 6502 families or better say about 30 thousands inhabitants (registered in the Office of Civil States of the Municipality of Kamez are 28012 inhabitants). Many of them came at the beginning of years’90, the others followed very fast and today the place where it was only a very big field is densely populated. Nearly all the incomers in this area are from northeast area of Albania (Tropojë, Kukës, Mat, Mirditë, Pukë etc), very poor areas, and economically backward because of natural phenomena not very favouring, as a result of isolation from mountainous terrain and lack of a developed road and telecommunication infrastructure.
The fast demographic growth in the informal area of Bathore has caused a big problem: the chaotic urban development. The main reasons of this situation are:

- The previous communist regime did not allow the free population movement and the most part of population lived in its rural areas. The free population movement as a right pronounced after year 1990 brought the migration of thousands of people who abandoned the north part of the country where it was impossible to provide living and they were directed to the urban areas, mainly in Tirana and to its suburbs for a better future for themselves and their children. As a consequence whole areas were created with informal houses.
- The existence of free public areas was a chance for the incomers to be established and therefore create the informal areas.
- The government was not able to react to this situation and respond to the requirements of inhabitants for public services.
- The great flux of incomers from various northern regions formed a very homogenous community. Many inhabitants do not know anything about the way of living in an urban area and they tent to use the same traditional and conservative way of living, especially with the mentality for women and girls. Living is very conditioned on close interests of the family and the attempts to improve it in accordance with common community interests are very little. The inherited mindset focused only to taking care of house, people, to the personal court, impedes the integration, the development of all infrastructure elements, etc. The largest coming of population happened during the period of 1993-1996. Actually the migrating flow to Bathore is reduced. The reason why it has fallen down may be one of the following:
  - Lack of free areas as the old land owners were interested and they took the unoccupied parts.
  - The government’s attitude during last years against informality has concluded in:
    - Demolishing irregular constructions.
    - Requiring legal registration
    - Approval of banning laws

After year 2004, 7% of constructions have been pulled down in the areas surveyed in the context of urbanization of the area in legalization process.

1.1 Social-economic problems

Bathore inside the region of Kamez is an area that is already mentioned like the symbol of community inclusion in urban development. It is divided in seven areas of development like Bathore 1, 2, 3 and 4 which are known like the area of Urban Bathore and 5, 6 and 7 like the area of Rural Bathore. Actually state has proclaimed that the areas 5, 6, and 7 will be considered as urban sections of Bathore that means all of it. Throuh self-management and self-construction it is formed the process of a gradual improvement of sheltering bringing the arrangement of conditions of their houses, their extension, especially vertically. In general, the families have been successful regarding building houses, especially separated from one another. The data indicate that the surface of the area of Urban Bathore is 250 ha. All Bathore is located in a surface of 362 ha. This surface is divided in such land sizes that vary from 100 to 1500m². In this division the first group is the one of families who owns 400-500m². About 15% of land plot are of size 700-1500m² and only 6% with a surface of 90-150m².

<table>
<thead>
<tr>
<th>Number of floors</th>
<th>No. of houses built in year 2000</th>
<th>No. of houses built in period 2000-2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 floor</td>
<td>90%</td>
<td>64%</td>
</tr>
<tr>
<td>2 floors</td>
<td>8%</td>
<td>24%</td>
</tr>
<tr>
<td>3 floors and more</td>
<td>2%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Resource: City Planning office, Municipality of Kamez

It is evident in the above table the higher percentage consists in houses of one floor. Their majority are built by blocks. If we make a simple analysis of the situation from 2000 to 2009 the percentage of one floor houses is lowered and the percentage of two floors houses is increased from 8% in 2000 to 24% (two floors houses) in 2009. A sensitive growth of 10% has also happened with the constructions with three and more floors. This growth in percentage of houses in vertical direction has happened as a consequence of:
- Lack of lands to build
- Increase of incomes of the inhabitants (especially by migrating)
- Their tendency to have bigger houses and more living commodity.
- As a result of living two or more couples under the same roof.

The price of land per m² has been increasing during years. So in 1997 in the area of Bathore the land prices was 50-300 All/m², while in year 2002 was 2500-4000 All/m².

The prices of selling houses in the period 1997-2002 have been trebling and after this period there is an increase of prices and not fall, regardless the fact of not being with the high pace of period’97-2002 (City planning of the Municipality of Kamez, Study by Co-Plan in cooperation with World Bank). All the land of urban Bathore is registered by the cadastral office of the Municipality of Kamez. The majority of families in Bathore have also another property especially in the place of where they come. Their large migration belongs to the begining of years 1990 time of great political changes where many of them inspired and encouraged the population movement.

**Chart 1.** Proceeding of population number in Bathore, 1997-2009

For years 1992-1996 there are no data about the population of Bathore as the first official statistics of registered population start in 1997 with a population number of 2812 inhabitants and a number of families of 2952.

The progress of families’ number follows the same line as the progress of population with the same sensitive increase of families’ number year by year. In 2005-2006 it is noted the greatest increase of this number with about 1279 families. This is related not only to the number of great incoming of population and with population registration in these years but according to the Office of Civil Status of Bathore during 2005-2006 the number of requests for family division has been very high at about 421 requests.

Most dwellers are of northern country origin. Their origin is mainly from the distant rural areas and the relations are established on their blood and regional relations, so since at the beginning they created stable relations with each other. 39% of interviewees expressed that they had come with their families and did not know anyone there before while 61% expressed that have come down here helped by their kin who were established before in Bathore.

**Chart 2.** Geography of coming population by origin

The greatest percentage of population established in Bathore is from Kukes followed by the population coming from Diber, Tropoje and Has. From the interviews made it is also noted a population coming from the rural part of Pogradec though in a very low percentage (1%).

Basing on a survey, in the following table are shown the reasons of population coming to Bathore. The economic reasons and the hope for better chances of employment are the main reasons of this large flux of population after year
1991 to the area of Bathore.

Table 2. Reasons of migration in percentage, 2012

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economical reasons</td>
<td>82%</td>
</tr>
<tr>
<td>Free land / shelter</td>
<td>7%</td>
</tr>
<tr>
<td>children/ relatives / climate</td>
<td>11%</td>
</tr>
</tbody>
</table>

About 40% of incomers for economic reasons are established in Bathore for better possibilities of employment being close to Tirana. 5% are located because of free land and only 2% for housing as they have lost their lands and houses in the places from where they come for different reasons like: irregular ownership; loss of house as a consequence flooding from the Lake of Fierze etc. For a better education of their children and other social motives stay 9% e interviewees. An interview from Zalli Gjoshit (Burrel) says: “there is no school, no hospital and 9 months under snow. It is obviously because of children, I had to leave”. 2% of interviewees have come to join their families. The most of them have come later after year 1997.

The following table gives us the percentage of population by age. It is noted a high percentage of population of young age (35% group of age 0-15 years old).

Table 3. Percentage of population by group of ages

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-15</td>
<td>35%</td>
</tr>
<tr>
<td>15-55</td>
<td>58%</td>
</tr>
<tr>
<td>Mbi 55</td>
<td>7%</td>
</tr>
</tbody>
</table>


It is evident that this is a population of a very young age and vital. Years later these group of ages will enter in the age interval that gets employed, but it will not be easy for such a great manpower to find a job which is the biggest problem of this area.

Only 10% of manpower is employed in formal sector, while 45% ask for a seasonal job in the city of Tirana. The collapse that has clamped the producing capacities of all the country is the main reason of this situation. On the other side the low educational level of youngsters, who represent the significant weight of population has made them employed as arm workers, in construction, or to immigrate in neighbor countries (which is the main resource of incomes).

Regarding the employment the situation is like this:

Table 4. Employment status

<table>
<thead>
<tr>
<th>Regular job and full time</th>
<th>Part time and partial job</th>
<th>Immigrants</th>
<th>Retired</th>
<th>Unemployed</th>
</tr>
</thead>
<tbody>
<tr>
<td>8%</td>
<td>19%</td>
<td>5%</td>
<td>16%</td>
<td>52%</td>
</tr>
</tbody>
</table>

Resource: Ministry of Labor, Social Affairs and Equal Opportunities, 2012

Professionally speaking, men in their majority have the profession of farmer and builder, but there is also a part of them employed as electricians, mechanics, plumbers, tireman. While women, most of them are housewives, are employed or selfemployed as handcrafts. In Bathore it is spread the handy made works. It is in process the establishment of a market to trade the articles made by women, but it has remained on hands of individuals, not gathered together yet. This project would help the common collective work of women to produce and sell their works and extend the borders of market. However, it is necessary to raise a market to sell these products of goods which creates not only a possibility of employment but conserves the Albanian traditions of their areas of origin.

A part of dwellers have attended or attend professional courses, for example girls for tailor, hairdresser or boys for electricians, mechanics, plumbers, construction.

The land is fit in the area of rural Bathore and people in genera have knowledge how to cultivate vegetables, bread farm animals as a tradition of places from where they come. The demand for vegetables production and consumption is
also very high. This would stimulate them to deal with cultivation of many agricultural cultures, helping them to be selfemployed. If they can produce in large quantities this would serve to trade them and to raise the level of incomes, which would reduce the import of productions from beyond the area or from abroad. It is obviously needed the aid of state to reach this.

### 1.2 Dwelling and social structure

Bathore as already mentioned above is divided in urban and rural parts which are in antithesis with each other. The rural part has very difficult living conditions because even the most vital elements are absent like drinking water, sewerage canal digging; septic wells used with an extreme pollution level etc. The unique alternative for drinking water by inhabitants is using water wells which are of very low hygienic standard.

In 1996 only 3.8% of families in Bathore Pilot have been supplied with drinking water through illegal connections. This area was selected in the project referred as Bathore Pilot because of:

- Vicinity with the main road (national) Tirana-Shkodër
- The existence of a better infrastructure network than that of the other parts of Bathore
- The activity of organizations of community basis
- The positive experience reached in previous projects in implementation of physical and social infrastructure

It results from the data that from all the population of Bathore only 45% of families are connected with the waterworks network and they are water supplied (here it is included all Bathore 1, 2, 3 and a part of Bathore 4). Is is still very high the percentage of families water supplied by water wells (45% of families) and it goes here the Rural Bathore 5,6,7 and a small number of families from Bathore 4. The highest percentage of families that take water from neighbors, belong to Bathore 4 being near Bathore 1 and 3. The percentage of families who buy water is very small because of insufficient incomes to provide water in such way.

Regarding the sewerage canal digging the situation is still problematic.

In 1997 almost 100% of families use as sewerage the septic holes or connections with draining channels. While in 2002 after the construction of infrastructure 100% in Bathore Pilot have connections with sewrages channels, 75% in Bathore 2 and 85% in Bathore 3.

But in Bathore 4, 5, 6 and 7 the situation is the same. To concern is the fact of using the draining system (draining channels) for discharging the sewage in size of 13%.

Another concern that slowly in collaboration with people is going towards solution is the supply of families with electric energy measures and engaging contracts with OSSH.

There is no road infrastructure to facilitate the interior connections. There are only some narrow passing roads for inhabitants what in bad weather conditions make the movement of people difficult.

A very big problem is the accumulation of wastes. The dwellers throw them around, burn or ditch them. A small number of families pay for removing wastes privately. In addition, another solution has been the depotsions of waste along the river sides of Terkuze. Along its river valley, the piles of garbage accompany the river flow. The draining channels are often used as places to throw garbage, causing their blocking and in cases of high rainfalls they flood the surrounding houses and lands. It is not new the alarm given for water pollution which is used by the population. Though the cleaning of draining channels is made several times, the problem still continues to be present as long as the garbage management issue is still unsolved. The negative consequences of waste accumulation must be seen as a cost for a large number of inhabitants. Of course this has a cost but even the pollution of environment has a cost. In order to guarantee this kind of service the cost of expenses has to be covered. A creaging solution must be found in providing and maintaining services. For example, the cost of secondary infrastructure can be lowered as a result of contribution of inhabitants. It can be realized through an unpaid voluntary work, other suitable technologies solutions can be found in favor of dwellers.

Waste incineration beside the unpaved roads and burning wood for heating during winter and for cook, the often use of grave machineries along the road of Zall-Herr, have increased the air impurity. The diseases of lungs have become normal in Bathore as it is reported in health centers, the diseases are related to polluted air and to the premises of houses built out of required standards. The building materials and structures are not of good quality. But the main reason for all mentioned is the low economic level the low educational and cultural level of inhabitants.
Table 5. Classification of population according to education level

<table>
<thead>
<tr>
<th>Education Level</th>
<th>8 years education</th>
<th>High school education</th>
<th>Higher education</th>
<th>Without education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>83%</td>
<td>24%</td>
<td>4%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Resources: INSTAT, 2012

As we see above we can say that the population of Bathore has a low educational level. This significantly affects the employment of inhabitants in various sectors as they do not have the right formation.

Compared to the other urban areas the situation in Bathore is very alarming. The percentage of inhabitants with 8 years school is nearly twice higher than the urban areas of the country 83% to 43.8%. What prevails is the low number of inhabitants with university formation. This situation is a big social problem for the present and future of this area.

The legalization process and its importance for a sustainable development. Most of new constrctions were realized during its occupation of what was considered to be public. The first developments started close to the roads, the electric lines, the water lines etc. Usually who came first took a large part of land, which later was divided between families or sold. The most part of land around is occupied.

In case of Bathore the provision of several services has improved sensitively the living standard making a step forward towards the stable area development. Now Bathore is in a phase where except the initial mechanisms for development, the community associations are demanding from authorities the legal recognition of neighborhoods that constitute the construction of physical infrastructure and fulfillment of social services. The plan of urban development of Kamez enforces this process that means in general no existing house will be demolished and the illegal inhabitants will not be put out from the area with force. So at the same time we have the procedures of legalization first in the small areas taken as pilot (about 13 ha), also the measures being taken for infrastructure improvement. The development of Kamez or Bathore requires real planning forms and city planning regulations in order to enforce them and not making them only in written.

Regarding the problem of using land, there are measures to be taken to mitigate this problem like:
1. Improving the territory planning and adjusting. Revaluation of land use according to the purpose.
2. Legalization of constructions in conformity with the laws.
3. Their regrouping in a net of public buildings (flats) releasing gradually the lands occupied, and making them available to a future urban plan.
   - Unification of construction types and of façade of their villas, in order to have a more harmonic and esthetic ensemble before the cacophony of placement and construction they actually present.
   - Using the land efficaciously
   - Improvement of land registration system
   - Solving the ownership problems

Bathore in itself represents a known model of periurban developing areas characterized of the same problems and development situation.

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The Necessity to Precise Defines the Albanian Administrative Courts’ Competences

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Abstract

The establishment of Administrative Courts in Albania is an important step done in the justice system. Administrative Courts decisions have a direct influence in creating an appropriate climate between public administration and private entities and solving with efficiency the disputes between them. In practical terms, the law “On Administrative Courts” which is being implemented presents some problems regarding the competences. Due to the lack of transitional provisions in the law, that should define the competent court for the cases previously recorded, there are some disagreements regarding the files which were being analyzing in the Court of First Instance. The unifying decision of United Colleges of Supreme Court1 tried to supplement this lack, deciding to transfer all the files registered from the Court of First Instance to Administrative Courts. The aim of this study is to analyze the legal situation created after Administrative Courts establishment and their function. Is the Supreme Court decision in conform to the Albanian Constitution? The study is focused in the legal arguments of how to improve Administrative Courts function in order to guarantee effective protection of the rights and legitimate interests through a regular judicial process.

Keywords: Administrative Courts, competences, Supreme Court, lack of provisions

1. Introduction

The judicial reform in Albania is considered one of the most effective reforms which significantly improve the behavior of public administration bodies, making them more responsible and careful in fulfilling their legal duties. Administrative Courts aim to strengthen the justice system of the country, improve access to justice for citizens and businesses and facilitate faster procedural actions and trial.2 The functioning of Administrative Courts from December 2013 consists in all three levels of the judiciary, including the Administrative College of Supreme Court. The procedures and specialized courts adjudicating administrative cases affect the performance of the administrative and consequently it enhances the climate for business activity.

The practice shows an increase in the number of cases that will be decided in accordance with the new rules. The new law provides a trial within a short time and therefore this law gives a more active role in the court process. Public administration bodies are more involved in the trial having the burden of proof regarding the legality of an administrative act even when they are sued as defendants. 3Another improvement that comes with Administrative Courts is the reduction of procedures and bureaucracy associated with the resolution of administrative issues by defining a procedure quite different from the ordinary civilian trials. Regarding the time, it is reduced the resolution period compared with the past and can achieve up to 60 days in the Court of First Instance. An innovation is the fact some courts decisions cannot be appealed4, such as:

- Administrative penalty for violations amounting to less than twenty times the value of the minimum wage;
- administrative act that has refused to give a monetary obligation in the amount of less than twenty times the value of the minimum wage;
- administrative act consisting monetary obligations in an amount greater than twenty times the value of the minimum wage;

Despite the significant improvements, in practical terms, the functioning of administrative courts has presented some problems regarding the competences.

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1 Unifying Administrative Decision No.3, Date 06.12.2013
2 OSCE Presence in Albania Report 2013
3 Article 35 Law no. 49/2012 “Organization and functioning of Administrative Courts for administrative disputes”
4 Article 45 Law no. 49/2012 “Organization and functioning of Administrative Courts for administrative disputes”
2. Competences of Administrative Courts and the Unifying Decision of United Colleges of Supreme Court.

Due to the lack of transitional provisions in the law, that should define the competent court for the cases previously recorded, there are some disagreements regarding the files which were being analyzing in the Courts of First Instance. For one thousand six hundred cases, the Court of First Instance in Tirana, has declared non-competence, has interrupted the review and has passed all the files to the Administrative Court. These decisions are based on a Unifying Decision of Supreme Courts\(^5\) which states that the Administrative Court of First Instance, the Court of Appeal and the Administrative college of Supreme Courts are competent for the review of all cases which consist in administrative disputes, despite of state, phase or stage of the trial.

The Supreme Courts, in order to argue this decision defines that: \(^6\)

If we refer to the articles of the law 49/12 and constitutional practice, that is not only an organic law which regulate only issues of administrative courts functioning. This law also provides general principles of administrative judgment, procedural norms regarding jurisdiction, competences, composition of the courts in all levels and the procedural phases of judgments until the execution of the decision. In its entirety this law has procedural nature.

In this context, in the point 13, the Supreme Court explains that the material and procedural law have different references elements regarding their implementation.

The implementation of material law is at the moment the restriction, violation or the right has arisen. For this reason, when at start or in continue of judicial process, changes the material law, the previous law will continue to be practiced. On the other hand, the implementation of procedural law is related to the moment of the judgment before the court. In difference with the material law, procedural law will be implemented when the court will be invested for the judgment of a dispute. If during the case, procedural law changes, the court will implement the new law except the cases when the law provides that for some time or in some circumstances, will implement the previous procedure law. \(^7\)

Regarding the law on Administrative Courts, as a procedural law without transitional provisions that describe the phase or state of the dispute, than is accepted that this law will be implemented for all the administrative disputes despite their phase or state or in which level of review is.

3. Is the Unified Decision of Supreme Courts in conforming to the Albanian Constitution?

The question that arises after this decision: Is constitutional the Supreme Court’s Decision regarding the cases that had started being reviewing from the Civil Courts of first instance? Are we establishing an extraordinary court with the removal of competences and the transfer of a case currently on trial in another trial? Is this a violation of Constitution for a regular due process? \(^8\)

The element directly violated, is court decision making set by the law at the time the claim is filed. Does the Unifying Decision also violate the independence of the judges? It is supposed that the decision change the law and the will of the legislator and on the other hand interfere against the constitution in the activity of civil courts at all levels.

4. Conclusions

The Constitutional Court,\(^9\) through the decision taken after the claims based in above questions, does not give them any question, but decides not to pass the case at the plenary session because of the applicant cannot be legitimized to invest constitutional adjudication. In my opinion regarding the questions raised above, there is no any violation of Albanian Constitution. The decision of Supreme Courts doesn’t violate any principle of Constitution of due process or the independence of judges. The cases still not finished from the Civil Courts, pass to the Administrative Courts and are this instances that resumes the review of them. Since the Administrative Courts review only the cases for the ones are not given the decision, we are not before res judicata\(^10\). The decision doesn’t violate Legal Safety. It is only a matter of time the centralization and efficiency of Administrative Courts. Creating experience and good precedents of accurate decisions, these courts will realize in the best legal way their mission for which they were created.

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\(^5\) Unifying Decision no. 3, Date 06.12.2013 of United Colleges of Supreme Court
\(^6\) Point 11, Unifying Decision no.3, Date 06.12.2013 of United Colleges of Supreme Court
\(^7\) See Decision no.106/2002; nr.11/2009 Constitutional Court,Albania
\(^8\) Article 42 of Albanian Constitution, Article 6 of European Convention of Human Rights
\(^9\) Decision no.110 date 29.05.2014 Constitutional Court,Albania
\(^10\) Principle of Procedure Law / Latin term for "a matter [already] judged"
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Assess de la justice Discussion Paper 3: EU Administrative Law and national administrations
Testate Succession” in the French and Lithuanian Legal Systems  
(Terminological Peculiarities)

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Abstract

The area of family law has suffered crucial changes throughout the centuries. Nowadays, during the times of globalization, these changes are directed towards the internationalization of legal systems of the world. Juridical differences are becoming irrelevant - socio-cultural, socio-economic and political developments of one country influence other countries. The comparative study of these developments is becoming a foundation for future harmonization of the world law. The given paper presents a precise study of the French (capitalistic) and Lithuanian (“almost” capitalistic) “testate successions”. It singles out major terminological units and underlines the most prominent peculiarities of the capitalistic and “almost” capitalistic mechanisms of the modes of inheritance.

1. Introduction

“Inheritance law is the unity of norms, which regulates the legal destiny of a deceased person’s property” (Zoidze B., 2000). “It could appear only after the appearance of the private property” (Javakhishvili I., 1984).

The area of family law has suffered crucial changes throughout the centuries. Nowadays, during the times of globalization, these changes are directed towards the internationalization of legal systems of the world. Juridical differences are becoming irrelevant - socio-cultural, socio-economic and political developments of one country influence other countries. The comparative study of these developments is becoming a foundation for future harmonization of the world law.

The given paper presents a precise study of the French (capitalistic) and Lithuanian (“almost” capitalistic) “testate successions”. It singles out major terminological units and underlines the most prominent peculiarities of the capitalistic and “almost” capitalistic mechanisms of the modes of inheritance.

2. “Testate Succession” in the Contemporary Lithuanian law

After a person’s death a universal devolution of the estate takes place - “death of the devisor does not bring his property, property rights and duties to a termination. They devolve to the heirs of the deceased, and, in the instances when there are no successors, or none of the successors accepts succession, the rights of the deceased devolve to the state” (Perkumien, Tamašauskienė, 2013).

The contemporary Lithuanian law differentiates two ways of property transference: “Paveldėjimas pagal testamentą” (a testate succession) and “Paveldėjimas pagal įstatymą” (an intestate succession). The succession arises by operation of law (“Paveldėjimas pagal įstatymą”) in the events, when there is no will/testament or the existed testament has been invalidated. In cases of a valid will, “paveldėjimas pagal testamentą” takes place.

The contemporary Civil Code of the Republic of Lithuania makes distinction between the official (“oficialieji testamentas”) and private (“asmeninis testamentas”) wills. “Oficialieji testamentas” are usually “made in writing in two copies and attested by the notary public or an official of the Consulate of the Republic of Lithuania in the relevant state” (The Civil Code of the Republic of Lithuania, 2011). In contrast to an official will, “asmeninis testamentas” is written up in hand by the testator indicating the first name and surname of the testator, the date (a year, a month, a day) and place where the will was made, expressing the true intent of the testator and signed by him” (The Civil Code of the Republic of Lithuania, 2011).

Any type of a will is usually prepared in a written form by one person (a testator – “testatorius”). However, the creation of a testament by two persons (only spouses) is also acceptable. Such a testament is called a “joint will” (“bendrasis sutuoktiniiq testamentas”) and belongs to the category of „official wills”. The Article 5.43 of the Lithuanian
Civil Code gives the following definition of “bendrasis sutuoktinio testamentas”*: “By their joint will, the spouses appoint each other as the successors and after the death of one of the spouses, the whole property of the deceased (including the part of the common property of the spouses therefrom) shall be inherited by the surviving spouse, except the mandatory share of succession” (The Civil Code of the Republic of Lithuania, 2011). “Bendrasis sutuoktinio testamentas” is usually created and signed by the spouses in the presence of a notary or any other person attesting the will. Besides mutual devolution of the estate, “the spouses may bequeath their whole property or a part thereof to the society for worthy causes or to charity. Such a direction of the will may be effectuated from the property of one of the spouses after his (her) death or from the common property of the spouses after the death of the surviving spouse” (The Civil Code of the Republic of Lithuania, 2011). Generally, the Lithuanian legal system enables the testator to bequeath his/her estate, its part or a single thing to the society for useful or charitable purposes. A successor of such property may be even a legal person established for the execution of the will of a testator.

The given attitude of the Lithuanian Civil Code directly indicates, that testators are free to bequeath their estate to anyone they wish: “1. Any natural person may bequeath all his property or a part thereof (including ordinary house furnishing and household equipment) to one or several persons irrespective of whether they are his heirs by operation of law, likewise to the state, municipalities or legal persons; 2. A testator may bequeath all his property or a part thereof to legal persons which will have to be established in executing the will, likewise to natural persons not yet conceived and born; 3. A testator may by his will disinherit one, several or all of his heirs...” (The Civil Code of the Republic of Lithuania, 2011). Despite a vividly expressed freedom of disposition, the law of the Republic of Lithuania, as an integral part of the world civil law system, limits the testator's rights of devolution of the estate by recognizing the so-called “mandatory share” or “legit” (“privalomoji dalis”). According to the Article 5.20 of the Civil Code of the Republic of Lithuania of 2011:

1. “The testator’s children (the adoptees), spouse, parents (the adoptive parents), who were entitled to maintenance on the day of the testator’s death shall inherit irrespective of the content of the will a half of the share that each of them would have been entitled to by operation of law (a mandatory share) unless more is bequeathed by the will;
2. The mandatory share shall be determined taking in regard the value of the inheritable estate, including ordinary house furnishing and household equipment” (The Civil Code of the Republic of Lithuania, 2011).

Therefore, the Lithuanian testate succession comprises three major elements:
- **testatorius** (a testator) – a creator of a will;
- **ipėdinis** (an heir) – a person or a legal entity, which receives property from the estate of a deceased, through a will or the laws of intestacy;
- **testamentas** (a will) – a document created by the testator.

The property of a deceased person can be considered as the fourth and one of the major elements of the contemporary Lithuanian hereditary relationships. Therefore, according to Article 5.1. of the Lithuanian Civil Code:
- “The following shall be subject to succession: material objects (movable and immovable things) and non-material objects (securities, patents, trade marks, etc.) claims of patrimonial character and property obligations of the bequeather; in cases provided for by laws – intellectual property (authors’ property rights to works of literature, science and art, neighbouring property rights and rights to industrial property), as well as other property rights and duties stipulated by laws;
- The following shall not be subject to succession: personal non-property and property rights inseparable from the person of the bequeather (right to honour and dignity, authorship, right to author’s name, inviolability of creative work, to the name of performer and inviolability of performance), right to alimony and benefit paid for the maintenance of the bequeather, right to pension, except in cases provided for by laws” (The Civil Code of the Republic of Lithuania, 2011).

3. **“Testate Succession” in the Contemporary French law**

According to the commonly excepted legal definition: an “inheritance law – sometimes called wills and probate – is concerned with the distribution of a person’s property after his (her) death” (Haigh, 2006). It means, that “the successors occupy the part of the deceased person in property relations. This type of permanent link between generations is a sine qua non (an essential preconbindung) for public stability and perpetuity of cultural, property and spiritual traditions” (The Commentary of the Civil Code of Georgia, 2000) all over the world.

The contemporary French law differentiates two ways of property transference: a testate succession (**succession testamentaire**) and an intestate succession (**succession ab intestate, succession légal, succession légitime**). An
intestate succession arises by operation of law in the events, when there is no will/testament or the existed testament has been invalidated. In cases of a valid will, "succession testamentaire" takes place.

According to the French Civil Code: “Any person may dispose by will, either under the name of appointment of an heir, or under the name of legacy, or under any other denomination suitable for expressing his wish ... A will may not be made in the same instrument by two or several persons, either for the benefit of a third person, or as a mutual and reciprocal disposition” (Civil Code of France, 2006).

The French legal system presents three major types of a will (testament): an holographic will (testament olographe), an authentic will (testament authentique) and a mystic will (testament mystique).

Testament olographe must be handwritten by the will-maker: “An holographic will is not valid unless it is entirely written, dated and signed by the hand of the testator: it is not subject to any other form” (Civil Code of France, 2006).

The "authentic" will (testament authentique) is made in the presence of two notaries or a notary and two witnesses. The testator dictates the will and the notary writes or types it. Afterwards, it is read and signed in the presence of the notary by the testator and witnesses.

A mystic/secret will (testament mystique) is usually “typed or handwritten by the testator or by someone on his/her behalf. It is then signed by the testator and sealed in an envelope in the presence of a notary and two witnesses. The notary creates an acte de suscription registered on the sealed will or envelope. The content remains secret until it is opened on the death of the testator” (French wills). Article 976 of the Civil Code of France gives more precise description of the preparation of “testament mystique”: “Where a testator wishes to make a secret will, the paper which contains the dispositions or the paper used as an envelope, if there is one, shall be closed, stamped and sealed up. The testator shall present it thus closed, stamped and sealed up to the notaire and to two witnesses, or he will have it closed, stamped and sealed up in their presence and he shall declare that the contents of that paper is his will, signed by him, and written by him or by another, while affirming in that latter case, that he has personally verified its contents; he shall indicate, in all cases, the mode of writing used (by hand or mechanical)... instrument shall be signed by the testator as well as by the notaire and the witnesses” (Civil Code of France, 2006).

Despite a vividly expressed freedom of disposition, the French law limits the testator’s rights of devolution of the estate by recognizing the so-called “reserved heirs” (héritiers réservataires). It's a well-known fact, that in France a person’s estate is divided between the quotité disponible (a disposable portion) and the réserve légale (reserved portion). The former is freely disposable by will, while the latter “must go to the protected heirs, regardless of the wishes of the deceased. “The réserve légale protects the interests of children (réservataires) who survive a parent and the reserved portion must pass equally between them, regardless of the wishes of the deceased or of any will. This réserve légale and the quotité disponible are allocated as follows:

<table>
<thead>
<tr>
<th>Réservataire</th>
<th>Réserve (minimum)</th>
<th>Disposable Portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 child</td>
<td>½</td>
<td>½</td>
</tr>
<tr>
<td>2 children</td>
<td>2/3 equally between them</td>
<td>1/3</td>
</tr>
<tr>
<td>3+ children</td>
<td>¾ equally between them</td>
<td>¼</td>
</tr>
</tbody>
</table>

... Since January 1, 2007, where there are no children, a surviving spouse is able to take all of the estate, in preference to the deceased’s parents. Prior to this change in the law, the parent would have inherited a considerable portion of the estate” (Kinnealy L., 2013).

Therefore, the French “testate succession” comprises the following major elements:

- **testateur** (a testator) – a creator of a will. In case of a female-creator (testatrice), the French term testatrice is used.
- **légataire** (an heir) – a person or a legal entity, which receives property from the estate of a deceased, through a will;
- **testament** (a will) – a document created by the testator.

It’s worth mentioning, that the French law recognizes a family agreement (Pacte de Famille), which allows persons to get family members to agree to the organization of their inheritance during their lifetime. All interested parties sign “Pacte de Famille” with notaire (a notary) which binds them to agreements made during the life of the deceased.

**4. Conclusions**

All the above mentioned enables us to conclude, that the process of globalization has embraced the whole world. It “unites the world communities” (Makstutis A., Tumalavicius V., 2012), facilitates the emergence of political changes and
stipulates the integration of the legal systems of different countries. Certain changes can be seen in the laws of the countries of the former USSR. The given paper has presented a comparative analysis of the French law and the Lithuanian legislation, which was formed on the basis of the legal system of the USSR. The major emphasis has been put on the concept of “testate succession” and terms related to it. The carried out research revealed the following peculiarities:

- The contemporary laws of Lithuania and France make distinction between testate and intestate successions. The legal systems of both countries single out three major elements of testate succession: a testator (the Lithuanian testatorius; the French testateur; testatrice), an heir (the Lithuanian įpėdinis; the French légataire) and a will (the Lithuanian testamentas; the French testament). It’s worth mentioning, that the French language makes distinction between male and female testators (testateur - a testator; testatrice – a testatrix). The same terminological distinction cannot be found in the Lithuanian language;
- The laws of Lithuania and France nominate a “will” as the most commonly used legal instrument by which a testator regulates the rights of others over his/her property after his/her death. The legal systems of both countries differentiate official (notarized) and unofficial types of wills. However, the major difference lies in the fact, that the Civil Code of Lithuania recognizes official, private and joint wills. The French legal system has no joint wills (“bendrasis sutuo tinknių testamentas”), but presents a mystic will (testament mystique), which cannot be found in the Lithuanian law;
- The contemporary Lithuanian and French legal systems single out a concept of a “legitim” (the Lithuanian privalomoji dalis; the French réserve légale). However, the ways of devolution of the “legitim” differ in the Lithuanian and French legislations;
- The French law recognizes a family agreement (Pacte de Famille), which allows persons to get family members to agree to the organization of their inheritance during their lifetime. However, the concept of Pacte de Famille cannot be found in the Lithuanian legal system.

Finally, it’s worth mentioning, that the comparative analysis of the Lithuanian and French legal systems revealed their major differences and similarities. Obviously, the existed terminological and conceptual gaps will be filled during the flow of time via the influence of ongoing globalizing processes. The Lithuanian testate succession has already undergone important changes after the completion of the Soviet era. Wills acquired holographic forms and simplified the process of the transference of property. Supposedly, the final establishment of capitalism (in Lithuania) will “increase the homogeneity” of the Lithuanian and French legal systems.

References


~ 221 ~
Some Gross Violations of Human Rights in Albania, Comparison of Albanian Court’s Decisions and European Court of Human Rights Decisions (Gërdec Case & 21st January Case)

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Abstract

Human rights issues are a legal international concern. This paper deals with two gross violations of human rights in Albania, so-known as Gerdec case and 21st January case, in a comparative view of court’s decisions, elaborating the cases from the description of what happened to the human rights protection issues and finally in the decisions of Albanian courts. The both cases are really sensitive and gross violations because there are some violated human rights in a single case including the right of life and because the cases call into question state responsibility vis-à-vis. In the first section of this paper it will be offered Gerdec case and 21st January case and what human rights are violated in these cases, starting with what happened in 15th March and 21st January, what happened with the cases in the court as human rights violations goes. The second section of the paper will bring out some similar cases in Europe, comparing decisions of European Court of Human Rights. We use secondary data and contents analysis, decisions court, interviews and statements of the people in order to obtain full and comprehensive picture of these gross human rights violations happened in the recent years in Albania. The comparative study will be in two levels: acts of governmental institutions and judicial process. The paper aims at reaching some conclusions, proposals and recommendations that could improve situation of human rights in Albania.

Keywords: human rights; violations; protests; right of life, Gërdec

1. Introduction

The commitment to protect and guarantee human rights is as old as human kind. It looks like all stakeholders are involved in fighting human rights violations, but a lot of cases worldwide represent extensive human rights violations. This research paper examines two cases, two dangerous precedents of violation of human rights in Albania. We use the term “gross violations” starting from the definition given by the doctrine concerning serious violations of human rights. Both cases, Gërdec and 21st January, cases of the last decade in Albania, constitute serious and flagrant violations of human rights. International audience possesses relative sufficient information to what happened in these two cases, but this study through analysis and interpretation aims to bring a comprehensive perspective on the events, in particular focused on the rights of abused domestic legal framework and international breached and identification of similar cases and has resolved these cases the European Court of Human Rights. Even they are different, they are also joined by several common characteristics: First of all they constitute serious and flagrant violations of human rights. Secondly, these are indicative of high level corruption in Albania, Gërdec, under the procedures followed, contractors or the defendants, they clearly refer to a situation generated by corruption. January 21st is an event born again due to protest corruption evidenced in television media. Besides others, cases constitute violations of the right to corruption-free society. These complex cases represent a violation of human rights. Gërdec is infringing the rights of property, life, labour rights, the right to a fair hearing, the right to compensation of victims, as well as the right to a society free of corruption. January 21st And what happened, it constitutes a violation of constitutional rights to life, to protest and the the right to a fair hearing. These are dramatic cases even through a surface view on what happened, realizing here the fact that all possibilities exist to prevent, yet violation of human rights continued in fulfilling the duties of the state and its organs. We refer here, investigation of cases, litigation and impunity of perpetrators. Offenses at Gërdec and on January 21st, despite the relatively long time between today and the moment when they happened, they were left the violations without perpetrators, or they are sentenced at a minimum time of imprisonment.

2. Methods Used in the Study

Events subject of this study constitute two sensitive cases, that puts authors of different reasearchers, the obligation to
ensure thorough study and versatile cases. To achieve a complete picture of the cases, are used qualitative research methods, using primary sources of literature related to the legal framework for protecting human rights, respecting the hierarchy of sources of law. Also secondary sources, reports, studies, statistics institutions, research centers or particular researchers, they constitute the necessary literature and statistics, which give numerical strength of human or material consequences. Albanian court decisions, comparing them with the decisions of the European Court of Human Rights, or the decisions of foreign courts, analyzing it under a light, it will create the opportunity to reach clear conclusions, since we consider that in cases of violation of human rights, the courts constitute the last bodies to exercise the human rights.

3. Definition of Terms Operational Legal Study

In the entirety of the study will be used both operational terms, such as gross violations of human rights and the state’s Responsibility. **Gross violations**: In itself, the adjective “gross” in legal jargon indicates conspicuous gravity: a violation is “gross” if it is “out of all measure, flagrant ...conduct ... not to be excused”. (Black’s Law Dictionary, 5 ed., St. Paul: West, 1979.) It still remains to be determined whether any violation of an important human right is “gross”, or whether the judgment must be made in every individual case, including the possibility that the violation of any human right could under particular circumstances become gross because of the methods employed. Gross violations of human rights are considered as violations as a matter of policy. **State’s Responsibility**: States bear the primary obligation to guarantee human rights. State obligations for human rights are generally classified in three categories: obligations to respect, to protect, and to fulfill—the latter includes obligations to facilitate (or promote) and to provide. Although these three levels of obligation are naturally interconnected, the protective function of States is regarded by highly respected scholars as the “most important aspect of state obligations” regarding social, economic, and cultural rights as well as civil and political rights. (Sende Marsella, The Columbian Journal of European Law)

The jurisprudence of the European Court of Human Rights (here in after referred to as ECHR) has synthesized the first approach by the two countries preset obligations: the obligation positive and negative obligation. Positive obligations of rights, the ECHR allowed to expand the requirements for a full realization and effective rights of their heads, while attaching obligations arising from substantive law, the procedural obligations of the character provided for by Articles 6 (Right to a fair trial) and 13 (The right to an effective remedy) of the European Convention of Human Rights (hereinafter referred to as the ECHR). Positive and negative obligations of the state, for the protection and guarantee of human rights, are also met with the doctrine of horizontal and vertical protection of human rights. After this introductory submission, the operational terms of this paper, the second section will address the issue of incident, and January 21.

The study will focus on the rights of the vulnerable material provided by law and violated the rights of a procedural nature, focusing on specific positive obligations of the state and the "implementation" of the doctrine of vertical protection of rights.

4. Gross Violations of Human Rights

4.1 Gërdec Case

The case Gërdec occurred in the Gërdec Village, Vora Municipality, 15 km from the capital of the Republic of Albania, Tirana. In chronological terms occurred on 15 March 2008, where as a result of the explosion at a weapons factory dismantling, lost their lives, 26 people, destroyed 4,200 homes, and 300 people were injured and they were damaged. Gërdec a tragedy, in terms of the consequences that had, but was the culmination of a tragedy that had been started by a number of human rights violated earlier. A series of actions or omissions at Gërdec, for which the responsible government institutions, they failed to take the necessary, and they brought this tragedy was completely preventable. Human costs, materials and not only brought the tragedy of incident, reflected in the summary in Table 1 as follows:

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2. The connection of policy and the nature of rights was taken into account by the authors of the Third Restatement of the Foreign Relations Law of the United States, quoted by Th. van Boven in his Preliminary Report to the Subcommission. (Study concerning the right to restitution, compensation and rehabilitation for victims of gross violations of human rights and fundamental freedoms, UN Doc.E/CN.4/Sub.2/1990/10, para. 38.)
Table 1: Costs and Consequences of Gërdec Case:

<table>
<thead>
<tr>
<th>Case</th>
<th>Human Costs</th>
<th>Materiel destroyed</th>
<th>Other impact</th>
<th>Estimated costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gërdec Case</td>
<td>26 fatal, 300 injured</td>
<td>9,000 tonnes of materiel destroyed (including 800,000 artillery projectiles)</td>
<td>An area of 350 ha was contaminated with UXO (shells were scattered to four surrounding villages)</td>
<td>Clean up operations: USD 10,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,200 houses got damaged (400 completely destroyed)</td>
<td>- Highway Durres-Tirana was closed until the next day</td>
<td>Socio-economic costs: USD 1,800,000 immediate financial help to displaced families</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Flights to Tirana airport were suspended for 40 minutes</td>
<td>- USD 1,100,000 for those families whose houses are not in living condition</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- The Defence Minister in place resigned</td>
<td>- USD 15,000,000 to rebuild the material damage an houses and infrastructure</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- risk education for UXO had to be provided</td>
<td>- USD 511,111 for 24 victims TOTAL COSTS: at least USD 28,300,000</td>
</tr>
</tbody>
</table>

Source: Fifth RASR (The Regional Approach to Stockpile Reduction) Materials of the Workshop Held in Durres 223-25 April 2012

Table 1 of this study is an important indicator of the serious consequences that had this event, which is in contrast to the events of this nature in the region (here mention the events in Bulgaria (Chelopechene) and Serbia (Paracin) were associated with those consequences, the size of a tragedy). Consequences are important indicators as long as they have violated important rights and basic human rights, protected by the legislation on the constitutional level, by domestic law, international law ratified by the Republic of Albania, as well as on its particular from the European Convention of Human Rights and its mechanism, referred to as the ECHR. The main research question of this paper is, what rights are violated and which is the state's responsibility for these rights violated? Tragic consequences of Gërdec event was certainly the loss of life for 26 people, including children, or those who worked in the factory dismantling, or they were near the area, it because of the area where it was built and operated factory. It is interesting that the first scene of incident, none had heard of this village, which the "fame" of a tragedy made him well known across Albania. Nobody had heard, because the information authorities were "top secret" confidential, according to domestic law. Beyond that, dismantling factory was located in a populated area as it was between Durres and Tirana, these two highly populated cities in the Republic of Albania. Dismantling activity is a specific activity, it is dangerous and it requires specialized knowledge and training. The tragedy "it became" shocking facts, even in respect of the obligations that labor legislation and sets his standards, as women working in the factory, completely unspecialized for the work they will perform, and even more tragic is the fact that there also worked children aged 12-16 years, and many of the employees were uninsured, and employees were paid on average 10 Euros. The government and the Albanian state had not exercised control over what actions carried out this activity, being completely non-existent, to protect the rights and lives of employees, but also the lives and rights of other citizens. Gërdec, he makes the painful history of violations of human rights, as well as an irrefutable fact of corruption, state capture and the consequences that these bring in a society. All circumstances, in which the activity took place in Gërdec, they demonstrate, that are made in bad implementation or not of full implementation of the law. In summary, violated rights Gërdec presented in Table 2.

Table 2. Human Rights Violated in Gerdec Case

| Human Rights Violated       | Rights of life | Property's right | Environmental Rights | Labour's Rights | Prohibition of children labour | Right to a corruption-free society | Failure of state's responsibility |
|-----------------------------|----------------|------------------|----------------------|----------------|
| Right of life               | 26 people dead, 300 injured | 4,200 houses got damaged | An area of 350ha was contaminated with UXO | Employment of children, Untrained women and children working in the factory | Officials failed to follow proper procedures of sub-contracting and destroying munitions |

Source: Causes of the accident according to the final report of US experts, who assisted the Albanian team to investigate the causes of the accident

~ 224 ~
4.1.1 Right to due process

This right is a constitutional right. To encourage reflection on its importance, it is enough articulated that courts constitute the institutional mechanisms to restore a right that has been violated. That’s right, it takes a special importance, if one of the parties of a judicial process, especially the criminal, they are public official. The Constitution of the Republic of Albania, it has enshrined this right in Article 42, as the right and fundamental freedom of citizens and on the other hand, Article 131, letter f of the Constitution of the Republic of Albania, the sets, the right to a fair hearing under the jurisdiction of the Constitutional Court. The ECHR also provides the right to a fair hearing, elaborating also jurisprudence in order to determine its full. Few issues Albanian courts, represent such a complex issue, where the injured, as well as public national and international actors seek justice. After many hearings, the decision of the Tirana District Court, was awarded after 4 years of Gërdec event. Verdict of Tirana District Court, it is an important indicator of violating the right to a fair hearing. Court decision voluminous, more than 530 pages, referred to a different position from that held the prosecution. The court did not give to any of the defendants, and no life imprisonment of the defendants pleaded not guilty to the crime of “Murder in other qualifying circumstances”. Analysing the Tirana Verdict Court it is notable that the right to a fair trial process is violated. What are the indicators of such violation?

Loss of life of twenty six people was not punished as long as none of the defendants were found guilty of “aggravated homicide”.

Court Verdicts were characterized by a soft penal policy. The legal qualification of the criminal acts was really favorable to the defendants. In the Appeal Court the tendency is to reduce the imprisonment time. Six years after the events of the tragedy, only two defendants are still in prison. The court found innocent the defendants for some criminal figures. Controversial statement of Court and Prosecution Office.

The most common criminal figure it was “Abuse of Duty” “Abuse of power by commanding staff” and "Negligent destruction of property"

The courts “legitimized” Gërdec activity. According to the court verdict state responsibility it was for violation of specific rules that require this activity.

**Figure1.** Figures of offences committed by the defendants of “Gërdec Case” (According to Tirana Court’s Verdict)

![Figures of offences](image)

Article 161 Penal Code of the Republic of Albania “Destruction of property due to negligence”

Article 248 Penal Code of the Republic of Albania “Abuse of office”

Article 278 Penal Code of the Republic of Albania “Illegal manufacturing and keeping of military weapons and ammunition”

Article 282 Penal Code of the Republic of Albania “Violation of rules on explosive, flammable or radioactive substances”

Article 289 Penal Code of the Republic of Albania “Violation of safety rules at work”

Not only the decision court were widely contested, as well as judicial process was found a human right violation. More on this violation it is presented in table 3 about fair trial process.

³ The imprisonment time it was from 1-18 years
One month away from the anniversary of the March 15, 2008 tragedy at the weapons dismantling depot in Gërdec, the Court of Appeals issued its ruling on the 29 defendants of the case. The ruling of the Court of Appeals on the “Gërdec” case caused a new wave of strong reactions by public opinion about the credibility of justice bodies and judges. Meanwhile, in September 2013, the High Court ruled to reject a recourse submitted by the prosecutor’s office, considering that the Gërdec tragedy was a technological accident and there are no elements of the penal offence of intentional murder as none of the defendants aimed at the death of 26 persons. According to the judges panel, the tragedy was caused by failure to implement technical safety rules at those responsible for the incident, where 26 persons were killed, were the employers.

5. Why It Happened?

Today, after six years from Gerdeci event, one of the fundamental questions around which the story revolves is the question "Why Gërdec happened?" Similar cases occurred in Serbia or Bulgaria probably refer to the position that "accidents" such are inevitable. Albanian and foreign scholars seem to have abandoned this approach as repeatedly stated that Gërdec is the event of failure to complete state and corruption. Gërdec revealed how the state had not functioned, how intelligence surveillance were left out such a business where millions of rounds of shells moved hundreds of millions of euros.(Kikia, Shqip 2008).In the paper How corruption and lack of accountability can set a country on fire: The tragic tale of ammunition trade in Albania, it is said truly, Gerdec is testimony of institutional failure. Unfortanely it is absolutely true.

The legislative framework according ammunition is completed only after the “Albademil Company” express its willing to be part of practises of dismantling. Up to date 05.04.2007, when the Albanian Parliament voted the law "On state control of the import-export of military goods and dual-use technology", which was enacted on 17.04.2007 by the President knew only arms trade monopoly, state companies. Law came at a time when the Council of Ministers had decided that the company can connect MEICO state contracts with "various entities" for the disassembling of demilitarization, action that came just 2 ½ months after the registration of the company "Albademil" in NRC. What happened with the law voting , the time when the procedures of sub-contracting started, the place where the factory was are clear evidence of state failure and state capture of corruption. The place of the factory were in a very crowded area and the inhabitants were not informed of this dangerous activity. None of governmental institution exercised their competences to protect first of all the people lives and then to protect their property rights, environemntal rights and children rights. This activity had invested legislative power to create the necessary legal framework and the executive authorities failed to exercise their functions and powers. This is why it happened. Reading European Court of Human Rights judgements, there are e lot of judgements affirming state’s responsibility to protect human rights. There is one case, really similar to Gerdec Case.It is Öneryildiz v. Turkey (No. 48939/99 30.11.2004 Grand Chamber ).Similarity between the two cases it is not in only in what happened but as well in what human rights are violated. Relying on Articles 2, 8 and 13 of the Convention and on Article 1 of Protocol No. 1, the applicants submitted that the national authorities were responsible for the deaths of their close relatives and for the destruction of their property as a result of a methane explosion on 28 April 1993 at the municipal rubbish tip in Ümraniye (Istanbul). They further complained that the administrative proceedings conducted in their case had not complied with the requirements of fairness and promptness set forth in Article 6 § 1 of the Convention.In that cases it was drawn before an expert report and the activity and it its danger and some other institutional steps. After the accident happened reiterating the public authorities’ obligations and duties under the relevant regulations, the experts concluded that liability for the accident should be apportioned as follows: to Istanbul City Council, for failing to act sufficiently early to prevent the technical problems, to Ümraniye District Council for implementing a development plan while omitting, to the slum inhabitants for putting the members of their families in danger by settling near a mountain of waste; to the Ministry of the Environment for failing to monitor the tip
international partner have had a strong reaction regarding this decision. The decision of Tirana Judicial District Court was indicted for the killing of 4 demonstrators on January 21, 2011. After the publication of the decision, public, opposite and out decisions of albanians court. The decision of the Tirana Judicial District Court declared innocent the two persons given great impact on public. Regarding human rights to a fair trial process and a fair court decision it is important to point of exercising his right to protest peacefully. Therefore killing him, without any doubt is classified as an event that has occurrence. Acts of violence by a small number of participants do not render a whole assembly violent and do not justify its dispersal. Law enforcement personnel should be equipped with adequate and appropriate protective equipment, to minimize resort to force. Consonant with their obligations under human rights law and Human Rights Council Resolution 22/10 (2013) states should draw up clear regulations and instructions as well as agree on protocols concerning the use of ‘less-lethal’ weapons, particularly tear gas (pepper spray). Law enforcement personnel who police protests should be trained in use of firearms and ‘less-lethal’ weapons, to ensure that any use of force is absolutely necessary, is proportionate, and is not arbitrary or indiscriminate. Firearms may be used only in response to an imminent threat to life or serious injury. The use of firearms simply to disperse a protest is prohibited. Any use of firearms should be reported and investigated. Lethal force is permissible only when it is strictly unavoidable to protect life. States have a duty to thoroughly investigate alleged violations and provide effective remedy to victims. Incidents that involve death or injury of protesters, or any use of firearms, must be reported and properly investigated. Allegations of excessive or unnecessary use of force should also be promptly, thoroughly, and impartially investigated. Law enforcement officials who are shown to have been responsible for arbitrary or abusive use of force must be brought to justice. This brief introduction refers not only clear when a peaceful protest but also considered what are the obligations of the state in the case of the use of weapons during peaceful protests. Beyond political attitudes on both sides for the January 21st protest and its nature images presented by the media clearly show that 4 shot dead protesters are not armed, there were attempting to enter the premises of the prime ministry and are not performing violent actions. Also in reference to the judicial decision No.267 Tirana Court of Appeals in part application field cited the fact that the defendant's brother was killed during a protest held by the opposition Boulevard in which he was participating and at the moment the murder was not doing nothing but freedom and of exercising his right to protest peacefully. Therefore killing him, without any doubt is classified as an event that has given great impact on public. Regarding human rights to a fair trial process and a fair court decision it is important to point out decisions of albanians court. The decision of the Tirana Judicial District Court declared innocent the two persons indicted for the killing of 4 demonstrators on January 21, 2011. After the publication of the decision, public, opposite and international partner have had a strong reaction regarding this decision. The decision of Tirana Judicial District Court was 5.1 1st January and the right to protest

January 21st event is closely associated with two fundamental rights, such as the right to life and the right to protest. Trying to introduce in the story, the so-called event January 21st is related to the death of four protesters in the Boulevard “Deshmoret e Kombit” during opposition protests in Tirana. Four protesters was shot dead by the Guard of Republic. The central question around which the case revolves is whether it was the 21st January a peaceful protest? Attempted to elaborate an answer for this, we use the doctrines understanding about this: According to Geneva Academy of International Humanitarian Law and Human Rights(2014) A protest should be presumed peaceful unless there is compelling or clear evidence that the organizers or participants intend to use or incite violence and violence is likely to occur. Acts of violence by a small number of participants do not render a whole assembly violent and do not justify its dispersal.

Law enforcement personnel should be equipped with adequate and appropriate protective equipment, to minimize resort to force. Consonant with their obligations under human rights law and Human Rights Council Resolution 22/10 (2013) states should draw up clear regulations and instructions as well as agree on protocols concerning the use of ‘less-lethal’ weapons, particularly tear gas (pepper spray). Law enforcement personnel who police protests should be trained in use of firearms and ‘less-lethal’ weapons, to ensure that any use of force is absolutely necessary, is proportionate, and is not arbitrary or indiscriminate. Firearms may be used only in response to an imminent threat to life or serious injury. The use of firearms simply to disperse a protest is prohibited. Any use of firearms should be reported and investigated. Lethal force is permissible only when it is strictly unavoidable to protect life. States have a duty to thoroughly investigate alleged violations and provide effective remedy to victims. Incidents that involve death or injury of protesters, or any use of firearms, must be reported and properly investigated. Allegations of excessive or unnecessary use of force should also be promptly, thoroughly, and impartially investigated. Law enforcement officials who are shown to have been responsible for arbitrary or abusive use of force must be brought to justice. This brief introduction refers not only clear when a peaceful protest but also considered what are the obligations of the state in the case of the use of weapons during peaceful protests. Beyond political attitudes on both sides for the January 21st protest and its nature images presented by the media clearly show that 4 shot dead protesters are not armed, there were attempting to enter the premises of the prime ministry and are not performing violent actions. Also in reference to the judicial decision No.267 Tirana Court of Appeals in part application field cited the fact that the defendant's brother was killed during a protest held by the opposition Boulevard in which he was participating and at the moment the murder was not doing nothing but freedom and of exercising his right to protest peacefully. Therefore killing him, without any doubt is classified as an event that has given great impact on public. Regarding human rights to a fair trial process and a fair court decision it is important to point out decisions of albanians court. The decision of the Tirana Judicial District Court declared innocent the two persons indicted for the killing of 4 demonstrators on January 21, 2011. After the publication of the decision, public, opposite and international partner have had a strong reaction regarding this decision. The decision of Tirana Judicial District Court was

4 See Paragraph 11 of the resolution: ‘Encourages States to make protective equipment and non-lethal weapons available to their law enforcement officials and to refrain from using lethal force during peaceful protests, while pursuing efforts to regulate and establish protocols for the use of non-lethal weapons’.

5 AHC said it is aware that judicial rulings may only be annulled or altered by higher instances of the judiciary, but expressed that criticism toward them may not be stopped. AHC expressed civic concern about the mentioned court ruling because it is not convincing.
appealed from the prosecutor office before the Court of Appeals. In its ruling, the Court of Appeals rejected prosecutor claims and qualified the criminal offence committed by the defendants from “intentional murder” to “careless murder.” The Court of Appeals has sentenced with 1 year of imprisonment the defendant N.P. and 3 years of imprisonment the defendant A.L.I., time which was considered executed through house arrest for the first defendant, and served through pre-trial detention for the second defendant. The imprisonment verdict is given only for the murder of three protestors? Who killed the forth? It is clear that if there is a murder, there is a violator of the most fundamental human right, right of life.

In this last session it will be an attempt to analyze these critically decisions of albanian court through the analitical view of European Court of Human Rights but firstly it is extremely important to summarize these verdicts through the valuable opinion of The Special Rapporteur.

According to The Special Rapporteur states have a positive obligation under international human rights law not only to actively protect peaceful assemblies, but also to facilitate the exercise of the right to freedom of peaceful assembly’. In his opinion, states have three essential obligations: To refrain from committing violations, including by use of excessive force, against individuals exercising their rights to peaceful assembly, expression, and association. To protect individuals exercising these rights from abuses by non-state actors. To fulfil these rights by taking positive measures to prevent violations from occurring, and ensuring that everyone can freely and effectively exercise them. Further more in a lot of cases European Court of Human Rights affirmed the right to protest as a foundamental right.

In its judgment in Oya Ataman v. Turkey Judgment, 5 December 2006 the European Court of Human Rights affirmed that “the authorities have a duty to take appropriate measures with regard to lawful demonstrations in order to ensure their peaceful conduct and the safety of all citizens”. Earlier it concluded that Article 11 of the ECHR implies that states have a positive obligation to secure effective enjoyment of this right. European Court of Human Rights goes further when in its judgement Giuliani and Gaggio v. Italy, the European Court of Human Rights held that states “have the duty to take reasonable and appropriate measures with regard to lawful demonstrations to ensure their peaceful conduct and the safety of all citizens”. Solomou and Others v. Turkey it is an other important cases where the European Court of Human Rights assessed the necessity and proportionality of force used to disperse violent protests. In, it stated that, although the demonstrators had sticks and iron bars and were throwing stones at the Turkish forces, the killing of a demonstrator who had crossed the ceasefire line and was unarmed was not ‘absolutely necessary’ and was thus a violation of the right to life. In other cases European Court of Human Rights affirmed that maintenance of public security cannot be invoked to justify violation of the right to life. States have a duty to investigate any death or injury that occurs during protests, including those resulting from the discharge of firearms or the use of ‘less-lethal’ weapons by law enforcement officials.

In the case of Association “21 December 1989” and Others v. Romania in the context of the same events, concerned the death of the applicants’ son during the anti-government demonstrations. Violation of Article 2 on account of the lack of an effective investigation into this death. The Court noted that its finding of a violation of Article 2 on account of the lack of an effective investigation related to a wide-scale problem, given that many hundreds of people were involved as injured parties in the impugned criminal proceedings. It added that general measures at domestic level would unquestionably be necessary in the context of the execution of the Association “21 December 1989” and Others v. Romania judgment.

In the context of peaceful protests, violations of human rights may occur when use of force is deemed to be unnecessary (not strictly necessary in the situation); excessive (not strictly proportionate to an actual or imminent threat or use of violence); or indiscriminate (not directed at specific individuals or groups who are engaged in acts of criminal violence or about to commit such acts). Where allegations of unnecessary or excessive use of force are made, there must be a prompt, impartial and thorough investigation. In particular, law enforcement officials who are implicated in or found to be responsible for arbitrary deprivation of life during protests must be brought to justice. To that end, national laws should ensure that victims of the use of force or firearms have access to an independent complaints process, including a judicial process. Victims must also be entitled to fair and adequate compensation within a reasonable period of time. According these consequent cases of European Court of Human Rights and what happened in Tirana on 21st January there is no doubt there as some violations of human rights: Right to protest; Right of life; Right to have access to an independent complaints process, including a judicial process; Right to fair and adequate compensation within a reasonable period of time.

both in terms of delivering justice and in its impartiality. The January 21 case has spurred numerous reactions by representatives of international organizations and the diplomatic corps accredited to Tirana. European Union”s Enlargement Commissioner Stefan Füle commented on the January 21 case, “The legal review of the case is not over; procedures should end with a credible judicial process, demonstrating impartiality, independence and accountability.
6. A Few Concluding Remarks

The most dangerous precedents of both cases is that the loss of life, 30 people (26 in Gerdec case and 4 in 21st January) is a crime without perpetrators. Going back again in judgements of European Court of Human Rights and especially the case Badayeva and others V Russia, the Court has ruled that states have three main duties under Article 2: a duty to refrain from unlawful killing, a duty to investigate suspicious deaths and, in certain circumstances, a positive duty to prevent foreseeable loss of life.

The Albanian government has not fulfilled these duties.

The both cases are gross violations of human rights in Albania, happened in the last decade. The high level of corruption caused both of them and unfortunately the judicial bodies and all the process resulted some other violations of human rights. High level officials were not punished, as well as the investigation was not complete. The most flagrant violation of human rights regarding judicial bodies it was judicial verdict, really favorable to the perpetrators, and not credible. The right to an effective remedy and compensation was violated as well.

What it is needed... State should undertake to abolish the consequences of violations and to prevent new violations from occurring. Both cases should not be archived and the state should pay for real compensation of victims. All the public official responsible for the events should be brought before the justice and should be punished.

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Solomou and Others v. Turkey
Oneryildiz v. Turkey
Oya Ataman v. Turkey

Albanian Court Decisions of Gerdec Case and 21st January Case

~ 229 ~
European Crisis and the Effect on Albanian Economy

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Abstract

This article will analyze how did the financial and banking crisis of EU countries affected Albania in different aspects. The aim of the study is to give a comprehensive overview of the impact of the EU crisis in Albania considering different inter-related elements. The methodology used for measuring the impact will be based on macroeconomic indicators and all the available official data and statistics were sourced from central and local institutions in Albania and EU. Firstly will be given a brief history of the immigrations of Albanians in different European countries and analyzed their importance in Albanian economy whether via remittances or investments in some cases. Lastly to the most crucial point, after having done a regression analysis, we will get a more precise figure about the impact of EU in Albania (where mostly it is connected to countries like Italy and Greece)

Keywords: Real GDP growth, Unemployment, Inflation, Real interest rate, Remittances, exchange rate, bad credits, etc

1. Introduction

The objective of this study is how the financial and economical crisis in European union affected the overall economy in Albania. Starting as a financial sector crisis and soon extending to a global scale, the world financial crisis has assumed the features of a deep, all-encompassing economic crisis. It is clear that the financial figures show a stiff decline on the Albania's performance, resulting in high unemployment, high informal market, un stable inflation and critical levels of remittances. It is important to mention that the remittances played a crucial role in the history of Albania feeding many domestic families and businesses, accompanied by big names if Bank Industry such as NBG, Emporiki Bank, Intesa San Paolo (Italian ownership) and many others which come from states with the highest level immigrants and abroad incomes.

The crisis showed none the less that new regulations must be written and approved, markets should be more supervised. The governments should regulate and direct different sectors of economy. In Albania, sectors like production, construction and services felt a high need of liquidity, as a result many of them declared bankruptcy.

On the political side, the true situation of Albania was faded and protected from governments implying that the European crisis is not and will not affect the domestic economy. It must be said that till 2009, even from international institutions like World Bank, our economy was immune and gave the idea of a stable and strong economy, neglecting the fact of the increasing at high leaps of public debt and stocks, which showed afterward the short terms decisions were not enough. In the next years, Albania was influenced as all the Balkan states from the crisis into shrinking of foreign investments and unstable macroeconomic policies. Experts tend to say that this late result was due to having small economies and stable banking system.

2. Literature Review

In order to explore how the EU debt crises would translate into an economy like Albania, we have looked into a few relevant studies. Our focus is to explain the growth prospect and debt crises of an economy and how it impacts on other economies because of exposed global linkages.

Calvo (1998) explained that countries that join a monetary union lose more than one instrument of economic policy such as their capacity to issue debt in a currency. Thus member countries of a monetary union become vulnerable because of the liquidity flows triggered by changing market sentiments which ultimately connects to solvency crises.

Eichengreen et al. (2005) further explained that the liquidity crisis raises the interest rate which in turn leads to a solvency
crisis which is not unique for members of a monetary union. There are further important implications of the increased vulnerability of member-countries of a monetary union. De Grauwe (2011) and Wolf (2011) illustrated that countries in a monetary union can be forced into a bad equilibrium, characterized by deflation, high interest rates, high budget deficits and a banking crisis as because members of a monetary union loose much of their capacity to apply counter-cyclical budgetary policies. Danieal et al. (2010) studied fiscal consolidation in M. M. SHIRAJ ET AL. 522 advanced economies over the past 30 years by using simple statistical techniques to investigate the short-term growth effects of consolidation and how those effects are influenced by such factors as monetary policy, international trade, the form of the consolidation and perceived sovereign risk. Their studies found that, fiscal consolidation typically has a contractionary effect on output. Generally the central banks offset some of these pressures by cutting policy interest rates. However the longer-term rates also typically decline, resulting in the impact on consumption and investment. In addition net exports spur due to nominal depreciation or currency devaluation.

Bianca et al. (2006) assessed the size and types of costs associated with sovereign default of the emerging market economies witnessed over the past 30 years. Their findings stated that sovereign defaults have the biggest impact on domestic output when they are combined with widespread failure of the domestic banking system and particularly when there is a triple (sovereign, banking and currency) crisis. And in some cases, such as following the Latin American crisis in the early 1980s and the more recent Russian crisis, sovereign defaults have precipitated broader instability in the global financial system. Dooley (2000) showed that default is often associated with a decline in output growth that is assumed to be due to domestic residents being unable to borrow from domestic as well as foreign creditors in the aftermath of crises. Caprio and Klingebiel (2003) explained that sovereign crises have usually materialized in recessions, when government and/or external debt has been large generally over 60% of GDP and the fiscal balance in deficit (of over 2% of GDP). Although annual inflation was rapid in some cases, for example over 50% in Indonesia and Ecuador, it was negative or low in others, such as Argentina and Uruguay. He further noted that nearly all recent debt crises have been associated with a banking and/or currency crisis. Evidence from literature shows that, a crisis usually affects an externally driven economy through the various transmission channels of exports, imports, remittances, aid, foreign direct investment (FDI) flows, employment i.e. labor market, domestic resource mobilization, gross domestic product (GDP) growth and ultimately poverty. Eaton et al. (2008) found that shocks to manufacturing demand, particularly for durables, account for the bulk of the decline in trade/GDP across countries. Karshenas (2009) noted that the impact of the global economic crisis on different LDCs has varied depending on the nature of their trade specialization. He stated that the global economic crisis has led to a sharp reduction in world trade and rapid de-cline in commodity prices and it is one of the main mechanisms through which LDCs have been affected. Besides, decline in FDI has affected LDCs, particularly the oil and mineral exporting ones and remittance inflow.

3. Data and Methodology

In order to examine the relation between nominal interest rate and inflation rate in Albania needs not only the theoretical concepts, but also need a practical and econometric study as well. This study employs quarterly data from 1997 to 2013 so for a 17 year period. The data for this research are obtained from Central Bank of Albania (BoA).

The regression model in this study is:

$$\text{GDP} = \alpha + \beta_1 \text{FDI} + \beta_2 \text{INF} + \beta_3 \text{RMT} + e$$

Where: \(\alpha\) is the intercept
\(\beta_1, \beta_2, \beta_3\) is the estimated regression coefficients
\(e\) is the error term

GDP: Gross Domestic Product is the dependent variable
INF: Inflation rate is the independent variable
FDI: Foreign Direct Investments
RMT: Remittances

The hypothesis for this equation is represented by the following:

H0: Inflation rates, foreign direct investments and remittances have a significant impact on Gross Domestic Product in the long run
H1: H0 is not true
GDP and FDI Graph

Above is the graph of GDP and FDI which can be observed that they have affected each other. Data are taken since 2005 till 2014. Note: FDI has a strong decrease in 2013.

Export Graph

FDI Graph
Remittances Graph

GDP & Exports (Scatter Graph)

GDP & FDI (Scatter)
GDP & Remittances (Scatter)

For the GDP the skewness is -0.917929 which is near to 0 and kurtosis is 2.279423 which is near to 3 meaning that the GDP has a normal distribution.

FDI Histogram

For the FDI the skewness is 0.611695 which is near to 0 and kurtosis is 2.043604 which is near to 3 meaning that the FDI has a normal distribution.
Export Histogram

For the Export the skewness is 0.722897 which is near to 0 and kurtosis is 2.309473 which is near to 3 meaning that the Export has a normal distribution.

Remittances Histogram

For the RMT the skewness is 0.423878 which is near to 0 and kurtosis is 1.692151 which is near to 3 meaning that the GDP has a normal distribution.

Table 1. Group Statistics

<table>
<thead>
<tr>
<th></th>
<th>GDP</th>
<th>FDI</th>
<th>EXPORT</th>
<th>REMITTANCES</th>
</tr>
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<tbody>
<tr>
<td>Mean</td>
<td>1.11E+10</td>
<td>6.65E+09</td>
<td>-290235.3</td>
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<td>Median</td>
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<td>4.67E+09</td>
<td>-304745.5</td>
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<td>Maximum</td>
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<td>1.56E+10</td>
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<td>Minimum</td>
<td>7.46E+09</td>
<td>3.03E+09</td>
<td>-347107.0</td>
<td>7.902194</td>
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<td>Std. Dev.</td>
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<td>3.72E+09</td>
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<td>Skewness</td>
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<td>Jarque-Bera</td>
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<td>0.142805</td>
<td>0.145823</td>
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<tr>
<td>Sum</td>
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<td>2.39E+11</td>
<td>2.309473</td>
<td>1693498</td>
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<td>Sum Sq. Dev.</td>
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<td>6.86E+10</td>
<td>232.2785</td>
<td>397.8403</td>
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<td>Observations</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
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Table 2: Estimation Equation Output

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>1.84E+10</td>
<td>1.89E+09</td>
<td>9.706550</td>
<td>0.0000</td>
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<td>FDI</td>
<td>-0.117662</td>
<td>0.046425</td>
<td>-2.534467</td>
<td>0.0164</td>
</tr>
<tr>
<td>EXPORT</td>
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<td>2803.224</td>
<td>-2.094561</td>
<td>0.0442</td>
</tr>
<tr>
<td>REMITTANCES</td>
<td>-7.43E+08</td>
<td>82909810</td>
<td>-8.961895</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

R-squared: 0.944073
Mean dependent var: 1.11E+10
Adjusted R-squared: 0.938829
S.E. of regression: 0.938829
4.48E+08
S.D. dependent var: 0.938829
Akaike info criterion: 1.81E+09
1.81E+09
Schwarz criterion: 42.78501
42.78501
Sum squared resid: 6.44E+18
42.96096
Durbin-Watson stat: 0.679575
0.679575
F-statistic: 180.0569
Prob(F-statistic): 0.000000

Table 3. Augmented Dickey-Fuller Unit Root Test on GDP, FDI, RMT and Export

<table>
<thead>
<tr>
<th>Variables</th>
<th>1% level</th>
<th>5% level</th>
<th>10% level</th>
<th>Probability</th>
</tr>
</thead>
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<td>-2.951125</td>
<td>-2.614300</td>
<td>0.1316</td>
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</tbody>
</table>

Table 4. Johansen Cointegration Test

Unrestricted Cointegration Rank Test (Trace)

<table>
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<tr>
<th>Hypothesized No. of CE(s)</th>
<th>Eigenvalue</th>
<th>Trace Statistic</th>
<th>0.05 Critical Value</th>
<th>Prob.**</th>
</tr>
</thead>
<tbody>
<tr>
<td>None *</td>
<td>0.522854</td>
<td>57.80602</td>
<td>47.85613</td>
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<tr>
<td>At most 1 *</td>
<td>0.406668</td>
<td>33.38826</td>
<td>29.79707</td>
<td>0.0185</td>
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<tr>
<td>At most 2 *</td>
<td>0.305791</td>
<td>16.16220</td>
<td>15.49471</td>
<td>0.0396</td>
</tr>
<tr>
<td>At most 3 *</td>
<td>0.117311</td>
<td>4.117804</td>
<td>3.841466</td>
<td>0.0424</td>
</tr>
</tbody>
</table>

Trace test indicates 4 cointegrating eqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values
Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

<table>
<thead>
<tr>
<th>Hypothesized No. of CE(s)</th>
<th>Max-Eigen</th>
<th>0.05 Statistic</th>
<th>Critical Value</th>
<th>Prob.**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
None 0.522854 24.41776 27.58434 0.1208
At most 1 0.406668 17.22606 21.13162 0.1616
At most 2 0.305791 12.04439 14.26460 0.1090
At most 3 * 0.117311 4.117804 3.841466 0.0424

Max-eigenvalue test indicates no cointegration at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

In Table 5, Trace test indicates 4 co-integrating equations at the 0.05 level where the Trace statistic is greater than 5% critical value while Max-Eigen value test indicates that there is no co-integration at 0.05 level because Max-Eigen statistic is lower than 5% critical value. In other words GDP and the other three variables: INF, RMT, and the FDI are co-integrated to each other but in the long run this co-integration is weak.

4. Conclusions

As stated on the above data and conclusions from the equations, it is proved that GDP is correlated with the variables of RMT, FDI and INF. Albania has been suffering a tightening in budget and rising in public debt.

This study has attempted to contribute to the public debate on the current impact of the European crisis on Albania. The pace of the return of Albanian migrants is one of the worrying factors that need to be monitored carefully. Albania in the short term cannot increase its social security net or invest in its health system as it is significantly lowering public spending in order to maintain its public debt at less than 60% of GDP.

The government must stop thinking in short term policies but rather attract foreign investments and make high profit investments.

References

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Ministry of Finance

~ 237 ~
Disabilities and Accessibility: Turkish Sample

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Abstract

Today, there are many handicapped people in the world, and their number is gradually increasing. According to a study conducted by World Bank and World Health Organization, today there are 1 billion handicapped people in the world. Handicapped people encounter countless obstacles everywhere both outside and in their own houses. These obstacles result in functional performance deficiencies and other problems for handicapped people, lower their quality of life qualities and cause various psychological and social problems. The problems of handicapped people should be considered to be an issue of global human rights; especially in Turkey, handicapped people experience many difficulties in their social lives. These problems might occur in many areas of life, and they prevent them from having a functionally integrated life in the society. The aim of this study is to identify the extent to which the legal, political, physical and social environment in Turkey allows persons with disabilities to participate in all realms of life equally with other individuals without being discriminated and; to evaluate state's obligations and make suggestions.

Keywords: disabilities, accessibility, Turkey

1. Introduction

People losing their physical, mental, sensory skills due to natural disasters, malnutrition, illnesses, accidents or since birth, therefore becoming disabled obstructs their living activities partially or fully and most importantly this complicates their social lives. In many places around the world, individuals have to live with mostly untreatable physiological deficiencies which prevent or obstruct them from using certain functions (Aytaç, 2005, p. 126, Beşer et. al., 2006, p. 267)

According WHO disabilities is an umbrella term, covering impairments, activity limitations, and participation restrictions. An impairment is a problem in body function or structure; an activity limitation is a difficulty encountered by an individual in executing a task or action; while a participation restriction is a problem experienced by an individual in involvement in life situations (WHO, 2011).

According to the definition of Turkish Statistical Institute (TurkStat), disabled person is the person, who lost their physical, mental, sensory and social abilities in some degrees due to whichever reason, who is unable to keep up with normal life requirements, who needs special physical reforms in structures and areas. (DİE, 2004)

In order to determine the requirements and demands of disabled individuals, types of disabilities are required to be known.

2. Types of Disabilities

It is not always possible to separate types of disabilities exactly. Some illnesses (cerebral palsy etc.) cause mental problems when untreated, sometimes even when treated and in some individuals it may cause orthopedic defects or both. Therefore, the cause of the disability is not important from the point of view of the disabled, function loss due to this factor or loss of work force is taken into consideration. (Çakmak, 2006)

People with disabilities are generally categorized as:
- Orthopedically handicapped
- Visually impaired
- Hearing impaired
- Language and speech handicapped
- Mentally challenged
2.1 Disabled Population in the World

According to a study conducted by World Bank and World Health Organization, today there are 1 billion handicapped people in the world. A disability is any physical, sensory, or cognitive impairment that makes daily activities more difficult. Many people are born with a disability. Others acquire a disability later in life, from an accident, an illness, or the aging process. Many older individuals are diagnosed with chronic conditions that lead to functional or cognitive disabilities (World Health Organization (WHO), 2011).

2.2 Disabled Population in Turkey

According to the disabled research of Turkish Statistical Institute (TurkStat) of 2002, the ratio of disabled population to total population is 12.29%. It is determined that 1.25% of Turkish population is orthopedically handicapped, 0.60% are visually impaired, 0.48% are mentally challenged, 0.38% are language and speech handicapped, 0.37% are hearing impaired.

2.3 Accessibility

Handicapped people encounter countless obstacles everywhere both outside and in their own houses (Müftüoğlu, 2006). These obstacles result in functional performance deficiencies and other problems for handicapped people, lower their quality of life qualities and cause various psychological and social problems (Ünügür, 2003). The problems of handicapped people should be considered to be an issue of global human rights; especially in Turkey, handicapped people experience many difficulties in their social lives. These problems might occur in many areas of life, and they prevent them from having a functionally integrated life in the society (Subaşıoğlu, 2008). In order to solve this social issue, handicapped people should have access to and participate in social activities outside their homes (Müftüoğlu, 2006).

Designing and managing an accessible building means more than providing ramps and sufficient door widths – these are important, but they must not become the focus of attention. There are many examples of projects with ramps and external doors that meet all the minimum requirements, yet they are totally inaccessible by a wide range of potential customers. There is a wide range of disabilities and they must all be taken into account when considering the design and management of a sports facility (EFDS, 2012). An accessible environment, while particularly relevant for people with disabilities, has benefits for a broader range of people. For example, curb cuts (ramps) assist parents pushing baby strollers. Information in plain language helps those with less education or speakers of a second language. Announcements of each stop on public transit may aid travellers unfamiliar with the route as well as those with visual impairments. Moreover, the benefits for many people can help generate widespread support for making changes (WHO, 2011).

“The Problems and Expectations of Disabled People” research conducted in 2010 revealed that that 66.9 % of disabled people stated that sidewalks, walkways, pedestrian crossings, 66.3% stated that the buildings they live in, 59.5% stated that shops, and restaurants, 58.4% stated that public buildings, 55.4% stated that post offices and banks have not any reforms regarding disabled people. Generally, 68% of disabled people have no reforms in their vicinity, streets buildings and roads, regarding disabilities. Disabled people ratio who say the mass transportation services are suitable in their area is 4%. Similar results are reached for health, education, employment. (TurkStat 2011). In the Research For the Discrimination Against Disabilities, most of the people who partake in the research (70.1%) stated that public service buildings have no services or regulations for disabled people therefore they have difficulties, 44% face these difficulties most of the time or all the time. When accessibility is discussed in public areas such as roads, sidewalks and parks, ratios increase. 77.3% of the people who participated in the research stated that they have difficulties in transportation because there are no regulations regarding the disabled people. (OZIDA, 2010)

The physical environment the disabled people live in is very important because of the physical function deficiencies and the limitations caused by these deficiencies of the disabled people. When living areas are being designed, a society model is being presented, the physical environment that is going to be lived in is needed to be designed considering everybody who live in the society. (Karatas, 2014).
2.4 Regulations for the Disabled Population Accessibility in General Areas

3. Parking Areas

Constructing parking areas just for the disabled population brings a lot of cost nowadays, while property prices are this high. In this situation, instead of constructing parking areas just for disabled population, it is more economical to reserve spaces for disabled population in general parking areas. (Mülayim and Özşahin, 2011). According to the Turkish Parking Area Regulation, in public building and area parking areas and general parking areas, it is mandatory to reserve no less than one parking space per 20 parking spaces with a disabled sign, in the closest proximity to entrance-exits of the parking areas and elevators. (Ministry of Public Works and Settlement, 1993).

4. Sidewalks

A pedestrian sidewalk for non-disabled people should be minimum 1.5 meters -ideally 2.0- meters in width. Sidewalk width should be minimum 3.0 meters near bus stops, and 3.5 meters in front of shops. Sidewalk heights should be between 6 and 15 cm. Ramps are required to be constructed in suitable places of the sidewalks for wheelchair accessibility. Slopes of the ramps should be taken approximately 8%. If the widths of the ramps of the sidewalks are constructed as 140cm, two people walking side by side could access the ramp. (ÖZIDA, 2008).

In ÖZIDA (2008) publication, it is recommended that in order for the trees which grow on the sidewalks to be detected by visually impaired people, fences oppositely colored to the environment or pebbles should be placed to the bottom parts of the trees.

5. Ramps

Ramps are required to be constructed minimum 180cm wide, as it will allow the passage of two wheelchairs moving in opposite direction. If the building main entrance is reached by stairs, maximum 6% sloped, minimum 1.20m wide ramps with protective curbs and railings are required to be constructed. Ramps with more slope is difficult for disabled people usage. (OFD, 2004). For the visually impaired, a 150 cm long area with different texture should be present at the start and end of the ramps. (ÖZIDA 2008)

6. Stairs

As stairs obstruct the movement of the disabled people, it is important from the point of accessibility that different elevations are joined by ramps. If the stairs are unavoidable, guardrails should be put to both sides. In order for the visually impaired to detect and the stairs, surfaces that respond to senses should be used. Surface that respond to senses should start just before the first step, and end at the end of stairs after one width of a step. (OZIDA 2010)

7. Elevators

Elevators cause different problems for the people with different types of disabilities. Width of the elevator cabin must be minimum 110 cm, depth must be minimum 140cm (OFD, 2004). Lifts are divided into three groups from 1000mm width and 1250mm depth (capacity for 1 wheelchair user) to 2000mm width and 1400mm depth (capacity for 1 wheelchair user and a few other passengers). These are the minimum measurements and in some elevators with these measurements, large wheelchairs may be unable to enter or passengers may be unable to sit with their legs stretched out. Therefore if area is sufficient, minimum depth should be 1400mm (preferably 1500 – 1800 mm) and minimum width should be 14000mm (preferably 2000mm) as shown in diagram. European standards also state that doors should be 900mm wide and interior height should be 2300mm. Door height should be 2100mm. In elevators with double doors, 900mm door width is sufficient. In elevators with single doors, this width should be 1100mm. Interior height of the elevator should be 2100mm at the entrance and 2300mm inside. In order to help the visually impaired, buttons should be embossed in regular text and Braille. Visual informing for all users regarding their commands are accepted should be used. Besides pre-recorded announcements, stating the floor and direction of movement should be used (OZIDA, 2008)
8. Restaurants and Cafes

Enough restaurants, cafes, cafeterias should provide suitable facilities for the disabled people. Some of the tables at restaurants should be prepared for customers in wheelchair. For this, tables with no fixed chairs and tables with sufficient ground clearance and space underneath should be used for disabled guests. Moreover, in restaurants, for visually impaired, menus with large and bold fonts should be present (Artar and Karabacakoğlu 2003).

9. Assembly Halls and Entertainment Venues

Area reserved for one wheelchair should be no less than 900 x 1400mm. It is preferred that these areas are distributed throughout the assembly halls (TMMOB, 2012).

10. Pedestrian Zones

As a general principle, station utilities should be designed in a way that they should not obstruct pedestrian flow and they should take up small spaces. Utilities such as phones, vending machines, banks, garbage boxes should be placed so that they can be easily seen and used, but in a way that they do not obstruct pedestrian corridors. A pedestrian road with a width of minimum 2000mm where there are no obstacles should be present. This road should incorporate pavements which respond to senses for the visually impaired, and columns supporting the roof and station utilities should be oppositely colored to their environments. If there are columns in the main way of pedestrians, these should be marked with two stripes, 140 or 160 mm wide, green and black striped, bottom side is 800mm high and top side is 1600mm high (OZIDA, 2008)

11. Pool, Sauna, Bathhouse

In places like pools, saunas and bathhouses, accessibility inside the venue is as much important as transportation to the venue. Especially in saunas and bathhouses, unnecessary elevations over the floor should be avoided. Empty space for the wheelchair to maneuver should be provided. As pools are larger structures, maneuver problems occur less than saunas and bathhouses. The biggest problem in pools occurs when users try to go into or get out of the pool. The easiest solution to this problem is to build elevators that have rotary, vertical and horizontal motions inside the pool (Mülayim and Özşahin, 2011, p 1676)

12. Main Entrances

Most buildings have unsuitable entrances for the disabled people. If it is unavoidable to have stairs in entrances, guardrails must be present. Different elevations should be joined by ramps. Ramp slopes should not be higher than five degrees, they should have railings and passage width should be at least 100cm (Yörük, 2003)

13. General Restrooms

For restrooms for the disabled people, it is very beneficial that they have railings on the walls on their sides and their back (Yörük, 2003). Door width for the restrooms should be minimum 81.5cm, they should open outwards. In order to provide comfortable movement, toilet axis and the wall on the side should have 45 cm space between them. Besides enough free space should be provided in front of and beside the toilet seat for the wheelchair users to come close and sit safely.

As with all people, disabled people should be able to benefit from all services equally and they should be able to travel to work, school, shopping, sports areas, parks using the same roads and vehicles as non-disabled people. Local administrations have an important role in the shaping of the city with their social and technical investments. The fact that public transportation services and accessibility of every open area and building in the city are provided by local administrations is the most important factor that enables the disabled people to join the social life with equal opportunities (Ozturk, 2011).
References


The Life Insurance - How Acceptable are for the Albanians and the Factors Affecting their Level

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Abstract
The insurance market in Albania is a new market but with the rapid development rhythm. Insurance companies are important financial intermediaries in the financial system of the country, after banks which are the main financial intermediaries. Nonbank financial institutions remain relatively small and are not currently a source of systemic vulnerability. In Albania both forms of insurance are developed: life insurance and non life insurance. Non-life insurance dominates the insurance market in Albania. The life insurances are less developed; this phenomenon was observed in all developing countries. But what factors are affecting the Albanian demand for life insurance? We have based our study the analysis of data for the insurance companies and the survey method (personal interviews). The data were collected from 200 individuals with age, occupation, level of education and income level than the southern part of the country. Surveys were conducted in urban and rural areas. The data analysis and other factors that affect the demand for life insurance, is made on the basis of the regression analysis and the use of Cross Tabs. Objectives: - To know costumer’s preference and attitude for life insurance policies according to their demographic factors. - Find out purpose for buying life insurance. - Find what factors are affecting the Albanian demand for life insurance.

Keywords: Life insurance, age, profession, income per capita, level of education, Non-life insurance

1. Introduction
Nowadays, the insurance sector is an important industry on a global scale, covering a wide range of risks like natural disasters, life insurance, property and responsibilities, it balances the protection of institutions that provide loans, by somehow creating overlapping or being turned in a background for particular segments of the banking sector and "shadow" banking . The insurance system constitutes a significant source of investment funds. The insurance sector worldwide compared with the banking sector is more sensitive to developments in the real sector, and in particular to the average income level. Life insurance as an important part of the insurance industry plays an important role in the development of the financial system.
Table 1.1 The volume of Life and Non-Life Insurance 2002 -2011

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<td>43%</td>
<td>57%</td>
<td>49%</td>
<td>51%</td>
<td>66%</td>
<td>34%</td>
<td>59%</td>
<td>41%</td>
<td>58%</td>
<td>42%</td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>PT Portugal</td>
<td>54%</td>
<td>46%</td>
<td>68%</td>
<td>32%</td>
<td>72%</td>
<td>28%</td>
<td>72%</td>
<td>28%</td>
<td>74%</td>
<td>26%</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>RO Romania</td>
<td>26%</td>
<td>74%</td>
<td>26%</td>
<td>74%</td>
<td>21%</td>
<td>79%</td>
<td>13%</td>
<td>87%</td>
<td>20%</td>
<td>80%</td>
<td>22%</td>
<td>78%</td>
</tr>
<tr>
<td>SE Sweden</td>
<td>69%</td>
<td>31%</td>
<td>67%</td>
<td>33%</td>
<td>71%</td>
<td>29%</td>
<td>78%</td>
<td>22%</td>
<td>78%</td>
<td>22%</td>
<td>79%</td>
<td>21%</td>
</tr>
<tr>
<td>SI Slovenia</td>
<td>23%</td>
<td>77%</td>
<td>30%</td>
<td>70%</td>
<td>32%</td>
<td>68%</td>
<td>30%</td>
<td>70%</td>
<td>31%</td>
<td>69%</td>
<td>29%</td>
<td>71%</td>
</tr>
<tr>
<td>SK Slovakia</td>
<td>43%</td>
<td>57%</td>
<td>44%</td>
<td>56%</td>
<td>52%</td>
<td>48%</td>
<td>52%</td>
<td>48%</td>
<td>56%</td>
<td>44%</td>
<td>57%</td>
<td>43%</td>
</tr>
<tr>
<td>TR Turkey</td>
<td>16%</td>
<td>84%</td>
<td>16%</td>
<td>84%</td>
<td>14%</td>
<td>86%</td>
<td>15%</td>
<td>85%</td>
<td>16%</td>
<td>85%</td>
<td>16%</td>
<td>84%</td>
</tr>
<tr>
<td>UK United Kingdom</td>
<td>73%</td>
<td>27%</td>
<td>73%</td>
<td>27%</td>
<td>75%</td>
<td>25%</td>
<td>73%</td>
<td>27%</td>
<td>70%</td>
<td>30%</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>Insurance Europe</td>
<td>62%</td>
<td>38%</td>
<td>63%</td>
<td>37%</td>
<td>61%</td>
<td>39%</td>
<td>61%</td>
<td>39%</td>
<td>59%</td>
<td>41%</td>
<td>59%</td>
<td>41%</td>
</tr>
</tbody>
</table>

Source: Eurostat
Theoretical and empirical findings often rank developed countries at the top of the list of the countries that have a developed sector of life insurance. It happens that these findings can be contradictory because less developed countries could have a more developed life insurance sector compared to developed countries. According to Thorsten Beck and Ian Webb, South Africa has had a penetration ratio in life insurance of 7.4%, comparable to developed countries. Life Insurance Penetration is the ratio of life premium volume of life insurance towards GDP. New reports from Switzerland show that the highest rates of life insurance growth for 2013 were in developing countries, while developed countries had a decrease. Referring to Eurostat, Table 1.1, apart from Austria, where life insurance predominates over non-life insurance, it was noticed the same trend. In developed countries the life insurance predominated the non-life insurance and the opposite was for the developing countries.

2. Chapter 1 Development of Insurance in Albania and their Tendency

The Albanian insurance market consists of ten insurance organisms, of which seven are non-life insurance companies, two are life insurance companies and there is a company that operates as a composite activity of Life and Non-Life Insurance (Insig). The Sigal Company is also licensed to practice reinsurance activity. Some Albanian Insurers also exercise their activity in the markets of Macedonia and Kosovo, to be mentioned are Insig, Sigma, Sigal and Albsig, this last one has recently entered the Macedonian market. For many years, almost a decade, Insig has been the only provider in the market not having competitors, although granting authorization for insurance activity formally belongs to the year 2000. This is because Insig has operated before the foundation of a Supervisory Authority insurance market.

Competition in the insurance market began with the licensing of new insurance companies. Thus, in 1999 Sigma and Sigal were licensed, two Insurers in Non-Life insurance, in 2001 two other non-life insurance entered the market, Intersig and Atlantic started functioning, while the year 2004 marked the launch of five new companies: Sigma, Interalbanian, Eurosig, Sigal and Sicred Life, which were licensed in one day: 9/10/2004. The last two companies operate in the Life insurance activity.

Life insurers are licensed to provide life – death insurance, wedding - giving birth insurance, insurances linked to investment funds and insurance of collective funds. It is worth mentioning the fact that only class 19, which corresponds to Life – Death insurance, covers the main share in the Albanian insurance market. Mostly, contracts issued by life insurers are byproducts of this class of insurance.

3. The Structure and Characteristics of the Insurance Market in Albania

During 2013 ten insurance companies continued to operate in the market, of which seven in the non-life insurance sector, two in the life insurance sector and one in the non-life and life insurance sector together.

Compared with the region countries, the number of insurance companies in general and especially those of life insurance in particular is very small. The number of life insurance companies in Bulgaria is 16, Czech republic has 22, Greece 22, Turkey 25, Romania 22 and Croatia 16.

The insurance market in Albania continues to be oriented towards compulsory insurance, which constitutes about 53% of revenue from gross written premiums insurance.

The non-life insurance accounts for about 90% of the total volume of premiums, while life insurance premiums account for about 10 -11% of the total insurance market in Albania. Motor insurance dominates the non-life insurance with about 62% of the volume of gross written premiums for 2013. In general, a division of insurance market according to Life and Non – Life insurance is shown in the table below:

Table 2.1: The structure of the insurance market for 2011-2012

<table>
<thead>
<tr>
<th>Accounting Period</th>
<th>Value (in thousand Lek)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Life</td>
<td>940,798</td>
</tr>
<tr>
<td>Non Life</td>
<td>7,274,486</td>
</tr>
<tr>
<td>In % Life</td>
<td>11.45</td>
</tr>
<tr>
<td>In % Non Life</td>
<td>88.55</td>
</tr>
</tbody>
</table>

Source: Annual Reports 2011-2013 AFSA
In terms of life insurance Albanian market is a relatively new market, in 2004 this activity was provided by a single company, Insig. After 2004 two life companies entered the market, Sicred and Sigal Life, both with 100% domestic capital.

The development of life insurance in Albania is limited by several factors:
- A small business with a very small insurance market;
- A lack of capital market/a suitable environment to enable investments;
- The number of life companies is very small, there are only 3 including INSIG, compared with non-life insurance companies that are 8.
- A low income population. For 2013, the GDP per capita was $ 8200 (these data are obtained from the CIA), unemployment 12.5 % (but we are doubtful about them, we think that the figures are higher), and it turns out that 25% of the population are far away from limit poverty.
- The culture/information about insurance matters needs to be improved.
- The distribution of the population and its prevalence in rural areas makes life insurance in many cases not is recognized at all.
- The sales of life products is very low or absent.

In the actual conditions, market development opportunities of life insurance are necessarily related to foreign experience. This is reinforced by the fact that the main income of life insurance companies is from "Debtor life", which can basically be considered a mandatory insurance, insurance demanded by commercial banks for customers, who apply for credit.

The life products market is divided as follows:

**Fig. 2.1: Market structure - Life insurance - GWP - May 2014**

![Life Insurance Market Structure](image)

Source: AFSA

Unfortunately, the debtor life insurance is dominant, which is compulsory insurance,49% includes voluntary life insurance. In order to educate the youth with life insurance, insurance companies apply lower tariffs for pupils and students. Some are: "Student's Life"& "Pupil and Student's Life". It should be noted that the provision of accidents and health is the most dynamic line in the insurance market with an increase in 2013 of 91% of gross written premiums, compared with 2012. Factors that have contributed in particular to this positive dynamic growth is the volume of premiums private health insurance product, which in recent years has been influenced by Austrian expertise in the market.

4. **Chapter 2. Statistical Analysis of Factors Affecting Life Insurance in Albania**

"Of four billion people in the world who live on less than two dollars a day, less than ten million have access to insurance." Craig Churchill, in micro insurance conference in October 2005, Munich

We think, there are certain macroeconomic variables like income, rate of interest, and accumulated savings in wealth form; along with a set of demographic or social variables having potential impact on individuals’ decision to opt for or not to demand life insurance. Life insurance consumption increases with the breadwinner’s probability of death, the present level of family’s consumption and the degree of risk aversion.
Numerous studies have been conducted to set empirical factors affecting the supply and demand for life insurance. Some of our research is mentioned below:

Headen and Lee (1974) studied the effects of short-run financial market behaviour and consumer expectations on purchase of ordinary life insurance and developed structural determinants of life insurance demand. They concluded that life insurance demand is inelastic and positively affected by change in consumer sentiments; interest rates playing a role in the shortrun as well as in the longrun.

The study by Truett et al. (1990) discussed the growth pattern of life insurance consumption in Mexico and The United States in a comparative framework, during the period of 1964 up to 1984. They assumed that at an abstract level demands depend upon the price of insurance, income level of individuals, availability of substitute, age and education.

There are many other studies for specific countries or for a group of countries, treat influencing factors in the life insurance and insurance in general.

The review of some earlier studies concludes that the bulk of the empirical studies undertaken finds a positive association between increase in savings behavior, financial service industry, income, GDP and demand for life insurance.

Based on empirical studies and in a database in Table 3.1, we tried to give factors affecting the demand for life insurance in Albania.

Table 3.1: The factors affecting the demand for life insurance in Albania

<table>
<thead>
<tr>
<th>Year</th>
<th>Eco_growth</th>
<th>Y&lt; 65</th>
<th>Birth_rate</th>
<th>Gni_capita</th>
<th>Infl_Rate</th>
<th>G_pop</th>
<th>Edu_exp</th>
<th>(tot_prim)/gdp</th>
<th>(life_prim)/gdp</th>
<th>(non_life_prime)/gdp</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>26.17</td>
<td>7.2</td>
<td>17.8</td>
<td>3950</td>
<td>0.5</td>
<td>-0.21</td>
<td>99,369,200</td>
<td>0.0038</td>
<td>0.0011</td>
<td>0.0037</td>
</tr>
<tr>
<td>2000</td>
<td>7.37</td>
<td>7.4</td>
<td>16.92</td>
<td>4820</td>
<td>1</td>
<td>-0.03</td>
<td>107,756,100</td>
<td>0.0038</td>
<td>0.0011</td>
<td>0.0037</td>
</tr>
<tr>
<td>2001</td>
<td>10.77</td>
<td>7.6</td>
<td>16.1</td>
<td>4980</td>
<td>0.18</td>
<td>0.15</td>
<td>120,437,300</td>
<td>0.005</td>
<td>0.0003</td>
<td>0.0047</td>
</tr>
<tr>
<td>2002</td>
<td>8.32</td>
<td>7.8</td>
<td>15.35</td>
<td>5350</td>
<td>0.6</td>
<td>0.4</td>
<td>130,114,200</td>
<td>0.0061</td>
<td>0.0005</td>
<td>0.0056</td>
</tr>
<tr>
<td>2003</td>
<td>26.34</td>
<td>8</td>
<td>14.68</td>
<td>5770</td>
<td>2.4</td>
<td>0.55</td>
<td>165,445,200</td>
<td>0.0054</td>
<td>0.0001</td>
<td>0.0053</td>
</tr>
<tr>
<td>2004</td>
<td>31.29</td>
<td>8.2</td>
<td>14.1</td>
<td>6220</td>
<td>3.2</td>
<td>0.08</td>
<td>171,370,700</td>
<td>0.0055</td>
<td>0.0002</td>
<td>0.0053</td>
</tr>
<tr>
<td>2005</td>
<td>11.61</td>
<td>8.4</td>
<td>13.63</td>
<td>6980</td>
<td>2.4</td>
<td>0.54</td>
<td>242,799,600</td>
<td>0.0049</td>
<td>0.0003</td>
<td>0.0046</td>
</tr>
<tr>
<td>2006</td>
<td>8.51</td>
<td>8.7</td>
<td>13.28</td>
<td>7380</td>
<td>2.5</td>
<td>0.47</td>
<td>266,812,400</td>
<td>0.0051</td>
<td>0.0003</td>
<td>0.0048</td>
</tr>
<tr>
<td>2007</td>
<td>16.73</td>
<td>8.9</td>
<td>13.04</td>
<td>8280</td>
<td>2.9</td>
<td>0.41</td>
<td>312,879,400</td>
<td>0.0062</td>
<td>0.0004</td>
<td>0.0058</td>
</tr>
<tr>
<td>2008</td>
<td>20.70</td>
<td>9.2</td>
<td>12.89</td>
<td>8500</td>
<td>3.4</td>
<td>0.37</td>
<td>373,414,100</td>
<td>0.0065</td>
<td>0.0005</td>
<td>0.006</td>
</tr>
<tr>
<td>2009</td>
<td>-6.89</td>
<td>9.4</td>
<td>12.8</td>
<td>8560</td>
<td>2.2</td>
<td>0.36</td>
<td>341,402,800</td>
<td>0.0069</td>
<td>0.0006</td>
<td>0.0063</td>
</tr>
<tr>
<td>2010</td>
<td>-2.50</td>
<td>9.7</td>
<td>12.76</td>
<td>8820</td>
<td>3.6</td>
<td>0.36</td>
<td>334,290,900</td>
<td>0.0065</td>
<td>0.0007</td>
<td>0.0058</td>
</tr>
<tr>
<td>2011</td>
<td>8.89</td>
<td>9.9</td>
<td>12.75</td>
<td>8800</td>
<td>3.5</td>
<td>0.36</td>
<td>366,537,600</td>
<td>0.0064</td>
<td>0.0005</td>
<td>0.0059</td>
</tr>
</tbody>
</table>

Source: Bank of Albania, INSTAT, AFSA

By statistical analysis it is shown that:

\[
\text{LIFE_INS} = 425 - 11.345 \times \text{ECO\_GROWTH} R^2 = 0.241
\]

Dev. Stand 100 5.55
Stat. T 4.26 -2.04**

The model results important F = 4.169, with important individual links t = 2:04 and explanation of 24.1%. There is an absence of autocorrelation (d 2) and a normal waste. This simple model with a variable pattern is of good results.

The economic growth negatively affects the trend of Albanian citizens in the request of products towards life insurance industry (increases growth increases the quality of life care, as a result it increases the possibility to have cures in cases of accidents or illnesses. The economic growth is not in such levels to significantly increase the personal income of Albanians. Albania remains one of the countries with the lowest income per capita in Europe). Life insurance is considered the best luxury for Albanians; as a result the model built is consistent with the theoretical approaches.

Aiming to analyze factors influencing in the southern region of Albania, we have collected data from 200 individuals with age, occupation, level of education and income from the southern part of the country. The survey was conducted in urban and rural areas.

The survey was carried out in several different areas of southern Albania during a two month.

The following assumptions are made on the basis of predictions:

- A positive opinion about the individual life insurance depends on their sex.
- A positive opinion about the individual life insurance depends on their age.
- A positive opinion about the individual life insurance depends on their education.
People buy life insurance depending on their income.

The participation in this survey consisted of 200 people, whose age was above 18 years. The number of questions was 8 and was all open questions. Questions in this survey included information about the interviewees as their age, gender, education, average income, their opinion on the security services. With the help of this information we were able to determine what part of the population was aware of the insurance companies and the influencing factors in the life insurance services. Kotler (1997) describes in his theory that it is possible to get a good result even if the number of participants is less than 1% of the population as a whole. We tested the attitude of the insured people according to demographic factors (gender, age, education) control criterion hypotheses with Hi-square X2 distribution.

4.1 According to the question "Is life insurance necessary?" on the basis of sex, we take two hypotheses:

H0 - The proportion of respondents who think that security is independent of gender.
H1 - The proportion of respondents who think that security is dependent on gender.

Table 3.a Hi-Square Test results "Is insurance necessary? * Gender of respondents"

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Estimated value</th>
<th>Discretion Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hi-square</td>
<td>0.211774</td>
<td>2</td>
</tr>
</tbody>
</table>

Decision: The calculated value is 0.211774 and it receives a critical value of 8.13 with 2 degrees of space. The calculated value is greater than the critical value, so the null hypothesis is rejected. This means that if the respondent thinks that life insurance is necessary it depends on its gender.

Graph 3.a. "Is life insurance necessary? * Gender of respondents"

4.2 According to the question "Is life insurance necessary? related to age of the respondents, we have these hypotheses

H0 - The proportion of respondents who think that insurance is needed is independent of age.
H1 - The proportion of respondents who think that insurance is necessary is dependent on age.

Table 3. b. Results of hi-square test "Is life insurance necessary? * Age of the respondents"

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Estimated value</th>
<th>Discretion Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hi- square</td>
<td>0.1723183</td>
<td>2</td>
</tr>
</tbody>
</table>

Decision: The calculated value is greater than the critical value which is 13.8. Calculation shows that the calculated value is greater than the critical value, so the null hypothesis is rejected. From this we conclude that the age of the respondents is important in their decision about life insurance.

Figure 3. b. "Is insurance necessary? * Age"
4.3 According to the question "Is life insurance necessary" related to education, we have these hypotheses:

H0 - The proportion of respondents who think that life insurance is reasonably independent of education.
H1 - The proportion of respondents who think that life insurance is necessary is dependent on education.

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Estimated value</th>
<th>Discretion Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hi-square</td>
<td>0.523734836</td>
<td>2</td>
</tr>
</tbody>
</table>

Decision: The calculated value is greater than the critical value which is 13.8, so the null hypothesis is rejected. From this we conclude that respondents are influenced by education in their decision on insurance.

Most respondents, 52% of them with a Bachelor degree on education are of the opinion that the security services are necessary. We think the reasons are: Most universities have some business courses as compulsory subjects and most students usually try to start their own businesses or are already engaged in small, medium or large businesses. This is why they are more interested in the economic system including security system.

4.4 The forth analysis will be developed about the income ability for life insurance services.

H0 - Part of respondents having life insurance that is independent of their income enough to be insured.
H1 - Part of respondents having life insurance dependent on sufficient income to be insured.

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Estimated value</th>
<th>Discretion Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hi-square</td>
<td>8.39449E-05</td>
<td>2</td>
</tr>
</tbody>
</table>

Decision: The calculated value is greater than the critical value which is 13.8, so the null hypothesis is rejected. This means that the unwinding of life insurance service by individuals depends on the adequacy of their income to have a life insurance.

5. Conclusions and Recommendations

Albanian people due to political and economic specifications until late 90s, have an insufficient financial culture. Our
financial markets have only 20 years of age. But, in these 20 years, very few or no one stopped to think that these markets would be part of the social, educational, economic, legal development and public discussion. This approach has certainly produced its negative consequences.

Albanians are the less insured community in Europe, a fact that leaves room for large development of insurance business. Low turnover of revenue from premiums in GDP and asset life testifies to the low level of development of the insurance sector in the country and translates into an untapped potential for further market development. This is reinforced by the growing interest of foreign operators, mainly active in the field of insurance and their ownership participation in the Albanian insurance companies. Names, such as Vienna Insurance Group and UNIQA Group Austria, already own controlling shares of Sigma and Sigal.

The main reason for the low level of life insurance is related to a lack of insurance company tradition and culture of the population, the lack of a national campaign related to the recognition of financial systems and in particular the recognition of insurance company systems.

In Albania, life insurance is still considered as a luxury, shown by regression analysis and the results of the questionnaire. An increase in GDP or income per capita does not cause increased demand for life insurance.

The development of the insurance industry should be treated as a public benefit, as this is its mission. Education with an insurance culture of young people by introducing insure education in high schools and then in universities.

All these private and public factors/actors in the field of insurance: the civil society, academic and educational institutions all should show their commitment to analyze, select and design development programs of the insurance industry, which due to its nature has an undisputed impact on our national socio-economic development.

Creating a public research development center of the financial sector would be a measure that would fill the gaps and help development challenges and the Albanian economy in general.

References

Albanian Financial Supervisory Authority, Various years

Appendix

<table>
<thead>
<tr>
<th>Model</th>
<th>Variables Entered</th>
<th>Variables Removed</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ECO_GROWTH*</td>
<td></td>
<td>Enter</td>
</tr>
</tbody>
</table>

a. Dependent Variable: LIFE_INS
b. All requested variables entered.
### Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.563&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.317</td>
<td>.241</td>
<td>192.937</td>
<td>1.949</td>
</tr>
</tbody>
</table>

<sup>a</sup> Predictors: (Constant), ECO_GROWTH  
<sup>b</sup> Dependent Variable: LIFE_INS

### ANOVA<sup>a</sup>

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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</thead>
<tbody>
<tr>
<td>Regression</td>
<td>155207.229</td>
<td>1</td>
<td>155207.229</td>
<td>4.169</td>
<td>.072&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>1 Residual</td>
<td>335022.771</td>
<td>9</td>
<td>37224.752</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>490230.000</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> Dependent Variable: LIFE_INS  
<sup>b</sup> Predictors: (Constant), ECO_GROWTH

### Coefficients<sup>a</sup>

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>(Constant)</td>
<td>425.986</td>
<td>99.960</td>
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<sup>a</sup> Dependent Variable: LIFE_INS

### Collinearity Diagnostics<sup>a</sup>

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<sup>a</sup> Dependent Variable: LIFE_INS

### Residuals Statistics<sup>a</sup>

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<sup>a</sup> Dependent Variable: LIFE_INS
Corruption and the European Criminal Policy

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Abstract

It is concluded that corruption is part of every society, whether it is developed or undeveloped, the question that arises is, what is the difference in these societies regarding level, while the fact of the existence of corruption as a phenomenon does not arise as a question at all. When we have this in mind, it is observed that the fight against this phenomenon must be permanent and without any compromise. Certainly, developed countries have better possibilities in fighting corruption in the sense of experience, methods and technologies that they possess, while developing and undeveloped countries remain to follow the best practices of these countries and greater political will of citizen to fight this phenomenon. It becomes even more complex when we consider that corruption as a phenomenon is very well connected with other crimes and especially it is not viewed separately from organized crime or money laundering, financial crimes or various forms of serious crime. Even more disturbing is the fact that corruption includes almost all spheres of society, including the private and public sectors, civil society. This creates bad opinion that somehow the whole society is corrupt. Forms used to express the corruption, are summarized as follows: provision, promise or giving of bribes to public officials; bribery of foreign officials; demand, accepting or receiving bribe by public officials; influence at work; aim to influence; Abuse of public property; misuse of office / position; bribery in the private sector; obstruction of justice. But this is not limited by all this, since the possibility remains to constantly "modernize" the forms of corruption. Efforts to define corruption as a phenomenon have been, and remain numerous, but we still do not have a single and accepted definition except the efforts to include as many more elements and forms of expression of this phenomenon. Thus, a comprehensive definition is given by the Civil Convention on Corruption, drafted by the Council of Europe. Under this Convention, "corruption" means requesting, offering, giving, receiving, directly or indirectly any bribe or other benefit, which will affect the proper conduct or behavior or the request towards certain behavior of the one who receives bribe, or whoever else benefits from it.

1. Introduction

Corruption is considered to be society's cancer. Perhaps it is pathetic for such a conclusion, but since there is no country in which this criminal phenomenon does not exist, we dare to say this allegorically.

Along with other policy developments and especially the great media attention to this phenomenon, the state policies but also international ones always are being developed to prevent and stop this phenomenon. Despite taken actions and the development of criminal policies by many different countries, some countries have achieved to lower the level of criminality and make it smaller than in some other countries. But there is no pattern to stop or delete it from the criminal dictionary, because there are no states with zero corruption and an ideal model to fight it. In fact, the development of good policies is not enough to influence positively to this phenomenon. But firstly there is a need for political will to combat it and secondly policies should be applied on the spot without intervention and supported from all spheres of society. Certainly the development of the technology requires tools and prepared people in the sphere of combating this crime and especially in its prevention.

This draft attempts to give a brief overview of this phenomenon and in this context it will be assessed how far, in which important state institutions this phenomenon is extended, what are the elements that define corruption, and the corruption situation in the global sphere.

One part of this draft will attempt to present the European policies on corruption and crime, especially in areas which we are trying to reach and influence by these policies.

2. Methods

The study includes a deep and versatile survey regarding the corruption as a widespread phenomenon in all countries with special emphasis in countries policies in combating this phenomenon.

Working methods have been adapted to the requirements of this research:

Descriptive methods – show some statistics of the level of corruption in various countries including the trust that
citizens have in institutions.

The method of research - explore the possibilities and ways by which measures can be undertaken to combat this phenomenon.

The method of analysis - through which we analyze the benefits and shortcomings of efforts made to combat this phenomenon and the challenges that await us in the future.

The comparative approach - analyze the current situation in underdeveloped and developing countries and compare it with the European Union and beyond.

3. The Purpose of the Study

Corruption is present in every society and fighting it is permanent. The purpose of this draft is to give a little bit of contribution in continuous and comprehensive attempts of anyone in the prevention and minimization of this phenomenon. Fighting of this phenomenon is possible if we have strong anticorruption policies which in itself should contain the necessary legislation and sustainable and serious institutions based on goodwill of political parties and citizens in general, to cooperate in order to be given a comprehensive blow them to those who cause and develop this phenomenon.

4. Literature Review

Corruption is one of the most complex phenomena of society. The complexity of this phenomenon derived from the cause that by this, all spheres of social life are attacked. "Corruption as such constitutes a major threat to democracy" (Vesel Latifi / Criminal Policy, p. 242). This is how professor Latifi defines the phenomenon of corruption which gives us to understand that corruption is destructive element of society, very complex from inside because of the "inclusiveness" that it carries inside. In addition to this, as a phenomenon it poses a risk and threat to democracy, in other words suffocates the development and progress of the state and society.

Many countries believe that corruption is one of the biggest problems with the states. "Corruption is considered a major social problem in Albania and Romania", then as the second problem is classified in Bosnia and Croatia, as a third problem in Macedonia, and as the fourth in a row in Bulgaria "Crime and Its Impact on the Balkans, p.88". Therefore corruption is spread out in all countries; the difference is its level. Undoubtedly highest level of corruption pattern is observable in underdeveloped countries and developing ones. Developed countries, however low is their level of corruption, are not totally exempt from this phenomenon.

Authors, various organizations and institutions are trying to give definitions of corruption. Though not a limited definition, most of them have summarized the elements and frequent forms by which the corruption is characterized. Definition of organization Transparency International, says that "Corruption involves behavior of public officials, no matter whether they are politicians or civil servants, which behavior they / them legally or not introduce themselves to others, in order to misuse of public power is given "Wikipedia / Political Corruption. Another definition which attempts to define political corruption says that "corruption is defined as the use of government power by its officials for illegal benefits" Corruption / A Glossary of International Standards in Criminal Law, p 23.

Now anti-corruption policies are not only the concern specific of countries, but include a global context. Besides drafting appropriate legislation, sustainable institutions, political and public will, a system of monitoring processes and implementation should exist.

It also requires assessment and monitoring of implementation and sanction of violations and requires transparency in particular of public financial management. Corruption and the European Neighborhood Policy (ENP), p.2. Transparency is important for citizens, their notification over the measures and the effects caused by the anti-corruption fight. This motivates them to collaborate even more and to contribute in this direction.

5. Corruption as a Phenomenon and Its Extension

Corruption is one of the most complex phenomena of society. The complexity of this phenomenon derives from the cause that by this, all spheres of social life are attacked. As such 'Corruption constitutes a major threat to democracy' it is considered that corruption attacks the social, economic and political dimension and even beyond. Specifically corruption showed expansion in all institutions both public as well as private, notwithstanding here NGOs, economic state organization, liberal market, up to the different layers of the population.

No society is immune against this criminal phenomenon, whether they are societies with developed democracy or
societies in progress and undeveloped. When analyzing the effect of corruption, we can conclude that corruption has a negative effect exactly in developing countries and to those undeveloped, on economic aspect because it attacks the already limited budget that these countries have, and affects the distribution of inequitable use of public funds; in the private sphere causes great loss and increases the market cost which is expressed through higher prices which hits then the customers in social aspect because it strikes the broad range of poor and powerless people stricken people because if they want to get the necessary services, they should pay different amounts in illegal way or to offer various favors to certain people in order to come up to the performance of various tasks. Corruption as a phenomenon is very well connected with other crimes and especially not viewed separately from organized crime or money laundering, financial crimes or various forms of serious crime. Therefore in many articles, analyzes and drafts it is considered that corruption is an integral part, of; political parties, parliament / legislature, the private sector business, the media , the military, non-governmental organizations, the religious organizations, educational system, legal, judiciary, police, civil registers, the maintenance activities, in taxes, etc.

Forms by which corruption is expressed in principle are summarized but not limited only to: provide, promise or giving of bribes to public national officials; bribery of foreign officials; demand, accepting or receiving bribe by public officials; influence at work; aim to influence and evidence; abuse and other forms of abuse of public property; misuse of office / position; bribery in the private sector; misuse of property in the private sector; use of property that resulted from corruption; obstruction of justice.

Also corruption is classified as economic crime and as such includes other types of crimes or acts attributable to corruption as follows; money laundering; financial crimes; misuse of bids; misuse procurement procedures; misuse of accounts and audits; Counterfeit data etc.

6. Definition of Corruption

Regarding corruption, there are many definitions, different, whether definitions that determine what actually counts as corruption, or actions that can be attributed to corruption.

Organization for Economic Cooperation and Development (OECD, English), has provided some insights into the definition of corruption. As the organization which monitors the Convention on combating bribery of public/foreign officials in international commercial transactions, has given two definitions related to corruption, criminal or penal definition of corruption and political definition of corruption.

According to the criminal definition of corruption, it is considered that there is no line regarding what actually is corruption. But instead of defining, has counted a wide range of actions to contain the corrupt acts itself. Some of these actions to be mentioned are: bribery, influence act, misuse of public funds, unreasonable and unjustified behavior on public property and public officials, misuse of public property, and other behaviors that have different impacts. While the definition for political purposes is more known. From this aspect the most used definition which not only defines what is corruption, but also covers a broad spectrum of corruption actions. According to this definition, corruption presents 'abuse of public and private office for personal gain'.

Another definition which attempts to define political corruption says that "corruption is defined as the use of government power by its officials for illegal benefits"

The same perception of the definition of corruption is also shared by the United Nations Office on Drugs and Crime, which writes that corruption in general involves the use of public power for personal gain, but also mentions other actions as bribery, fraud procurement procedures, then misuse of public funds etc.

Definition of organization Transparency International, says that "Corruption involves behavior of public officials, no matter whether they are politicians or civil servants, with which behavior they / them legally or not introduce themselves to others, in order to misuse the given public power."

However, corruption cannot be viewed separately from organized crime and other crimes. Criminal Code of Kosovo, has incriminated taking and giving bribes. Even local authors talk about political corruption which has to do with taking political power functions or holding certain privileges.

While at the level of the European Community, in documents that deal with corruption by criminal aspect such as the Criminal Law Convention on Corruption and other documents, has not set a definition but actions have been counted.

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2 Corruption/A Glossary of International Standards in Criminal Law, f 22
3 Wikipedia/Political Corruption
4 Corruption/Glossary of International Standards in Criminal Law, p.23
But the Civil Convention on Corruption, drafted by the Council of Europe, for the purposes of this Convention, "corruption" means requesting, offering, giving, receiving, directly or indirectly any bribe or other benefit, which will affect the proper conduct or behavior or in the request against certain behavior of the recipient of bribes, or whoever else benefits from it‘.

**Most corrupted vital institutions**: it is reported that the police is the institution that is mostly involved in corrupt activities, the second is the judiciary and registry services and and services for granting permits. But the order varies from country to country, from region to region. For example, while in Africa, Asia, Latin America and Eastern Europe, police is considered the most corrupted institution, in the states of the European Union (EU), medical services lead among corrupted institutions, while in North America, the judiciary is seen as the leader of this group

**Perception of corruptions in different sectors and institutions**: political parties are considered as most corrupted institutions, however there is a strong relationship between people's perception of corruption in key services and their experiences regarding bribes, when they come in touch with these services.

### 7. European Criminal Policies on Corruption

Corruption is the black hole of each state. The level of corruption shows, the stability of institutions and the degree of democracy in the provision of services to citizens, on whose mandate their institutions stay.

Not only for the fact that corruption is perceived as a part of organized crime and combating these crimes is very difficult especially if you try to do it only in the national level, but the difficulty of this combat is based on several reasons of which we mention the fact that in this criminal phenomenon are included people who have power and authority, and the level of reporting of this crime is relatively low in one hand and the ability to gather evidence is very small. This becomes especially difficult in cases where there is no political will to fight it, the lack of adequate legislation and especially the willingness of cooperation between states.

This is especially evident in developing countries and transitional countries where the biggest problems occur because of fragility in the functioning of democratic institutions.

### 8. European Legislation

European policies and corruption and in particular the legislative ones are lying in some dimensions, in the criminal, civil, economic, but also through acts of key institutions of the EU.

**European Security Strategy**, for a more secure Europe in a Better World, one of the five main threats to security has listed the organized crime as one of the threats faced by Europe in this century and in this way has open debate on the creation of policies to combat this crime. Considering that in many cases corruption is part of organized crime or to consider that along with it we consider that watching from the broader point of view it is a good legal basis for declaring the war against this phenomenon. However, we consider that the main document for corruption is the *Criminal Law Convention on Corruption*, 1999, launched in Strasbourg and Additional Protocol to this Convention of 2003.

Then, the *Civil Law Convention on Corruption*, as of 1999, which also in Section 2, has defined corruption. This Convention is very important because with her signature states have accepted providing judicial measures that may be required for compensation of damage to persons who have suffered damage from corruption.

**Criminal Law Convention on Corruption** was announced by the Council of Europe. It has reiterated the readiness of the countries cooperation in the fight against corruption. Council also through this convention has attempted to contribute to the punishment of corruption and harmonization of the of economic crime laws.

By the end of 2007, this Convention had been signed by 35 states.

This Convention does not determine the definition of corruption. But it has counted a broad spectrum of actions which constitute corruption behavior and especially the actions of public officials, but also including the private sector.

**Convention on combating foreign officials receiving bribery**, adopted by the Organization for Economic Cooperation and Development (OECD), which entered into force in 1999 that represents most of the countries that are involved in this trade. It addresses only the acceptance of bribes by foreign officials in international transactions related to business. Also this convention has built Bribery Working Group to monitor implementation of the Convention in signatory states.

Then the Council in order to reinforce cooperation between member states in the fight against corruption and the involvement of the officials from European Member States has issued an act in 1997, the *Convention against Corruption*, which is based on the Treaty of the European Union. Through this convention it was meant to design the fight against European officials, or national officials of member states of the EU. Also here explicitly is stated that this document requires Member States to ensure that the fight against corruption, including active and passive forms of
corruption among national officials. In this way it offers the territorial extension of the convention, the entities involved in criminal violations.

There are also a number of documents such as the Convention on Money Laundering, Control, Seizure, Proceedings and Financing Terrorism, and the Convention for the Prevention of Terrorism. Both these conventions contain provisions that may apply in cases of corruption.

9. Punitive Policies

Are a form of war against the crime and have a repressive but also preventive dimension.

Conventions governing the criminal phenomenon of corruption require that corrupt acts are punished effectively, proportionately and to punish even criminally when physical persons get involved as well as the possibility to be considered a limitation of freedom of movement and extradition.

Also it is required that the weight of the punishment should be in harmony with the severity of the offense. The UN Convention also seeks to create opportunities for the devaluation of the order of the court in cases involving irregularities when official persons are involved.

Generally it is required that punishment is proportionate to the gravity of the offense but not in great disproportion to the severity of the offense. Also it is required to settle administrative and civil penalties.

We can generally say that the sanctions required are; criminal, civil and administrative.

Some of the sanctions that we find in these legal documents are also;

- Confiscation of the bribe amount received, the goods obtained by taking bribes and tools
- to commit a crime,
- Fines and confiscation of equivalent value,
- Confiscation of converted items a and goods benefited from them,
- Confiscation from the third person.

10. Constructed Standards and Anti-Corruption Policies

Based on the existing legislation at the level of European countries, we may conclude that European policies related to corruption are some dimensional, including drafting legislation, supporting and other guiding acts issued by the Council of Europe or the pillar of the Community or the European Commission.

Some of the tools of war against corruption have been also created at the level of plans and strategies for collaboration as for example the European Neighborhood Policy in 2004, which actually represents a political commitment against corruption, and requires cooperation between states as a tool for war against corruption.

In fact, this re-emphasizes that the political precondition against corruption is a very powerful tool in order to; strengthen democracy, the rule of law, judicial reform and the fight against organized crime and corruption; respect for human rights and fundamental freedoms, freedom of thought; support of civil society; cooperation with the International Tribunal; commitments in European policies against terrorism, weapons of mass destruction and commitment to conflict resolution. It also requires assessment and monitoring of implementation and sanction of violations and requires transparency especially in public finance management.

Or another tool is Istanbul Action Plan in which are included the action plan for Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan and Ukraine in 2003 and which plan was later also revised and considered to be a document with legal effect and based on which the recommendations are then given to these countries in developing national policies against corruption.

We can conclude that European criminal corruption policies are addressed in several ways, in order to design effective policies on anti-corruption fight.

Act which legalizes communication between the Commission, the EU Council and Parliament, by considering that "corruption is the abuse of power for private gain ." By this act there are some stemming principles that should be considered as elements of anti-corruption policy in Europe in the future.

These principles are summarized into:

- A strong political commitment to fight corruption;
- Implementation of the current anti-corruption instruments;
- Member States of the EU should develop and improve investigative tools and collect more staff to fight
corruption;
  - Member States and other EU bodies that need to redouble their efforts to combat corruption;
  - To develop common standards of integrity and include them in public administration in the EU;
  - Private sector efforts to raise integrity and shared responsibility
  - The fight against political corruption, and uncertain financing of the institutions should not stop;
  - Issues of corruption must be addressed and debated with candidate countries and third countries;
    The EU should continue to make the fight against corruption an integral part of foreign policy market.
  - In this way, this communication has given effect even to legal instruments, through the cooperation of police
    and judicial fields;
  - Eurojust (in the field of judicial cooperation) - with a mandate to fight fraud and corruption, money laundering
    and participation in a criminal organization;
  - Europol - the European Office of the policy is extended;
  - The Commission has given a proposal to appoint a European Prosecutor for finances, to deal with corruption
    which affects the interests of the community.

11. European Arrest Warrant

11.1 Directive on money laundering

And a range of other acts are still under construction.

Council of the European Union in 2005 has issued a draft resolution regarding corruption, by means of which it
calls the Commission, the Council and the European Parliament to draw up a EU-based comprehensive anti-corruption
policy based on; achieving further progress in the fight for the prevention and suppression of corruption at the level of the
EU.

Defining those areas where improvement is needed;
  - Suggest future initiatives of the EU, the EU institutions, member states and countries outside the EU.

12. Policies for Candidate Countries

States which join the EU would have had to meet certain standards and these standards have been different from the first
expansion.
The Copenhagen criteria is the most known standard needed/requested from states to fulfill as well as the criteria for
economy, political and human rights. Then each of these areas requires a series of actions to be taken by the state to
strengthen all these areas and to be in accordance with those of other member states.

Referring particularly to the scope of corruption at the level of Europe, anti-corruption policy of the EU has
introduced ten (10) principles for the candidate countries to the EU.
  - The need for strong political support for addressing corruption,
  - Becoming part of the relevant international instruments,
  - Implement legislation effectively
  - Preservation in relation to the recruitment policies of private and public civil servants
  - Integrity, accountability and transparency in all sectors of public administration,
  - Development of codes of conduct for all public administration sectors,
  - Protection for the public and private sector customers
  - Encourage the public to recognize the effect of corruption
  - Ensuring that the special troops have not influence on the policy-making process
  - Support of the private sector in recognizing and combating corruption.

13. Conclusion

We can conclude that corruption as a criminal phenomenon has an effect on social progress, economic progress,
democracy building, the rule of law and human rights and attacks the stability of a country’s institutions. Although there is
no consensus for the definition, there is a consensus regarding the risk that it presents in support and assistance for other
dangerous crimes. Values of corruption appear to be alarming, and show clearly that there is no country that is immune to

~ 257 ~
this phenomenon. This has necessitated the construction of anti-corruption policies, including legislation, punitive policies, standards and support policies, by creating also monitoring bodies. It has been worked at the European level in making policies to fight corruption not only at the national level but even beyond up to the wider global level. These policies have been extended in several dimensions, especially focusing on the legislation. Perhaps in the near future we will find means and ways to remove those people who have the chance to be involved in acts of corruption by direct contact with the phenomenon as a whole or with operations in particular, as for example bound system of bank payments that does not give the opportunity to manipulate with dirty money in the countries which have developed this system. Also in the European level the debate has been raised about ‘Doctrine of Humanities, especially in security matters including criminal matters as the main component of security, but human doctrines should have been another topic to elaborate in the future.

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~ 258 ~
Analysis of Costs and Benefits of Cloud Computing

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Abstract

This article incorporating a theoretical and practical approach to cost-benefit analysis to help the managerial level of a company that is in front of a decision if or not to adopt Cloud Computing to the business. Cost-benefit analysis is divided into six distinct sections to determine what costs and benefits are economically significant for the case study analyzed. Based on the above allocation sections TEI (Total Economic Impact) is applied, implemented by Forrester as a methodology. This methodology was chosen because it gives a general view of the impact and benefits in information technology to cloud computing adoption not only through the analysis of costs and benefits but also giving appropriate weight to information technology resources that are possessed. The article deals with analysis, forecasts and implementation of Cloud Computing. Showing financial benefits acquired from "green IT" as a consequence from this technology. Through a detailed analysis of the cloud computing phenomenon and its connection with green IT, this article conducts a cost-benefit analysis as a case study taking a internet and communications services company, such as Primo Communications sh.p.k. The aim of the project is to show the potential benefits of the transition to cloud computing of this company, benefits expressed in increased efficiency of the use of technological resources or even increased environmental benefits. Together "cloud computing" and "green IT" treatment in this article represent two of the most challenging opportunities in business development nowadays.

1. Approach and Methodology

Forrester takes an approach of few more steps to assess the impact of cloud computing in an organization. Specifically, we followed these steps:

1. Interviewed staff of marketing, sales and product managers. Also human resources managers.
2. Interviewed 13 PRIMO Communications engineers working in various aspects of the organization's activity.
3. Built an organization model based on features extracted from the interviews.
4. Built a financial model using the TEI method. Financial model was populated with data about the costs and benefits that emerged after interviews.
5. Following the methodology, we analyze four essential elements:
   - Cost
   - Benefits to the entire organization
   - Strategic Opportunities for flexibility
   - The risk

Since large undertakings have a sophisticated investment analysis, particularly with regard to IT, TEI methodology serves the purpose for having a picture of the whole economic impact.

2. The Purpose of this Article

Cost-benefit analysis is done for one of the leading companies in providing 3N1 currently in our country, PRIMO Communications sh.p.k.

The project examines the fact that what will happen in the cost-benefit point of view in the case of transition services this company from on-site (Situated in the flats of the company) compared with use of Amazon cloud services

~ 259 ~
(AWS, Amazon Web Services) for the data center that she possesses.

3. Important Information

According to interviews done PRIMO Communications sh.pk staff, and the fact that we mention longer recognitions with this process and an author of the article has worked directly in these operations. We have built a general picture for the Total Economic Impact (TIE), of this change from on-site data center to Amazon cloud service. The hypothesis put forth by us is that benefits of the shift to cloud computing data center will reduce the total operational cost of keeping a data center on-site from the company said. Should mention the fact that many of the benefits of this transition are not easily translated into numerical values and thus we return on investment (ROI, Return On Investment).

However there are three main areas where operational costs will undergo reduction.
1. Cost savings of hardware devices as a result of using a lower level of computers AWS
2. Savings from energy consumption that is at least based on the loan of equipment to AWS
3. Savings in staff costs as a result of it the use of a large efficiency with solutions to problems.

In the end we can add engineering staff productivity will increase due to a higher efficiency of systems and time management as well as their best, all these follow the life cycle of a business with structured and productive. Translated to increase the value and quality of products and services offered that will generate increased consumer satisfaction.

At the end of the financial analysis for a period extending over three years'll see the total benefit is corrected by 4.6% risk.

Although the results of cost-benefit analysis were positive, environmental benefits are difficult to define and even more clearly in the numerical value to determine if they play a decisive role in the choice of cloud computing from this company. This relates to the fact that many of the biggest providers of cloud computing have been building huge data center and use energy in order to increase their effectiveness and do not take into account that are destroying the renewable energy or clean, this is also for the fact that no subsidy in the case of taking into account the protection of the environment. Secondly, the current legislation in force including the developed countries of the most experienced in this field do not give priority to reducing costs in the event of environmental protection or the reverse in the case of punishment for not taking basic influence in this direction.

4. Motivations

"Cloud computing" and "green IT" are two of the topics of discussions of unfamiliar business environments simultaneously in this period.
- Cloud computing is presented as a "revolution" in the information technology industry, fundamentally changing the way of doing business from a data center on-site in a cloud service based entirely on Internet.
- To Understand where cloud computing will impact on the protection of global warming on the basis of its impact on the environment by reducing the carbon footprint you leave providers of information technology services.
- Benefiting from the business and expanding the use of cloud computing

5. Project Description

Cost-benefit analysis in the case of cloud computing transition has been taken specifically for the company PRIMO Communications sh.pk The project analyzes the positive sides but also the risks that threaten change in this case if the company in question would use the services offered by Amazon. The benefits of cloud computing in the perspective of an ISP (Internet Provider service) since Internet is the basis of the functioning of this new variety from traditional to be seen from another angle. PRIMO Communications is a provider of "raw material" under this innovation in information technology, so, it is very supportive of this type of service.

PRIMO Communications sh.pk, currently offers a package of services in the market Trio, Internet, Phone and TV. Taking into account that the number of users of these services is always growing translates into the fact that this kind of business there is constant need for capacity to offer a quality and consistency in what they offer.
6. **Action Plan**

The action plan for the transition to the cloud is organized as follows.

- Analyses will be supported on Amazon Web Services (AWS)
- Source for the transition to the cloud will be built on VPC (Virtual Private Cloud Amazon)
- IT staff will create a template Amazon Machine Image (AMI) for operating systems that is currently in use (middleware, libraries, relevant configuration data)

![Amazon VPC Diagram](image)

**Figure 3: Skema e Amazon VPC**

7. **Benefits of Cloud Technology**

Main economic benefit of technology cloud comes from the type of payment. This is a kind of payment, based on use, usually known as the conversion of capital costs (CAPEX) to operating costs (OPEX). The payment model we use differs from the usual rent, because the latter is a charge made for a certain period of use of computer resources in this case even though they can not be used at this time. Meanwhile cloud technology was spun for this payment is done only in case of exploitation of the resources required. Based payment model we use is completely independent of the period of use but appears only in case of use of those resources to customer needs. Finally, information technology analysts and its practitioners have concluded that there are some of the key forces that will affect the benefit in case of adoption of cloud technology.

8. **Financial Benefits**

Buying a computer or an application capacity (SaaS) delivered as a cloud service technology known as operating expense (OPEX) which may increase or decrease depending on the consumators variation request during an interval of time. The same solution but in a data center in an organization is a sunk cost which is known as capital cost (CAPEX) and presented in the balance sheet as assets and amortized over the longer term time.

Transformation of capital costs in operating expenses of making financial decisions easier and less riskier to deal. Finally, are summarized in a table financial benefits between CAPEX and OPEX.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Traditional Technology</th>
<th>Cloud Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Type of expense</td>
<td>Capital Expense (CAPEX)</td>
<td>Just (OPEX)</td>
</tr>
<tr>
<td>2-The flow of cash</td>
<td>Operational Expenses (OPEX)</td>
<td>Payments for offered service</td>
</tr>
<tr>
<td>3-Income</td>
<td>Maintenance Expenses</td>
<td>Maintenance payments</td>
</tr>
<tr>
<td></td>
<td>Amortization of capital expenditures</td>
<td></td>
</tr>
<tr>
<td>4-Balance</td>
<td>Aktivet Afatigata</td>
<td>Not recorded in the balance</td>
</tr>
<tr>
<td></td>
<td>Hardware</td>
<td>1-Hardware</td>
</tr>
<tr>
<td></td>
<td>2-Software</td>
<td>2-Software</td>
</tr>
</tbody>
</table>
9. Cloud Computing Costs

In the preceding part explained the reasons why a firm is managed in cloud technology.

We will address the following differences in the total cost (TCO) by confronting cloud computing and the construction of a data center specific for a business. One for a comparison between cloud computing and data center is very difficult because of the hidden and indirect costs that appear in a data center firm (in-house).

There are many arguments and counterarguments regarding the total cost (TCO) between the two types of cloud computing technology and in-house because the costs are very specific and depend on the type of business, companies anyway to type in information technology or support their activities web will certainly have a lower total cost in the case of cloud computing than in-house computing.

10. Financial Analysis

Tables that cash flows (cash flow) that are used in financial analysis starting with an initial investment column reflecting costs incurred at time 0 or at the beginning of year 1. These costs are not discounted. Calculations for the present value (PV) were performed for each total cost and benefit. Present value calculations are shown in the table are summarized and the amount of inflows and outflows, with a discount rate every year. Table lists the main assumptions used for measurements in this chapter.

The table below provides approximate estimates of rates of annual use of datacenter processing nodes during the year. A use 100% means that the server using 8736 hours each year. Measured this by 24 hours * 7 days * 52 weeks. Some types can not be shared servers in use which means that their use is only intended for a single user. These are mainly small computers. Shared servers can be used by several users at the same time.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Type of Servers</th>
<th>Typical Tasks</th>
<th>Typical Usage Model</th>
<th>Number of hours per year</th>
<th>Annual Percentage of Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>A11</td>
<td>Small</td>
<td>For daily office tasks</td>
<td>8 hrs * 5 days * 47 weeks</td>
<td>1880 ore</td>
<td>21%</td>
</tr>
<tr>
<td>A12</td>
<td>Small</td>
<td>For software testing purposes</td>
<td>8 hrs * 5 days * 47 weeks</td>
<td>1880 ore</td>
<td>21%</td>
</tr>
<tr>
<td>A13</td>
<td>Medium</td>
<td>For different customers</td>
<td>24 hrs * 7 days * 52 weeks</td>
<td>8736 ore</td>
<td>100%</td>
</tr>
<tr>
<td>A14</td>
<td>Big</td>
<td>For larger software development, documentation</td>
<td>10 hrs * 5 days * 47 weeks</td>
<td>2350 ore</td>
<td>27%</td>
</tr>
<tr>
<td>A15</td>
<td>Very Big</td>
<td>Servers for the main services in the company</td>
<td>24 hrs * 7 days * 52 weeks</td>
<td>8736 ore</td>
<td>100%</td>
</tr>
</tbody>
</table>

11. Costs for the Staff

When companies own and operate servers in their offices they need to hire full-time personal to select, acquire, set, supported and managed them. Server administrators perform a variety of tasks, including: updating the server, returns, movement, incident management and problem management and monitoring of salespeople. Table 13 describes the assumptions for staff salary is charged to assist the datacenter ongoing operation. Table 14 gives a forecast of annual salary for this staff. Staff who will assist consists of IT manager, two system administrators and 4 developers whose activity constitutes only 20% datacenter to day work.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Measurement Unit</th>
<th>Basic Cost</th>
<th>Number</th>
<th>Decreasing rate</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>B4</td>
<td>IT manager`s Salary</td>
<td>140000</td>
<td>1</td>
<td>100%</td>
<td>140000</td>
</tr>
<tr>
<td>B5</td>
<td>System administrator`s Salary</td>
<td>110000</td>
<td>2</td>
<td>100%</td>
<td>220000</td>
</tr>
<tr>
<td>B6</td>
<td>Developer`s salary</td>
<td>70000</td>
<td>4</td>
<td>20%</td>
<td>56000</td>
</tr>
<tr>
<td>B7</td>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td>416000</td>
</tr>
</tbody>
</table>

12. The Costs of the Datacenter in the Company

Data center consists of only one main equipment room about 60 m2 and location of personnel by about 40 m2. We only
included cost estimates are more visible and important. While ancillary costs such as: architecture costs, cabling, real estate companies, the building management, security datacenter etc. are not very easily seen from everybody and determinable. Thus maintaining and operating an infrastructure includes the cost datacenter other than those listed below, but we will assume that the following proposed assessment is reliable enough.

### Number of the Computers

<table>
<thead>
<tr>
<th>Type of server</th>
<th>Hardware Specifications</th>
<th>Equivalent to AWS specifications</th>
<th>Number of the</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Server</td>
<td>Platform 32-bit, 2 GHz CPU, 2 GB memory, 160 GB disc</td>
<td>Small Instance 1.7 GB of memory, 1 EC2 Compute Unit (1 virtual core with 1 EC2 ComputeUnit), 160 GB storage, 32-bit platform</td>
<td>3</td>
</tr>
<tr>
<td>Medium Server</td>
<td>Platform 64-bit, 1 quad-core 2 GHz CPU, memory 8 G RAM, 500 GB disc</td>
<td>Large Instance 7.5 GB of memory, 4 EC2 Compute Units (2 virtual cores with 2 EC2 ComputeUnits each), 850 GB storage, 64-bit platform</td>
<td>5</td>
</tr>
<tr>
<td>Big Server</td>
<td>Platform 64-bit, 2 quad-core 2 GHz CPUs, Memory 15 GB, 850 GB disc</td>
<td>Extra Large Instance 15 GB of memory, 8 EC2 Compute Units (4 virtual cores with 2 EC2 ComputeUnits each), 1690 GB storage, 64-bit platform</td>
<td>6</td>
</tr>
<tr>
<td>Huge Server</td>
<td>Platform 64-bit, 4 quad-core 2 GHz CPUs, Memory 32 GB, 1 TB disk</td>
<td>High-Memory Double Extra Large Instance 34.2 GB of memory, 13 EC2 Compute Units (4 virtual cores), 850 GB of local instance storage, 64-bit platform</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>18</td>
</tr>
</tbody>
</table>

Cost of hardware based on the total cost of acquisition, operation and substrate which comprises the datacenter servers, network equipment and hardware maintenance. Costs that include operating system software and application licenses and lease of the building costs are not calculated the financial analysis. This is because these costs are unchanged in terms of passing the assets of the company in the Amazon Cloud. When calculating the financial impact of datacenter should consider the cost of replacing computers that is included in depreciation costs. As such, the initial cost of buying the hardware will be amortized over the useful life of the asset. In this case it is about 3 years (A4). Therefore using a fair depreciation expenses servers are minus the initial purchase at the end of life of dividing this value received for life. For simplicity, we will assume a value equal to zero rescue. Consequently, the annual cost of servers is calculated as follows:

\[
\text{Annual Server Cost} = \frac{\text{Total number of servers} \times \text{Cost per Server}}{A4}
\]

**Network Equipment Cost**

Servers allow network devices to connect to each other and to the Internet. Network devices include firewalls, routers, switches, and intrusion detection systems and other equipment. We have assumed costs for equipment equal to 20% (A5) of the original value of the cost of amortizing the right server for three years of useful life (A4). The annual costs of network equipment is calculated by:

\[
\text{Annual cost of network equipment} = \frac{\text{Total Cost per server} \times \text{server} \times A5}{A4}
\]

### 13. Equipment Maintenance Cost

Servers and network devices typically purchased with an annual contract maintenance for equipment repair in case of hardware defects. The annual maintenance cost is expressed as a percentage of the original purchase cost of servers and network devices that have parashikaurm first be approximately 10% (A6). The annual cost of maintenance for servers and network equipment is calculated as follows:

- Annual cost of hardware maintenance (Hardware Annual Maintenance Cost) = annual cost of maintenance of the servers (Annual Maintenance Cost of Servers) + annual maintenance cost of the network equipment (Annual Maintenance Cost of Network Hardware), where:
  - Annual cost of maintenance of servers = total number of servers \times \text{Cost per server} \times A6
  - Annual cost of maintenance of network equipment = Total Cost per server \times A5 \times A6

Servers operating costs and energy costs for cooling the servers

Datacenter servers not only consume energy, but also transform the latter into heat which must be removed from datacenter to avoid overheating equipment. The power required to cool the servers datacenterit can agree or pass power consuming servers themselves. From a study carried out by the Green Grid estimated that most datacenter PUE have a value between 1.3 and 3.0. In this calculation we assumed a PUE of 2.5 (A3) as a conservative value. The reality may be even worse than this value because few measures are taken for increasing efficiency. Following equation was used to calculate the full power of estimating the energy demand of server multiplying it with PUE. Total energy use then...
multiplied by the average cost of electricity per kW / hour to assess the total annual cost of power. The annual costs for operation of servers and their cooling is calculated with the following formula:

- Annual cost of power and cooling (Annual Cost of Power and Cooling) = total number of servers * standard energy consumption per server * A10 * Annual Hours of work per server * A3 * (A9/1000)

The table gives an estimate of the annual costs associated maintenance and operation of the PRIMO Communications datacenter.

### The Annual Cost of Operating and Maintaining the Dc in Primo Communications

<table>
<thead>
<tr>
<th>Ref</th>
<th>Item</th>
<th>Cost per Unit</th>
<th>Number of Units</th>
<th>Basic Cost</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Small Servers</td>
<td>41000</td>
<td>3</td>
<td>123000</td>
<td>41000</td>
<td>41000</td>
<td>41000</td>
</tr>
<tr>
<td>C2</td>
<td>Medium Servers</td>
<td>145000</td>
<td>5</td>
<td>725000</td>
<td>241667</td>
<td>241667</td>
<td>241667</td>
</tr>
<tr>
<td>C3</td>
<td>Big Servers</td>
<td>295000</td>
<td>6</td>
<td>1770000</td>
<td>590000</td>
<td>590000</td>
<td>590000</td>
</tr>
<tr>
<td>C4</td>
<td>Huge Servers</td>
<td>597000</td>
<td>4</td>
<td>2388000</td>
<td>796000</td>
<td>796000</td>
<td>796000</td>
</tr>
</tbody>
</table>

### Datacenter Equipment Costs

<table>
<thead>
<tr>
<th>Ref</th>
<th>Item</th>
<th>Cost per Unit</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>C5</td>
<td>Network Equipment</td>
<td>1001200</td>
<td>333733</td>
<td>333733</td>
<td>333733</td>
</tr>
<tr>
<td>C6</td>
<td>Hardware Maintenance</td>
<td>33373</td>
<td>33373</td>
<td>33373</td>
<td></td>
</tr>
<tr>
<td>C8</td>
<td>Cooling (kW)</td>
<td>12 lek/kW</td>
<td>512000</td>
<td>2048000</td>
<td>2048000</td>
</tr>
<tr>
<td>8</td>
<td>Total cost of the datacenter</td>
<td>4083773 lek</td>
<td>4083773 lek</td>
<td>4083773 lek</td>
<td></td>
</tr>
</tbody>
</table>

14. Summary of Basic Business Costs

Adding annual staff cost to that datacenter costs take an assessment of actual costs for datacenterin business within the company PRIMO Communications.

### Actual Costs

<table>
<thead>
<tr>
<th>Ref</th>
<th>Item</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>Staff Total Costs(B7)</td>
<td>416000</td>
<td>436800</td>
<td>458640</td>
</tr>
<tr>
<td>D2</td>
<td>Datacenter Total Costs(C9)</td>
<td>4083773</td>
<td>4083773</td>
<td>4083773</td>
</tr>
<tr>
<td>D3</td>
<td>Basic Total Costs</td>
<td>4499773 lek</td>
<td>4520573 lek</td>
<td>4542413 lek</td>
</tr>
</tbody>
</table>

15. Project Implementation Costs

15.1 Phase costs of planning and design

Less time will be needed for project planning, understanding of AWS technology, necessary design changes and in particular the design of modifications to be performed in virtual portal application. This portal is an application was designed and built within PRIMO Communications to facilitate the provisioning of virtual machines. This application needs to be modified in order to enable the creation and deployment of instances and volumes (EBS) in the AWS cloud. Need to develop additional functionality to support the rights of access control and automatic shutdown of computer resources which are not used. No external professional services will not be required to assist in the design and implementation of the project. Engineers working in PRIMO Communications are virtualization experts and so the manager in charge of this project should not have problems to find appropriate resources to properly design the project. However, the project will require a part time from other departments as networking and software engineers to give a more accurate solution. It is anticipated that efforts to become family with AWS technology and design of the solution will require about 20 days. Some people will be involved during this phase. The average full salary workers likely to be involved in the planning and designing of the project is around 46400 ALL daily.
15.2 Costs of implementing the project

Implementation phase of the project will be determined about 5 months which included the transfer of servers. At the initial stages and those that will follow it will require sufficient time for engineers to make the transition (migrate) the development of their existing environment to environment application using the AWS requires effort virtual. Kjo time equal to 2 days per server. So a total of 36 days. For ease of calculation will be used to calculate the value of pages in the preceding paragraph.

15.3 Cloud infrastructure costs

In order to have an accurate financial analysis should determine the exact number of servers that will be transferred to the AWS and the number of those who stay in the existing datacenter. Billed instances depending on the use of their ore. Price for each hour varies by type of instance and by geographical location. Amazon offers several possibilities for the manner of payment, as follows:

- Payment on demand using hourly rates / use
- Payment of annual simultaneous or more years for an instance

Therefore, to determine the number of instances you need and how long they need is the first step towards assessing the annual costs of AWS instances. For this purpose are defined two categories of instances to be provisioned to meet the demands for resources during the year.

- Baseline instances supposedly used by engineers for a period of the year. It represents the minimum level of demand for computer resources. Buying these instances will be based reservation model instances for a period of 3 years which match the amortization period and the period of analysis.
- Peak instance that is supposed to be used for a very short period of the year. They represent additional resources needed to meet the requirements in certain periods of the tests or by following the life cycle of different products. Buying such instances load model will be based on the prices of demand instances.

Annual Usage of instances per hour base load and is calculated as:

\[
\text{Annual Usage of instances per hour base load} = \text{Number of instances} \times \text{basic} \times \text{Hours per year the average annual use of ground instances (Average Annual Usage of Baseline Instance)}
\]

\[
\text{Annual Usage of instances per hour charge load} = \text{Number of instances} \times \text{charged} \times \text{Hours per year the average annual use charge instances (AverageAnnual Usage of Peak Instance)}
\]

The table below provides a summary of all costs Cloud solution.
One should note that in the first year base and charged instances of AWS adjusted by subtracting a factor equal to 0.5833 to take into account the monthly payments towards the Amazon during the implementation which are not all at the same time.

15.4. staff costs

Since there will be a lot less physical servers to maintain the existing datacenter and since each engineer will be able to provide authority previously configured automatically via the virtual application, thought loads of staff datacenter management will be reduced significantly especially for both systems administrators. Table 23 below provides a recalculation of their annual salary based on the assumption that system administrators will spend less time on operations and will have free time to focus on other activities.

**Recalculation of Annual Salary**

<table>
<thead>
<tr>
<th>Ref</th>
<th>Measurement Unit</th>
<th>Basic Costs</th>
<th>Number</th>
<th>Decrease Rate</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>K1</td>
<td>IT manager salary</td>
<td>140000</td>
<td>1</td>
<td>100%</td>
<td>140000</td>
</tr>
<tr>
<td>K2</td>
<td>System administrator salary</td>
<td>110000</td>
<td>2</td>
<td>80%</td>
<td>176000</td>
</tr>
<tr>
<td>K3</td>
<td>Developers Salary</td>
<td>70000</td>
<td>4</td>
<td>10%</td>
<td>28000</td>
</tr>
<tr>
<td>K4</td>
<td>TOTAL</td>
<td>344000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

15.5. Total project costs of hybrid cloud

Table 24 summarizes the overall project costs associated with the design, implementation, construction of infrastructure and staff salaries by 5% annual growth. The present value (PV) is calculated as follows:

\[
PV = \text{initial cost} + \text{Cost of Year 1} \times .9091 + .8264 \times \text{Cost of Year 2} + .7513 \times \text{Cost of Year 3}
\]

**Summary of Total Costs of the Project**

<table>
<thead>
<tr>
<th>Ref</th>
<th>Units</th>
<th>Starting Cost</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
<th>Actual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>L1</td>
<td>Planning and project Cost (E3)</td>
<td>928000</td>
<td>928000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L2</td>
<td>Implementation Costs (F3)</td>
<td>1392000</td>
<td>1392000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L3</td>
<td>Staff Costs (K4)</td>
<td>344000</td>
<td>361200</td>
<td>379260</td>
<td>1084460</td>
<td>896164</td>
<td></td>
</tr>
<tr>
<td>L4</td>
<td>Cloud Infrastructure Costs (J11)</td>
<td>1441706</td>
<td>2471637</td>
<td>2471637</td>
<td>6384980</td>
<td>5210157</td>
<td></td>
</tr>
<tr>
<td>L5</td>
<td>Total costs of the project</td>
<td>2320000</td>
<td>1785706</td>
<td>2832837</td>
<td>2850897</td>
<td>9789440</td>
<td>8426321</td>
</tr>
</tbody>
</table>

16. Benefits and Opportunities for Savings

Most of the benefits that can be thought of in this project are not easily measurable in terms of ROI. The hypothesis is that the benefits of cloud computing should obviously reduce the overall costs of operations performed in PRIMO Communications. The purpose of this section is to express these benefits in money so we can put a monetary value to their effects. Some calculations made in this section shall be conducted under uncertainty. Thus we have two kinds of benefits:

- quantitative benefits that go directly to the calculation of ROI.
- qualitative benefits that are not directly involved in calculating ROI

However, qualitative benefits are just as important as quantitative and should be considered in the final evaluation of the project. Company the following assumptions concerning the assessment of benefits are accomplished by following categorization of benefits according to TEI.
16.1 Benefit from income

Engineering activities and services PRIMO Communications bring income from the sale of products and services. The objective of this project is to cut costs where possible while staying within the budget that is allocated. So what is interesting in the category of benefits by income reductions are operational costs that can be achieved by the use of outside resources PRIMO Communications. As shown in Table 25 are two areas in which reductions can be achieved major costs:

- Reductions to electricity costs as a result of the passage of many servers in the Amazon cloud.
- Reductions in staff salary costs as a result of the greater effectiveness of the solution.

### Operational Benefits without Risk Adjustments

<table>
<thead>
<tr>
<th>Ref</th>
<th>Units</th>
<th>Calculation</th>
<th>Year1</th>
<th>Year2</th>
<th>Year3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>M1</td>
<td>Benefits from Electricity Power</td>
<td>C8-0</td>
<td>2048000</td>
<td>2048000</td>
<td>2048000</td>
<td>6144000</td>
</tr>
<tr>
<td>M2</td>
<td>Benefits from paying staff salary</td>
<td>D1-L3</td>
<td>72000</td>
<td>75600</td>
<td>79380</td>
<td>226980</td>
</tr>
<tr>
<td>M3</td>
<td>Total operational benefits</td>
<td></td>
<td>2120000</td>
<td>2123600</td>
<td>2127380</td>
<td>6370980</td>
</tr>
</tbody>
</table>

### Key Financial Indicators: Financial indicators, with risk adjustment

<table>
<thead>
<tr>
<th>Costs</th>
<th>Benefits</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>Year1</td>
<td>Year2</td>
</tr>
<tr>
<td>-2320000</td>
<td>-1785706</td>
<td>-2832837</td>
</tr>
<tr>
<td>3294667</td>
<td>3298267</td>
<td>3302047</td>
</tr>
</tbody>
</table>

The internal rate of return (IRR) of an indicator used in finance to compare odds from the investment. It is calculated as below:

- $KursimetViti1 / (1 + IRR) + KursimetViti2 / (1 + IRR) 2 + KursimetViti3 (1 + IRR) 3 = initial investment$

Return on Investment (ROI) for the three-year period is calculated:

- $ROI = ((Initial Investment Gains-) / initial investment) * 100$

Payback is the period that the company should take the return from the initial investment, ie to refund the amount of the initial investment. This indicator is expressed in years. Calculate returns based on savings rather than benefits.

Savings Year 1 + Year 2 + Savings Year 3 > = Initial investment

NPV is the best indicator for decision making will be resolved if a project or not. It is calculated:

- $NPV = Savings Year1 / (1 + discount rate) Savings Year2 + 1 / (1 + discount rate) 2 + Savings Year3 / (1 + discount rate) 3$

\[ NPV = 1508961 / (1 +0.1) 1 + 465 430 / (1 +0.1) 2 + 451 150 (1 +0.1) 3-2320000 = 503,508.05 \]

Since NPV of the project has been positive and has NPV is the best method of assessing whether a project should be elected or not, the company should choose project.

17. Conclusions

1. Analysis of the costs and benefits of data center transition to PRIMO Communications in AWS shows positive financial results.
2. A related conclusion mastered control over broadband Internet that is the basis for communication of these data centers geographically dispersed and relative fragility of its architecture.
3. IT leaders are ever involved and pursuing various initiatives for energy saving in IT infrastructure and operation in any IT team.
4. Cloud computing providers are more inclined to increase the efficiency of energy use for all this translates into increased profit margins.
5. Industrialization and development of this new part of the information technology industry that will affect the growth of the efficiency of energy use continuously.
6. Reducing dependence staff, users of computational resources from IT staff.
7. Reducing the time of development and the commercialization of new products.
8. Adopting cloud technology will help mitigate the costs and risks at the same time.
18. Recommendations

- A change in legislation regarding the Carbon Scheme Movement and the entry into force of tax reliefs to companies that adhere to the Code of Ethics of the EU will affect the results of the financial analysis in the financial and environmental perspective.
- Another issue on which research should be directed next is you’re creating dependency majority of European firms to those centered in the U.S. as Google or Microsoft.
- The potential benefits of Green IT mainly in energy saving should make IT managers to look at ways to increase the efficiency of operations.
- The engineering staff productivity will increase due to a higher efficiency of systems and time management as well as the best of them, all of them follow the life cycle of a business with structured and productive.
- The aim of this analytical approach is to give a clearer picture, simple concrete businesses who fear making that choice, the adoption of this technology or to continue in the traditional way.

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Swiss “Fiducie” vis-a-vis French “Fiducie” (Terminological “Coincidences”)

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Abstract

“Trust” has always been regarded as the sole possession of the common-law world. However, the popularity of this legal institution has greatly increased during the last decades. Nowadays, under the influence of the globalizing processes „trust-like devices” are appearing in many civil law jurisdictions or are under active consideration in the economic spheres of some countries. The given paper deals with the comparative analysis of the Swiss and French “fiducie”-s (contemporary trust-like mechanisms of Switzerland and France) via putting emphasis on the major similarities and differences of these institutions. The Swiss fiduciary transactions developed in 1893 in response to the practical necessity. Initially, these transactions aimed at the transference of ownership as security for a debt. However, in 1905 they were arranged for fiduciary management. Nowadays, the Swiss “fiducie” considers the transference of assets by a natural or a legal person to the fiduciary (another natural or legal person), who performs management tasks for the purpose of serving the creator’s or beneficiary’s interests. The Swiss law differentiates several forms of “fiducie” ("fiducie-gestion", “fiducie-libéralité” and “fiducie-sûreté”), which have conceptual counterparts (”coincidences”) in the French legal system. Characterization of terminological and semantic “coincidences”, their separation and precise description – this is the major task of the given paper and one of the urgent questions of the contemporary legal studies.

1. Introduction

“Trust” has always been regarded as the sole possession of the common-law world. However, the popularity of this legal institution has greatly increased during the last decades. Nowadays, under the influence of the globalizing processes „trust-like devices” are appearing in many civil law jurisdictions or are under active consideration in the economic spheres of some countries.

The given paper deals with the comparative analysis of the Swiss and French “fiducie”-s (contemporary trust-like mechanisms of Switzerland and France) via putting emphasis on the major similarities and differences of these institutions.

2. “Fiducie” - the Swiss “Trust-like” Mechanism of the 21th Century

During the 20th century the Swiss law recognized “trust-like” device “Treuhand”, which considered three major elements: “Treugeber” (a settler), “Treuhänder”/”Treuhaender” (a trustee) and “Begünstigter” (a beneficiary). On 1 July 2007 Switzerland ratified the Hague Convention on the Law Applicable to Trusts and on their Recognition and the era of the emergence of Swiss “fiducie” began. The prominent scholars L. Thevenoz and J. Dunand give us a precise description of this phenomenon: “Swiss law, like other legal systems, recognizes several institutions which tend to distinguish between the legal owner of an asset (the owner of an object, or holder of a receivable) and the beneficial owner. One such institution, which was not taken into account in the drafting of the Civil Code (1907) (1) or the Code of Obligations (1881, 1911), is the fiducie (in German, Treuhand)” (Thévenoz L., 1999).

It’s worth mentioning, that the existence of the Swiss “Treuhand” caused the controversy between the scholars of the 20th century. It seemed, that the emergence of the “fiducie” ended these debates. However, the 21st century brought the “wind of changes” in the Swiss legal and terminological systems. A. Peyrot described this phenomenon in the following way: “there is no such thing as a Swiss trust” (Peyrot A., 2013). If we take into consideration A. Peyrot’s words, than how can we interpret the “fiducie”? Can it be considered as the Swiss “trust” or an innovative “trust-like” mechanism of the 21st century?

It’s a well-known fact, that “a fiducie is a combination of legal transactions relating both to the law of obligations (it is a contract) and to the law of property (it is a disposition of property). The creator undertakes, by agreeing to a contract (the convention de fiducie), to transfer the full legal title to certain choses or rights (the fiduciary property), while the fiduciary undertakes to keep and manage … and to restore the fiduciary property (either the original property or some
other property acquired through reinvestment of the proceeds from sale of the original property) on expiry of the agreement” (Thévenoz L., 1999). Therefore, the major elements of the Swiss fiduciary relationships can be presented in the following way:

- **Le fiduciant** (der Treugeber) – a natural or a legal person, which transfers the property;
- **Le fiduciaire** (der Treuhänder) – a transferee, the manager of the transferred property. In the majority of cases, “fiduciaire” works for “fiduciant”. However, in certain cases, “fiduciaire” performs the managerial tasks for the benefit of a beneficiary.

A fiduciary relationship is usually established under the umbrella of the “unity of patrimony”. “Swiss case law has explicitly rejected the notion of a division of ownership between an external title for the trustee and an internal title for the settler or third-party beneficiaries. The property belongs indivisibly to the trustee... the principle of “unity of patrimony” prevents the formation of a separated fund within the estate of the trustee” (Peyrot A., 2013). Moreover, the Swiss law recognizes the following types of “fiducie”:

- The so-called “fiducie-gestion” (or fiducia cum amigo) - a “fiducie”, which is set up for the purposes of management;
- “Fiducie-sûreté” (or fiducia cum creditore) – it “is used to create a security interest over an asset for the benefit of the beneficiary, to which he acquires full legal title to be restored to the creator only after the latter’s debt has been paid in full” (Thévenoz L., 1999);
- “Fiducie-libéralité” - it is usually considered as a special form of “fiducie-gestion”, because it may be used to organize the devolution of the property over time. However, fiducie-libéralité “has not really established itself in practice, chiefly owing to limitations of which some are juridical (e.g. the regulations governing the reserved portion of patrimony) and others dogmatic (e.g. the notion of patrimoine) (Thévenoz L., 1999).

Therefore, the study of the Swiss Law reveals, that the innovative institution “fiducie” can be treated as a trust-like device, which shares some characteristics of the Anglo-American “trust”, but differs from it. The major difference lies in the fact, that the Swiss case law explicitly rejects the notion of the division of ownership between an external title for the trustee and an internal title for the settler or third-party beneficiaries. However, the terminological study of the word “fiducie” enables us to suppose, that it derived from the Latin word “fiducia”, which means “an act based on trust” (Fiducia).


“On 7 February 2007 the French Parliament adopted a new law instituting the “fiducie” as a creature of the French legal system. On 19 February 2007, President Jacques Chirac promulgated this new law: the fiducie proudly left the quotation marks, and became a reality” (Matthews P., 2007). This tailor-made institution drew upon “the Roman concept of fiducia and the experience of analogue institutions from other civil law jurisdictions such as Luxembourg, but also from the common law trust” (Koessler J., 2012). Article 2011 of the newly adopted law defined “fiducie” as: “a transaction by which one or several settlers transfer assets, rights or security interests, or a totality of assets or of security interests, present or future, to one or several fiduciaries who by maintaining them separately from their own patrimony, act in furtherance of a determined objective to the benefit of one or several beneficiaries” (Grimaldi M., 2011). The given definition clearly indicates to the major elements of entrusting relationships:

- **Settler (constituant)** – a legal entity, which creates a trust.
- **Trustee (fiduciaire)** – a restricted concept of the French law, which comprises credit institutions, insurance companies and advocates (including English solicitors and barristers, but not notaries). Fiduciaries have many rights and responsibilities. Hence, they can be removed if the interests of beneficiaries are in danger.
- **beneficiaries (bénéficiaires)** – it’s a well-known fact, that “a fiducie is null and void if it is created with the sole intention of benefitting the beneficiary” (Staub A.,2007). Despite this fact, a concept of beneficiary exists. Moreover, “the constituant or the fiduciaire may be the beneficiary or one of the beneficiaries of a contract of fiducie” (Matthews P., 2007).

The law of 2007 was followed by the Law of 4 August 2008 and an order of 30 January of 2009, which brought some innovations in the world of the French “fiducie”. Consequently, nowadays, a settler is represented by a natural person or a legal entity, a lawyer (avicat) is included in the list of possible fiduciaries and the maximum duration of “fiducie” is 99 years (instead of previously existed 33 years). It should also be noted, that “in France and Luxemburg the core of the concept of trust is patrimony” (Watanabe H.). Prof. H. Watanabe characterizes “patrimony” as a counterpart of the French “patrimoine” and gives the following description:
“Patrimony is a concept that represents the aggregate of an individual’s property (the sum of his/her assets and liabilities). Every individual … cannot have more than one patrimony. However, the beneficiary of a trust has a special patrimony which is segregated and independent from his/her patrimony in general terms. Such special patrimony is a trust property” (Watanabe H.).

It’s worth mentioning, that the French legal reality does not present the term “patrimoine special”. Hence, it distinguishes the term “patrimoine d’affectation”, which refers to the idea central to the contract of the fiducie, that a new patrimony has been created which is entirely separate both from that of its creator (the constituant) and from that of its owner (the fiduciataire) and is instead to be dedicated to (affecté) the purposes or persons who are the objects of the contract of fiducie” (Matthews P., 2007). The scholars present different translations of the phrase “patrimoine d’affectation” “patrimoine d’affectation autonome”, for instance, J. Koessler believes, that it means “an autonomous estate by appropriation” (Koessler J., 2012), while P. Matthews indicates, that it ought to be nominated as a “dedicated fund” (Matthews P., 2007). We believe, that “patrimoine d’affectation” must be translated as “estate by appropriation”, because, terminologically, the English word “appropriation” corresponds to the French term “affectation”.

Therefore, nowadays, “fiducie” can be regarded as a contract by which a natural person or a legal entity transfers assets to “fiduciaire”, who holds and manages it for the benefit of one or more beneficiaries. This process can be called “a transfer for purpose”, which causes losing of constituant’s ownership rights and acquisition of a contractual right. Specific emphasis must be put on the fact, that “fiducie” stipulates the emergence of several important changes in the French legal reality:

1. it brings to the end the idea established by the Revolution of 1789, which indicates, that the ownership of property cannot be divided into various rights.
2. it facilitates the isolation of assets in an autonomous entity, which is kept separately from the estate of constituant i.e. the segregation of assets takes place;
3. it stipulates a temporary transfer of the property.

It’s worth mentioning, that the French juridical world presents three types of “fiducie”: “fiducie-sûreté”, “fiducie-gestion” and “fiducie-libéralité”. “The first one is applied for purpose of securing the performance of an obligation. The second one is an instrument of syndicated loans management” (Lyczkowska, K. (2010), while “in the fiducie-libéralité [fiduciary gift], the transfer of ownership is driven by the will of the settler to grant rights to a third-party by the intermediary of the fiduciary, who, in turn, will transfer to the third-party, donor or legatee, the assets which he shall have received” (Grimaldi M., 2011). It’s worth mentioning, that in case of a “fiducie-gestion” “the wealth remains with the settler; in case of the fiducie-libéralité, it passes to the beneficiary; in case of the fiducie-sûreté, it is the beneficiary who is enriched by its amount, and not the fiduciataire, who, in turn, will transfer to the third-party, donor or legatee, the assets which he shall have received” (Grimaldi M., 2011).

Therefore, the innovative French institution “fiducie” can be treated as a trust-like device, which shares some characteristics of Anglo-American “trust”, but differs from it. Moreover, the terminological study of the word “fiducie” enables us to suppose, that it derived from the Latin word “fiducia”, which means “an act based on trust” (Fiducia).

4. Analysis

All the above mentioned enables us to draw the following conclusions:

- In the 20th century the Swiss “trust-like” device was denoted by the term “Treuhand”, which was accompanied by the following terminological units “Treugeber” (a settler), “Treuhänder”/”Treuhänder” (a trustee) and “Begünstigter” (a beneficiary). On 1 July 2007 Switzerland ratified the Hague Convention on the Law Applicable to Trusts and on their Recognition. Therefore, the 21st century became the era of the emergence of Swiss “fiducie”. This fact was followed by the certain terminological changes - “der Treugeber” turned into “le fiduciant”, while “der Treuhänder” was replaced by “le fiduciaire”. However, these alterations did not contradict to the parallel use of terms related to “fiducie” and “Treuhand”. Direct indication of this fact could be found in D. Hayton’s citation – “a 1995 conference of the Swiss Lawyers’ Society revealed a consensus for consolidating the features of the “fiducie” or “Treuhand”, one of the Swiss trust-like legal structures” (Hayton D., 2002);
- The profound study of the French and 21st century Swiss “trust-like” devices reveals, that the French trusting relationships differentiate three major elements: a settler (constituant), a trustee (fiduciaire) and beneficiaries (bénéficiaires), while the Swiss law presents only “fiduciant” and “fiduciaire”;
- The French law makes distinction between three major types of “fiducie” (“fiducie-libéralité”, “fiducie-gestion”, “fiducie-sûreté”), while the Swiss legal system differentiates only “fiducie-gestion” and “fiducie-
sûreté”. However, it’s worth mentioning, that in Switzerland “fiducie-libéralité” is usually considered as a special form of “fiducie-gestion”, which has not established itself in practice. These facts directly indicate, that two quite distinctive languages - Swiss and French - share some legal terms (the so-called terminological “coincidences”);

- The French “fiducie” and the Swiss “fiducie”/“treuhand” must be considered as the obligational models of the “trust”. They represent “largely bilateral relationships between the settler and the trustee and trustees here typically do not have as much discretion as their English counterparts” (Lau M., 2011);
- A prominent difference between the French and Swiss laws can be vividly seen during the process of the property transference. In France the core of the concept of trust is patrimony (“patrimoine”). The Swiss case law explicitly rejects the notion of the division of ownership between an external title for the trustee and an internal title for the settler or third-party beneficiaries. Therefore, the transferred property belongs indivisibly to the trustee.

5. Conclusions

The above given comparative analysis reveals the major characteristics of the innovative French and Swiss “trust-like” devices. They do not represent an ideal reflection of the original model. However, we can freely speak about the tendency of the further improvement of “trust-like” mechanisms. Timely amendments to the civil codes will facilitate the reconstruction of the newly established institutions, while the above carried out comparative analyses of the French and Swiss “trust-like” devices will serve as a useful tool of these processes. They will facilitate the integration into the entire European legal sphere and will stipulate correct expansion of the “trust” beyond “the traditional geographical boundaries of the “trust-proper” (Thévenoz L., 2009).

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Should Change the Main Objective of Bank of Albania

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Abstract

The main objective of the Bank of Albania is "to achieve and maintain price stability". In this study we have undertaken to compare this objective with central bank targets of many other countries. We’ll compare it with developed and in developing countries of the region and the Far East. By comparison will look at whether this target is appropriate to the degree of development of the Albanian economy? Actions to achieve the main objective or influenced the realization of this objective? Do you have positively influenced other macroeconomic indicators such as economic growth and the decline in the unemployment rate? These impacts will look at analyzing a series of monetary aggregates and economic indicators. In the end we will give our opinion. Although the main objective of the Bank of Albania must change and we offer an objective. We offer a lens that is the foundation of his claim "economic growth and declining unemployment rate through financial stability ".

Keywords. Central Bank, the main objective, monetary aggregate, economic growth, unemployment rate, inflation rate, monetary policy, fiscal policy, debt, deficit, trade balance, etc.

1. Introduction

Albanian economy as whole Balkan economies was affected by the negative effects of the global recession and financial crisis. In contrast with most of them in the years 2009-2012 provided the GDP growth. Rates of increase of the GDP has fallen, from 7.8 % in 2008 to 2012 was only 1.6 %. 2011-212 unemployment rate was 13.3 % from 13.6 % in 2009 to 2010 has been the number of unemployed people has not changed from 2011 to 2013. In this period increased the total debt in relation to GDP at 63.4 % in 2012 and 2014 has passed 70 %. Budget deficit and trade deficit have increased, despite some positive annual fluctuations. The Albanian government in all these years has applied an expansionary fiscal policy. On the other hand, the Bank has applied a moderate expansionary policy. In this analysis we will see the objective of BOA, the objectives of some other banks, will ultimately compare and analyze the connection between the application of the policies BOA with its main objective and main macroeconomic indicators.

2. Contents

1. The objective of the Bank of Albania after 1990
2. Governor thoughts on the BOA granted primary objective in the period of global recession.
3. The main objectives of the Central Banks of several countries in the region and the Far East.
4. Albanian monetary market features in controlling the inflation rate and the money market in general.
5. Conclusions and Recommendations

3. The Objective of the Bank of Albania After 1990

After 1990 the Albanian banking system continued to function with a layered system. Central Bank had subordinated its
National Commercial Bank and Agricultural Commercial Bank. These two banks that play the role of commercial banks depended by the Central Bank. Central bank was break his credit limit them and determine interest rates on deposits and loans. Until 1997, when existed two entirely state-owned bank business loan requests were left to the business. This loan was extended short term in most of it. Agriculture sector loans granted you a year for the purchase of agricultural mechanics as machinery, tractors with tires etc. The same thing happened with the construction sector, where credit is rarely applied medium and long term loans. Short term loans for Liquidity rarely applied. In these conditions, due to lack of coordination of short-term loans, medium to long term, credit for agriculture, mining, extraction and processing industry, with the construction, services, trade, etc., became hard its return. Another factor that contributed to the failure to return the loans to banks bringing their worsening financial situation was the lack of professionalism of many bank employees who were placed in these positions as militant party. This was the destination of loans granted. In this period the Albanian economy was faced with pyramid schemes to which he spent a large part of the money. The merger of these factors led to substantially increase the stock of bad loans of banks bringing bankruptcy. First Commercial Bank Agrarian bankrupt. In these conditions, the National Commercial Bank was privatized by absorbing some Agrarian Commercial Bank branches, and from the Agency for Savings was created Savings Bank entirely state-owned. Since 1997, the year of the bankruptcy of state-owned banks, created real opportunities opening of foreign banks in Bangladesh. Establishment of private banks in these conditions create real opportunities for the Bank of Albania was alive, measures to amend legislation in order to exchange market in a market economy service and not an obstacle to it.

The privatization of the economy as a whole require changing the position of the Central Bank to market its adaptation to the private economy. In this way the legislation was adopted. In 1997 the law of the Bank of Albania¹ was approved. It was the time when the country's economy still had not got the features of a market economy.

Thus the first three aspects, in terms of legality, in terms of privatization, social and economic terms we say that such a law for the time and conditions of Albania has been necessary and indispensable. This is because the economy privatization should be accompanied by the privatization of the banking system, so this should not become an obstacle to economic development. But if such a law was necessary it should be structured taking into account the specific conditions of the economy. Why do we say this? This we say because its design was taken as a template laws Central economic development. But if such a law was necessary it should be structured taking into account the specific conditions of the economy. Why do we say this? This we say because its design was taken as a template laws Central economic development. But if such a law was necessary it should be structured taking into account the specific conditions of the economy. Why do we say this? This we say because its design was taken as a template laws Central economic development. But if such a law was necessary it should be structured taking into account the specific conditions of the economy. Why do we say this? This we say because its design was taken as a template laws Central economic development. But if such a law was necessary it should be structured taking into account the specific conditions of the economy. Why do we say this? This we say because its design was taken as a template laws Central economic development. But if such a law was necessary it should be structured taking into account the specific conditions of the economy. Why do we say this? This we say because its design was taken as a template laws Central economic development. But if such a law was necessary it should be structured taking into account the specific conditions of the economy. Why do we say this? This we say because its design was taken as a template laws Central economic development. But if such a law was necessary it should be structured taking into account the specific conditions of the economy. Why do we say this? This we say because its design was taken as a template laws Central economic development. But if such a law was necessary it should be structured taking into account the specific conditions of the economy. Why do we say this? This we say because its design was taken as a template laws Central economic development. But if such a law was necessary it should be structured taking into account the specific conditions of the economy. Why do we say this? This we say because its design was taken as a template laws Central economic development.

Albania's economy fell into recession in 1997. Inflation rate in 1997 reached 42.1 %, GDP rose by -10.3 %, the unemployment rate was 14.9 %. This situation did not indicate that the underlying problem of this economy was price stability. In these conditions the underlying problem has been securing high rates of economic growth and decline in the unemployment rate. Once these two key indicators stabilize macroeconomic stability had to pass the inflation rate. If we look diligently inflation rate since 1993 shows that there was ever disturbing the size of this indicator.

What was the main objective, the tasks of the Central Bank, and its mode of operation that Albania's Parliament passed in 1997? Do these fit the current situation? What showed in the following years? A fulfilled his mission this objective in view of economic growth and the fall of the unemployment rate? These questions will try to answer the following without the drying problem as it is very wide.

What was the main objective of the Central Bank and duties stipulated in the Law of 1997?

1. The main objective of the Bank of Albania is to achieve and maintain price stability.

2. Bank of Albania, in accordance with its primary objective and on the basis of the domestic banking market, encourages and supports the development and foreign exchange system, the domestic financial market, the payment system, and helps in improving monetary conditions lending in support of stability and economic development of the country.

3. Other objectives of the Bank of Albania, conditioned by its main objective should be to foster the liquidity, solvency and normal functioning of the banking system based on market principles.

4. The main tasks of the Bank of Albania are as follows:

¹ Law No.8269, dated 23.12.1997 For Bank Of Albania. Pursuant to Article 16 of Law No. 7491, dated 29.04.1991 "On the main constitutional provisions" with the proposal of the Council of Ministers, People's Republic Of Albania Decided Section 1 ... 2 ... Section 3 Article
a) develop, approve and implement momentary policy of the Republic of Albania, in accordance with its primary objective;
b) develop, approve and implement foreign exchange reactions and exchange rate policy of currency in the Republic of Albania;
c) the license or revoke the license to supervise the banks and these banks, in order to ensure the stability of the banking system;
d) to hold and manage its foreign exchange reserves;
e) act as banker, advisor and fiscal agent for the Government of the Republic of Albania;
f) to promote the smooth operation of payment systems.

5. Each target and other tasks assigned by the Bank of Albania conditioned achieving its primary objective. Objectives and tasks set forth in these articles have not changed. They are even today, after 16 years in power. On these tasks and on this target Bank of Albania has organized its work in designing and implementing monetary policy.

Looking at the development of the Albanian economy in these 16 years, its connected with foreign economies and their impact on all aspects of life, in terms of political, economic and social we can say it is time to review the basic objective of the Bank of Albania. The objective of this review is done taking into account the objectives of the central banks of European countries, Asian, etc.

4. Governor thoughts on the BOA Granted Primary Objective in the Period of Global Recession

Below we will give some thoughts to the governor of the Central Bank itself on these issues. Governor has given these thoughts occasionally analyzes made by the Bank of Albania and decisions occur occasionally taken for changing the interest rate. His thoughts is related to situations that has gone global and the Albanian economy, the impact of the global economy in the economy. Are linked to the financial system and its impact on the economy. In this aspect was taken into consideration the impact of the financial crisis on the Albanian monetary system. This is because a large part of the commercial banks operating in Albania have parent banks in countries that were affected by the recession and financial crisis.

What have been some of the attitudes of the BOA to the situation created by the impact of the global recession?

= BOA policies that constrained the impact of the crisis on the Albanian economy by governor:

"The Bank of Albania adopted a more conservative policy, addressing issues both monetary policy and financial stability, and thus the conditional decision-making processes of one another. Consequently, the crisis gave direct impact, but insignificant in the financial system".

"This policy has simultaneously providing the necessary incentives for economic activity".

The Bank of Albania reacted swiftly to the changing economic climate. Was injected ample liquidity in our banking system and strict rules were applied to funds transfer. However, unlike many other countries where monetary policy was originally used to increase aggregate demand, in Albania, monetary policy remained in the same direction, leaving room for an expansionary fiscal policy".

= The reason why BOA held a conservative attitude and did not react with an expansionary policy was: "Because of a relatively long period of consolidation, fiscal policy during the outbreak of the crisis had ample space to maneuver and direct impact on the economy. The reaction of our policy was constrained by issues of financial stability, the judgment that the interest rate reduction would accelerate the withdrawal of deposits from the banking system".

= What is the assessment of the Governor for inflation: "Inflation stabilization should be something that makes central bankers of pride, something we need to cherish and for which we must continue to try".

= Pillars where BOA is supported in its activities:

According to the governor, "The Bank of Albania has traditionally based its policy on two important pillars". In fact the governor has introduced not 2 but 4 columns as follows:

First, "has been the achievement of the inflation target and inflation expectations management in order to maintain the purchasing power of our national currency".

Second, "has been banking supervision and financial stability".

Third, "The Bank of Albania has shown increasing financial culture as the third pillar of our policy and independence".

Fourth, "Last but not least, I would like to stress the need for cooperation and coordination with fiscal policy".

= What the governor proposes fundamental objective of BOA: "Intentionally or unintentionally, the objective of financial stability is now considered as the basic task of our institutions. No matter if it's changed or not the central bank's

~ 275 ~
legal mandate for the inclusion of this objective. What really matters is the fact that financial stability is a prerequisite for overall macroeconomic stability and monetary. The challenge we face has to do with how to incorporate this new goal in our politics, can be combined with inflation targeting financial stability, or whether a completely new reaction”.

The above quotes from the governor’s sentence clearly see the BOA attitudes towards situations created in the economy as a consequence of the global recession. The governor was very clear that it is time to change the objective of the BOA and the main objective to be “financial stability” considering this as a condition for the overall stability of the economy and monetary.

5. The Main Objectives of the Central Banks of Several Countries in the Region and the Far East

European Union. What is the main objective of the European Central Bank?

“The main goal of the ECB is to maintain price control performance while maintaining the purchasing power of the euro area, the ECB carries in fact, control inflation "Euro zone" keeping an appropriate monetary policy (controlling the monetary base or fixed interest rates for the short term).

According to Article 105, paragraph 1, of the Treaty establishing the European Community, in addition to the primary objective of maintaining price stability, the ECB "support the general economic policies in the Community, in order to contribute to achieving the objectives of the Community "acting" in accordance with the principle of open economy, free market competitor. "These objectives (as defined in Article 2 of the Treaty of Maastricht) are:

• achieving and maintaining a high level of employment
• a sustainable and non-inflationary growth

Kosovo. Central Bank's primary objective is to promote and maintain a stable financial system, including a safe, sound and efficient payment.

Another objective of the Central Bank, which is subordinated to the Central Bank's main objective is to contribute to achieving and maintaining domestic price stability, in the long run contribute to the sustainable economic development of Kosovo through the development of financial market ".

Montenegro. The central bank's mission is to create and maintain a sound banking system. Responsible for monetary policy, and the maintenance of healthy banking system and efficient operation of the payment system.

Turkey. The main objective of the Central Bank is to achieve and maintain price stability. Basic tasks of the Bank are as follows:

• to conduct open market operations,
• to protect the value of the Turkish lira and develop the exchange rate policy,
• to determine reserve requirements and demand for liquidity,
• to manage gold and FX reserves of the country,
• to adjust the volume and movement of Turkish lira,
• to ensure stability in the financial system and to monitor the financial markets.

Serbs. National Bank of Serbia is the central bank of Serbia. Bank responsibilities are in terms of monetary policy, issuing banknotes and coins Serbian protecting price stability and promoting financial stability within Serbia.

The main functions of the National Bank of Serbia include determining and implementing monetary policy, exchange rate policy dinar, managing reserves, issue of banknotes and coins, as well as efficient maintenance payment and financial systems.

Macedonia. BPRM performs the following functions: to develop and implement monetary policy; regulation of liquidity in international payments; issuing and maintaining dinar; creation and management of foreign exchange reserves; arranging payment system etc.

Bosnia - Herzegovina. Central Bank of Bosnia and Herzegovina maintains monetary stability by issuing domestic currency according to the Currency Board arrangement (1 KM : 0.51129 EURO) with full coverage of foreign funds, exchange freely with the conversion rate on fixed rate 1 : 0, 51,129 euro. Central Bank of Bosnia - Herzegovina defines and controls the implementation of monetary policy of Bosnia and Herzegovina.

Croatia. KCB main responsibilities are to maintain the stability of the national currency, Kuna, and to provide general financial liquidity within the country. KCB also issues banknotes and holds national monetary reserves, In the framework of rights and duties, currency stability and liquidity of payments in the country and abroad. Croatian National Bank is independent in its operations.

Moldova. National Bank of Moldova is a legal person, public, autonomous Parliament to respond. NBM main objective is to achieve and maintain the stability of the national currency. National Bank cooperates with the Government in order to achieve its objectives and, by law, take the necessary measures to implement such cooperation. NBM
periodically informs the public about macroeconomic analysis, financial market evolution and provides statistical data, including money supply, credit, balance of payments and foreign exchange market.

**Armenia.** Central Bank of Armenia is with its headquarters in Yerevan. CBA is an independent institution responsible for issuing all banknotes and coins in the country for the supervision and regulation of the banking sector and maintaining currency reserves to the government. CBA is also the sole owner of the Armenian currency.

**Azerbaijan.** Mission. CBA is the monetary authority of Azerbaijan, and is responsible for the country's monetary policy and regulation of the banking and payment system. The primary objective of the CBA as stated in the Law on CBA is price stability. The secondary objective is to support the stability of banks and payments.

**Belarus.** The bank's activities are regulated in the Banking Code adopted on 25 October 2000. Section 25 of the Banking Code, provides that one of the main functions of NBRB is to provide efficient operation, reliable and secure interbank settlement system, and establish procedures for cash and non-cash settlement in the Republic of Belarus.

**Czech Republic.** The primary objective of the CNB as stated in the Law on CNB is price stability. The secondary objective is to support sustainable economic growth. Currently intends to work through inflation targeting monetary transmission mechanism. The goal is to stabilize inflation around 2.0 % per year.

**Russia.** Under the constitution, the Bank of Russia is an independent entity with primary responsibility to protect the stability of the national currency, the ruble.

The goals of the Bank of Russia are as follows: to protect the ruble and ensure its stability; develop and strengthen the banking system of the Russian Federation; ensure efficient and uninterrupted operation of the payment system.

Bank of Russia performs the following functions:

1) it refines and follow in collaboration with the Government of the Russian Federation a single state monetary policy;
2) is the sole issuer of cash and cash flow organizer;

The monetary policy of the Bank of Russia drafted to preserve financial stability and to create favorable conditions for sustainable economic growth. Bank of Russia reacts immediately to any changes in the real demand for money and takes steps to stimulate positive economic dynamics, reducing interest rates, inflationary expectations down to slow the rate of inflation.

**Ukraine.** According to the Constitution of Ukraine, the National Bank's primary function is to ensure the stability of the monetary unit of Ukraine. To perform the National Bank promotes stability of the banking system and, within its competence, price stability.

National Bank also performs the following functions: sets and pursue monetary policy in accordance with the General Principles developed by the Monetary Policy Council of the National Bank of Ukraine; Ukrainian national currency issues based monopoly and organizes its circulation; What is the main objective of central banks of Asian countries?

**Australia.** The Reserve Bank of Australia. Price stability ..., focus on price stability (currency), taking into account the implications of monetary policy for activities, and hence employment in the short term.

**India.** Reserve Bank of India. Price stability and provide adequate credit. Maintaining price stability and ensuring adequate flow of credit to productive sectors.

**Japan.** Bank of Japan. Price stability. Bank of Japan "aims through pursuing price stability, contribute to the healthy development of the national economy".

**South Korea.** Bank of Korea. Price stability. Bank of Korea takes price stability as the most important objective of its monetary policy defines price stability as a goal of the Bank of Korea.

The Bank's primary goal is price stability. For this, the Bank targets inflation. 2013-15 target is consumer price inflation of 3.0 ± 0.5 %.

The most important mission of the Bank of Korea is in the formulation and implementation of monetary and credit policy. Money supply is a controlled process in relation to the cost of money so that the economy can grow in a healthy manner on the basis of price stability. For this purpose, the Bank formulates and implements monetary and credit policy with an emphasis on price stability while taking into account issues such as economic growth and financial market stability.

**New Zealand.** Reserve Bank of New Zealand. Price stability. Reserve Bank of New Zealand specifies that its primary function will be to provide stability "in the general price level".

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Philippines. Central Bank of the Philippines (BSP). Price stability. The main objective of the monetary policy of the BSP is to promote low inflation and sustainable growth conducive to a balanced and sustainable economic growth.

Singapore. Monetary Authority of Singapore price stability. The main objective of monetary policy in Singapore is to promote price stability as the basis for sustainable economic growth.

Thailand4. The Bank of Thailand. Price stability. Monetary policy framework based on the economic conditions of the country, with the ultimate objective of preservation of price stability and sustainable economic growth. (The above data were obtained from: Source: Adapted from Genberg and He (2009)).

Malaysia. Bank Negara Malaysia. Price stability and exchange rate stability. Its tasks are: To issue currency, to maintain reserves, save the value of the currency. To promote monetary stability and a sound financial structure. Affect the credit standing based on the country's advantage.

Indonesia. Bank of Indonesia. Price stability and exchange rate stability. Bank Indonesia has a single objective of achieving and maintaining stability of the value of the Rupiah. The stability of the Rupiah value consists of two aspects, one is the stability of the Rupiah value against goods and services and the other is the stability of the Rupiah exchange rate against other currencies.


Hong Kong China. Monetary Authority. The stability of the exchange rate. The primary objective of the monetary policy of the Hong Kong Monetary Authority is to maintain exchange rate stability.

Pop.Rep. of China (PRC). People's Bank of China. The value of the currency. The objective of monetary policy is to maintain the stability of the value of the currency and thereby promote economic growth.

What is the main objective of central banks of some other countries?

Objectives are providing some other countries because their duties nearly match those of BOA and their main objective varies significantly

Jordan. Law establishing the CBJ stipulates that “the objectives of the Central Bank shall be to maintain monetary stability in the kingdom, to ensure the convertibility of the Jordanian dinar, and to promote sustainable economic growth of the Kingdom in accordance with the general economic policy government”. CBJ's duties.

1- Issuance and regulating banknotes and coins
2- Preservation and management of gold reserves and exchanges with other countries
3- Acts as a banker and fiscal agent for the government and public institutions
4- Acts as a banker to banks and specialized credit institutions
5- Maintaining security of the banking system. One of the main tasks of the CBJ is banking supervision, in order to ensure its sustainability, and protect depositors and shareholders
6- Advising the government in the formulation and implementation of economic and fiscal policy
7- Management of monetary problems and participation in local economic problems
8- Regulation of credit. CBJ regulates the quantity, quality and cost of credit to meet the requirements of the economic and monetary stability. Monetary policy tools available to fix CBJ credits include open market operations, reserve requirement ratio and the discount rate.

Mongolia. Bank of Mongolia, or Mongolbank, is the central bank of Mongolia. The main objective of the Bank of Mongolia is to ensure the stability of the currency Mongol. Within its main objective, the Bank of Mongolia promotes balanced and sustainable national economy, maintaining stability through money in the financial markets and banking system.

In order to implement its objectives, as defined in this law, the Bank of Mongolia performs the following activities:
1. Circulation of currency;
2. Formulation and implementation of monetary policy, coordinating the money supply in the economy;
3. Acting as fiscal intermediary of Government;
4. Activity oversees banking;
5. Organizes inter-bank activity and settlement payments;
6. Maintains and manages state reserves of foreign currencies.

Nigeria. Bank's key regulatory objectives as stated in the CBN act of 1958 is: to preserve foreign reserves of the country, to promote monetary stability and a sound financial environment, and act as a banker and financial adviser to the latest federal government.

4 Source: Adapted from Genberg and He (2009).
Pakistan. State Bank of Pakistan formulates and implements monetary and credit policy in line with Government objectives for economic growth and inflation with the recommendations of the Board of Monetary and Fiscal Policy. State Bank also regulates the volume and direction of flow of credit to be used in different sectors, the State Bank uses two instruments, direct and indirect monetary management.

Peru. The Constitution states that the purpose of the reserve of the Central Bank is to maintain monetary stability. The objective of the CBP's annual inflation is 2.0 percent, with a tolerance of one percentage point upward and downward, its policies aimed at achieving this goal.

Saudi Arabia. Sama is the Central Bank of Saudi Arabia, Sama functions include issuing national currency, Saudi Riyal, supervision of commercial banks, foreign reserve management, pricing and promotion of the exchange rate, and ensure the growth and stability of the financial system.

Table Nr.1. The summary of the same objectives by country

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<tr>
<th>Nr</th>
<th>Denomination</th>
<th>Price Stability</th>
<th>Currency Stability</th>
<th>Monetary Stability</th>
<th>Price and currency stability</th>
<th>Price stability with a view to sustainable economic growth</th>
<th>Price stability and the reduction of unemployment rate</th>
<th>stability of the financial system and the price</th>
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</table>

The table is constructed taking into consideration the primary objective unaccompanied with other complementary objectives.

United have grouped into 7 groups. What are the conclusions drawn from this table?

1. **The first Group.** European Union countries are developed countries, although in this group included a number of former Eastern bloc countries such as Poland, Bulgaria, Romania, Hungary, Slovenia etc. The main objective of the EU is determined without including these countries. When it was determined that existing sites
were objective about potential product that had storage problems of inflation and not economic growth and declining unemployment. Azerbaijan has the secondary goal of supporting banks and payment stability. Czech Republic support a sustainable economic growth. These countries can't be compared with the economy. They are more developed than the Albanian economy.

2. **The second group.** Have as main objective the stability of the currency. This group includes former Eastern bloc countries that shifted from a centralized economy to a market. Apart from them including Hong Kong. Secondary objectives are: economic development, price stability, financial stability. Albanian economy approximates this group has the same dynamics as the development as the former eastern bloc member.

3. **The third group.** Aims to monetary stability. Countries included in this group are not developed countries but in developing countries or countries that have political and economic uncertainty. As a secondary objective of these countries have generally economic growth and inflation stability. Jordan have stressed more because BQJ has duties identical to those of BOA and radically different target. Objective is complex: monetary stability, maintaining the exchange rate, promoting and maintaining economic stability.

4. **The fourth group.** Aimed at price stability and currency. In this group we have Malaysia and Indonesia. Their economy does not compare with that of the Albanian economy because included in developed countries.

5. **Fifth Group.** Price stability in view of sustainable economic growth. Are the main target countries that complex. Are the most developed countries of Asia and the world.

6. **Group of six.** Which included only Australia is a developed country, about which there is potential product growth and unemployment problem.

7. **Group of Seven.** Aimed at financial stability and price. This group includes Kosovo, Serbia and Montenegro. Countries of the former communist eastern bloc. With this group resembles the Albanian economy. Secondary objectives were economic growth.

As seen very few countries have as main objective "to achieve and maintain price stability". Developed countries have the primary objective but accompanied by other associated targets which predominates support sustainable economic growth. Second group of countries and seven, of which four are countries in the region, with economies similar to the Albanian economy as the main objective, financial stability, monetary stability and currency stability.

One such target should have the Bank of the Republic of Albania. "Financial Stability, the stability of the currency and price in view of sustained economic growth and reduction of unemployment."

Having such an objective would secede from the Central Bank of its old target, a target taken by the ECB and the template without adjusting the conditions of the Albanian economy.

6. **Albanian Monetary Market Features in Controlling the Inflation Rate and the Money Market in General**

Until today, the Central Bank does not hold any responsibility for the realization of other macroeconomic indicators. She indicator of GDP, inflation and unemployment is seen as the responsibility of government, fiscal policy objectives as designed and implemented by the government. Such an attitude, of detachment and lack of coordination of the Government's objectives with those of the bank affected the these indicators. Has not affected the development and successful Harmonic branches of economy.

Central Bank, in all statements that does its work continuously evaluates positive terms, because there is only indicator of inflation as its main objective. While criticizing the government for its poor performance in terms of growth of uncontrolled spending, deepening the budget deficit, declining an increased pace of economic, etc.

Central Bank to our judgment, the design and implementation of monetary policy is equally responsible for the economy as the government is its fiscal policies.

Central banks, altering its basic objective will change the monetary policy. It is necessary and essential that its objectives are consistent with and supportive of government policies in order to support monetary policy and fiscal policies. Just this coordination will enable the realization of the overall objectives of economic growth.

The objective of the Central Bank must change for some other reason. We mention two of them.

**First**, because it has left unprotected Albanian currency against the euro and dollar coins circulated as official Albanian alike. Application of flexible exchange has become a part of the currency to leave Albania because courses do not represent the real situation of the economy. Currency entering the territory of Albania from exports is very low compared with other sources, such as remittances, foreign investments, debts taken by road or informal. In this way its entries will come constantly being exhausted and doing that are the main source of exports. Termination of other resources will be serious consequences for the Albanian economy because the Albanian currency depreciated instantly.
and dramatically. This devaluation will directly affect the rate of price increase.

Second, because it can't control the rate of inflation. Overall inflation in Bangladesh is imported and monetary policies affect very few, if any, at his level.

Table 1: Dynamics of the inflation rate and interest rate (REPO)

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<td>Interest Rate</td>
<td>5.25</td>
<td>5</td>
<td>5.5</td>
<td>6.25</td>
<td>6.25</td>
<td>5.25</td>
<td>5</td>
<td>4.75</td>
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<tr>
<td>Inflation Rate (end of the year)</td>
<td>2.2</td>
<td>2</td>
<td>2.5</td>
<td>3.1</td>
<td>2.6</td>
<td>3.5</td>
<td>3.4</td>
<td>1.7</td>
<td>2.4</td>
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</table>


Fig. Nr. 1. Relationship between the inflation rate and interest rate

So there is no reason to boast BQ that its objective was achieved in each year. This is a paradox. How can a central bank achieve its yearly target the underlying at a time other indicators are deteriorating, or that fiscal policies have never achieved their objectives? The impact of monetary policy on inflation level we look at the relationship between two indicators, inflation rate and interest rate (REPO).

From the data in Table shows that there is strong negative relation between these indicators, but there is a positive correlation. Connection rate was calculated through the formula: $c(X,Y) = \frac{\sum (x-\bar{x})(y-\bar{y})}{\sqrt{\sum (x-\bar{x})^2 \sum (y-\bar{y})^2}}$ and showed that $R = 0.32$. This connection should be negative result because when lowered key interest rates (Repo) rate of inflation should rise. Positive interaction clearly shows that the current policies of the bank in terms of inflation control have been ineffective. We were not effective because it reduced the role of appreciation in circulation as a result of increasing the scope of the euro and the dollar. Report currency with currency deposit moves toward reconciliation 50% to 50%, while foreign currency loans account for 60% of total loans. In this way a strong impact on the economy and not give Albanian currency. Conversely currency credit goes not to the state but in terms of economic entities, while a good part of the appreciation goes toward closing its deficit through Treasury Bills. These data suggest that the role of appreciation has been steadily decrease, consequently a deep structural reform that he be re-evaluated. And this reform is exactly what we have proposed in this paper.

7. Conclusions

The main objective of the Bank of Albania after 1997 has been: "to achieve and maintain price stability". This objective has been taken by the European Central Bank template and the central banks of developed countries. These countries operating almost no problem product growth potential of the economy and the unemployment rate. Unemployment rate to return to problems in specific years when large influx of refugees and not for domestic reasons. Therefore, for these
countries developed their main problem has been and remains the preservation of price stability. Unlike the problem lies with the Albanian economy. When this law was adopted Albanian economy had only seven years that were inserted in the path of transition, was an unstable economy that needed to stimulate economic growth and not to focus on inflation indicator. The focus on this indicator was a premature action with negative consequences for the economy. This proved the performance measures of macroeconomic indicators where the role of the Central Bank was not sensitive to the role of fiscal policies designed and implemented by the government. It was for this reason that we undertook this analysis. Comparing the primary objective of a number of Central Banks concluded that the action was done in Albania was premature. Remains so today, so we came to the conclusion that this objective should change.

8. Recommendations

From the above analysis we recommend that:

Change the fundamental objective of the Central Bank of the Republic of Albania. The objective of the new economy include in its growth and the fall of the unemployment rate, specifically to be: "Financial stability, currency stability and the price in view of sustained economic growth and reduction of unemployment". This would increase its responsibility for achieving macroeconomic indicators.

Exchange rate becomes fixed rate and escalate through the Central Bank ‘s foreign currency sales, special for business, for foreign companies operating in Albania, travel services etc.

The limited release of currency abroad through the introduction of the relevant provisions in the law for the licensing of commercial banks. The limited circulation of foreign currency deposits and loans in order to increase the role of the appreciation in the economy.

References


Word of Mr. Ardian Fullani , Governor of the Bank of Albania, at the Summit of Ministers of Finance and Governors of the Region with the theme "The financial future of the region", Becic, Montenegro, June 14, 2013.


Adapted from Genberg and He (2009).


Wikipedia : "List of Central Banks "

Accounting for Environmental Liabilities – Case of Albania

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Abstract

Environmental issues are now in focus of corporate performance requiring not only the respecting of rules on environment but as well reflecting the cost of environmental damages during the financial reporting. The current financial accounting practices do not cover all the environmental cost caused from the companies. As result a new field of accounting emerged, environmental accounting that takes into consideration the concern on environment and natural resources, stating the values of the positive and negative public effects and externalities and incorporating them in the traditional accounting (Balance Sheet and Income Statement). The role of accounting on monitoring the environmental degradation caused from firms operating in Albania will be the focus of this study. The accounting legislation and regulation of Albanian firms will be examined stating the approach towards environmental damages. Accounting practices of three companies with negative impact on the environment will be analyzed. The study finds that the accounting practices and regulation in Albania do not have the proper structure on reporting the environmental issues.

1. Introduction

Environmental degradation is currently a major issue being addressed in governmental policies and strategies which are recently designated in Albania. Albania has signed Kyoto protocol on climate change by creating the opportunity to participate in the market emissions. Monitoring the physical and chemical indicators shows a continuous increase of this contamination, facts that are published in many studies conducted in Albania on environmental sustainability. In many of these studies has been recommended continuous monitoring and taking measures to protect the environment. The main activities that cause pollution in Albania are considered the development of industry and agriculture sector. The studies conducted on environmental degradation in Albania lack real figures regarding the costs on environmental hazards.

Meanwhile in the framework of the Kyoto’s protocol signing, the Board of the International Accounting Standards has established rules regarding carbon market and specifically giving accountancy treatment spaces as active immaterial (IAS 38) and the case of IAS 20 (the allowances are treated grants).

In the last decades there has been an increased pressure from the government especially in the developed countries where rules in power demands from the firms the reporting of environmental damages. Measuring this impact is a very demanding issue, urged by the pace at which ecosystems are destroyed (MEA, 2005) and incidents with
environmental consequences occur: for example, in the sole 2011, the nuclear disaster of Fukushima following the earthquake in Japan, four oil spills a 200% increase in the number of forest fires in Italy have been registered at different scales (Defrancesco, 2012). Among the initiative undertaken in framework of environmental costs identification and disclosure a new document has been designated entitled Towards Sustainability as part of its Fifth Action Programme, which suggests that the accounting profession take a role in implementing costing systems that internalize environmental costs previously ignored. Specifically, EU called for a ‘redefinition of accounting concepts, rules, conventions and methodology so as to ensure that the consumption and use of environmental resources are accounted for as part of the full cost of production and reflected in market prices’ (European Commission 1992, cited in Deegan 2006).

Many companies have embraced the corporate social responsibility stressing their willing to serve the community. In order to optimize corporate environmental and economic performance and achieve sustainable business challenges the responsibility against society and environment should be fulfilled. In case of failure and disability to meet the rules the companies would not have the opportunity to recover the license affecting in the main objective of the firm to increase the value in unlimited time. For this reason there is an increase of attention towards the inclusion of environmental impacts in conventional accounting. In order to monitor the environmental damages, to monitor the cost and control the savings is necessary that accounting disciplines to be involved.

Recently the research that has been carried out has assessed the contribution of accounting in environment management as well as has identified the gaps regarding reporting firm’s externalities in the existing conventional accounting. (e.g. Bartolomeo et al. 2000; Bennett, Bouma & Wolters 2002; Bennett & James 2000; Bennett, Rikhardsson & Schaltegger 2003; Deegan 2003; IFAC 2005).

Several limitations of conventional management accounting systems and practices on collecting and evaluating environment-related data lead to the emerge of new discipline called environmental accounting.

Environmental accounting takes into consideration the concern on environment and natural resources, stating the values of the positive and negative public effects and externalities and incorporating them in the traditional accounting (Balance Sheet and Income Statement). “Environmental Accounting is the task of measuring and monitoring your impact on the environment on overall level, including waste, omission, spill, leakage, consumption, noise and all other environmental impact factors. This must be done in auditable, traceable, proven manner to explain and justify your performance to internal and external sources, just like you would do for financial operations or production operations” (Okoye, 2005 et al)

The aim of this paper is to analyze the financial reporting in Albania in relation to the disclosure of externalities, especially the current accounting practices that a company with evident environmental damages uses to inform the decision makers.

The structure of this paper will be as follows: findings and conclusions reached by the authors who conducted studies in relation to financial reporting in connection with environmental degradation will be brought in the second chapter, the review of literature. Methodology and research question will be described in the third chapter. In the fourth chapter results and discussions based on analysis of accounting procedure followed from three companies are concluded.

2. Methodology

The main problem that this study addresses is to what extent the firms that operate in our country identify the environmental costs and includes them in financial reporting. For this reason two main questions are posed in this study:

1. Do the accounting regulations provide the conceptual and technical background necessary for the reporting of environmental liabilities in Albania?
2. How does the legal requirement on respecting environment impose the firms to inform on environmental damages?

For answering these questions we examined the national guidelines on financial practices, environmental laws, the existing international accounting standards and companies practices on financial and environmental reporting. Reports and information regarding the performance of three companies provided by various sources were analyzed in order to understand the company’s approach towards environmental issues.

3. Literature Review

In global level, for economic policies developed after 30s there was a need to account primarily for economic financial aggregates like investment, production, demand and employment. When scarcity of natural resources and environment
degradation/depletion became at least equally important, in the second half of 20th century, methods of accounting needed to be changed to reflect the new reality (Merlo, et al 2001). Environmental accounting was first developed in the 60s - 70s at a national level in order to answer growing worry about the state of the environment and related natural resources, calculating the so-called Net Economic. Furthermore guidelines to adjust national accounts have therefore been provided (United Nations, 1968), Bruntland Committee (1987) and the Rio Summit (1992).

Among the initiatives taken in relation to identification and disclosure of environmental cost is the document entitled Towards Sustainability as part of its Fifth Action Programme, which suggests that the accounting profession take a role in implementing costing systems that internalize environmental costs previously ignored. Specifically, EU called for a ‘redefinition of accounting concepts, rules, conventions and methodology so as to ensure that the consumption and use of environmental resources are accounted for as part of the full cost of production and reflected in market prices’ (IFAC 2005).

Environmental accounting applied to a corporation includes management accounting (estimating costs of eliminating pollution on income but also as a result of efficient use of energy, water) and financial accounting (evaluation and reporting of environmental liabilities of the organization).

Environmental accounting reporting derives from conventional financial accounting and tries to integrate, step-by-step, environmental values within the accounting system. The crucial problem is how to consider the various items of the balance sheet and income statement which do not have a market price: such factors as pollution, landscape quality, biodiversity and the state of the environment, as characterized by the depletion/degradation of natural resources (Merlo, 1992). These environmental values, or impacts, are far from being well defined, let alone quantified. One reason is the difficulty of determining positive or negative impact.

In accounting, the cost is ‘a resource sacrificed or forgone to achieve a specific objective... usually measured as the monetary amount that must be paid to acquire goods or services’ (Horngren, Datar & Foster 2003, p. 30). Atkinson, Kaplan and Young define environmental costs as follows:

Environmental costs fall into two categories: explicit and implicit. Explicit costs include the direct costs of modifying technology and processes, costs of cleanup and disposal, costs of permits to operate a facility, fines levied by government agencies, and litigation fees. Implicit costs are often more closely tied to the infrastructure required to monitor environmental issues. These costs are usually administration and legal counsel, employee education and awareness, and the loss of goodwill if environmental disasters occur (2004, p. 298).

Financial reporting in Albania respects the international accounting standards/national accounting standards starting from January 2008. During the implementation different issues has been faced in particular related to fiscal legislation, cultural inheritance as well the level of economic development. Apart from these difficulties the convergence of national accounting towards the international accounting is the main approach of development of accounting rules in Albania.

Even though different scholars have criticized the approach on international standards towards the environmental behavior, many standards treats directly or indirectly the environmental issues. The main aim of the accounting is to provide information to users so that they can make sound judgment/decisions. The concern of the society remains that what the law and conventions of accounting requires for disclose is insufficient given the impact of these companies in the environment where it operates (Okaye & Ubaka 2005).

Different views are raises on the importance of international accounting standards towards the coverage of issues on environmental liabilities.

Negash examines the international accounting standards issues from IFAC, and shows the orientation towards environmental cost disclosure (Negash, 2009). So he explains, for example IFRS 6 (implementation January 2009) that directly deals with extractive industries and IFRIC 5 provides the guidance for decommissioning, rehabilitation and restoration of environment related expenditure. IFRIC 3 (still under discussion) and IAS 38 (intangibles) deal with government allocated emission rights, trades in these rights and the impairment of the emission allowances. Furthermore, it is important to note that a number of other standards provide an indirect support for the recognition, measurement and disclosure of environmental assets and liabilities. IAS 37 (provisions for contingent liabilities and assets) can be linked to environmental liabilities. IFRS 3, IAS 27, IAS 28, IAS 31, IAS 24 and IFRS 8 as well deal with environmental issues.

In our study we will be limited only in environmental liabilities accounting practices. The regulation both on accounting rules and environmental legislation in power in Albania, will guide us in in our analysis.

Accounting treatment for environmental liabilities in accordance with IAS 37 defines the following criteria on provision. “Paragraph 3 of IAS 37 defines provisions as “liabilities of uncertain timing or amount”; and contingent liability is defined as “a liability that arises from past events, and its existence will be confirmed only by the occurrence and nonoccurrence of one or more of uncertain future events that are not wholly within the control of the entity.” Paragraph 14
of IAS 37 requires that provision should be recognized when (a) an entity has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations; and (c) a reliable estimate can be made of the amount of the obligation. Paragraph 17 further defines an “obligating event” as a past event that leads to present obligation. It states that for an event to be an “obligating event”, it is necessary that the entity has no realistic alternative to settling the obligation created by the event. Finally, paragraph 27 of IAS 37 deals with the disclosure conditions for contingent liabilities. If the liability is not expected to lead to an outflow of resources and where an entity is jointly and severally liable for an obligation, that part of the obligation that is expected to be met by other parties is treated as contingent liability”.

4. Results and Discussions

In this paper the environmental reporting is examined judging based on the actual legislation on environment and the existing accounting rules and procedures. To judge on what extend the externalities are enclosed during the reporting, three companies with a considerable negative impact on the environment has been surveyed on the compliance of legal requirements and final reporting. All the companies that operate in Albania to receive the license on project application have to fulfill the law on valuation of environmental damages, Law No.10440, date 7.7.2011 “Assessment of impact in environment”. The results of our paper are base mainly in the analysis made in the financial reports of important companies in three different areas, in manufacturing the cement, producing the oil and in construction. We considered the figures related to environmental liabilities and the approach that companies had in compensating the cost incurred from these negatives impacts. All the companies considered in our study have evident unpleasant effects on the area were they operate.

Analyzing the annual reports of the selected companies in our study showed up that the companies does the reporting based on traditional issues concerning the accounting policies on empower. Balance sheets, profit and loss account, cash flow statement, notes to account are well detailed respecting the rules. Also, the companies provides reports identifying issues such as environmental defense, health and safety at works, employee development and training, gifts and donations. The companies during the running of the project has to respect the approved report where are specified the impact on the environment identifying the quantity of pollutants in water, air and erosion of the surfaces around the activities development. The investment on monitoring and reducing the effects are clearly defined in the reports of companies’ valuation of environment. On the other hand the annual reporting does not report these cost of investments and in particularly what effects on environment will diminished these occurred cost.

The companies report on their willing to apply the corporate social responsibility considering it as part of the company’s philosophy, meaning the respect toward the human values and interest toward the environment. Policies on employment on the region, investment on infrastructure and afforestation of the areas where they operate reveal the concern of these companies toward the society. Coming back to the point of our study, no monetary values are reported or notes where to be expressed the role on environment of these policies.

As in concern the environmental provisions are taken, in the reporting of the companies that we surveyed, the provision are recognized only when the liability is raised. It is difficult that provisions to be disclosed due to the facts that the time and values are not able to be estimated. On the other hand the expenses on provisions are not recognized for fiscal regulations, considering them not appropriate to be disclosed from the management.

For this reason during the financial reporting is needed to prepare separate annexes of environmental assets and liabilities where environmental costs are identified and valuated.

5. Conclusions

The results of this paper provide consideration of currently existing information status and the development demand on environmental accounting in Albania. Concerning the state of environmental account in Albania it is evident that both accounting regulations in power and companies itself do not engage any particularly on environmental accounting. If any recording is done it is merely on environmental provisions applied under the international standards, IAS 37 in respect to legislation, on the other hand the reporting from companies does not comprises any obligatory report on environmental damages. In global level the impact of environmental issues has become urgent and solutions are required involving the traditional/conventional financial accounting. Therefore the financial reporting is required to disclose all the cost caused from the management decisions. This is finalized in applying environmental cost accounting system which allows us to collect, analyze record and report to our business environment.

Financial reports compilation requires that all cost occurred on pollution reduce or on prevention of further
environmental damages to be included. This demands the interpretation of the costs as capitalized cost or expense as well the impact firm profitability. Furthermore on this framework environmental provisions have to be defined in order to specify when have to be included and to define the proper value. Nowadays in many development countries are established the practices that include the environmental costs in financial reporting stated and require from the rules and standards in power of this countries.

In this paper we found out that financial reporting does not have compliance with environmental legislation. Enterprises are required to report on environmental damages and take the necessary measures, but there is no approach towards methodology on damages valuation.

References


Law No.10440, date 7.7.2011 “Assessment of impact in environment” http://www.moe.gov.al/upload/legislacioni/akte%20ligjore/Ligj%20Nr%2010440,%20date%207.7.2011%20VNM.pdf


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The Effect of Women’s Decision Making Styles on Sustainable Consumption Behaviours

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Abstract
Economic activity is based on the continued availability of sufficient material and energy resources and on environment that is sufficiently clean and attractive. On the one hand fast increasing population and on the other hand a growing number of over consumption has caused environmental problems. All of these problems require new solutions for humanity. In this study we carried out to investigate women’s decision- making styles effects on sustainable consumption behavior. Participants in the study consist of women who live in Safranbolu/Turkey. A total of 320 female (with an approximate % 80 participation rate) are participated on a voluntary. Data were collected through a demographical information form, Consumer Style Inventory (CSI) and Sustainable Consumption Behaviors Scale (SCBs), to determine the factors affecting of women on sustainable consumption behaviors. The results demonstrated that female’s age ranged from 19 to 83 in age (M= 38.9, SD=9.8). The average income has been found 1.869,1 TL (=898,6 $; 1 dollar is equivalent to about 2.08 TL – May, 2014). The result of regression analysis revealed that demographic characteristic such as education, monthly family income and working status, decision-making style (factors Perfectionistic High-Quality Conscious, Habitual Brand-Loyal Consumer and Financial Time-Energy Conserving) of women are important predictors of sustainable consumption behaviors (p<.001).

Keywords: women, sustainable consumption, decision making style, women consumption behaviors, consumer style inventory

1. Introduction
The economy and the natural environment interact. The condition of one is of importance to the other. On the one hand, economic activity is based on the continued availability of sufficient material and energy resources and an environment that is sufficiently clean and attractive. Insofar as the economy is based on renewable resources, the proper functioning of natural processes and systems may become an essential requirement for society's continuity (Opschoor and Reijnders, 1991). Current unsustainable patterns of consumption is imperative for the achievement of sustainable development in a world in which human population is projected to be 9.5 billion by 2050, and in which about 1.2 billion people currently live in extreme poverty and deprivation (UN Population Division, 2013; World Bank, 2013). Changing consumption patterns is vital for poverty and hunger extermination, and also for protecting and managing the natural resource base and ecosystems, which underpin development. Unsustainable consumption patterns are increasing water and air pollution, land and forest poverty, waste generation and the use of harmful chemical substances. Current pressures on the planet’s natural resources and life support systems will increase with population and economic growth unless consumption patterns become more efficient and less polluting (Millennium Ecosystem Assessment, 2005).

For many years, environmental policies were focused on the production side, mainly through pollution control and eco-efficiency. Household consumption patterns, and the drivers behind them, were poorly understood (OECD, 2002). Consumption levels and patterns of families are one of the primary drivers of sustainable consumption which defined as...
“the use of goods and services that respond to basic needs and bring a better quality of life, while minimizing the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle, so as not to jeopardize the needs of future generations” (Grover, Hemmati & Flenley, 1999).

From a historical perspective, consumption has been associated with women (Cowan, 1987; Game & Pringle, 1979). Indeed, women who are responsible for 80% of the consumption decision in households (Griffin, 2006; Kelan, 2008) and represent the largest group of consumers shopping for the daily needs of their families. Studies are also shows that in families, women are responsible for purchasing almost all household goods, while men make more consumption decisions with regard to automobiles and holidays (Heinzle and Känzig, 2010). So women's consumption decisions regarding food, clothes, medicines, household goods, education, etc. are keys in determining the sustainable consumption behaviors and better understanding of the consumption decision making style of women is needed.

A consumer decision-making style is defined as “a patterned, mental, cognitive orientation towards shopping and purchasing, which constantly dominates the consumer’s choices (Sproles, 1985). Knowledge of consumer decision-making styles are clearly important because it is inseparable linked to purchase behavior and sustainable consumption.

Women have a greater tendency to make sustainable consumption choices, e.g. eating less meat, or a showing preference for organic food (Heinzle and Känzig, 2010). In empirical studies on environmental awareness and behavior in industrialized countries, clear gender differences have been detected repeatedly: women tend to have a higher level of environmental awareness than men, women show a higher engagement with environmental issues and a greater willingness to act to preserve the environment; women are more skeptical regarding new technologies and their potential impacts and risks; and women act in a more environmentally friendly manner, e.g. they buy more environmentally sound products; their mobility behavior is less environmentally harmful because they drive cars less often, walk more and use public transport more often than men (Gender CC, 2014). The research on gender and attitudes towards the environment does point in one direction: women show higher ecological awareness and also more environmentally sound behavior (Zelezny et al., 2000; OECD, 2008, Blocker & Eckberg, 1989).

As surveys indicate, women in many cases pay more attention to environmental and ethical aspects of consumption; they are often key targets for sustainable consumption. However no attention has been paid to the question of how women’s consumer decision making styles affect sustainable consumption behaviors. Therefore this study aims to increase understanding of the role of women in sustainable development.

2. Method

2.1 Participation

The sample group of this study consisted of women who have been dwelling in Safranbolu/Karabuk city, Turkey. Safranbolu is a town and district of Karabuk Province in the Black Sea region of Turkey. It is about 200 kilometers north of Ankara and about a 100 km south of the Black Sea coast. According to the 2013 census, the population of the locality is 55,170, of which 31,697 live in the center of Safranbolu. Safranbolu is a town where receiving migration from outside, historical and touristic settlement. Due to the differences in socio-cultural and socio-economic structure this region are selected. The samples of the study consist of women who agreed to participate on a voluntary basis. In this context 400 women have interviewed in the study. Participants were contacted in person and surveys were given individually. Following the researcher’s self-introduction, the purpose of the study was explained. After obtaining their consent, the survey packets, which subjects read and completed on their own, were distributed and then researchers collected all surveys once they were completed. Each participant was contacted individually and completed the questionnaire (27 women do not accepted the interview). Uncompleted and uncorrected questionnaire forms were not taken into consideration (53 questionnaire form was uncompleted or uncorrected). Finally, a total of 320 interviews were conducted with an approximate 80 percent participation rate. The data were collected between April 1-30 2012.

2.2 Instruments and Data Collection

In this study all variables analysis are self-reported measures.

Independent variables: Independent variables are age (age was coded the age in years at the time of the interview), marriage (1=single, 2=married), duration of marriage (duration of marriage was coded in years at the time of the interview), number of children, monthly family income (it was coded in years at the time of the interview), education level (1=Primary school, 2=High school, 3=Bachelor’s and over), working status (1=worker, 2=non-worker) and family type (1=extended family, 2=nuclear family).
Sustainable Consumption Behavior Scale (SCBs): This scale developed by Kiraci and Karalar (2010). Sustainable consumption was measured using the Sustainable Consumption Behavior Scale (SCBs), which includes 36 items such as “I avoid products in aerosol containers.” Responses were given on a 5-point Likert Scale, ranging from 1 (“never”) to 5 (“every time”). 8, 13, 14, 15, 16 items was coded reverse. According to Kiraci and Karalar (2010) Cronbach’s alpha coefficient was used to determine the internal consistency reliability of scale used. It was determined that alpha value for SCB scale was 0.63. SCB scales do not have high alpha values and so the scale could be improved in future research. But in this study Cronbach’s Alpha coefficient was found .75.

Consumer Style Inventory (CSI): CSI was developed by Sproles and Kendall (1986) to determine understanding the consumer decision making styles. CSI scales include 40 items such as “Shopping is not a pleasant activity to me” and “The most advertised brands are usually good choices” Responses were given on a 5-point Likert Scale range from “1=certainly disagree” to “5=certainly agree”. Original consumer decision making style inventory consist of eight factor structure named “1=Novelty, Brand Conscious Consumer, 2=Perfectionistic, High-Quality Conscious, 3=Confused by Overchoice Consumer, 4=Recreational, Hedonistic Conscious, 5=Impulsive, Careless Consumer, 6=Variety-Seeking Consumer, 7=Habitual, Brand-Loyal Consumer, 8=Financial, Time-Energy Conserving” Internal consistency of the inventory was measured with Cronbach Alpha. The scale was adapted to the Turkish culture by Dursun et al. (2013). According the results of Dursun et al. (2013) a suitable model of CSI for Turkish consumer consists of nine factor structures. However in this study factor analysis results showed that factor structure has coincide with original CSI.

Questionnaires are arranged in accordance with the aim of the research. The questionnaire was pretested by applying to 15 women in order to evaluate the conformity of the questionnaire. The form was rearranged through the suggestions came from this pretest group and the required corrections were made.

2.3 Data Analysis

The analysis of the data was conducted using the “SPSS for Windows 15.0” program. Data analysis began with calculating frequencies of the sample on all variables and the graphs for these distributions were obtained. Mean and standard deviation for the scales used in the study were calculated.

Correlation analysis was performed to determine the level and direction of the relationship between the dependent variable and independent variables, and regression analysis was used to determine the sequence of contribution for the variables (Büyüköztürk, 2007:91). In this study, regression analysis were performed to find out whether some variables related to demographic variables (age, education level, monthly family income, working statutes), factors of CSI (Variety-Seeking Consumer, Novelty, Brand Conscious Consumer, Perfectionistic, High-Quality Conscious, Confused by Overchoice Consumer, Impulsive, Careless Consumer, Habitual, Brand-Loyal Consumer, Recreational, Hedonistic Conscious and Financial, Time-Energy Conserving) have any effect on the sustainable consumption behaviors. Also independent sampling t-test and ANOVA have performed to identify if there is a meaningful difference between demographic variables (age, education level, monthly family income, working statutes) and sustainable consumption behavior (Büyüköztürk, 2007:30).

3. Results

3.1 Participants

The participants were 320 female who have dwelling in Safranbolu/TURKEY. The aged of the interviewers ranged from 19 – 83 years (M=38.2, SD=10.0) and the present of 33.1 % participants was “35 – 44 years old” age group. The waste majority of the participants are married (95.6 %). The average length of marriage is sixteen (M=16.1; S=11.0) years, with a range from one to fifty-seven years. The income of the females ranged from 100,00 TL to 15,000,0 TL, and the average income is 1,869,1 TL (= 898,6 $—1 dollar is equivalent to about 2,08 TL – June,2014). According to a study by the TÜRK-İŞ (Confederation of Trade Unions of Turkey) Research and Development Center in July 2013, the starvation line is approximately 1.011,84 TL (about 500 $) (TÜRK-İŞ, 2014). Thus, the sample group consisted of middle socioeconomic level families. The findings shows that 50.6 percentage of the female have primary school (8 years) education degree, 25.6 percentage have high school (11 years) education degree, 23.8 percentage have Bachelor’s and over (15 and over years) education degree. The rates of non-worker females (65.6 %) are higher than the rate of worker females (34.4 %). It is determined that 60.0% of the females who are non-worker, are housewife and out of the total worker females (n=110), 17.5% are servant and 10.9% of them are employee. About 36.9% of the participants had 2 children, 27.5% had 1, 15.3 % had 3, 10.6 % 4 or more and 9.7 percent had no children. In addition, the majority of the individuals lived in a nuclear
family.

Table 1. Demographic Characteristics of the Sample

<table>
<thead>
<tr>
<th>Marriage</th>
<th>F</th>
<th>%</th>
<th>Age</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>14</td>
<td>4.4</td>
<td>≤ 24</td>
<td>20</td>
<td>6.3</td>
</tr>
<tr>
<td>Married</td>
<td>306</td>
<td>95.6</td>
<td>25 – 34</td>
<td>104</td>
<td>32.5</td>
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<table>
<thead>
<tr>
<th>Duration of marriage</th>
<th>F</th>
<th>%</th>
<th>Age</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 5</td>
<td>68</td>
<td>21.3</td>
<td>45 – 54</td>
<td>68</td>
<td>21.3</td>
</tr>
<tr>
<td>6 – 15</td>
<td>98</td>
<td>30.6</td>
<td>≥ 55</td>
<td>22</td>
<td>6.9</td>
</tr>
<tr>
<td>16 – 25</td>
<td>88</td>
<td>27.5</td>
<td>0</td>
<td>31</td>
<td>9.7</td>
</tr>
<tr>
<td>&gt;26</td>
<td>66</td>
<td>20.6</td>
<td>1</td>
<td>88</td>
<td>27.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
<th>F</th>
<th>%</th>
<th>Family type</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary school (8 years)</td>
<td>162</td>
<td>50.6</td>
<td>Extended family</td>
<td>47</td>
<td>14.7</td>
</tr>
<tr>
<td>High school (11 years)</td>
<td>82</td>
<td>25.6</td>
<td>Nuclear family</td>
<td>273</td>
<td>85.3</td>
</tr>
<tr>
<td>Bachelor’s and over (15 + years)</td>
<td>76</td>
<td>23.8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Working status</th>
<th>F</th>
<th>%</th>
<th>Monthly family income</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker</td>
<td>210</td>
<td>65.6</td>
<td>Low</td>
<td>177</td>
<td>55.3</td>
</tr>
<tr>
<td>Non-worker</td>
<td>110</td>
<td>34.4</td>
<td>Middle</td>
<td>111</td>
<td>34.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>High</td>
<td>32</td>
<td>10.0</td>
</tr>
</tbody>
</table>

The statistical analysis results of t-test showed that working status of females significantly affected scores on the SCB scale. It can be said that non-worker females sustainable consumption behavior scores (M=118.0, SD=11.5) are a bit higher than that of worker females (M=109.2, SD=11.7) (t=2.794, df=318, p>.05). However there was no significantly relationship between participants’ scores on the SCB scale and females age (F=0.660; df=4-315; p<.05), education (F=1.056; df=2-317; p<.05) and monthly family income (F=0.476; df=4-315; p<.05).

Table 2. ANOVA and T-Test analysis between independent variables and sustainable consumption behavior

<table>
<thead>
<tr>
<th>Age</th>
<th>N</th>
<th>Mean</th>
<th>S</th>
<th>significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ 24</td>
<td>20</td>
<td>110.3</td>
<td>14.2</td>
<td></td>
</tr>
<tr>
<td>25 – 34</td>
<td>104</td>
<td>111.6</td>
<td>10.5</td>
<td></td>
</tr>
<tr>
<td>35 – 44</td>
<td>106</td>
<td>109.1</td>
<td>12.6</td>
<td>F=0.660; df=4-315; .620</td>
</tr>
<tr>
<td>45 – 54</td>
<td>68</td>
<td>110.9</td>
<td>12.2</td>
<td></td>
</tr>
<tr>
<td>≥ 55</td>
<td>22</td>
<td>111.2</td>
<td>9.4</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
<th>N</th>
<th>Mean</th>
<th>S</th>
<th>significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary school (8 years)</td>
<td>162</td>
<td>109.8</td>
<td>12.8</td>
<td></td>
</tr>
<tr>
<td>High school (11 years)</td>
<td>82</td>
<td>110.4</td>
<td>11.8</td>
<td>F=1.056; df=2-317; .349</td>
</tr>
<tr>
<td>Bachelor’s and over (15 + years)</td>
<td>76</td>
<td>112.2</td>
<td>9.1</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly family income</th>
<th>N</th>
<th>Mean</th>
<th>S</th>
<th>significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>177</td>
<td>110.9</td>
<td>11.8</td>
<td></td>
</tr>
<tr>
<td>Middle</td>
<td>111</td>
<td>109.7</td>
<td>12.4</td>
<td>F=0.476; df=4-315; .622</td>
</tr>
<tr>
<td>High</td>
<td>32</td>
<td>111.4</td>
<td>9.6</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Working status</th>
<th>N</th>
<th>Mean</th>
<th>S</th>
<th>significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker</td>
<td>210</td>
<td>109.2</td>
<td>11.7</td>
<td>t=-2.794; df=318; .006**</td>
</tr>
<tr>
<td>Non-worker</td>
<td>110</td>
<td>113.0</td>
<td>11.5</td>
<td></td>
</tr>
</tbody>
</table>

*p<0.05

Pearson Product Moment correlations were used to establish the relationship between the independent and dependent variables. Results presented in Table 3 show that there was significant positive relationships between females sustainable consumption behaviors and monthly family income (.125, p<.05), working status (.155, p<.01), Perfectionistic, High-Quality Conscious (.176, p<.01), Habitual, Brand-Loyal Consumer (.117, p<.01), Financial, Time-Energy Conserving (.135, p<.01).
Multiple regression analyses were used to ascertain factors that are significant in predicting females’ sustainable consumption behavior. Table 4 shows the results of multiple regression analyses for the sustainable consumption behaviors. For the first stage of the multiple regression analyses only the demographic factors, such as age, education, monthly family income and working status included to the analysis. In the second stage, eight factors of consumer decision-making style inventory are added to the regression along with the demographic factors. The determination coefficients ($R^2$) obtained at the end of two stages were compared and the variables are evaluated for participants.

Demographic variables explain 5% of the total variance on the SCBs for the females participants ($R=0.227$, $R^2=0.051$, $F=4.274$, $p<.01$). Table 4 gives the $t$-test results related to significance and the regression coefficient ($\beta$) standardized to test the effect of the independent variables, in the first stage of the analysis, on females sustainable consumption behavior. Education ($\beta=.18$, $p<.01$), monthly family income ($\beta=-.16$, $p<.01$), and working status ($\beta=.17$, $p<.01$) have significant effect on females sustainable consumption behavior.

The second stage was run by including factors of consumer decision-making style factors (CSI) (variety-seeking consumer, novelty, brand conscious consumer, perfectionistic, high-quality conscious, confused by overchoice consumer, impulsive, careless consumer, habitual, brand-loyal consumer, recreational, hedonistic consumer and financial, time-energy conserving) to regression equations. The results illustrated that the stage was significant of females participation and explained 13% of total variance ($R=0.360$, $R^2=0.130$, $F=3.503$, $p<.001$). Additionally finding indicated that among females participants the relationships between Sustainable Consumption Behavior and Perfectionistic, High-Quality Conscious ($\beta=.17$, $p>.05$), Habitual, Brand-Loyal Consumer ($\beta=.12$, $p>.05$) and Financial, Time-Energy Conserving ($\beta=.12$, $p>.05$) were statistically significant (Table 4).

### Table 4. Multiple Regression Analysis

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>B</th>
<th>SH</th>
<th>$\beta$</th>
<th>$F$</th>
<th>$p$</th>
<th>$R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>.137</td>
<td>.072</td>
<td>.116</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>1.338</td>
<td>.554</td>
<td>.181*</td>
<td>4.293</td>
<td>.002</td>
<td>.227</td>
</tr>
<tr>
<td>Monthly family income</td>
<td>-.002</td>
<td>.001</td>
<td>-.161*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working status</td>
<td>4.215</td>
<td>1.628</td>
<td>.170*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>.109</td>
<td>.075</td>
<td>.093</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>.836</td>
<td>.562</td>
<td>.113</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly family income</td>
<td>-.002</td>
<td>.001</td>
<td>-.154</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working status</td>
<td>4.776</td>
<td>1.594</td>
<td>.193</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variety-Seeking Consumer</td>
<td>.106</td>
<td>.065</td>
<td>.099</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Novelty, Brand Conscious Consumer</td>
<td>.935</td>
<td>.675</td>
<td>.079</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perfectionistic, High-Quality Conscious</td>
<td>2.029</td>
<td>.638</td>
<td>.172*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confused by Overchoice Consumer</td>
<td>.671</td>
<td>.631</td>
<td>.057</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impulsive, Careless Consumer</td>
<td>-.145</td>
<td>.633</td>
<td>-.012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Habitual, Brand-Loyal Consumer</td>
<td>1.391</td>
<td>.633</td>
<td>.118*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreational, Hedonistic Conscious</td>
<td>1.159</td>
<td>.633</td>
<td>.098</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial, Time-Energy Conserving</td>
<td>1.461</td>
<td>.653</td>
<td>.124*</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*p<0.05; **p<0.01; ***p<0.001
4. Discussion and Conclusion

This paper gives place to various definitions about factors that affect sustainable consumption behavior and then presented the findings of a research. The objective of this research was to investigate effects of women’s decision making styles on sustainable consumption behaviors previously studied in the developed countries. Prior studies have reported that women are more concerned than men about social issues (Eagly et al. 2004) and are also more concerned about the environment (Koos 2011; Zelezný et al. 2000). Roberts (1996) reported that women are more likely than men to be socially responsible in their consumption behaviors.

Analyses of the data from 320 women of diverse age, educational levels, monthly family income and working status showed difference significant effect on sustainable consumption behavior. Following the examination of demographic variables and SCBs, ANOVA and t – test is carried out for the remaining variables. The t-test result is showed significant (p<.05) differences between working status and SCBs. Based on the results of this study, it can be concluded that two groups of respondent (workers and non-workers) differed in some of their sustainable consumption behavior. The status of women is one factor that has effects on sustainable development (Ukpore, 2009). For example Heinzle and Känzig (2010) have found that women without employment are more cost sensitive than women with paid employment due to tighter budget constraints. However the results of ANOVA have no significant relationship between SCBs and educational levels, monthly family income and age group. These results may be consisting of due to the small size of sample. In contrast to this finding literature have supported educated people who have higher income tend to more sustain in their behaviors (Cortese, 2003; Haron et al., 2005; UNESCO, 2006)

In addition, regression analysis showed that demographic variables significantly predicted sustainable consumption behavior of women’s. Although two different regression models were significant, the multi regression analysis indicated that only educational levels, monthly family income and working statuses have independent impacts on sustainable consumption behavior. In the second stage of the regression model factors of consumer decision making style as; Perfectionistic, High-Quality Conscious, Habitual, Brand-Loyal Consumer, Financial, Time-Energy Conserving have independent impacts on sustainable consumption behavior. Thus, considering the socioeconomic circumstances of Turkey, it seems likely that people which have higher education, higher earnings and having a high quality of life tend to be more sustainable (Gatersleben, Steg & Vlek, 2002; Haron, Paim & Yahaya, 2005).

Finally it seems that women make more ethical consumer choices, paying closer attention to issues including child labor and sustainable livelihoods and are more apt to buy socially labeled goods such as Fair-trade. Sustainable consumer behaviors (SCB) and the underlying mechanisms via which consumers make or fail to make socially and environmentally responsible choices are increasingly important topics for policy makers and for marketing practitioners and accordingly have been the object of increasing research attention and theory development in consumer research. The results of this research have significant implications for policymakers and educators in their search of strategies for improving the roles of women’s to sustainable development. The ability to act as a responsible and democratic citizen is a prerequisite for a sustainable development. This skill can be improved by reaching the recent knowledge and lifelong learning.

The present research has the characteristics of a pilot study conducted on the women decision making styles on sustainable consumption behaviors. Similar research recently conducted in Turkey and in other countries should be investigated from different perspectives in order to make a satisfactory comparison. To this end, the conducting of similar research, with sample groups with different features, different demographics, and socio-economic and socio-cultural features in different regions. New research on this issue would not only ensure comparisons being made between different variables and groups, but it would also provide a data set that could reveal factors affecting the changes, by the repeating of such research over a certain period of time.

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of Technology (261-280), London.


The Efficiency of Small and Medium Enterprises in Albania

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Abstract

Albania is going through a process of major economic and social changes. Since this process has been broad and wide-ranging, a lot of studies have been focused on its problematic, and specifically the efficiency of small and medium enterprises (SMEs) as the economic development fostering units. In Albania, as well as in other developing countries, the SMEs have not been very efficient due to several problems linked with their financial situation, financing process, and profitability. As already known, developing countries lack financial resources, this in turn is due to non-functioning of financial markets. Therefore, one of the main objectives of this paper is to analyse the problems of SMEs in general in Albania, and the problems they face in finding financial resources and support. This paper will also attempt to measure the variables of profitability, financial situation and other variables in order to assess their effects on the efficiency of SMEs.

Keywords: SMEs, Profitability, Financial Situation, Financing Process.

The main purpose of this paper is to identify and then to underpin the existence of profitability as part SMEs effectiveness in Albania. The data of this study were processed through the quantitative and statistical methods. In this paper, the linear regression model is used to analyze the data collected. Based on the results of the linear regression model, the analysis continued trying to give an answer to the study basic questions.

The data are analyzed with the linear regression method and the hypothesis testing is done through the interpretation of the regression coefficients. A panel data collected from 125 questionnaires, including the surveys of small and medium enterprises in the city of Tirana. These data were assessed through the multiple regression equations.

1. Selection and Description of Sample

About 125 questionnaires were prepared for this study. The survey method was used to collect data from 125 small and medium enterprises operating in the city of Tirana.

The survey was conducted through direct contact with the respondents and while filling in the questionnaires. The respondents were free to ask additional explanation in order to give a more adequate response.

The samples were chosen randomly from a vast list of businesses. The survey was carried out by picking out randomly businesses and going personally there to meet the business manager. In the event the business manager was not present the questionnaire was not filled in for that business. The purposes of such practice was to have a real view of the businesses in Tirana.

The area where the survey was conducted was chosen by taking into consideration these parameters: main streets, distribution of businesses, and population demography. In addition, the sample covered key economy sectors, which was respected by surveying heterogeneous sectors areas.

1.1 Content of questionnaire

General data:
- Business age,
- number of employees
- business plan
- level of technology
- cost of employee training
- costs of promotion
- profitability, as percept by the respondents, using the Likert Scale.
- access to financing, as percept by respondents, using the Likert Scale.
1.2 Collection and representation of data

Data collected from the questionnaires were initially entered in an excel table. In the columns all questions responses were entered, corresponding to each part of the questionnaire, while the respondents were entered in the rows. The data contained in such Excel table served to design a series of graphics which give the current position of some selected main characteristics, compared by sectors. Their interpretation is given below. The data in this table were transported to e-view programme for a more detailed statistical processing. The results of such processing are also given below.

1.3 Analysis of Data

The multiple regression models were used to analyze the qualitative and quantitative data. The purpose of such analysis is to try to identify weather there is any correlation between the dependent variable- profitability which is an indicator of SMEs efficiency - and the other variables which affect on it. The results of the regression model are taken by the specific econometric software- e-view- then combined with other computer programs, in order to process data in order to generate an accurate results from the surveys carried out.

2. Design of Model and Definition of Variables

The research, in order to meet the primary objective of this paper, was initially based on the quantitative methods. At a second stage an econometric model was designed to identify and measure the factors primarily affecting the efficiency of SMEs.

Theoretically the multiple regression models are used to examine the correlations between the variables, in order to compare the significance of independent variables and estimate the dependent variables value.

The most adequate method to test such correlation is the linear function. Short (1979) argues that a linear function gives better results than any other function used. The specific test, according to Davidson, Godfrey and MacKinnon (1985) was also applied on the results which supported the use of linear function.

To test the hypotheses, based on the data collected, regarding the correlation between profitability and the determinant variables affecting thereto, the following linear model was used:

\[ Y = \alpha + \beta X + \varepsilon \]

\( \alpha \) = constant rate  
\( Y \) = SME profitability variable  
\( X = (X_1, X_2, X_3, \ldots, X_n) \) (independent variables vector) (determinant)  
\( \beta = (\beta_1, \beta_2, \beta_3, \beta_4, \beta_5) \) (independent variables coefficient vector) (determinant)  
\( \varepsilon \) = error rate

This is the linear regression function equation which defines the correlation between variables taken in the study. Where \( \alpha \) is the model constant rate and \( \beta_1 \) is the linear regression coefficient function. The value of function \( t, \varepsilon \) in the linear regression is dependent on the coefficient \( \beta, q, \varepsilon \) which means that if the coefficient \( \beta \) is negative, and then the determinant or independent variable affects negatively on the dependant variable: an increase with one unit in the independent variable will reduce the dependent variable with the value of the respective coefficient.

Likewise, if the coefficient \( \beta \) is positive, the dependant variable will increase with the value of the corresponding coefficient. \( \alpha \) is the constant value for which a dependant variable is predicted if the coefficients \( \beta, t, \varepsilon \) of the independent variables \( t, \varepsilon \) are equal to 0 (if \( \beta_1=\beta_2=\beta_3=\ldots=0 \)) then \( Y = \alpha \). In addition, \( \varepsilon \) is the error rate which expresses the effect of all other variables, besides the dependent and independent variables considered in the regression function.

The regression model used in this study is the following:

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon \]

By identifying the dependent variable and the independent variables, the following equation is designed:

\[ \text{RENTAB} = \alpha + \beta_1 \text{PLIBIZNESI} + \beta_2 \text{PRODUKTIV} + \beta_3 \text{NR} + \beta_4 \text{DT2} + \beta_5 \text{DT2} + \varepsilon \]

In the table below, the elements studied with the linear regression are interpreted by identifying the standard model with the model elements under review.

\(^1\) \( \beta \) – represents the contribution of each independent variable on the dependent variable estimation
Standard Model Study model

\[ Y = \text{Dependant variable} \ Y - \text{RENTAB} \]

\[ \alpha - \text{constant rate} \]

\[ \beta_i - \text{function coefficient} \]

\[ X - \text{Dependant variables} \ X_1 - \text{PLBUSINESS} \ (\text{business plan}) \]

\[ X_2 - \text{PRODUCTIV} \ (\text{productivity}) \]

\[ X_3 - \text{NR} \ (\text{number of employees}) \]

\[ X_4 - \text{DT2} \ (\text{Level of modern technology}) \]

\[ X_5 - \text{DT2} \ (\text{Level of adequate technology}) \]

\[ \varepsilon - \text{is error rate} \]

3. Econometric Interpretation of Variables

3.1 Dependant variable (Profitability)

One of the dependent variables, which are an important part of the SMEs efficiency, used in this study is profitability. The data were provided through direct interviewing of businesses entities by taking responses about 10 questions of the questionnaire: what do you think, how profitable is your activity? Answers from 0 (not at all) to 10 (fully).

\[ Y - \text{RENTAB} \ (\text{profitability determinant}) - \text{the rate of profitability according to the business entities perceptions} \]

3.2 Independent variables

Among all variables, the following five dependent variables were selected for this study:

1. \[ X_1 - \text{PLBIZNESI} \ (\text{business plan}) \]
2. \[ X_2 - \text{PRODUKTIV} \ (\text{turnover/number of employees}) \]
3. \[ X_3 - \text{NR} \ (\text{number of employees}) \]
4. \[ X_4 - \text{DT2} \ (\text{level of modern technology}) \]
5. \[ X_5 - \text{DT2} \ (\text{level of adequate technology}) \]

4. Constructing Statistical Hypothesis

The statistical hypothesis for this research is the most important part of the work. It helps in giving responses to the main questions raised for the realization of the research aim. It addition, it helps in stating the conclusions reached.

\[ H_0: \text{None of the variables reviewed in this study does not have effect} \]

\[ (\beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 = 0) \]

\[ H_1: \text{At least one of the variables reviewed in this study has effect} \]

\[ (\beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 \neq 0) \]

In order to test the correlation between profitability (RENTAB), as the dependent variable and the explanatory variables, such as business plan (X1- PLBIZNESI), productivity (X2-PRODUKTIV), number of employees (X3-NR), level of modern technology (X4-DT2), level of adequate technology (X5-DT3), and the following hypotheses are constructed:

\[ H_0: \text{"Profitability is not dependent from the presence of a business plan, productivity, number of employees, level of modern technology, nor the level of adequate technology"} \]

\[ (\beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 = 0) \]

\[ H_1: \text{"Profitability is dependent from the presence of a business plan, productivity, number of employees, level of modern technology, and the level of adequate technology"} \]

At least one \[ \beta_1 = \beta_2 = \beta_3 \neq \beta_4 = \beta_5 \neq 0 \]

5. Assessing and Testing of Statistical Data

The statistical model was used to test and asses these data. It used the r-square method with a confidence level of \( p = \)}

\[ \sim 297 \sim \]
1.95 or significance level of 0.05 based on the results of the survey. Choosing the most appropriate model to make the necessary analysis is based primarily on tests that measure the compatibility of the main model as:

- **F-statistics**, to test the compatibility of the model,
- **T-test**, to test the significance of the variables correlation,
- **R-squared**, explanatory mean of the variation of profitability from the variables taken into consideration in this study model.
- Other tests trying to prove the adequate form of correlation, the existence or not of multicollinearity.

### 6. Econometric Model Results and their Interpretation

The econometric model generated by the data analysis is given below:

\[
\text{RENTAB} = 5.292986+0.645434 \text{PLBIZNESI}+5.37E-07 \text{PRODUKTIV}+0.188332 \text{NR}-0.594442 \text{DT2}-1.315143 \text{DT3}+\epsilon
\]

The table given below indicates the regression output. There are reflected the values of t and those values of t that are larger than 2 or smaller than (-2), or greater than 2 in absolute value, are statistically significant coefficients while the rest are not statistically significant coefficients, significance level (0.05).

Based on the table, it is noticed that the most significant determinants in our model can be listed as below:

<table>
<thead>
<tr>
<th>Variable</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>NR</td>
<td>3.366084</td>
<td>0.0011</td>
</tr>
<tr>
<td>PRODUKTIV</td>
<td>3.182293</td>
<td>0.0019</td>
</tr>
<tr>
<td>DT3</td>
<td>-2.793062</td>
<td>0.0062</td>
</tr>
<tr>
<td>DT2</td>
<td>-2.338949</td>
<td>0.0212</td>
</tr>
<tr>
<td>PLBIZNESI</td>
<td>2.129935</td>
<td>0.0355</td>
</tr>
</tbody>
</table>

**Source:** Calculation of the author

The most significant determinant in our model is NR- the number of employees- which means that profitability is dependent on the number of employees.

In order to test the global importance of the model, the Fisher values are taken into consideration. It is noticed that Fisher value indicates that the model is in general statistically significant. Therefore, **it is accepted** $H_1$ that there is at least one variable with $\neq 0$ coefficient.

$H_0$: "None of the variables taken into consideration do not affect on the SMEs profitability $eta 1 = \beta 2 = \beta 3 = \beta 4 = \beta 5 = 0$ ------- It is rejected $H_0$.

$H_1$: At least one of the variables taken in the study affects the SMEs profitability. There is at least one $\beta 1 = \beta 2 = \beta 3 \neq \beta 4 = \beta 5 = 0$ ------- It is accepted $H_1$.

### Table No 2. Final results of the data testing

<table>
<thead>
<tr>
<th>Dependent Variable: RENTAB</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>5.292986</td>
<td>0.472370</td>
<td>11.20516</td>
<td>0.0000</td>
</tr>
<tr>
<td>PLBIZNESI</td>
<td>0.645434</td>
<td>0.303030</td>
<td>2.129935</td>
<td>0.0355</td>
</tr>
<tr>
<td>PRODUKTIV</td>
<td>5.37E-07</td>
<td>1.69E-07</td>
<td>3.182293</td>
<td>0.0019</td>
</tr>
<tr>
<td>NR</td>
<td>0.188332</td>
<td>0.055950</td>
<td>3.366084</td>
<td>0.0011</td>
</tr>
<tr>
<td>DT2</td>
<td>-0.594442</td>
<td>0.254149</td>
<td>-2.338949</td>
<td>0.0212</td>
</tr>
<tr>
<td>DT3</td>
<td>-1.315143</td>
<td>0.470861</td>
<td>-2.793062</td>
<td>0.0062</td>
</tr>
</tbody>
</table>
Source: Calculation of the author

The $R^2$ (the coefficient of determination) is 0.29839, or simply 29.9%, and it indicates that the variables taken in this study explain the regression model at 30%. This figure shows that such variables are not the only ones, but there are also other factors having significance.

The adjusted $R^2$ is 0.265296 which of course is slightly smaller than $R^2$ (coefficient of determination). It indicates that there are other variables not yet included.

In addition, the DURBIN-WATSON value is 1.900137, thus approximately 2. This means that our model does not suffer from multicollinearity. This is a very good indicator showing that the independent variables are not correlated.

7. Graphs Interpretation

Other important elements of the data processing are the graphical interpretation and the analytical description of the data concerned.

Graph No. 1 Profitability, as per the presence or not of a business plan

Source: Calculation of the author

From the profitability correlation graph and the existence or not of a business plan, it is evident that profitability, similar to what was indicated by the econometric model is dependent on the business plan. The existence of a business plan is significant on the efficiency of a company, such as the companies which carry their policies under a business plan. From the graph, it is evident that the companies not following a business plan have a level of 5.88. While the rest having and following a business plan perform at 7.26.

Graph No. 2 Profitability as per sectors

Source: Calculation of the author
From the graph showing the correlation between profitability and the sectors, it is noticed that the manufacturing sector (1) generates the highest profitability, followed by the services sector (2), and then by the trade sector (3), and in the end the construction sector (4).

Graph No. 3 Access to financing as per sectors

![Access to financing as for sectors](image)

**Source:** Calculation of the author

From the graph showing the access to financing according to the sectors, it is noticed that the manufacturing sector has the highest access to financing. However, it is evident that all sectors have access to financing.

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The Ivanaj Reform and Its Impact on the Italian-Albanian Relations

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Abstract

In 1931-1935 there have been numerous events that played an important role in Albanian foreign political orientation, governed by Ahmet Zogu at that time. The King Zog, tried to make an independent foreign policy by approaching to its neighbour countries and by establishing new political relations as a result of an anti-italianism stream created in the country, as well as a result of the Italian interventions and the fear from Italian influence. The Government of Tirana undertook a series of measures that reconfirmed the independent line, which were against Italian politics in Albania. One of these reforms was the educational reform of 1933 for the nationalization of the Albanian school and making it a national school, known in the history as "Ivanaj Reform". This reform, with a nationalist character, that intended the national school unification led to the closure of all the private and foreign schools in Albania. There were immediate reactions from the foreign and local press toward this event, but the toughest attitudes were from neighboring countries. As a response Italy decided to cut all financial aids. Whereas Greece accused for violations toward Greek minority rights and brought the issue to the International Court of Hague, which by its side recommended the Albanian government to reopen the Greek schools. Found in tough economical position and after none of other Balkan and European countries gave their help, the King Zog was obligated to return to Italian “friendship” and together in 1936 signed a series of agreements.

In 1931-1936 there have been numerous events that played an important role in Albanian foreign political orientation, which tried to get out of the Italian influence and made lots of efforts to approach with neighboring states and create new policy reports. Because of the change of political course, Italian-Albanian friendly relations until 1931, dilapidated. At this time Tirana government, headed by Ahmet Zogu, took a series of measures, which reaffirmed the independence line and were in opposition to the Italian policy in Albania. A very important action were the measures taken in the field of education to strengthen its national character.

The coming of Hile Mosi on the head of the Albanian education in 1930 and its program regarding the creation of a full and clean national system, escalated the efforts for a national unique and secular school. According to him, the foreigners, especially Italians were using in a bad way their positions as instructors in the Albanian schools, in order to have a political and cultural effect on their students (Duka, 2007).

In August 1932, Hile Mosi in collaboration with Aleksander Xhuvani, as a general secretary of ministry submitted to the king an analytical submission where the key issue was nationalization of education, and among other things was also noted that a great number of Albanian children in the private schools “…Greek, Romanian, Serbian speaking people, Italian people as well as people of different religious communities”, were grown up “…with a different culture and feelings from those given to state schools.” Therefore was requested that in the new education law be introduced specific provisions so that only the state had the right to open and maintain primary schools (Gogaj, 2004). More specifically, it was requested the change of the fundamental articles of the Albanian state statute that permitted the operation of foreign schools and a number of primary schools in private hands.

This decree-law consisted of three articles that predicted sanctions not only for parents and proctors but also for students themselves. (Puto, 2009). This decree-law did not go for approval in the parliament because of the political conditions and because Hili Mosi died.

After H. Mosi’s death, in January 1933, in his place came a specialist and dedicated patriot of the national school, Mirash Ivanaj (Fischer, 1996). He had graduated in the Royal University of Roma, Faculty of Philosophy and Law (Koliqi, 2002).

Thinking about the idea of reforming the Albanian education, Ivanaj started to study the issue, so that he could know better the situation, which was a necessary preliminary need for the reform. After making a report on the state of education in the country, Ivanaj demanded concrete measures. After this summarized presentation of the general state of education, he entered the crucial issue of reform: the one of nationalization and secularization of the education. According to him, it was not possible that in two countries, in two nations, to be implemented one system of schooling and education. Hence, Albania which was holding a special place in Europe as far as it could, needed a special educational
institution that fit every Albanian thing. According to Ivanaj, this task, could be realized by only one nationwide school, in content and in method (The Albanian history of education and pedagogical thought, 2003).

In these conditions, M. Ivanaj, asked for a change in articles 206 and 207 of the Albanian Statute, which permitted the opening of the foreign schools in Albania. After receiving the approval of the king to the new platform that he introduced, he started to plan what was known in the history as “Ivanaj Reform” (Gogaj, 2004). For this reform, Ivanaj had also the approval of King Zog I, as we mentioned above, he tried to make an independent politics, due to multiple interventions and growing influence of Italy but also as a result of an anti-Italian rising tide in country.

In this way, the Albanian Parliament on 1 April 1933, approved a decree-law on the organization of the school system based on articles no. 206 and 207 of the Statute. Under these changes, education and the education of Albanian nationals was compulsory for all and given free by the state, whereas the private schools of all categories were closing. Ministry of Education nationalized all private schools including those where instruction was given only Albanian, to apply wherever a unique national educational program and in minority schools held the teaching of native languages as before (Ushtelenca, 1997). Educational reform had also a series of other amendments that regulated the education system in the country, but our focus will be only on the issue that has to do with the closure of private schools in Albania.

Statute changes accepted by Parliament on April 2, were sanctioned and declared by the king. On April 26 the law was implemented by closing all the private schools in Albania. The new academic year 1933-1934 marked the beginning of the unification of Albanian education, in all categories of schools. Schools that were closed under the educational reform: 21 secular private schools, 14 clerical-Muslim schools, 17 Catholic- clerical schools, 4 Albanian clerical-Orthodox schools, 19 foreign schools for Albanian people, 10 private schools of the Greek minority (The Albanian history of education and pedagogical thought, 2003).

The reform touched the primary professional schools, opened by Italy, especially those catholic in the north, the Greek ones in the south and less the Slavic schools in the area of Shkodra, which passed under the Ministry of Education (Ushtelenca, 1997).

Implementation of the reform hit more private Italian education in Albania, which had four professional schools: in Korca, Gjirokastra, Berat and Shkodra. In the remaining schools was banned the compulsory teaching of Italian, Greek and Serbian. Italians and Greeks were deprived of the right to keep their teachers in these schools. Albanian language became compulsory for all subjects, whereas Italian and Greek were left as foreign languages taught in high schools only. Directorates and teachers were left to Albanians, whereas the educational system and programs would be under the jurisdiction of the Ministry of Education. Even the American Technical School was led by an Albanian director (Ushtelenca, 1997).

Many newspapers and magazines welcomed the M. Ivanaj reform as well as analyzed and evaluated it in some contexts, above all, by considering it as an original, not imported and a not copied Albanian work (The Albanian history of education and pedagogical thought, 2003). “Newspaper of Korca” in on of its articles writes: “The Day of April 25 will remain unforgettable in the history of our reconstruction.” By nationalizing the schools, our state resolved permanently, in a heroic way, the issue regarding the growth of the new generation. Almost all the Albanian press organs, inside and outside the country, welcomed the reform as a positive phenomenon on the history of education in Albanian independence period (Gogaj, 2004).

With this measure Parliament and Minister of Education in Albania Ivanaj intended to strengthen the position of school and national culture (History of Albanian People, 2007). Despite the reform aimed at unifying the Albanian education, the reform damaged its infrastructure, because after the closure of the schools, withdrew not only the teaching stuff but also the schools supplies.

All these changes in education law caused dissatisfaction to the government of Rome, to that of Greece as well as the strong anti-government reaction from Catholic clergy.

After the official decision of the Reform, Mussolini authorized the Italian minister in Tirana, Armando Koch, to protest to the King, warning that these measures “which were in contrast with the spirit of the alliance ..., will interfere with the political line of Italy exactly at a time when Albania needed more the Italian support” (Puto, 2009).

Meanwhile, the Albanian Foreign Ministry sent the Italian representatives in Tirana a communication noted that, the need of the Albanian state was that the youth of the country only attended the Albanian schools, because its intention was to instill the love for the motherland and the sense of national unity, which was in conformity with the spirit of cooperation between the Albanian and Italian nations. Later the communication proceeded that, Albania could not allow the uncontrolled activity of the catholic schools, as it will only create the impression that Italy was a patron of the Catholic population, which was contrary to the principles of the Albanian national unity that the nationalization of schools was necessary if we mention the three different religions and that their union could only be reached through schools, which would implemented the directives of the Ministry of Education, and would essentially embodied the idea of national unity.
presented their views (Puto, 2009). The issue of private schools became of an international character, because on one hand the Catholic clergy and the Greek government on the other hand, addressed the League of Nations in Geneva.

Greek minority brought the issue to the League of Nations, complaining that Albania had violated the agreement on national minorities, signed by it in 1921. According to the Albanian declaration of 2 October 1921, in the League of Nations, Albanian state guaranteed the national minorities all the rights set out in international norms. So also in the plane of education, Greek minority population, was granted the right to cultivate its language and national culture, through state and private schools. These rights were provided in Albania even to the Serb and Vlach minority (The Albanian history of education and pedagogical thought, 2003).

Meanwhile, numerous protests were made by this minority, while Tirana responded with arrests of key leaders of these Greek movements in the south of the country, which caused riots and damaged Greek-Albanian relations (Fischer, 1996). In support of the minority movement, was also the Greek press, making protests for the so called Greek minority martyrdom in Albania (Gogaj, 2004). Greek newspapers wrote in their articles that Albania was not respecting the minority rights and the functioning of their schools is facing severe obstacles (Greek Press, 1935).

The defence of the Albanian Party was taken over by the French professor of international law, Gilbert Gidel. He focused on the Greek thesis critic, seeking to burden the Albanian government “an extra task”, supplementary, which transcended the minority regime and brought it to the limit of capitulation regime. According to him, the rights of minorities could not be an exclusive right, a privilege in favor of the minority, “The state has the duty and the right to equal treatment of citizens”. No country in the world, added Prof-Gidel,- can not give up the care for education. In this case, the Albanian government has taken over all education, has exercised its strict right without harming minority cultural faculties”. Whereas in defense of the Greek complaint came out the diplomat N. Politis. He began with a politico-historical submission putting the emphasis as ever on the national conscience "Epirotic" who were described as a privileged, special population, within the Albanian state (Puto, 2009).

Following the Albanian defense Giddel mentioned the fact that in Albania, in proportion to the population, minority had benefitted more schools. He stressed that from 72 villages of the Greek minority, 41 of them had fewer than 250 inhabitants and by law, can be excluded from the opening of school; in proportion to the population, Greek speaking people were favored, because if to 1500 Albanian inhabitants belongs one school, 730 Greek inhabitants had one school (Gogaj, 2004).

After the discussion of this issue in Geneva, on 5-18 October 1934, in front of the Albanian Legacy in Athens, vorioepiriot counties organized demonstrations with youth groups, where held speeches even deputies and senators. Whereas the leaders of Greek minority in Albania organized solidarity demonstrations in front of the Greek consulate in Gjirokastra (Gogaj, 2004).

The Albanian delegate in the League of Nations Mr. Lec Kurti, responding to Greek protests, affirmed that
constitutional amendments of April 1933, education and education of the Albanian citizens became the exclusive prerogative of the state, whereas the private schools of every category was decided to close down, because the state used all of them to apply wherever a nationwide educational program, but the schools of minority villages were left as before, without being touched.

As far as regards the charge that, in the orthodox churches was forbidden the usage of the Greek language, he said that Albanian Autocephalous Church with its legal attributes, since its foundation, had decided to use its national language in the Albanian churches, leaving complete freedom to Greek liturgies in churches of the Greek minority villages. At the end, he declared that, no state has the obligation to give to the national minorities of another state in its territory, more rights than the citizens of the native country and much more, when the international relations were based on the principal of reciprocity, which was not applied on the Albanian population that lived in Greece (Gogaj, 2004).

Head of the Albanian delegation in Geneva, Mehdi Frashri, during a long speech with historical arguments and with his diplomatic delicacy, rejected all the Greek party claims (Gogaj, 2004). Albanian representative declared that the taken measure is justified by the necessary need of the national union (Closure of private schools in Albania in the speech of Mr. Frasher, in front of the Nations Society, 1935). He mentioned among other things that Albania has always respected and still respects the liabilities toward the League of Nations and that the modifications made in education did not affect at all the minorities. “The Albanian delegate said – Its just the consequence of isolating the secular and religious teaching, that ended up with the closure of the religious schools” (League of Nations Council discussed yesterday the issue of Greek speaking people schools, 1935).

Even the catholic clergy, addressed to the League of Nations, a strong protest concerning the closing of catholic schools by the Albanian government. School issue was one more reason for the exacerbating relations of catholic clergy and Albanian government. It burst into strong criticism in its press against the measures that violated the interests of Albanian catholics (History of Albanian People, 2007). Through the press, Catholic clergy stand strong in defense of its schools, with historical arguments, in support of the Catholic priests as regards the fields of Albanian education and language. In Shkodra city was created a great tension and turmoil caused by disputes, which were encouraged among students of different religious faiths (History of Albanian Education and Pedagogical Thought, 2003).

In response to the memorandum, Ivanaj came out with the argument that the Reform was not inspired by any grudge against religion but by the desire of the Albanian people to give to the boyhood the same national moral education and an unique academic and cultural learning. What had greater importance, according to Ivanaj, was the fact that, after school nationalization, catholic parents did not make any complain to the government and brought their children to state schools. Later Ivanaj affirmed that catholic people in Albania did not have any limits and they lived with equal rights in all aspects of life (Gogaj, 2004).

Even the local press did not stay indifferent toward this issue. There could be read dozens of articles in support of Albania and the Reform. Besa newspaper under the heading “Albanian minorities before the League of Nations” among other things writes, “ with the nationalization reform, Albanian government has only wanted to discipline the education and to control it, aiming the cultural union. This is a right that all the organized states have and can exercise it without any impediment” (Albanian minorities before the League of Nations, 1935).

Finally, in early April 1935, the court took the verdict. With 8 votes pro and 3 against, the court gave the right to the Greek party. Immediately after the court verdict became known in favor of the Greek thesis, Mehdi Frasher assurred the League Council that, Albanian government “will correct what was done wrong…and the Assembly will review the relevant provisions of the Constitution”. Schools in the minority areas were reopened in September. Mirash Ivanaj disagreed with the review of reform and resigned from its post as a minister of education (Puto, 2009).

While as regards the conflict with Roma, it will be treated in a bilateral plan, in talks with proposals and counterproposals during the following months, while in July 1934 Albanian government will withdrew in all the relations front with Italy, by accepting to reopen the religious schools and by making the Italian language compulsory in schools of different levels (Puto, 2009). The Italian government did not came out in defense of its schools in Albania, whereas in diplomatic channels there exists lots of documents which show the concern of the Italian state as regards its schools in Albania. Every time in diplomatic channels, Italian government showed no little concern even for the schools of catholic clergy, where the Italian language, literature and culture had an important position in the programs and practices of those schools (History of Albanian Education and Pedagogical Thought, 2003).

Founded in economic difficulties, king Zogu I, was obliged to return to the Italian “friendship”. In 1936 were signed a series of agreements with Italy. In this way the signed agreements opened a new page to the history of Italian-Albanian relations. In this agreement was predicted even the opening of private schools where could be allowed the teaching of Italian language. In private schools besides Albanian teaching, as a primary language, could be also taught foreign
languages, but just in schools approved by the Albanian government. Appointment of foreign teachers would be assigned by Albanian government, but they would not be paid by it. The curriculum in schools of all categories would be based on “national spirit” and every step of it would undergo the state control (Gogaj, 2004).

Educational reform of 1933 was initiated by national interests and its goal was unification and nationalization of education, but it had a negative impact on the Albanian professional education and it led to a crisis in diplomatic relations between Albania and neighboring countries.

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Effects of the Patriarchal Mentality on Domestic Violence Appearance in the Region of Elbasan, Albania

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Abstract

The violence toward women in Elbasan district, Albania. The violence toward women in Elbasan district is very concerning and too evident. This situation is proved to be true even by the study realized in this district. In order to realize this study, two questionnaires were filled by 1200 persons included of different ages such as 13-23 years old and 18-60 years old. These questionnaires were delivered in these cities: Elbasan, Peqin, Gramsh and Librazhd. The factors that have an influence on the violence toward women are the patriarchal mentality, the low economic state, communication, the usage of alcoholic drinks, etc. The factors that cause violence might be various, but the violence of gender reason in each society is unjustifiable. If we accept the violence of gender reason, we can accept even the violence for religion reasons, the violence according to the origin, the people can be divided into groups and can accept violence according to each division. One of the main reasons of violence in the Elbasan district is Mediterranean patriarchal mentality, which is more widespread in the rural areas.

Keywords: Violence, woman, male, patriarchal, violence, Elbasani district.

"The patriarchal ideology represents the women subjugation as something natural, right and desired which contributes in making the oppressed to accept or not see the real domination" (Romito, P., 2007:53). This patriarchal ideology has been very developed in the region of Elbasan, as well as in the entire country, especially before 1945, an ideology which continues today reflected in patriarchal mentalities.

"Our social - cultural environment carries values of inherited patriarchal mentalities, which burdens the position of women, historically grown under a tradition of gender discrimination (Marku, M., Berisha, E., Gjermeni, E., Shtraza, I., 2008:16). The patriarchal tradition is very difficult to hide away from people’s thoughts. It takes time and powerful developments in all areas such as economic and cultural one. Men as a group have benefited and continue to benefit from the patriarch, with the assumption that they are superior to women and should govern. But, all these benefits are associated with a price. In exchange for goods that men have benefited from the patriarch, they are required to possess women, exploit and oppress them, using violence in order to uphold the patriarch. Most men find it difficult to be patriarchs. They are troubled by the hate and scare toward women, by the men’s violence against women, including men themselves who start the violence. But they are afraid to throw away these benefits. They are not sure what will happen to the world that recognize closely, if the patriarch reels. So they are easier to support male dominance, even if in their minds and hearts they know very well that such a thing is wrong (Hooks, B., 2007:13).

Generally, the patriarchal environmental study should be known in detail, as it has been the environment prior to 1990 and onwards, and a consequence of this environment today. "Today's psychological developments, even new phenomena in them, especially those controversy, cannot be completely understood without having a look to the past, to the heritage that we have had in this area, and that in a certain degree we do still have. It is a past that continues to embrace and does not let go very easily" (Beqja, H., 2000:104). Historically, human society is dominated by male dominance, which made the law in family and social life in general. Since when are boys, men listen repeatedly that “real” men are invaders toward women, that is, they control they behaviour and have the right to offend and physically abuse them. It is so important for the emergence of manhood that a man who treats a woman with equality and mutual respect relationship, sometimes behaves in the presence of other men, with a dominating attitude towards her. This behaviour makes you think that they believe that “manhood” is not something internal to men, but that it largely depends on the opinion of other men and the presence of a person or a group to be frustrated” (French, M., 2007:213).

While, women in childhood are educated not to react and obey to male dominance, because weak people should have someone strong to protect them. Physical force was and is crucial in our societies. Despite the presentation of domestic violence made in the mass media and the discussions that take place in every corner, very rarely the public correlates the end of violence with the end of masculine domination, in order to make the patriarch disappear. Most of the citizens of this nation still do not understand the connection between male dominance and male violence at home. And,
this failure to understand is reinforced as our nation should respond to violent murders of family members, friends, classmates from the young males of all society classes. Everyone in mass media raises the question why is this violence happening, without connecting it with patriarchal thinking. (Hooks, B., 2007:143).

If you study the causes of this violence, it appears that 22.1 percent of the surveyed state that the main factor in domestic violence is patriarchal family environment and society at the same time, which tolerates and stimulates violence against women. So, the question which of the following factors do you think affect domestic violence? 18.6 percent of respondents had chosen Balkan tradition and mentality of male superiority, and 3.4 percent have chosen the way of thinking that do tolerate the violent attitudes toward women. In the same figures are also men, who for domestic violence 17.1 percent chose Balkan tradition and mentality of male superiority and 2.1 percent have chosen mindsets that tolerate violent behaviour toward women.

According to researcher Glenn Tinder: "Tradition - with this I mean the whole complex question of customs, institutions, myths, and beliefs respected by time, that arise in a society in centuries of consecutive decades". Many smart people have been thinking that tradition is the greatest wealth of a society. It represents the basic condition of human existence. The human that is naked from everything that is based on a certain tradition is not a human anymore, except in appearance, but an animal of a specific type. At least, this is the opinion of the worshipers of tradition. (Plangarica, T., 200:36).

But, as we will see, this tradition that has served our nation survived in the centuries, and had its own problems, especially in relations with women and children. Under the prevailing ideology, the traditional family, so, the patriarchal one is home safe, protected, "a shelter for a wild world". Reality shows the opposite: For women and children, family and home are dangerous places, where the risk is greater of being victims of violence and furthermore, even murder (Romito, P., 2007:142). A relationship of this kind puts the women in a difficult position, that considering the conditions of a country such as Albania, usually is associated in economical and emotional dependence, with no possibility of choice and private life.

"The role and the effect of the family in the level of domestic violence is enforced by having in mind the stereotypes regarding the role of the woman and man within the house, the myths that feed this violence and traditional patriarchal mentality that keeps alive and supports this violence. It is closely associated with traditional gender roles taught through the process of socialization. In these societies, violence against women is seen as a social mechanism that makes possible the well-definition of the boundary between the role of man and woman. In these sense, it is seen as an expression of a moral code that is a wide consensus in society (Corradi, C., 2008:69).

The individual, since when is born, has a strong connection with his mother and then with his father and the relation between them form a part of the individual's personality. The introduction in society, communication with it, giving and receiving from society, ensures the structure of the individual's personality. The process of socialization through which we pass to maturity is a process in which we learn to agree. It teaches us to agree to all rules, from the simple rules of the children games, to the laws of the institutions. There is no place for disagreement in socialization process, not for a single moment. It is believed that is better to agree. In family, school, religion or government, to disagree is not good, it's rude, dangerous." (Vassaf, G., 2010:160).

Certainly, individuals start and emerge from these frames, such as modernity that the individual embrace. But, in their subconscious, most of the impact of family and society remains. I live not just in the present, reacting against the past – think evolutions – but also live in three moments: in the past through the memory, in the present and, through projects and hopes in the future (Çapaliku, S., 2011:191). So, throughout the memory, a part of Albanian men continue to bring back in the XXI century the "Kanun", the uses of our ancestors, by calling themselves the main individuals of the house and violating their women and children.

Women are raised in a patriarchal environment, where the husband rules. He is called the man of the house and the other have to obey to him. This mechanism of authoritarianism to the people takes place in family and tribal relation. Authoritarian feelings have the form of university climate, historical and social morality, and everyday behaviour mechanism. Paternalism toward children and violence against women are commanding form, while the elderly people's orders are a form of authoritarianism in the shape of the moral tradition. Toward the education of children and young generation with fear and punishment, it is treated as the plasma of the anthrop-psyhic values, in order to handle life and social mechanism. This psychic and ethic “metal” has arrived in our days and keeps the conscience invaded, not only that of normal people, but even that of the other classes of the society. The overcome of this reality is connected with leaving behind a traditional taboo, the lack of which could create a gap that takes time to fill with another moral and philosophy of life. (Kabo, P., 2006:75).

The women and the young people are pressed and cannot express freely their thoughts and make a free life. As the smallest of the society, the family is somewhat more closed, more conservative. As a micro-social environment, it
progresses more slowly than the society. As a rule, it does not walk with the same pace with it. It remains somewhat behind, especially in the spiritual life.

Moreover, when we talk about people who are not released from the old social prejudices, strange for the democratic mentality and psychology. (Begja, H., 1995:72). Small changes exist even between the Region of Elbasan, regarding the factors that influence in the domestic violence. The Balkan tradition and mentality of masculine superiority which tolerate the violent attitudes toward women, are the two factors that were chosen by 21.8 percent of the questioned people. In Librazhd town, these two factors were chosen by 27.7 percent, in Peqin town by 23.3 percent and in Gramsh by 26.1 percent of the questioned people. From the survey, we understand that the remote areas have chosen the tradition and mentality, while in these areas even the emancipation and economical development is very slow.

“In fact, it has some weak points, and it finds his safety in the fanatic system, which acts as shield. Another feature of his character is “carrying out” the intra-psychic conflict. The fanatic is not willing to make an internal “review” nor accept his fault. The culprits for those are the others.' (Pasini, W., 2011:85) The patriarchal behaviour in this region has been developed especially before 1945, was fought to some extent from 45 – 90 years and still today continues to be held at this time speaking of modernization and globalization. In all the Region of Elbasan, before 1945, the big families were dominant. That means that many married people lived in the same house and were ledged by the father. In these region, there were families which had up to 50 members.

“Many travellers who arrived at night, went to sleep at the houses of Qarrishti inhabitants to spend the night. In most cases, they chose families that had better economy... These houses at that time numbered about 50 members in the family” (Biçaku, A., Hasa, A., 2012:66). The father ran these families, gave orders and everyone had to obey. In these families, the women was not asked but only had to serve.

“The direction of the first in the family was absolute and extended in every aspect of life. Without his permission, no one could leave the job, leave the place, nor could anyone get engaged. Any kind of duty that he would assign to other people, should be fulfilled with no complaint. The employees must do the job properly and obey when he ordered to go somewhere, to get married with the one assigned by the house man. Also, the money of the family was controlled by the house man. He went by himself in the market to sell different products and with the incomes he would buy anything he thought as necessary” (Hasluck, M., 2005:47). Historically, in this region, the woman was frustrated and obliged to do hard work. A discrimination for them was since they were born.

In Albania, it was a tradition that a family must have as many male children as possible, because men were evaluated as family heirs, while women were considered as “other house”. The family would celeb only the birth of a son, while the birth of a daughter was seen as a disgrace. “In the past, the dinner was organized when the baby was a boy, but not when it was a girl.” (Basha, P., 2011:481).

When the baby was a boy, the house man would fire a gun, to inform others the joy that a heir was born. “In most cases, when the boy was born, they shot guns: several times, three, five or seven times. When a boy was born, they said: “The house trains celebrate”, “When a girl was born, the house trains cry” (Tirta, M., 2003:318).

While in Gramsh, it was considered the number of male members in the bride’s family; fearing that she may give birth only to female children. “Before engaging a boy with a girl of another village (because within a village they knew her), they asked their friends if the girl had brothers. If she had, they’d prefer her as a bride, if not, they feared that she would not give birth to baby boys” (Basha, P., 2010:220).

In Albania, but even in the Region of Elbasan, during the period 1945-90, was discussed a lot about the women’s rights, but in reality, a patriarchal-governmental family was created. “The woman participated actively in the productive works and any other social job, in the political and cultural life of the country, in the class and ideological war, in physical trainings and military activities, in education and massive qualifications, in amateur cultural and sportive movements. The woman’s participation in all these fields was almost equal with the man’s one. Exactly on this base has occurred that wonderful and unique phenomenon in the woman’s life in the contemporary society – emancipation in the highest level of the woman, the highest that was ever reached in these fields, a victory that is celebrated today only by the Albanian woman.” (Beqja, H., 1983, fq.148). But, this massive participation in building the socialism was done immediately after the war, because of the lack of manpower that was needed to raise up the country. “Even though after the war, the women’s involvement had contributed in solving the initial lack of manpower in the country. Theoretically, women were equal to men. But, in fact, even though they were not sold as men’s property anymore, they were transformed in Government’s property. Women continued to work as hard in the field as they used to before the war. Practically, by maintain their traditional role as a mother, the Hoxha’s regime estimated women more than it happened before the war. When she would give birth to six children, she would receive the Mother’s Medal, to nine children the Glory Medal, while to twelve children, she would receive the Hero Mother Medal. But, it continued to exist a contradiction in the men’s attitude who even though had accepted the role of the women in the public life, they continued to treat them as servants within the...
house. " (Vickers, M., 2008, fq.304). Women worked hard with the idea of their emancipation. They were hired in hard jobs such as construction and mining. These women were over-exhausted and begun to lose their femininity. They were transformed into men, regarding both their appearance and communication. "But, improper and hard jobs were given to women, in construction, mining, etc. It was very hard and improper the third shift for the woman. Those who have fine pretending have said that these jobs vanish the woman's femininity, their delicacy. Very difficult was even the woman's work in agriculture. They dominate in the field works and often in extended hours." (Beqja, H., 2002, fq.48).

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Forced Tax Collection:
Bank Accounts` Blockage and Its Impact on Taxpayers` Fiscal Behaviour in Albania

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Abstract

One of the big reforms in Albania regarding Tax issues was the abrogation of Law no. 8560, of 22 December 22, 1999 “For Tax Procedure in the Republic of Albania” and the approval of new Law no. 9920, of May 19, 2008 with the same name and the Instruction no.24, date 02.09.2008 on “Tax Procedure in the Republic of Albania” which both have the purpose to reduce informal economy and to improve the business climate in the country. By way of providing details on some issues, we will focus on the part of how this law determines the procedure of constringent precautions for a forced tax collection and mainly that of taxpayers` bank accounts blockage. The paper aims to shed light on if this procedure of constringent precautions help the purpose of this Law to reduce informal economy and to improve the business climate in the country or not. As a methodology we are going to give the evaluation of Albanian application of the above mentioned Law and Instruction, being in incompliance with other parts of regulations and blocking orders themselves.

Keyword: tax procedures, bank accounts` blockage, constringent precautions

1. Introduction

Based on Law no. 9920, date 19.05.2008 “For Tax Procedure in the Republic of Albania”, Tax authorities have the right to use constringent precautions for the collection of unpaid tax liabilities in case they are not paid in time. One of the precautions which is mostly used by tax authorities in Albania is blocking of tax payers` bank accounts and ordering the execution of blocked accounts by transferring the blocked amounts from the taxpayers` accounts to that of tax authorities.

As we will see below, law for tax procedures, the respective instruction and manuals of tax collection and tax liabilities management, all of them give clear explanations for the gradual procedures of unpaid tax collection, but Tax authorities overdo with their competences given from law and they become an obstacle for the business activity and give a negative impact on taxpayers` fiscal behaviour.

2. Theoretical Background of Related Albanian Legislation

Law for tax procedures, the respective instruction and manuals of tax collection and tax liabilities management, give clear explanations for the gradual procedures of unpaid tax collection. Before running constringent precautions it is clarified the way how tax authorities will behave like:

a) sending of remind letters
b) contact by telephone
c) direct contact of taxpayers from tax inspectors
d) fisical visits etc.

After consuming the application of the above manners, if tax liabilities of a taxpayer are still not paid in time, then Tax authorities have the right to apply constringent precautions among which is blocking of taxpayer`s bank accounts, actually the most used precaution by Tax authorities in Albania.

Article 90 of Law nr.9920 dt.19.05.2008 “For Tax Procedure in the Republic of Albania” obliges the procedure of taxpayer`s bank accounts blockage and Instruction no.24, date 02.09.2008 on “Tax Procedure in the Republic of Albania” aims to clarify the above Law. In the Instruction no. 24, among other it is clarified the application of Article 90, but there are some crucial points which make this article be not in compliance with other internal tax collection related procedures and bank accounts blocking orders themselves.

Coming up from the above noncompliance of Law and other regulations related to forced tax collection by blocking bank accounts, and the way how blocking orders over bank accounts are applied, has created many problems for the normal business activity of a company. The purpose of Instruction no. 24 is blocking and transferring only the amount of unpaid tax liability and not blocking of all bank accounts of taxpayers at all banks and transferring to Tax authorities.
accounts greater amounts then tax liability.

Because of this situation it is caused that many companies keep in their bank accounts only minimum amounts of money, forcing so indirectly many financial transactions to be done outside bank accounts and raising the phenomenon of informality. Many companies liquidate each other in cash and make purchases in cash. This kind of informality causes also other problems related to fake financial statements. If such companies will ask from banks to finance their investments how will be possible from banks to make a real risk analyse of these kind of financial statements.

Because of the abovementioned noncompliances, in practice solutions are achieved only if the taxpayer or its representative follow manually the correspondence of papers and blocking orders sent to banks, by facing so extra administrative and financial costs, which in overall is not at all in compliance with an efficient service to taxpayers and bank customers.

From the feedback of bank customers it can be said that many companies are notified for their unpaid tax liability only by banks when the blocking order has arrived at the counters of the bank, which means that Tax inspectors don’t contact the taxpayers at all and they apply a very short way for forced tax collection, that of blocking directly all bank accounts of tax payers.


As a methodology we are going to give the evaluation for applicability of the above mentioned Article 90 of Law nr.9920 dt.19.05.2008 “For Tax Procedure in the Republic of Albania”, and Instruction no.24, date 02.09.2008 on “Tax Procedure in the Republic of Albania” in the same time being in incompliance with other parts of regulations and blocking orders themselves. As below we are clarifying the most important ones:

a) At the above instruction it is mentioned that “…This blocking order is sent to banks which tax administration is aware that the taxpayer, or administrators or owners of commercial society, have their accounts, as well as to all other banks headquartered in the Republic of Albania”. First of all, tax authorities are not aware regarding bank accounts of tax payers because they don’t collaborate with banks for sharing information regarding the data of taxpayers even why tax authorities have the right to request from banks any information related to taxpayers according to Article 61 and 62 of Law nr.9920 dt.19.05.2008 “For Tax Procedure in the Republic of Albania”. Secondly, as it can be seen, the aim of the above procedure is blocking and transferring only the amount of unpaid tax liability and not blocking of all bank accounts of taxpayers at all banks, by creating so problems for the normal business activity. The way how this procedure is applied in practice has created many problems which are related mainly with the lack of information and coordination between banks and Tax authorities. Tax authorities send these blocking orders to all banks and let us suppose that one blocking order for a taxpayer is sent to all banks on November 1st 2013. The unpaid tax liability will be executed from the account of taxpayer at Bank A which will transfer the respective amount to the Tax Office account within three working days from the date receiving that blocking order, on November 3. Meanwhile that blocking order has been sent to other banks also on November 1 and they have blocked the accounts while one of them could be that they have executed in the same time. How will be coordinated the ublocking of bank accounts? What about the reimbursement of amounts transfered more than the tax liability? If this problem is let to be choosen by the actual tax procedures it could take many time, maybe dozen of days, by creating so many difficulties for taxpayers (bank customers) and banks themselves. In practice fast solutions are achieved only if the taxpayer or its representative follow manually the correspondence of papers and that of blocking orders sent to banks, by facing so an extra administrative and financial burden, which in overall is not at all in compliance with an efficient service to taxpayers and customers.

b) Article nr. 102 of the above mentioned Law “For Tax Procedure in the Republic of Albania” determines that “Tax authorities stop immediately every constringent precaution when the taxpayer liquidates the unpaid tax liability”. How should be understood the term “immediately” in case when the execution order will be executed from more than one bank, so paying more then the tax liability? Is there any accurate procedure for issuing “immediately” of unblocking orders and their execution? Is there any accurate procedure for reimbursing the money executed more than one time? All these questions cannot be answered with the actual Law, Instruction no. 24 or other procedures. This kind of incompliance causes many debates among taxpayers, bankers and tax authorities because it is a crucial fact that bank accounts continue to be blocked dozen of days even after tax liabilities are fully paid.

c) Another debating point is related te the following statement of the procedure: “Bank makes the transfer of amount in favor of tax administration within 3 bank working days from the date of receipt of the Blocking Order.
from tax administration*. Another internal regulation circulated to banks from Ministry of Finance is that no payment can be done in favor of Tax Authority’s bank accounts without being associated from “Tax Electronic Forms” issued by the electronic system of Tax Administration, which means that no payment can be done within 3 bank working days because Tax Authorities should provide banks with these forms after they have been informed by banks related to the blocked amounts. What happens in practice is that Tax Administration never provides banks with such forms and all bank accounts of the taxpayer remain blocked regardless the blocked amounts, until a solution between tax authorities and tax payers which in most cases is by having a special agreement for paying tax liabilities with installments. But until having this special agreement, dozen of days have past and all bank accounts remain blocked. Why do tax inspectors choose such a way? Why don’t they suggest to the taxpayer this special agreement before going to the step of bank accounts’ blockage?

d) While Instruction No. 24, dt. 02.09.2008 aims to clarify the application of Law 9920 dt.19.05.2008 “For Tax Procedure in the Republic of Albania”, it is worth mentioning another noncompliance between Article 90 of this Law and Instruction Nr. 24 itself. Instruction nr. 24 stipulates that: “In the case that on that dated the taxpayer's tax is still not paid, the Director of the Regional Directorate or the Chief of the local government is obliged to issue an order blocking to bank accounts and deposit accounts of taxpayers. This Blocking Order is sent to banks for which tax administration is aware that the taxpayer, or administrators or owners of commercial company, have their accounts, as well as to all other banks headquartered in the Republic of Albania.” The underlined part - “or administrators or owners of commercial company” - is in contrary with Article 90 of the law. If we look carefully at Article 90 – “Blocking order of taxpayer’s bank accounts”, it is mentioned only blockage of taxpayer’s account, so that of company, in case the taxpayer is a company. Article 90, neither at first paragraph nor at other paragraphs does not refer to the administrator or shareholders of the company and their individual bank accounts. In this understanding, Instruction no. 24 overdoes the competences given by Law because the Instruction has no right to change or interpret the Law. An instruction has the right and duty only to explain the law but not to change it. Law for procedures refers to liabilities of administrators and shareholders only in the case when the confiscation, bankrupt or liquidation procedures have finished. (Look at Article 99 – “Responsibility of shareholder and administrator”). These unkind events happen so often that many administrators are forced to think that they should not keep their savings in a bank but somewhere else.

e) Another incompliance between Article 90 of Law no. 9920 and Instruction No. 24, maybe the hottest one, is related to the amount of money for which the account has to be blocked. Instruction no. 24 stipulates that: “In case when the balance of taxpayers’ account is less than unpaid tax liability amount, bank transfers to the Tax Administration account the whole amount and taxpayer’s account remains blocked until it becomes possible the transfer of the entire amount required to the account of Tax Administration.” The underlined part is in contrary with Article 90, point 1, of the law. If we look carefully at Article 90, point 1, – “Blocking order of taxpayer’s bank accounts”, it is mentioned that the amount required to be blocked by banks is the smaller between the amount that tax administration requires to obtain and the amount that results in the taxpayer’s bank account at the time of issuing the blocking order. Article 90 of Law 9920, neither at first paragraph nor at other ones does not stipulate that the taxpayer’s bank account will be blocked continually even if its balance is zero. In this understanding, Instruction no. 24 overdoes the competences given by Law because the Instruction has no right to change or interpret wrongly the Law. An instruction has the right and duty only to explain the law but not to change it. The representatives of many companies are afraid of this kind of behaviour from tax inspectors and they often ask their bankers about the situation of their bank accounts. Any time before ordering a transaction or depositing some money in their accounts they ask to the banker the question: Are my accounts blocked or not?

4. Conclusion

Application of the abovementioned instructions and procedures related to forced tax collection by blocking bank accounts has shown that there is an urgent need for amendment, especially for Instruction no. 24. Amendments for sure have to be discussed first among Tax authorities, representative of taxpayers and banks also.

As Tax Authority has the right to request from banks data of taxpayers, means that there is a lot space for collaboration between banks and tax administration so that the whole operational procedure of accounts’ blockage orders to be more effective. We can mention here about practices of other countries where tax authorities send blocking orders only to one bank where the taxpayer holds its most active bank accounts.

Tax authorities should give many alternatives to taxpayers and banks to communicate between each-other. They
should allow to each other to exchange information electronically except the official paper correspondence.

The above raised questions tell us that the applied procedure of bank accounts blockage urges the behavior of taxpayers in a negative way effecting so inappropriately to the general picture of tax payment culture. That is why tax authorities have to consider other better ways for the forced tax procedures and keep the step of bank accounts blockage as one of the last precautions which tax inspectors have to apply.

References

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Instruction of the Minister of Finance no. 24, of 2 September 2008 “On Tax Procedures”
Article 605, of Civil Law in the Republic of Albania
The Effect of Migration on Inequality: Case of Albania

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Abstract

The aim of this paper is to provide the effect of migration on inequality by generating the empirical evidence on the relationship between international remittances and income inequality. It has also been analyzed whether the socio-economic and political factors affect the internal and external migration as Albania is a country on internal and internationally move. Focusing on the external migration there are done some studies on which are the main countries of Albanian migration and the role of the remittances on inequality with regard to per capita income. As more than half of the Albanian population has direct exposure to migration phenomena, this examination aims to evaluate the level of the effect of remittances on the income inequality during 1992-2012 period. The estimated model will be offered by all fundamentals of regression analyze which will define the relation between the remittances (in % of GDP) and the income inequality. Remittances refer to official worker remittances flows, representing only money sent through official banking channels. After reasonable analysis it was argued that there is a weak correlation between remittances and income inequality as the main reasons of income inequality are other social, economic and political factors.

Keywords: Migration, Income Inequality, Remittances

1. Introduction

After the Communism regime, starting from 1990, a great migratory movement has been started as dominating fact in Albania which generated that one decade later, almost every family to had at least one family member abroad, mainly in Greece and in Italy. This phenomena made remittances the most important source of foreign exchange by constituting 14 % of GDP (IMF, 2002). Migration, with regard to remittances and income inequality, as very tight related factors, has always been discussed and studied by different economic and finance researchers and academicians as inequality is an indicator of poverty and for this reason it is a challenge to reduce it.

This paper consists in a general overview on the developing countries by focusing in Albanian migration history and also on the effect of the remittances of money and goods by migrants to their country of origin on the distribution of income and welfare in between households as in developing economies the earnings are low and the migration provides the most important source of income for other family members. At the same time, this study provides two types of categorizations, based on the country where the remittances come from and based on the usage of them. The main countries where the majority of Albanian people have migrate in the last two decades are Greece and Italy, but also smaller number of people have been distributed in other different countries of Europe such as United Kingdom, Germany etc, but also a considerable number of people have migrated in USA, Canada and Australia. The main purposes of usage of remittances are: (a) to support basic daily needs (food, clothing etc), (b) to improve living conditions (home equipment, furniture etc), (c) to expand or build a new house, (d) deposit in bank accounts, (e) save cash at home and only few of them are used for investment. Although this thesis focuses more on how all the above mention factors as a result of international remittances can cause an unequal income distribution.

In addition, this study provides some evidences on the impact of the financial crises on the flow of remittances. Even though, Albania is one of the countries which was not highly effected by the crises and its GDP growth kept positive during that period, some of the host countries of Albanian migrants had a decrease in the employment level which directly affected the inflow of remittances in Albania.
2. Literature Review

Out migration, like the adoption of a new production technology, entails costs and risks. The costs and risks are likely to be especially high in the case of international migration. Given this fact, pioneer migrants tend to come from households at the upper-middle or top of the sending-area's income distribution (e.g., Portes and Rumbaut, 1990; Lipton 1980), and the income they send home in the form of remittances is therefore likely to widen income inequalities in migrant-source areas (Stark, Taylor and Yitzhaki 1986) cent empirical work (Stark et al., 1986; Stark, 

Nowadays, migration and remittances is mostly believed to be a rational family decision, otherwise called tempered self-interest or enlightened altruism (Rapoport and Docquier 2005:47). The motives naturally depend on individual characteristics, which can be categorized into five components: demographic, cultural, economic, migratory and macroeconomic components (Salomone 2006:10)

Inequality is often regarded as a necessary evil which has to be tolerated to allow growth, “it has been argued that inequality is necessary for accumulation, and that it therefore contains the seeds of eventual increases in everyone’s income (Adelman and Robinson, 1989). 98

The simplest way to investigate the remittances effect on inter-households income distribution consists in considering these flows as an exogenous source of income that simply adds to the households’ current income. It consists often in breaking down the Gini coefficient according to the influence that every source of income has respectively upon this coefficient (Lerman and Yitzhaki, 1985).8; Ta

International migration has been an historical constant for Albanians starting from the mass out-migration of the 15th century following the death of Scanderbeg – Albania’s national hero, and the ensuing invasion of the country by the Ottomans. 200,000 Albanians or one-quarter of the country’s then total population migrated within a short period of time (1468-1506), primarily in the direction of Italy, Greece and the Dalmatian Coast (Tirta, 1999; Çaro, 2011).

Since 1991, Albania has experienced a massive flow of international migration and a huge internal movement of the population. Between 1991 and 1992, it is estimated that 300,000 Albanians left the country. By the mid-1990s, the estimated figure of emigrants abroad was around 400,000 of whom almost 90 percent were in Greece (Danaj and Ekonomi, 2004).

3. Migration History in Developing Countries

Migration is a phenomena that has started a long time ago and has become an important factor in shaping the economical and social indicators in implicated countries. It provides big changes in the growth and development of both home and host countries. The society has accepted migration also as part of globalization.

According to different empirical studies the most developed countries in the world such as Europe and North America host the large number of migrants, next is Asia with almost the same amount of migrants and the countries with the lower amount of migrants are the developing countries. In developing countries there are evidences that show that even though they host the lower amount of migrants, they have high outflows of people who migrate in developed countries.

3.1 A Brief Overview on Migration and Inequality Indicators

The majority of the people who live in countries with low standards of living evaluate migration as the best solution for their situation even if it is difficult. Migration has a great impact also in the social and psychological situation of the person, as moving from one country to another makes the people face the movement from one culture to another, which refers to different social environment.

3.2 Migration Indicators

One of the main reasons of migration is poverty, which is mostly evident to those who migrate from developing countries to developed countries. This type of migration can provide also the illegal migration which generates problems for government and board authorities. The illegal migration makes government compile more restricted migration policies.

The next reason that makes people migrate is the economic conditions, such as moving from one country with less development in industry to a country with high level of industry development. The indicators of migration there are a lot, it can be for health issues, studying, political freedom, religion freedom, labour demand, etc.
3.3 Inequality Indicators

While, income inequality refers to the way how the income and wealth is distributed among people or among country. The factors that impact the income inequality are a lot, which include gender inequality, technological changes, labour market outcomes and globalization which is tightly connected to migration. Income distribution plays a role also in the long run growth of the country.

3.4 Main Characteristics of Albanian Migration

During the Communism Regime the Albanian people had very limited opportunities to migrate and move outside the borders. This generated that after the communism, in 1990, Albania had a high flow of people toward other countries. The most preferred destinations were Greece, Italy, Germany and United States of America. The migration of Albanian population was mostly due to high level of poverty and very low standards of living, which was later followed by various economic, social and political factors. The high level of unemployment, low standards of living, unstable political situation, stimulated the desire of Albanian people to migrate, mostly illegal.

3.5 Magnitude of Remittances in Albania

The majority of Albanian people migrated without the family, generally only the household moved to another country and provided financial support for the other members of the family. This situation increased the inflow of remittances in Albania, especially in the middle of 1996, as for most of the families the only source of money was the remittances sent by the familiars abroad. The support submitted by the migrants to their family members was not only in cash, but also in clothes and food. The inflow of the remittances in Albania, decreased a lot in 2008, due to financial crises. The global financial crises affected mostly the economy of Greece, which generated a huge decrease in the remittances coming from Greece, where is located the majority of the migration population of Albania. Another factor that had an impact in the decrease of the remittances in Albania was also because the persons who migrated, took also the other members of the family in that country, which refers to less money sent in Albania.

4. Data and Methodology

4.1 Simple Regression Analysis

Regression Analysis describes the relationship between one variable that is going to be predicted based on an independent variable, by using statistical methods that generate an equation.

Multiple R shows the correlation between y and x, which is 0.68 or 68%. While the value of R square is 0.46 or 46%, which means that only 46 % of correlation can be explained.

The standard error is high which indicates that the data points are spread out over a large range of values.

The number of observations in this regression is 21.

TSS (Total sum of squares) = ESS (error sum of squares) + RSS (Regression sum of squares)

R^2 refers to the ratio of the explained sum of squares to the total sum of squares, which is practically the fraction of the variation of dependent variable that is predicted by the independent variables

\[ R^2 = \frac{ESS}{TSS} \]

0 < R^2 < 1

0-means that the model did not explain any of the variation in the dependent variable. 1-means that the model explained everything.

0.46 is a value in between 0 and 1 which means that is a good result (well explained).

The regression model is: \( y = b_1 + b_2x + u \)

\[ b_1 = 27.4 \]

\[ b_2 = 0.004 \]

\[ y = 27.4 + 0.004x \]
Inequality (Gini coefficient) = 27.4 + 0.004 remittances

The slope coefficient has the estimated standard error 0.88, which shows the average distance that the observed values fall from the regression line.

The slope coefficient has t-statistic of \( \frac{27.4120654065034}{0.889337903462534} = 30.8 \), which is the coefficient divided by its standard error.

The p-value is determined by the t-statistic and t-distribution. In this case the slope coefficient has p-value of 1.09.

The 95% confidence interval for \( \beta_2 \) (0.00197, 0.00618).

4.2 An examination of the relationship between inequality (Gini coefficient) and remittances: non-stationary time series data and Johansen Co-integration Test

Time series data refers to study of data collected through time which are necessary for providing pure research and practical implementation. Such usage has resulted in considerable misunderstanding because, in reality, stationary and non-stationary are essentially indistinguishable except where changes in an underlying process are so dramatic that no statistical assessment is necessary (Koutsoyiannis, 2011a).

The data are annual and consist in yearly Gini coefficient obtained by World Bank and indexmundi (www.worldbank.org, www.indexmundi.com/, accessed: March 26, 2014) and total remittances sent in Albania in USD are taken from Bank of Albania, IMF (www.bankofalbania.org, www.imf.org, accessed: March 05, 2014) The sample period is from 1992 to 2012. All tests are conducted by using E Views statistical program.

Graph 1: Total of remittances sent in Albania (in mil. USD), 1992-2012

By observing the graph it is easily remarkable that the highest amount of total of remittances sent in Albania has been arised in 2007, and there are a lot of ups and downs, but they have started to decrease evidently after 2008 due to financial crises.

Graph 2: Gini coefficient in Albania, 1992-2012
As it can be noticed by the graph Gini coefficient in Albania has been unstable during the years. From the values it can be observed that it never reaches the value 0, which means perfect income distribution equality, but it has been low in 1997 and after that it has started to increase continuously, which means higher inequality through the years.

**Graph 3: Total remittances and Gini coefficient in Albania, 1992-2012, scatter diagram**

The highest value of the total remittances and Gini coefficient in the scatter diagram above corresponds to 2008 when the Gini coefficient was 34.51 and total remittances value was 1495 (in mil. USD). This shows that there is a relationship between these two variables. According to the scatter diagram moving to the right: as remittances decrease, Gini coefficient has a decreasing trend and remittances increases, Gini coefficient increases as well. In a certain point seems that both remittances and Gini coefficient become constant while the correlation stabilizes.

**Graph 4: Histogram and statistics of total remittances sent in Albania(in mil. USD)**

This sample has an average in between the interval of 25.550 and 29.273, which indicates the value 27.411 in the Confidence Interval of 95% which means that it is 95% confidence that the true average of the process is in between these two values.

**Graph 5: Histogram and statistics of Gini coefficient series**
Table 1: Descriptive statistics of total remittances and Gini coefficient series

<table>
<thead>
<tr>
<th></th>
<th>REMITTANCES</th>
<th>GINI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>779.5000</td>
<td>30.59524</td>
</tr>
<tr>
<td>Median</td>
<td>733.0000</td>
<td>29.12000</td>
</tr>
<tr>
<td>Maximum</td>
<td>1495.000</td>
<td>34.51000</td>
</tr>
<tr>
<td>Minimum</td>
<td>150.0000</td>
<td>26.70000</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>427.0867</td>
<td>2.559276</td>
</tr>
<tr>
<td>Skewness</td>
<td>0.232474</td>
<td>0.607259</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>1.732529</td>
<td>1.905232</td>
</tr>
<tr>
<td>Jarque-Bera</td>
<td>1.594827</td>
<td>2.339373</td>
</tr>
<tr>
<td>Probability</td>
<td>0.450493</td>
<td>0.310464</td>
</tr>
<tr>
<td>Sum</td>
<td>16369.50</td>
<td>642.5000</td>
</tr>
<tr>
<td>Sum Sq. Dev.</td>
<td>3648060.</td>
<td>130.9979</td>
</tr>
<tr>
<td>Observations</td>
<td>21</td>
<td>21</td>
</tr>
</tbody>
</table>

Mean refers to the average across the observations. Minimum is the lower value of the variable and Maximum stands for the higher value of the variable. The Standard Deviation serves for measuring the spread of observations, which is very high for remittances. While Skewness value should be near to 0 and measures the direction and the degree of symmetry. This means that the symmetry of the remittances and Gini coefficient is less symmetric than remittances but both variables has good values with regard to Skewness.

Kurtosis is a statistical measure that shows the distribution of the observed data around the mean and trends in charts. A high value of kurtosis means fat tails while a low value of kurtosis refers to skinny tails. The values of kurtosis for remittances and Gini coefficient are positive and are near to the expected value 3, which is the value where there are “well behaved” tails and there is normal distribution.

Table 2: Estimation equation output of regression

<table>
<thead>
<tr>
<th></th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
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<tr>
<td>REMITTANCES</td>
<td>0.031431</td>
<td>0.003302</td>
<td>9.518133</td>
<td>0.0000</td>
</tr>
<tr>
<td>R-squared</td>
<td>-26.317575</td>
<td>Mean dependent var</td>
<td>30.59524</td>
<td></td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>-26.317575</td>
<td>S.D. dependent var</td>
<td>2.559276</td>
<td></td>
</tr>
<tr>
<td>S.E. of regression</td>
<td>13.37637</td>
<td>Akaike info criterion</td>
<td>8.071304</td>
<td></td>
</tr>
<tr>
<td>Sum squared resid</td>
<td>3578.546</td>
<td>Schwarz criterion</td>
<td>8.121044</td>
<td></td>
</tr>
<tr>
<td>Log likelihood</td>
<td>-83.74870</td>
<td>Hannan-Quinn criter.</td>
<td>8.082099</td>
<td></td>
</tr>
<tr>
<td>Durbin-Watson stat</td>
<td>0.120168</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

The test of stationarity check of the time series is prerequisite for the cointegration analysis. A time series that have time invariant mean, variance and covariance is called stationary time series. Unit root test serves as a pre-test to avoid spurious regression results (Granger, 1986). The worker’s remittances increase the growth of the recipient economy as it reduces the current account deficit of the economy. Inflows of worker’s remittances also help to reduce the external borrowing and thus reduce the external debt burden. Worker’s remittances improve the foreign exchange position as it is
an important source of foreign exchange inflows. Its role in the improvement of the balance of payment and reduction in external dependence has positive impacts on the economy. There are some evidences that the remitted foreign exchange is also used as "productive investment". The inflow of worker's remittances is concluded to be third important source of the capital for the growth of an economy. (Iqbal and Sattar, 2005).

The Johansen Fisher panel cointegration test aggregates the p values of individual Johansen maximum eigenvalues and trace statistics. The value of the chi-square statistic is based on the Mackinnon et al. (2001) p-values for cointegration trace test and maximum eigenvalue test. The result indicates one cointegrating vector. (Johansen, 1988)

The stationary of each series was investigated by employing the unit root tests developed by Dickey and Fuller. The test consists of regressing each series on its lagged value and lagged difference terms. The number of lagged differences to be included can be determined by the Akaike information criterion (Hill et al., 2008) It is proposed to conduct a panel ADF unit root test based on Fisher (1932). The Fisher ADF test essentially combines the p values of the test statistic for a unit root in each residual cross-sectional unit. The test has a chi-square distribution with 2 degrees of freedom. (Maddala and Wu, 1999)

In Table 3, it is stated the Augmented Dickey-Fuller test statistics on the established null hypothesis of a unit root. As the null hypothesis is of a unit root, the alternative hypothesis is on stationary data so the hypothesis of unit root against the stationary alternative is not rejected at 5% levels (critical value). Since the calculated ADF test statistic is 0.191 is greater than the 5% critical value of (-3.029970) it is not rejected the null hypothesis of nonstationary. The results of this test are shown in Table 3.

Table 3: Augmented Dickey-Fuller unit root test statistic on Gini coefficient

<table>
<thead>
<tr>
<th>Null Hypothesis: GINI has a unit root</th>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exogenous: Constant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lag Length: 1 (Fixed)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Augmented Dickey-Fuller test statistic</th>
<th>0.191580</th>
<th>0.9644</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test critical values:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1% level</td>
<td>-3.831511</td>
<td></td>
</tr>
<tr>
<td>5% level</td>
<td>-3.029970</td>
<td></td>
</tr>
<tr>
<td>10% level</td>
<td>-2.655194</td>
<td></td>
</tr>
</tbody>
</table>

*MacKinnon (1996) one-sided p-values. Warning: Probabilities and critical values calculated for 20 observations and may not be accurate for a sample size of 19
Augmented Dickey-Fuller Test Equation
Dependent Variable: D(GINI)
Method: Least Squares
Date: 05/12/14 Time: 13:48
Sample (adjusted): 1994 2012
Included observations: 19 after adjustments

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>GINI(-1)</td>
<td>0.027300</td>
<td>0.142500</td>
<td>0.191580</td>
<td>0.8505</td>
</tr>
<tr>
<td>D(GINI(-1))</td>
<td>-0.652712</td>
<td>0.214746</td>
<td>-3.039456</td>
<td>0.0078</td>
</tr>
<tr>
<td>C</td>
<td>-0.362902</td>
<td>4.326463</td>
<td>-0.083880</td>
<td>0.9342</td>
</tr>
</tbody>
</table>

R-squared Mean dependent var 0.283684
Adjusted R-squared S.D. dependent var 1.663969
S.E. of regression Akaike info criterion 3.600222
Sum squared resid Schwarz criterion 3.743344
Log likelihood Hannan-Quinn criterion 3.625459
F-statistic Durbin-Watson stat 2.012898
Prob(F-statistic) 0.015886

~ 320 ~
Another way for evaluating the null hypothesis is of a unit root is through the ADF test is by comparing the p-value. If p-value is greater than 0.05 there is unit root, in the analysis results it is shown that the p-value is 0.9644, so greater than 0.05, thus do not reject the null hypothesis of a unit root. By observing both ways of analyzing with the result of not rejecting the null hypothesis which is on the unit root, it can be stated that the Gini coefficient series has a unit root.

Table 4: Augmented Dickey-Fuller unit root test statistic on total remittances

| Null Hypothesis: REMITTANCES has a unit root |
| Exogenous: Constant |
| Lag Length: 1 (Fixed) |

<table>
<thead>
<tr>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augmented Dickey-Fuller test statistic</td>
<td>-1.271994</td>
</tr>
<tr>
<td>Test critical values:</td>
<td></td>
</tr>
<tr>
<td>1% level</td>
<td>-3.831511</td>
</tr>
<tr>
<td>5% level</td>
<td>-3.029970</td>
</tr>
<tr>
<td>10% level</td>
<td>-2.655194</td>
</tr>
</tbody>
</table>

Warning: Probabilities and critical values calculated for 20 observations and may not be accurate for a sample size of 19

Augmented Dickey-Fuller Test Equation
Dependent Variable: D(REMITTANCES)
Method: Least Squares
Date: 05/12/14 Time: 13:49
Sample (adjusted): 1994 2012
Included observations: 19 after adjustments

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>REMITTANCES(-1)</td>
<td>-0.111894</td>
<td>0.087968</td>
<td>-1.271994</td>
<td>0.2216</td>
</tr>
<tr>
<td>D(REMITTANCES(-1))</td>
<td>0.166885</td>
<td>0.233848</td>
<td>0.713648</td>
<td>0.4857</td>
</tr>
<tr>
<td>C</td>
<td>121.9909</td>
<td>79.3092</td>
<td>1.538168</td>
<td>0.1435</td>
</tr>
</tbody>
</table>

R-squared | 0.114275 | Mean dependent var | 39.58947 |
Adjusted R-squared | 0.003559 | S.D. dependent var | 157.1160 |
S.E. of regression | 156.8362 | Akaike info criterion | 13.09222 |
Sum squared resid | 393561.5 | Schwarz criterion | 13.24134 |
Log likelihood | -121.3761 | Hannan-Quinn criter. | 13.11746 |
F-statistic | 1.032145 | Durbin-Watson stat | 2.084300 |
Prob(F-statistic) | 0.378785 |

Table 4 show evidently that as calculated ADF t-statistic is (-1.27) so greater than the 5% critical value of (-3.029970), do not reject the null hypothesis of non-stationary. Thus, remittances has a unit root.

Therefore, both variables, Gini coefficient and total remittances have unit root, so it is needed to take into consideration the differences of both variables, because if both independent variable and dependent variable show the presence of unit root, the regression results do not hold much meaning.

Table 5 shows that after taking second difference (lags) of variable of Gini coefficient series, the calculated ADF unit root test (-3.142404) is less than the 5% critical value (-1.961409) do not reject the null hypothesis of non-stationary. So, Gini coefficient has not a unit root, it is stationary.
Table 5: Augmented Dickey-Fuller unit root test statistic on \( D(\text{GINI}) \)

Null Hypothesis: \( D(\text{GINI}) \) has a unit root  
Exogenous: None  
Lag Length: 1 (Fixed)

<table>
<thead>
<tr>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3.142404</td>
<td>0.0036</td>
</tr>
</tbody>
</table>

Test critical values:  
1% level: -2.699769  
5% level: -1.961409  
10% level: -1.606610

Warning: Probabilities and critical values calculated for 20 observations and may not be accurate for a sample size of 18

Augmented Dickey-Fuller Test Equation  
Dependent Variable: \( D(\text{GINI},2) \)  
Method: Least Squares  
Date: 05/12/14 Time: 14:01  
Sample (adjusted): 1995 2012  
Included observations: 18 after adjustments

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>( D(\text{GINI}(-1)) )</td>
<td>-1.388246</td>
<td>0.441778</td>
<td>-3.142404</td>
<td>0.0063</td>
</tr>
<tr>
<td>( D(\text{GINI}(-1),2) )</td>
<td>-0.124689</td>
<td>0.248049</td>
<td>-0.502679</td>
<td>0.6220</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.796220</td>
<td>Mean dependent var</td>
<td>0.000000</td>
<td></td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.783484</td>
<td>S.D. dependent var</td>
<td>3.095893</td>
<td></td>
</tr>
<tr>
<td>S.E. of regression</td>
<td>1.440560</td>
<td>Akaike info criterion</td>
<td>3.672380</td>
<td></td>
</tr>
<tr>
<td>Sum squared resid</td>
<td>33.20341</td>
<td>Schwarz criterion</td>
<td>3.771310</td>
<td></td>
</tr>
<tr>
<td>Log likelihood</td>
<td>-31.05142</td>
<td>Hannan-Quinn criter.</td>
<td>3.686021</td>
<td></td>
</tr>
<tr>
<td>Durbin-Watson stat</td>
<td>2.054513</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 6: Augmented Dickey-Fuller unit root test statistic on \( D(\text{REMITTANCES}) \)

Null Hypothesis: \( D(\text{REMITTANCES}) \) has a unit root  
Exogenous: None  
Lag Length: 1 (Fixed)

<table>
<thead>
<tr>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>-2.033766</td>
<td>0.0431</td>
</tr>
</tbody>
</table>

Test critical values:  
1% level: -2.699769  
5% level: -1.961409  
10% level: -1.606610

Warning: Probabilities and critical values calculated for 20 observations and may not be accurate for a sample size of 18

Augmented Dickey-Fuller Test Equation  
Dependent Variable: \( D(\text{REMITTANCES},2) \)  
Method: Least Squares  
Date: 05/12/14 Time: 14:02  
Sample (adjusted): 1995 2012  
Included observations: 18 after adjustments

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>( D(\text{REMITTANCES}(-1)) )</td>
<td>-0.609583</td>
<td>0.299731</td>
<td>-2.033766</td>
<td>0.0589</td>
</tr>
<tr>
<td>( D(\text{REMITTANCES}(-1),2) )</td>
<td>-0.255930</td>
<td>0.237282</td>
<td>-1.078588</td>
<td>0.2968</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.447789</td>
<td>Mean dependent var</td>
<td>1.722222</td>
<td></td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.413275</td>
<td>S.D. dependent var</td>
<td>210.5622</td>
<td></td>
</tr>
<tr>
<td>S.E. of regression</td>
<td>161.2863</td>
<td>Akaike info criterion</td>
<td>13.10868</td>
<td></td>
</tr>
<tr>
<td>Sum squared resid</td>
<td>416212.5</td>
<td>Schwarz criterion</td>
<td>13.20761</td>
<td></td>
</tr>
<tr>
<td>Log likelihood</td>
<td>-31.05142</td>
<td>Hannan-Quinn criter.</td>
<td>13.12232</td>
<td></td>
</tr>
<tr>
<td>Durbin-Watson stat</td>
<td>2.054513</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Coefficient Std. Error t-Statistic Prob.
Table 6 presents, after taking second differences (lags) of variable of remittances and calculating the ADF unit root test statistic vale (-2.033766) lower than the 5% critical value of (-1.961409), do not reject the null hypothesis of non-stationary. Thus, remittances series has not a unit root, so it is stationary.

By referring to the unit tests as it is stated above, it is conducted the Johansen`s co-integration test for evaluating if the combinations of both dependent and independent variables are co integrated.

**Table 7: Johansen Co-integrated Test**

<table>
<thead>
<tr>
<th>Hypothesized No. of CE(s)</th>
<th>Eigenvalue</th>
<th>Trace Statistic</th>
<th>0.05 Critical Value</th>
<th>Prob.**</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>0.001732</td>
<td>0.031196</td>
<td>3.841466</td>
<td>0.8598</td>
</tr>
</tbody>
</table>

Trace test indicates no cointegration at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

**Unrestricted Cointegration Rank Test (Maximum Eigenvalue)**

<table>
<thead>
<tr>
<th>Hypothesized No. of CE(s)</th>
<th>Eigenvalue</th>
<th>Max-Eigen Statistic</th>
<th>0.05 Critical Value</th>
<th>Prob.**</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>0.001732</td>
<td>0.031196</td>
<td>3.841466</td>
<td>0.8598</td>
</tr>
</tbody>
</table>

Max-eigenvalue test indicates no cointegration at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

Unrestricted Cointegrating Coefficients (normalized by b'*S11*b=I):

| GINI | 0.500816 |

Unrestricted Adjustment Coefficients (alpha):

| D(GINI) | 0.053305 |

According to the results shown in Table 7 on the LR test statistics and critical values, it is suggested that there is a co integration relationship between Gini coefficient and total remittances at the 5% significance level. This means that there is a long run stable relationship between Gini coefficient and total remittances, which shows that Gini coefficient and total remittances move together in the long run in Albania.

5. Conclusions

Migration as a phenomena have played an important role in the Albanian economy after 1990. Remittances have been the main source of income for most of the Albanian families, this is clearly noted by the high values of the inflows of remittances during 1992-2012 period. At the same time, during the analysis of this paper has been noticed a strong
impact of remittances in the government budget, which is clearly showed by the high values of the report Remittances per GDP, which have the peak in 1996 and later has started to decrease in 1997, as Albania faced the civil war during that period and again has continuously decreased after 2007 due to financial crises. The high level of remittances means higher standards of living for Albanian people, which refers to higher income for families.

According to the results of the analysis conducted for 1992-2012 period in Albania by using Johansen Cointegration Test and based on the LR test statistics and critical values, it was concluded that there is a co integration relationship between Gini coefficient and total remittances at the 5% significance level. This means that there is a long run stable relationship between Gini coefficient and total remittances, which shows that Gini coefficient and total remittances move together in the long run in Albania.

This means that migration has not an effect in the income inequality for the short run, but it has a considerable impact in the long run in Albania, which refers to the fact that remittances and income inequality go monotonically together in the long run.

References

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O’Rourke, K.H. (2001): Globalization and Inequality: Historical Trends, Trinity College, Dublin, CEPR and NBER.
The Variables Brand’s Relationships and Brand Equity: 
A Case Study of Mobile Phone Brands Catering to Albanian Consumers

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Abstract

Managers today are aware of the fact that the brand name has become an important asset for the company and is required for 
their focus on creating brand equity. A strong brand is one that possesses high brand equity. What is evident in all studies is 
the fact that brand equity is considered as a key factor that can bring the following to the company: higher profits, brand 
extension opportunities, protection against the competition leading to a strengthening of the consumers purchasing intentions 
and customer loyalty. Feelings generated by the brands are different from one brand to another and this becomes more evident 
when customers are emotionally connected only with a certain number of brands. These emotional connections with the brand 
reflect a specific connection with said brand and thus include feelings toward it which include: attraction, passion and consumer 
involvement with the brand. The level of customer involvement in this relationship depends on the consumers' perception of the 
brand as well as the importance that the product brings to the consumer. The power of a brand lies within the mindset of 
existing or potential customers and through what they have experienced directly or indirectly with the particular brand over a 
period of time. Brand relationships are not only the main aspects related to brand equity but also are key aspects of the buying 
process as well as indicators of brand loyalty. Brand relationships consist of thoughts, feelings, perceptions, images, 
experiences, beliefs and attitudes of consumers associated with the brand. Brand relationships can be described by some sub-
dimensions such as values, personality, and organizational dimensions or some features of a company that gets incorporated 
within a brand and therefore identify a brand with the company itself. Brand relationships represent a psychological connection 
with the brand stored in the consciousness of the consumer and also represents aspects of the dimensions referred to tangible 
or intangible such as attributes, lifestyle, usage etc. The purpose of this paper is to study the relationship that exists between 
brand relationships and brand equity for the mobile-telephone brands included in the study. Furthermore it will also aim to 
identify the variables of brand relationships that are considered the most important to Albanian consumers and have significant 
impact on brand equity.

Keywords: brand equity, brand relationships, functional attributes, non-functional attributes.

1. Brand Relations as Dimension of Brand Equity

Brand equity is a multidimensional concept and a very complex phenomenon. Keller (2002) focused on two main 
associated with brand equity in five categories: perceived quality, brand loyalty, brand awareness, brand relationships 
and other company-owned asset such as: patents, trademarks, etc. Among these five dimensions of brand, the first four 
represent customers and assess their reactions to the brand and this enables a better understanding of customers 
(Barwise 1993; Yoo and Donthu 2001). Numerous studies have focused on measuring brand equity based on the 
customer. Thus it is evident that strong brand equity means that customers have high awareness of brand name, have a 
positive image to the brand, perceived that the quality associated with the particular brand is high enough to warrant their 
loyalty.

Brand relationships are not only the main aspects related to brand equity but also are key aspects of the buying
process as well as loyalty to the brand (Aaker, 1991, 1992). Brand relationships consist of thoughts, feelings, perceptions, image, experiences, beliefs and attitudes of consumers regarding the particular brand (Kotler and Keller 2006). There are three important dimensions associated with the brand image such as being friendly, powerful and unique. Numerous studies focusing on the relationship of the brand and its impact on building brand equity have highlighted three types of brand relationships (Aaker, 1999; Chen 2001)

- a relationship with the brand as a product (the value),
- a relationship with the brand as a person (brand personality)
- a relationship with the brand as an organization (organizational relationships)

The relationship with the brand as a product include functional and non-functional attributes.

**Functional attributes** are visible and tangible product features (Keller 1993). So consumers evaluate a brand based on these characteristics associated with the brand. If a brand fails to submit those attributes and characteristics for which it is designed, it is therefore characterized by a low level of brand equity.

**Non-functional attributes** include symbolic attributes which are invisible or intangible, but for the customer are as important as functional attributes when assessing a brand. Through these dysfunctional attributes the consumer identifies and meets the needs associated with social acceptance or self-esteem. (Keller 1993). We include some of the following as dysfunctional product attributes: social image, perceived value, differentiation, country of origin as well as reliability.

**Social image** is defined as the consumer perception of the honor and respect for the social group of customers who use the particular brand (Lassaria 1995). All of this has to do with the attributes of a product that a consumer perceives it has, or what other consumers think of the consumers of a certain brand.

**Perceived value** is defined as the perceived usefulness of the brand associated with its cost and value drawn by the customer based on simultaneous consideration of what was benefited comparatively to the non-use of another product. Consumers choose a brand product by comparing price and all the benefits and values that they benefit from the product and its brand compared to competitors. (Aaker, 1999). The customer is willing to pay a price even higher than compared to normal for a product which is characterized by a high brand equity (Lassaria 1995).

**Differentiation** is defined as the extent to which consumers perceive that a brand is distinct from competitors and customers believe they are reasonable in purchasing this brand over the competition. (Aaker 1999). A brand can have a premium price if it is perceived as very distinct from competitors (Kapfer 1991). Numerous studies have highlighted the importance of the distinct characteristics of the brand positioning and all this affects the success of a brand.

**Country of origin** is defined as country, region or state with which consumers perceive a brand association (Thakor and Kohli, 1996). Place of origin of a product as well as brand name are important elements that affect consumer perceptions (Thorelli 1989). Country of origin refers to the country of origin of a company or a product or a place where the product is manufactured. For this reason the country of origin refers to the country of origin of the brand. Lavack and Thakor (2003) assert that the origin of the brand itself is perceived as the most important source of attraction and appeal of the brand. In their study the authors reflect that the perceived country of origin is a powerful agent in determining brand recognition rather than the actual country of origin of the company.

**Reliability** is defined as the confidence that the customer has with your company, the communications released from the public relations department of the company and everything that done by the company to serve a consumers' interest (Keller & Aaker, 1992). According to Chaudhuri and Holbrook (2002), reliability is the credibility determine of the brand will support the customer has the ability to perform to mark its stated function. Reliability affects consumers directly in building brand equity (Lassaria 1995) as many cases customers admire the brand of a product just because they belong to a company that has built a positive image towards the consumer (Aaker, 1999).

2. **Brand Relationships and Brand Equity by Aaker’s Model**

According to David Aaker brand relationships deal with categories of assets and liabilities that include everything related to brand remembrance. Aaker states that the dimensions of brand equity relationships usually include the dimensions of the image which are unique to the product class or brand. Brand relationships can be described by some sub-dimensions such as: value, personality, and their organizational dimensions, some company features that are incorporated within a brand to identify the brand with the company. Brand relationships are represented by the psychological connection with brand which is stored in the consciousness of the consumer and also represents dimensions referred to tangible or intangible such as attributes, lifestyle, usage etc.

But brand relationships are also seen as a combination of brand image (i.e. functional and non-functional perceptions), brand attitude (on all brand assessment) and perceived quality (overall superiority trial). Relations consist of brand image in functional and symbolic beliefs of the product categories which are brand specific extensions and their
measurement should focus on the unique features of the brand specific categories. Attitudes towards the brand consist of a general assessment of the brand. The perceived quality is related to customer judgments about superiority or excellent quality of the brand in general. This highlights the argument that strong brands can add value to consumer purchases. Brand relationships are important for the companies and for its consumers. Companies use brands to differentiate, position and expand the brand, to create positive attitudes and feelings towards it, and to suggest attributes or benefits from the purchase or use of a specific brand. Consumers use brand relationships to assist in arranging, organizing and reliving information stored within their memory and use it in the purchase making decision.

This article will use the model built by Aaker (1991), which is among the most frequently used by a great deal of the research and current studies to measure brand equity. This model has been tested empirically in a number of previous studies (Atılgan, Aksoy and Akinci, 2005; Kim and Kim 2004; Yoo, Donthu and Lee, 2000). Through Aaker’s model this study will retest the measurement of brand equity based on the products selected by Albanian consumers.

If a brand clearly positions itself through one or more relationships, it will be difficult for the competition to claim the lead on aspects implied by these relationships, which can lead to barriers to entry for competitors.

### 3. Explorative Pursuit

Choosing brands of mobile phones was based on a preliminary test of 20 individuals. The selection of individuals was random. Each individual was asked to specify four of most popular brands of cellular phones, sought after or ideal. For each of the brands selected individuals were asked to give their assessment on a scale of 1 to 5. Results were obtained for the following brands: iPhone (Apple), Nokia, Blackberry, Samsung Galaxy, as the four most popular brands to be keen on by the surveyed customers. Participants in this study were asked to determine the degree of importance of each element of brand relationships.

Prior to the participation in questionnaire, a short presentation regarding the research that took place was distributed to inform the participant regarding the questionnaire and its purpose. Persons who assisted with the delivery and monitoring of the questionnaires were marketing students with sufficient knowledge regarding the elements of the brand.

The assessment rate used was according to the 1-5 Likert scale, under which the evaluation was based on the scale: 1 - not at all to 5 - very. The reason that we refer to 5 - tiered evaluation of Likerts’ is because it is the most frequently used scale in studies made in the measurement of brand equity based on the customer (Washburn and Plank, 2002).

Malhotra (1999) suggests that the minimum sample for research should be at least 200. We consulted with experts on the methodology for a 95 % coverage of the population. For this reason around 320 sample questionnaires should have been built. To supplement any incorrect or blank questionnaires around 370 sets of questionnaires were distributed through which we managed to gather 356 questionnaires, 12 of which were invalid. Thus, the number of valid questionnaires for survey and data analysis was 344 questionnaires.

Sample / selection was aimed at interviewing people over the age of 18. This category was chosen because individuals over the age of 18 have their own income and make their own choice of brands for products they buy or want to buy. It was observed that the highest percentage of respondents belonged to the age group 18 to 25 years old (64 % or 221 individuals) mainly with a Bachelors’ Degree (53 % or 183 individuals). Of 344 individuals interviewed: 43 % (n = 147) were employed and 57 % (n = 197) were unemployed; Male 53 % (n = 182), Female 47 % (n = 162). The 344 respondents chose the following brands of phones: 36 % - Nokia (n = 123), 29 % - i-Phone (Apple) (n = 101), 26 % - Samsung Galaxy (n=90), 9 % - Blackberry (n = 30).

Data analysis was conducted in SPSS 17.0 statistical software. Factorial analysis was used to view the underlying determinant variables of a factor, their structure. Statistically significant difference of a set of variables associated with capital, demographic variables in terms of customer and non-customer brand was tested by logistic regression analysis.

Pearson chi square analysis was used to make hypothesis testing but also to understand the meaning or connection variables with dimensions of brand equity. Having earlier settled that an error rate of α = 5 % and a 95 % confidence level, using chi square test we believe that we will have a significant and important link in those instances when the test results to p-value should be less than α.

Factorial analysis was used to find factors among the study variables by reducing the number of variables and grouping variables with similar characteristics together.

Through the use of the Structural equation models (SEMs) we could see the presence of multicollinearity. For the evaluation of the model the following indicators were used: Goodness -of - Fit Index (GFI) which measures the relative
quantity of variance - covariance, Comparative Fit Index (CFI) that takes into account the size of the sample, and Root Mean Square Error of Approximation (RMSE) that explains how well the selected parameter values approximate with the Matrix covariance of the population.

We discovered the following bond between the sample population and the brand equity questions:
1. Even if another brand has the same features as X marks I still prefer to buy brand X.
2. If another brand is not different from brand X, then buying brand X is a wiser purchase.
3. The brand X is more than a product of me.

Relying again on chi-square analysis and monitoring the p-values to see which elements or sub-dimensions of brand relations we see which one of the three questions about brand equity are the most significant. In this way for the product phone we recorded the following to determine the most important links.

There seems to be a significant relation between the variables of the mobile brand relationship score all questions Item X and X brand equity as follows:

- This brand is innovative - Even if another brand has the same features as brand X, I will buy brand X (p = 0.045)
- This brand is secure and safe to use - even if another brand is not different from brand X, buying brand X is smart (p = 0.015)
- This brand is not just a product for me - Even if another brand has the same features as brand X, I will buy brand X (p = 0.003); Even if another brand is not different from brand X, buying brand X is smart (p = 0.000); brand X is more than a product to me (p = 0.000).
- This brand has personality - Even if another brand has the same features as brand X, I will buy brand X (p = 0.047); Even if another brand is not different from brand X, buying brand X is wise (p = 0.003); Brand X is more than a product to me (p = 0.000).
- I have a clear image of the type of person who buys - Brand X is more than a product to me (p = 0.000)

It also shows a strong link between three brand equity questions and variables as follows:
- I appreciate and admire people who use this brand
- It is interesting brand
- This is exciting brand
- This is the best brand to buy
- It is ethical brand
- This brand coincides with my style of life
- I believe the company that produces the brand
- I enjoy the company that produces the brand
- The company that produces the brand is innovative

Based on the answers given factorial analysis was used to see the connection of group variables with three brand equity questions. Based on KMO test, as has a value higher than 0.8 (0885 for mobile) shows a very good rating for the use of factorial analysis.

From this analysis, "Even if another brand has the same features as brand X, I will buy brand X" and "Even if another brand is not different from brand X, buying brand X is wise" have a coefficient of less than 0.4.

Based on chi-square test variable "I have a clear image of the type of person who buys" with "Even if another brand has the same features as brand X, I will buy brand X" and "Even if a brand the other is not different from brand X, X is buying wise" no statistically significant link.

Also variable "This brand is safe and safe for use" with "Even if another brand has the same features as X marks I will buy brand X" and "X is more than a product of me" not there is a statistically significant link. Variable "this brand is innovative" and "Even if another brand is not different from brand X, buying brand X is the wise" do not have a statistically significant relation.

Based on the correlation coefficients of all variables as brand relationship for mobile brands, positive impact on brand equity variable, where most of them to a large extent significance (p - value < 5%).

~ 328 ~
<table>
<thead>
<tr>
<th>Question</th>
<th>Value</th>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>X11 This brand is innovative</td>
<td>.676</td>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy=.885</td>
</tr>
<tr>
<td>X12 This brand is safe and harmless to use</td>
<td>.577</td>
<td>Bartlett's Test of Sphericity</td>
</tr>
<tr>
<td>X13 This brand is not simply a product of me</td>
<td>.535</td>
<td>Approx. Chi-Square=1499.703</td>
</tr>
<tr>
<td>X14 This brand has personality</td>
<td>.566</td>
<td>p-value=0.000</td>
</tr>
<tr>
<td>X15 I have a clear image of the type of person who buys</td>
<td>.488</td>
<td></td>
</tr>
<tr>
<td>X16 I appreciate and admire people who use this brand</td>
<td>.612</td>
<td></td>
</tr>
<tr>
<td>X17 This brand is interesting</td>
<td>.510</td>
<td></td>
</tr>
<tr>
<td>X18 This brand is exciting</td>
<td>.458</td>
<td></td>
</tr>
<tr>
<td>X19 This is the best brand to buy</td>
<td>.563</td>
<td></td>
</tr>
<tr>
<td>X20 This brand is ethical</td>
<td>.427</td>
<td></td>
</tr>
<tr>
<td>X21 This brand matches my style of life</td>
<td>.584</td>
<td></td>
</tr>
<tr>
<td>X22 I believe the company that produces the brand</td>
<td>.551</td>
<td></td>
</tr>
<tr>
<td>X23 I enjoy the company that produces the brand</td>
<td>.559</td>
<td></td>
</tr>
<tr>
<td>X24 The company that produces the brand is innovative</td>
<td>.721</td>
<td></td>
</tr>
</tbody>
</table>

Based on factor analysis, correlation and SEM model, it is clear that the variables that most affect the brand equity of the phones are not the same and that in terms of weight or degree of importance they have on brand equity.

In summary, variable dimensions of brand equity and brand awareness respectively, according to their degree of importance of brand equity, for mobile phone are as follows:
<table>
<thead>
<tr>
<th>Questions about the relationships of the elements of the mobile brand</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>X22 I believe the company that produces the brand</td>
<td>0.68</td>
</tr>
<tr>
<td>X23 I enjoy the company that produces the brand</td>
<td>0.68</td>
</tr>
<tr>
<td>X19 This is the best brand to buy</td>
<td>0.62</td>
</tr>
<tr>
<td>X20 This brand is ethical</td>
<td>0.62</td>
</tr>
<tr>
<td>X21 This brand matches my style of life</td>
<td>0.61</td>
</tr>
<tr>
<td>X13 This brand is not simply a product of me</td>
<td>0.54</td>
</tr>
<tr>
<td>X17 This brand is interesting</td>
<td>0.54</td>
</tr>
<tr>
<td>X18 This brand is exciting</td>
<td>0.54</td>
</tr>
<tr>
<td>X14 This brand has personality</td>
<td>0.53</td>
</tr>
<tr>
<td>X24 is the company that produces innovative brand</td>
<td>0.50</td>
</tr>
<tr>
<td>X16 I appreciate and admire people who use this brand</td>
<td>0.45</td>
</tr>
<tr>
<td>X15 I have a clear image of the type of person who buys this brand</td>
<td>0.40</td>
</tr>
<tr>
<td>X12 This brand is safe and harmless to use</td>
<td>0.32</td>
</tr>
<tr>
<td>X11 This brand is innovative</td>
<td>0.30</td>
</tr>
</tbody>
</table>

So this dimension for consumers considered most important: trust the company that produces the brand, the consent of the Company by the customer, trust that bought the brand worth, as well as the fact that it is ethical brand.

For mobile brands included in the study, considered unimportant or with a low coefficient of importance of brand equity variables associated with: the image of people who buy, safety and the safety of use and the fact that this brand is innovative.

4. Conclusions and Recommendations

Relations with the brand as product include functional and non-functional product attributes (Aaker, 1999; Chen 2001).

Details of the research show that consumers are very interested in the functional product attributes and the product being particularly safe and harmless to use shown by the 54 % choice of mobile brands. Among the dysfunctional attributes that customers consider important for brands, is trust and consensus with the company that produces the brand. Customers, due to strong association with some operational attributes, consider the particular brand of phone they chose to be the best one to buy as it satisfies their consideration on the brand being ethical, interesting and with personality. They state that brand X is the better as it corresponds with their lifestyle and not because it is the choice of other consumers. In this way it seems like a very unique customer relationships with mobile brand X as it was chosen without influence by other people who use these brands, furthermore consumers did not express any high degree of appreciation or admiration for people who use this brand.

The data show that the mobile brands are not just a product for consumers.

In the case of the mobile brand X brand relationships positively impact brand equity X, and the extent of this impact is high in value 0.92.

From the data, for the mobile brands, it is clear that the variables that influence this impact are some of the nonfunctional variables associated with: reliability and consent of the producer of the brand, the perceived value of the brand (the better to buy), compliance with lifestyle as well as a number of elements that relate to the personality of the brand. Despite the positive impact that these variables have, the extent of their influence is not very high.

For this reason the recommendation in connection with this conclusion is that manufacturing companies should care more about the personality of the brand but also in better understanding the personality of consumers who prefer to buy their brands.

In this way the company can help customers have a clear image of the type of person who buys this brand.

Companies should be looking more to understand whether the consumers buy brands X just to feel good about themselves or to better their current or ideal image. They should inform and persuade consumers that their brands X are not only distinct and innovative, especially since this paper shows that a customers’ relationships with the brand as innovative, secure and safe to be used have a low impact on brand equity X.
References

Strengthening the Public Administration Management in Albania, Needs Reforms to Counter Growth Slowdown

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Abstract
Albania transitioned away from an extremely closed, autarchic socialist system only in 1992. At that time, Albania's administrative system was considered chaotic and ineffective. Its administrative culture - a combination of many influences - emphasized security over service delivery. The capacity of public administration was weak; the system, stemming from a party focused environment, was highly politicized. Corruption was pervasive in every facet of the public sector. Citizens feared public administration and did not trust it to provide even the most basic services in a fair or impartial way. Until recently, Albania coped with the unfavorable external economic environment quite well. The economy avoided a sharp fall in output, inflation stayed low and stable, and the banking system remained sound. Albania's main external links are through exports, banks, and remittances, mainly with its two next door neighbors—Italy and Greece. Despite the problems in Europe, spillovers to Albania through these channels have been limited so far. There are several reasons for this. Albania's exports are a small part of the economy. And, since the onset of the crisis, the country has been able to reorient and redirect some of its exports towards new products and markets.

Keywords: Administrative culture, Administrative system, implementing financial reforms, EU recommendations, banking management.

1. Introduction

Public Administration Reform/Institutional Strengthening [PAR/I.S.] initiatives are based on identifying the strategic mandate, current institutional gaps that hinder delivery, and a capacity development plan that includes staff development along with improvements to the enabling environment and organizational design. The aim is to build a lasting institutional legacy in critical and linked areas. The operational strategy for PAR/I.S. project contains two components: public administration management programmed that provides practical training in common management skills (business planning, performance management, evaluation and risk management); and development of Local Governance (LG) (Vision of Albanian Government 2013)

These paper researches consist in study, which serves as a platform for future local governance intervention through road map and sequence of required activities. Albania’s public debt is high. Its debt-to-GDP ratio today—at around 60 percent—is among the highest in the region. A large part of this debt is domestic and of short term duration and is held by foreign-owned commercial banks. Further increases in debt could affect the confidence of the existing debt holders, worsen the rollover risks, and crowd out private credit and investment. As a result, we think that further fiscal stimulus financed by new debt would be counterproductive. (Schclarek A (2004)

1.1 Albanian local governance intervention through road of reforming

In its National strategy for socio-economic development (Republika e Shqiperise, 2001: 53), the Albanian government recognized PA reform as fundamental for the attainment of the medium-term objectives for growth and poverty reduction.
The Government strategy for State administrative and institutional reform included strengthening the coordination of public policies; improving policy and program implementation; transparency, effectiveness and accountability in resources management; and government-citizens relationships and public accountability. (Cipiki & Mittitelu 2010)

The Government of Albania has received a Multi Donor Trust Fund (MDTF) from the International Development Association (IDA), toward the cost of this project for IPS, and intends to apply part of the proceeds of this grant to payments under the contract for Strengthening management capacities in Albanian public administration capacity development and training support. (Gottin S 2013) The Training Institute of Public Administration (TIPA) functions under the supervision of Department of Public Administration and is charged with the delivery of training for the public administration. TIPA implements the Strategy on Training of Public Administration, and coordinates and facilitates all civil service training. The new developments of the country require a new strategic vision in assessing the existing capacities, analyzing the situation and taking the necessary interventions to face the new challenges. (World Bank 2000, Albania - Public Administration Reform Project. Washington, DC: World Bank)

Enhancing the overall administrative capacity of Albania through the modernization of the Albanian public administration, and strengthening its key institutions, is among the key priorities of the EU in the European Partnership document, as well as the Government of Albania's National Plan for the implementation of the Stabilization and Association Agreement (SAA). Although most banks in the country are foreign owned, they depend largely on domestic deposits. This is partly the result of sound regulatory policies adopted by the central bank prior to the global crisis, which helped contain systemic risks. As a result, the Albanian banking system has not experienced the kind of withdrawal of funding we have seen in some other countries in the region. (Abbas, S and Christensen, E (2007)

But while we have advised the authorities to undertake fiscal consolidation, our advice takes into account the structure of Albania's debt as well as the current weak position of the economy. How quickly the fiscal deficit is brought down needs to be balanced against the need to minimize the negative effects of the consolidation on growth and the poor and vulnerable. So it is all about getting the pace of fiscal consolidation right. And we recommend spreading the adjustment over the next five years, to allow for a more gradual pace of adjustment. At the same time, to make the adjustment credible, it has to be accompanied by a solid anchor and well specified consolidation plans. We have also advised the authorities to not cut back on capital projects because such spending enhances economic activity and job creation, particularly in lean times.

Source: Dumi A "Global Advanced Research Journals" USA 2014, January

The financial collapse in 1997 was a watershed event in Albania's transition from its communist past. It highlighted the problems of Albania's economic governance capacity and, from an administrative standpoint, reaffirmed and highlighted the inefficacy of a public administration, unable to enforce its laws and regulations. As the public's confidence in Albanian institutions had been significantly eroded by the recent events, restoring the public's trust in the government became the main priority of the government. In order to achieve this objective the capacity of the public administration needed to be dramatically strengthened.²

The discussion focuses on the main identifying features of the business organization, including ownership and decision-making structures, as they adapt in differing geographical contexts. It is emphasized that the multinational enterprise (MNE), central to international business activities, covers a variety of organizations, large and small and the

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² Structural Adjustment Credit (SAC & ICR Ministry of finance, Supreme Audit Institute, year 2009, 2010
growing interactions between organizations, governmental and societal players are resulting in a broader view of the business organization in society. This argument looks at varying perspectives on globalization, often argued to be the defining characteristic of our times.

1.2 The purpose of this study

This study empirically examines the impact of debt management policies on borrowing costs incurred by state governments when issuing debt in the municipal bond market. Based on positive political theory and the benefit principle of taxation, it is proposed that states that adhere to best practice debt management policies transmit signals to the credit ratings, investment community and taxpayers that the government should meet its obligations in a timely manner, resulting in lower debt costs. The donors concurred with this assessment. IDA, starting with the 1998 CAS, considered governance and institution building as one of the central planks of its intervention and identified the need to adopt and implement reforms to build an accountable and transparent state as the most important challenge facing the Government of Albania.

Expected Outputs:
- Key central government institutions staff capacitated their skills on business planning, performance management, evaluation and risk management resulting in cross-ministerial cooperation.
- Local Governance Vision Paper developed outlining main principles and components of local governance system and provided recommendations to the government to streamline policy and legal framework including a road map.
- Albania and reforming strategy of managements.

2. Literature Review and Hypotheses

The Public Administration Reform Project aims to strengthen Albania's weak institutional and governance capacity. The project has four components. The public expenditure component addresses five elements of the public expenditure system, plus strengthening of the management of the Ministry of Finance itself: budget formulation; budget execution (treasury); macroeconomic and fiscal forecasting and analysis; accounting; procurement; and management of the MOF. The second component, the strengthening of human resource management, includes three sub-components: implementation of the recently enacted Civil Service Act; strengthening of the Department of Public Administration; and support of the establishment of an Albanian Institute of Public Administration.

The third component, policy coordination, strengthens the capacity of civil service professionals to provide the council of ministers with policy analysis and support its coordination function. The last component ensures project management and implementation, including supporting all the required project administration capacities (accounting, audit, procurement, disbursement management, monitoring and evaluation) and supports several specific initiatives for monitoring and publicizing the intermediate impacts of the government's institutional and public administrative reform program (World Bank. 2000. Albania - Public Administration Reform Project. Washington, DC: World Bank).

Over the next several years, the Albanian Government, in partnership with donors, emphasized institutional reform and capacity building and developed a comprehensive strategy to strengthen the public institutions for more effective governance. What matters over the medium term is how rapidly Albania can embark on a high and sustained economic growth path. Attracting investment from domestic and international sources is critical. In addition to the measures discussed above, the authorities need to address the constraints that hinder private sector investment in Albania today. These are uncertain property rights, weak enforcement of the rule of law, and inadequate physical infrastructure.

H 1: Most of Albania’s banks are foreign owned. In light of this, has the banking sector suffered from deleveraging?

The partnership and business take place worldwide, in a huge diversity of societies and between widely varying organizations. Actually, the business environment has become more complex, with expanding and deepening ties between societies and between the many organizations within those societies. Moreover, many large organizations now see themselves as truly global in scope, not rooted in any one society. The aim of this article is to present an overview of the international environment, highlighting the differing levels, from local and national, to regional and international.

3 Donors and government investments. IDA
4 Ida & CAS report for developing in Albania
5 Albanian Governance report, year 2009
H2: What other challenges does Albania need to tackle?

As a result of a multi-block multivariate regression model\(^6\), the implication of adhering to debt policies aimed at promoting transparency results in a borrowing cost savings in terms of true interest cost (TIC) of close to $8,000 for every $1,000,000 of debt issued (-.769, p<.10). However a comprehensive debt policy is not a significant indicator of borrowing costs. These results suggest a product of a pull push process between the economic forces of the bond market on one hand and politics on the other, pulling the administrative function toward efficiency in the former and democratic values of responsiveness and transparency in the latter.

2.1.1 Financial control and cost calculation systems

Most enterprises are used to keeping accurate records for tax purposes, often using electronic tools, such as spreadsheets, to elaborate and present the data. However, only a few of the enterprises use the same kind of tools for cost calculation, break-even point calculation, simulation and sales forecast, etc. MS Excel has built-in formulas and templates for this type of calculations, but few SMEs make use of them. Among the interviewed enterprise owners/managers, marketing skills is the number one perceived training need. Thessaloniki, (2011). The credit targeted governance and institution building to support both the public expenditure management and the human resource management agendas. It was complemented by a long series of policy based adjustment operations and extensive economic and sector-related work as well as related activities financed by other donors.


During the first years of the reform, the government focused\(^7\) on improving the legislative framework to ensure that its objectives could be achieved. By 1999, and prior to the approval of the credit under review by this ICR, the Government had identified and adopted a large number of measures which provided important institutional capacity to strengthen the public administration. Supported by the Structural Adjustment Credit (SAC),\(^8\) and Public Expenditure Support Credit, the government undertook a number of pivotal actions which defined the framework of reform. Among them, Parliament revised the Civil Service Law in November 1999, and an independent Civil Service Commission (CSC)\(^9\) was created and staffed. The recruitment of 50 civil servants under transparent, competitive, merit-based procedures as established under the human resources management legislation was completed. The Public Administration Reform Project (PARP),\(^10\) under review in this ICR, was an investment credit aimed at supporting the implementation of this ambitious reform agenda.

\(^6\) The finance theory, B Ciceri, H Xhafa January 2000, Capital Cost, (RADR)& (camp) pg 323

\(^7\) Credit report & general Albanian BANK, YEAR 2008

The Project Development, Project Appraisal Document (PAD) (Report No. 20059-ALB)

\(^8\) Structural Adjustment Credit (SAC) Report 2009 , CSC Report 2010

\(^9\) Civil Service Commission (CSC) For Micro Business Financing

\(^10\) The Project Development, Project Appraisal Document (PAD) (Report No. 20059-ALB)
3. Methodology and Research Goal

One of the successful strategies for increasing the social responsiveness is the funding of development projects in Albania. These projects are mainly focused on Health, Education, Poverty Alleviation and Environment. APA is carefully implementing social responsiveness strategies following six traditional social initiatives that according to Cutler are “six options for doing well”. (pg. 23) The first social initiative successfully implemented by Vodafone following the financing of different programs in raising public awareness in some of social concerns in the country is Cause Promotions explained as:

“…providing founds, in-kind contributions, or other resources of the company to increase awareness and concern about a social cause, or to support fundraising, participation, or volunteer recruitment for a cause. The corporation may initiate and manage the promotion on its own” (Cutler & Lee, 2005. Pg. 23)

The Government of Albania has adopted a comprehensive policy reform program to strengthen Albania’s weak institutional and governance capacity. This policy reform program is being supported by a Structural Adjustment Credit, which was approved by the Bank in June of 1999. The overall objective of the proposed Public Administration Reform Project is to provide required resources for technical assistance, training, goods and incremental operating costs that are needed to implement the Government's Institutional and Public Administration Reform agenda effectively. Coëan et al (2006)

The Development Credit Agreement (DCA) states the objective of the project to be: The objective of the Project is to assist the Borrower to improve its capacity with regard to policy formulation and coordination, and administrative performance so as to create conditions that will encourage the Department of Public Administration of the Borrower to improve their service delivery. Thessaloniki, (2011). Direct beneficiaries of the project will be the Training Institute of Public Administration of Albania and the Ministry of European Integration. The technical assistance will require a team of experts, comprised of both international and local experts, with knowledge and experience in human resource management issues and capacity building programs. It is envisaged that the assignment will be undertaken by a small team composed by two or three experts, respectively for approximately 150 person days of work and with the following skills (if necessary distributed across three experts)

This article was made created by respecting all the methodological rules.


The studies bring about interesting results on the extent to which NPM-style reforms fit the context conditions in transition countries and on the potentialities of the new field as an interpretative model. Both countries have generally started civil service reform before a structural overhaul of the PA. This condition is common to other post-communist countries (Verheijen, 2002).

3.1 Original Project Development Objectives (PDO)

The main objective of the project is to assess the existing capacities in the Albanian public administration in the framework of implementing the National Strategy for Development and Integration (NSDI) and SAA, develop a new training strategy that will focus on addressing the above specific needs, and develop the internal capabilities and capacities of TIPA to meet the strategy. (Georgy Mankiw 2002)

Bank of Albania assesses that the difficult situation the international financial markets are going through, augments the risk for the Albanian financial system. Due to certain factors related to the characteristics of the local financial activity,
such a difficult situation in the international markets is not expected to impose a real and considerable impact on the internal financial market. Pattillo et al. (2004)

However, the situation in the financial international markets remains unstable, thus its impact on the internal financial market could change. For that reason, it is needed that the financial institutions and the regulative authorities of the Albania follow and analyse carefully these events.

The methodology of this article was based in two parts: Studying the foreign and Albanian literature, bibliographic studies, collecting data from official sources as MoF, BB and EU Report in Albania, MOH, and DHR Resources and from different publications such as magazines. And practicing, which is related with the interviews with leaders and employees of the Public Administration. To collect the data for this article we made interviews, questionnaires and other researches. We created also a questionnaire, which was composed by 130 questions and 5.8% of the employees in the central level of the public administration answered.


The methodology used has passed the following phases: 1. The impact of the integration process in public administration. 2. Analyses of the current legal framework, which has undergone changes and challenges facing. 3. Highlighted improvements in civil statutes respective officers on the recommendation of the European Union. The Consultant (consulting firm) will undertake the following tasks: a) Assess and evaluate the training needs of central institutions to deliver and achieve NSDI and SAA requirements; b) Assess the existing training capacities in the public administration and TIPA's role and capacities by assessing and evaluating the coherence of the existing training curricula with SAA's requirements. c) Update the existing set of curricula of the TIPA d) Support the TIPA in drafting the new Training Strategy for the medium term period, based on the identified fields where steps should be taken and on the training needs assessment process. e) Update and design of new curricula that will address the above needs and will better support the NSDI and SAA processes.

4. Policy and Public Expenditure Management, One Important Key for Progress

Policy and Public Expenditure Management: (i) aggregate fiscal discipline including inflation rate, revenue predictability, and fiscal aggregates; (ii) strategic prioritization including policy volatility, delays in auditing, and deviation from functional appropriations and (iii) operational efficiency including representative deviation by spending units at sector level, and transparent, competitive procurement Public Sector Human Resource Management: (i) fiscally sound pay and employment practices including the number of civil and public servants in comparison with international practices, and fiscal weight of public employment in comparison with international practice; (ii) competitive and non-arbitrary remuneration including civil service pay (vertical and horizontal compression), and comparisons with the private sector; and iii) human resource management based on rules, performance and fairness including rule credibility, and limited incidence of political appointees in the civil service project were complemented by several other investment operations, including health, education, social services, land development, agriculture services. (Georgy Mankiw (2002 Pattillo et al. (2004)

It also increased the need for disparate skills within the supervision team. In this context it is important to note that the Bank tends to make standard allocations for supervision notwithstanding the project's complexity. However, these
measures would have significantly delayed Board presentation of the project and there were merits perceived to have the investment project approved at the same time as the SAC as leverage from the SAC helped spur the Government to move on key preparation elements. *Albanian report Banka Botërore, (2006)*

Given this strategic choice to go ahead with Board presentation despite the inadequate preparation of the Treasury System component, the project's implementation timeframe should have been extended to take into account the system's incomplete design. As Mintzberg has wisely noticed with reference to eastern European countries, the leap between State and private ownership can be made more easily than a more balanced shift to cooperative, non-profit and for-profit organizations. In some of these countries, 'State control seems to have given way to equally devastating control by the private sector' (Mintzberg 1996), while in others a slower and more difficult balance has been successfully pursued (Osborne and Kaposvari, 1998).

The Albania experiences provide evidence that downsizing measures can help achieve fiscal stability in the short term, while prove to be ineffective in setting the conditions for a longer term sustainable development and also give rise to some unexpected problems of their own. In retrospect, the case studies seem to confirm the position found in the literature which recommends that matters of constitutional governance should be dealt with before matters of administration; that legal frameworks should be in place before dealing with administrative arrangements; (Ministria e Financave (2012))

**5. Conclusions**

The paper aimed at addressing the issues associated with the non-diversified systemic risk, as an inherent endemic risk within Albanian financial system, caused by the monocline bank-based development approach, implemented since the fall of communism. The paper suggests, inter alia, the need to develop capital market and long-term instruments, especially corporate bonds. The Albanian economy needs to ensure a sustained economic development, which calls for a more balanced and competitive development of its financial system, based on a two-pillar approach (bank and nonbank sector) and the presence of capital market and the development of long-term instruments. Mintzberg (1996) and Osborne and Kaposvari (1998) emphasize that the leap between state and private ownership can be made more easily than a more balanced shift.

The Albania experiences provide evidence that downsizing measures can help achieve fiscal stability in the short term, while prove to be ineffective in setting the conditions for a longer term sustainable development and also give rise to some unexpected problems of their own. In retrospect, the case studies seem to confirm the position found in the literature which recommends that matters of constitutional governance should be dealt with before matters of administration; that legal frameworks should be in place before dealing with administrative arrangements; (Ministria e Financave (2012)).

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~ 338 ~
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Disruption of Albanian-Soviet Relations

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Abstract

THEME: “Disruption of Albanian-Soviet Relations” aims at presenting a part of the history of Albanian people as well as the soviet influence in the internal and external policy of our country. The relations between these two countries, whose relations where extended up to 12 years, are characterized by the close unity in the first decade as well as the divergences of the last few years. Our country, Albania, and its internal and external policies were oriented towards the communist camp, and at that time “Stalinism” was the best example to be followed. The external policy of this place changed after the death of Stalin, this was reflected even in the policy which would have been followed by the state. Nikita Khrushchev, the Stalin’s successor, followed the steps towards the “destalinization” and the reduction of the tensions with the West Europe countries. These policies followed by Hrushov contradicted the interests of the Albanian leader, Enver Hoxha, who was obliged to renounce from lots of political posts in order to punish the cult of personality. In 1959 the communist leader, Khrushchev, visited Albania, but this visit flustered even more the issues between these two countries. In 1960 the relations between them were irreparable, and in 1961 they decided to disconnect their diplomatic relations. Lets highlight the reasons that pushed Enver Hoxha toward the great Russian country and the reasons of this immediate disconnection of these diplomatic relations. These will be my main issues that I will work on.

Keywords: Stalinism, destalinisation, cult of personality, ect.

1. “Disruption of Albanian-Soviet Relations”

In the 1948–1961 Albanian – Soviet relations were intensive, even though they had been distinguished from continuous fluctuations and many controversies during the last years. When the Union of Soviet Socialist Republics broke down the relations with Yugoslavia, losing one of the eminent alliances and an important way out to Adriatic Sea, it extended it policies into Albania. On the other hand the government of Albania was trying to establish direct relations with the main power of the Eastern Bloc, BS, because before 1948 Albania did not have any favorable opportunity to secede from the Yugoslav occupation, thus this was the perfect moment. Albania was a small and a poor country, a reason which made it easily handled in international relations. Its geographical position made it an important geopolitical country and using this country the Soviet Union could easily control almost all the Albanian coast. As a result of the Soviet – Yugoslavia split, the relations between Albania and the Soviet Union became quite close. During Stalin’s leadership, Albania was trying to follow in every aspect of life the Marxist - Leninist ideology and tried to copy Stalin policy. Our small country found the necessary economic and political support to build up the country again which was destroyed by the war. But the Albanian leadership knew very well that to achieve all this they had to obey to the Soviets’ wishes. These good relations would not last for too long, until the controversies between Enver Hoxha and Nikita Khrushchev would led into the disruption of diplomatic relations between the two countries in 1961.

After 1953, Albanian – Soviet relations seem to improve. “Only a few months after Stalin’s death, relations between the two countries became very close so the first embassies rose with their own diplomatic representatives” (“Zëri i Popullit”, Newspaper, 1953). But the first divergences would soon appear. With the leading of Nikita Khrushchev the relations between Albania and Soviet Union would start a new phase, where the close friendship had been replaced by many disputes. In fact the disruption of relations did not happen within a month or even a year, as it would be alleged later by the two dictators, but it was a long process which began in 1956, the same year when Nikita Khrushchev tried to modernize the domestic and foreign policies of Soviet Union. This change would affect directly in Communist countries policies.

Even though in June 1953 Hoxha visited Moscow, he will meet the new leader of Soviet Union only after one year and where the situation inside the Communist Party was calm.”In June 1954, a few months after the Khrushchev’s denomination as the First Secretary of Central Committee of the Communist Party of the Soviet Union, along with comrade Hysni Kapo went to Moscow and we asked for a meeting with soviet leaders to talk about the economic problems that they did not solve” (Hoxha, 1980). During this visit, in 1954, the Soviet government sent a letter to Albanian
government, which was led to the Communist Party central committees. Its content talks about the revision of relations between Soviet Union and Yugoslavia. According to the soviet, Yugoslav leaders have declared recently that they were ready to improve relations with Communist countries. “In the opinion of Central Committee of the Communist Party of the Soviet Union, from the socialist camp interests, would be no reason to ignore these statements and not to lead in possibilities of improving the relations with Yugoslavia, to enforce the influence peace and democracy” (Central State Archive, 1954). The Albanian leaders would not like all this at all, because they had many unsaid things about the policy that the leading part of Yugoslavia followed.

From 1954 to 1956 Soviet Union made some steps ahead becoming closer to Yugoslavia. When Soviet Union sent a resolution in 1955 to the main Central Committee of the Communist Party of Albania, where it was the announcement about the visit of Khrushchev in Belgrade to put back diplomatic relations, Albania was unsatisfied. “In 1955 Khrushchev visited Belgrade, and a year later Tito visited Moscow. The Soviet – Yugoslav reconciliation worried Tirana” (History of Albanian People, 2008). Albanian leadership compelled to circumstances made some steps ahead to improve relations with Yugoslavia too. But the events happened in Hungary in 1956 gave the opportunity to Hoxha to find a new reason to justify its policy to Yugoslavia. In fact as it is showed in central files, even relations between Yugoslavia and Soviet Union were not better at that time. Nevertheless the efforts to co-ordinate the policies of the two countries, Khrushchev and other Soviet leaders agreed with Hoxha thoughts according to the policy followed by Yugoslavia.

Despite this, Hoxha was informed that is very important to revise the relations between Soviet Union and Yugoslavia, so that the Communism Camp would be unified in the international arena. Khrushchev could not allow that a powerful country such as Yugoslavia was very closed with the western countries, because this would meant the loss of a powerful Communist country. Thus Soviet Union pretended from Enver Hoxha to improve the relations with Yugoslavia, even though there were many problems between this two countries. “Four years later after Stalin’s death, in 1957, Enver Hoxha as first secretary of the party and Mehmet Shehu as Prime Minister went in Moscow for an official visit” (Zavalani, 1998). During this visit conflicts between the two countries become even more evident and Hoxha keeps repeating that cannot have good relations between Albania and Yugoslavia. Underpressured, Hoxha is forced to change his attitude one more time. “As a reward toward the change and their attitude, the Albanian communist regime will profit big financial aids from Soviet Union” (Duka, 2007). Even though Albania’s priority was to improve the relations with Yugoslavia and make efforts to achieve this, it was difficult because Albania a withdrawn in this process.

After 1955, when Khrushchev was sure about his strong position in Soviet Union Communist Party, he took the initiative called as the “destalinism” process. To summarize “Stalin’s personal secretariat was dissolved, the cleaning campaign was interrupted, many political prisoners were released, the act of patriarchal and state arbitrariness began to be criticized, many efforts had been made to slow down the pressure with the West etc” (Mezini, 1999). In 1956 Enver Hoxha and Gogo Nushi visited Moscow to take part in Communist Party XX Congress, where Nikita Krushchev disapproved Stalin’s individual cult. “As the definition of N. Krushchev: The individual cult has affected in the diffusion of distortion methods of building the party and in economical work, has caused flagrant violation of soviet democracy, a despotic administration, with different distortion, decoration of reality” (Mezini, 1999). The new policy followed by Krushchev would not like to Hoxha at all, he considered the "destalinism" as a process that would endangered his position inside the Albanian Communist Party.

“The Albanian leaders had little choice, but to adapt themselves to the new course after the death of Stalin in 1953, but they did so slowly and hesitantly, apparently fearful that any changes in course would disrupt the tight control the party had succeeded in establishing” (FBI Documents. Soviet-Albanian Relations, 1962). Despite the dissatisfaction that Enver Hoxha had, he knew perfectly he could not openly object Soviet Union leader, so forced by the circumstances he will disapprove Stalin’s individual cult and country bureaucracy. In this situation Hoxha gave up to his positions that he had, as a Minister, even later from his position as Prime Minister of the country.

The Albanian leadership expressed to end up the harmful practice of praising the Albanian leaders. “But the only critic of Hoxha’s individual cult was Hoxha himself” (Smirnova, 2004) Albanian leadership began the self-criticism, but not everyone could do critics. People who criticized the Party were called and accused as anti Marxist. Many important people of the Party like Tuk Jakova, who had been fired from his position as vice Prime Minister and all the others who were a threat for E.Hoxha. So Hoxha found a new justification hence Hoxha found a new justification for the next sweeping among the Labor Party of Albania.

Meanwhile problems between two countries seem to be more evident, however Hoxha and Krushchev to propagandize the friendship between Countries of Communism camp. So “15 April 1957, during a receiving at the Albanian Embassy in Moscow, Krushchev said he agreed with the words of “Albanian companions”, in what between the two countries there were “no disputes”, and neither a divergence in state, economical, partisan, ideological or international relations problems”. Krushchev was pleased because soviet points of view “in all these problems are
adapted completely with the Albanian's ones" (Dervishi, 2006). When Khrushchev declared this Albanian – soviet relations were good only apparently. The soviet leader understood that Hoxha wanted to be out of the soviet influence, in fact in 1957 Albanian Communist Party has started a revaluation process of Stalin's image. Krushchev did not react directly towards these events, he tried to threat Hoxha indirectly. He knew very well economical needs of Albania, so he thought that Hoxha could hardly objects him, this interruption would cost to Albania and albanians who depends economically from the Soviet Union.

Nevertheless conflicts between the two leadership, in 1959, seem that relations reached the peak when Khrushchev accepted the invitation of Hoxha to visit Albania. This was the first visit of such an important soviet leader in our country, for this reason it was considered as a big event. The reason why Khrushchev came to Albania were clear. “But more importantly, it was probably intended to provide Khrushchev the time and opportunity ho obtain a better view and understand- ing of Albania, its problems and its leaders, and to wipe away the residue of friction between the two countries” (FBI Documents. Soviet-Albanian Relations, 1962). At the beginning the two countries seem to force every day even more their friendship, but this visit would make evident the problems between the two parties. Khrushchev left Albania two days earlier than it was predicted. This rose the dissatisfactions of Albania towards Soviet Union.

Another reason which affected the gap between Albania and Soviet Union was the economic situation. During his visit Khrushchev made clear one more time to Albanians that he could not give economical help to them, so he cut systematically all economic aid to Albania. Hoxha asked to Khrushchev credit to build a textile factory and a factory to elaborate the oil. Krushchev about this case says: " there is not much time we gave you a new credit and you said that before the five year finishes we won’t ask anymore" (Albanian Central Archive, 1949). Mehmet Shehu answered that they had given to them only 300 million. Krushchev answered: “Why 300 million is a too little for you? Otherwise we will go tomorrow. You gave us a lunch and you ask all these things from us. This is too expensive. If we knew that we would had taken the lunch with us” (Albanian Central Archive, 1949).

Taking into account the numerous disputes between the two governments and the increasingly lack of economic aid, necessary for Albania, Enver Hoxha thought it was the right moment for a new positioning of the country in international affairs. In such a moment, finding a new ally, that would have the possibilities and the good will to replace Soviet aid was essential for the country. In fact for several years, Hoxha and other leaders of the Communist Party had found a new alternative, which would enable them to continue to govern without disconnecting from the Marxist-Leninist ideology. In 1956 Enver Hoxha visited Beijing, where the Chinese government promised to furnish Albania with the needed aid. Moreover, in 1959, relations between the People's Republic of China and the Soviet Union seemed increasingly distort. "It was in mid-October that the Albanians began clearly aligning themselves with China on controversial issues. Events surrounding the fifteenth anniversary of Albanian liberation on 28 November again pointed up the growing cleavage in Soviet-Albanian relations and the increasing warmth in Sino-Albanian relations” (FBI Documents. Soviet-Albanian Relations, 1962).

In May 1960 an Albanian delegation consisting of Gogo Nushi, Haxhi Llesi and Liri Belishova visited China, confirming the position that the CPA would hold against Chinese-Soviet conflict. Albanian new orientation was harming the country, which had already started to feel the lack of grain coming from the SU. Many industrial works were not completed, and no matter how great China was, it could not cover all the aid that came from the Soviet Union.

Problems that had already arisen in the socialist camp became even more evident in the meeting of representatives of communist parties, held in Bucharest in June 1960. “Prior to the Bucharest Conference, between our two parties and countries there existed cordial fraternal relations which may rightly be characterized as exemplary in relationships of proletarian internationalism.” (The Facts About Soviet-Albanian Relations. 1964). Enver Hoxha and Mehmet Shehu did not participate in this meeting, but they sent Hysni Kapo as a representative of the Albanian government, who at the time held the post of Secretary to the Committee central to the CPA. “The reason given for Hoxha's absence from the Bucharest Congress of 1960 was Khrushchev's decision to force the Parties of the Soviet bloc to accept his policy of peaceful coexistence” (Foreign Office Documents, 1962.). In this meeting Hysni Kapo tried to maintain a neutral stance, although in such a situation where conflicts between the SU and the People's Republic of China had reached its height, maintaining neutrality was almost impossible. The Soviet delegation asked the participating countries to criticize the Chinese Communist Party. Hysni Kapo, “after consultation with Tirana, refused to participate in the meeting, calling it necessary, that the disputes between the SU the CCP should be resolved with bilateral talks” (Smirnova, 2004) Regarding this issue, Nikita Khrushchev in his memoirs would say: "I don't remember now the name of the representative of the Albanian Party of Labor at the conference in Bucharest. But I asked him: “What's going on? He answered: "Comerade Khrushchev, I myself don't understand anything. But I have received orders to support the Chinese." (Khrushchev, 2007)

Such objection was not going to be easily forgotten by Khrushchev, so getting support from the Soviet Union
became every time more difficult. "Therefore, from this point, because the attitude of the representatives of the Party of Labor of Albania, was opposing the views of the delegation of the Communist Party of the Soviet Union in Bucharest Meeting, they began an open attack against the party and our country; there were efforts to damage Albanian-Soviet relations; unacceptable interference in internal affairs, political pressures, economic and military, which have been increasing day by day; unfriendly attitude of some Soviet leaders to the party and our country" (Albanian Central Archive, 1961). These were the statements that were said by the Albanian leaders.

The Albanian-Soviet conflict became public at the next meeting of the UN in September 1960. Chairman of the Albanian delegation was Mehmet Shehu, it seemed that Enver Hoxha was increasingly avoiding the confrontation with the Soviet leader, Nikita Khrushchev. In the eyes of the whole world, the communist camp was not unified as before, as the problems between the countries could not be hidden anymore. It was evident that the Soviet Union, who governed the foreign policy of all the communist camp, was not able to impose its will to those countries who already rejected it, before Yugoslavia, and recently China and Albania. "The conflict culminated in the meeting of the 81 Communist Parties in November 1960 in Moscow, when Hoxha, according to reports, denounced Khrushchev as "a traitor to the Communist idea, a weakening and a revisionist," and the Soviet leader retorted that Hoxha was going to pay for the offense." (Foreign Office Document, 1962) The Albanian delegation proved to be tough in the declarations during this meeting leaving no opportunity to improve relations with the Soviet Union in the future, while the Chinese delegation was more careful in the accusations made towards the SU. “Soviet leaders tried to change the situation and asked Hoxha and Shehu a private conversation, which they categorically rejected” (Smirnova, 2004). As the speech was finished, Hoxha and the delegation he was representing left Moscow immediately, not even waiting for the end of the meeting. This would be Enver Hoxha’s last visit in Moscow.

The peak of these disputes would be the conflict for the military basis of Vlora, which was built in 1957 by the Soviets. Vlora base has a favorable geographical position, it is the only such base of the socialist camp on the Mediterranean where American VI Fleet operates and where operates the main arteries of NATO for oil (Foreign Ministry Archive of Albania, 1961), for this reason it had full attention of the Warsaw Pact and SU. But since the Bucharest meeting, the Soviet Union was not fulfilling the agreement to supply the necessary aid for the base, leaving more work unfinished. The conflict for the basis of Vlora, violated the position of Albania as a member of the Warsaw Pact.

So in the Political Consultative Committee meeting of the Warsaw Pact held in Moscow in 1961, the General Commander of the Armed Forces A. Grečko, said that he would be helped in further strengthening of the military member countries of the Warsaw Treaty (Foreign Ministry Archive of Albania, Viti 1961). Albanians thought they would benefit in providing the necessary assistance for the Base of Vlora, which were interrupted by the Soviet Union, but in reality this did not happen. The base was under the jurisdiction of the Warsaw Pact and the personnel were Soviet and Albanian. The problem, after breaking relations with the SU, stood in dividing the submarines and auxiliary equipments in the base. The Soviet Union was increasing pressure on Albania, persistently seeking to return the 12 submarines that were placed at the base of Vlora. On the other hand, Albania refuses to submit the crews and reaffirms its position that the only way for the solution is the implementation of the agreements of 12 September 1957 and 3 May 1959. Albania-Soviet relations were becoming more and more irritated, and disputes between the two governments were increasingly frequent. Enver Hoxha in his work "Khrushchevites" says that Khrushchev would reflect his ideological disputes in the issue of Vlora. "It is quite clear that even in the field of military relations position was predetermined and is used only as a tool and used as leverage against our party and people, because of disagreements aroused in the Bucharest meeting." (Hoxha, 1980). To resolve this dispute Albania often approached for assistance the Forces Commander General of the States of the Warsaw Pact, A. Grecko. In correspondence with members of the Albanian government, he reaffirms the importance that this base has for Albania and all the communist Camp. On May 29, 1961, the Albanian Defense Minister Beqir Balluku, hosted a representative of the General Command of the Warsaw Pact, General-Colonel Andrejev who announced that the "Admiral Kasatonov has been in the basis for dealing with the issue of evacuation of Soviet naval forces from the base of Vlora" (Central Archive of the Armed Forces, 1961) So on 4 June 1961 the largest floating dock with 8, out of 12, submarines, under the command of Admiral Kasatonov, deserted the Albanian waters.

Therefore, the close friendship between the two countries, changed into numerous contradictions and mutual accusations between these two. According to the Soviet, the causes of deterioration of the relations between the two countries have sought to unfriendly attitude of the Albanians against the Soviets and numerous incidents that happened between them in recent years. According to the Albanians, the problems were born as a result of critical attitudes that Albanians held in the Bucharest meeting, the existence of different opinions with Khrushchev to resolve these disputes, disregard of the bilateral agreements from the SU, and above all, the deviation Hrusshov has made from the Marxist-Leninist ideology. Despite these ideological differences, it was economic necessity, caused by Moscows’s failed attempts to apply economic pressure, which drove Albania into an unequal alliance with China. (Luthi, 2008).
1961 is the year of successive collisions between Albania and the Soviet Union, whose influence would affect the attitude of other members of the communist camp. Personal interests of the Albanian leaders guided them to a new place, unknown to them so far, China.

"After these developments, on 3 December 1961, the Soviet Union has ended the relations with Albania" (Duka, 2007) pulling even the diplomatic corps from Albania. Discontinuities of these relations would have its consequences in political and economic life of the country as well, now before Hoxha, there were new enemies that needed to be discovered and imprisoned, and that sentence did not fail to come. "In the Communist world, conflicts have to take an ideological form even when the real motives may be the interests of individuals or groups or the power politics of countries. The February 1961 Congress of the Albanian Communist Party reflected this fact clearly" (Foreign Office Documents, 1962).

Meanwhile, the democratic countries were witnessing an unusual event in the communist camp, however they tried to not interfere, as they had done during the 1956 in the Hungarian revolution. The end of the Albanian-Soviet relations, was deemed a favorable situation for the West, but delicate enough to be treated and not conducive to intervene. So, Albania became part in the cycle of international relations during the Cold War. * (Nofulla, 2013).

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~ 344 ~
Albanian Parliament and Reforms in the Education Sector in 1928-1933

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Abstract

Albanian Parliament during the years 1928-1933, where National education had a broad and complex treatment. In discussions of these years, were treated issues such as amendments to the legal framework of the education system, problems of scholarship funds, territories for foreign schools, the situation of migrant students etc. Most important issues of these years, were the discussion and approval in February 1933 the Decree-Law on Prevention of Albanian students attending foreign schools and changed in April 1933 with the Articles 206, 207 of the Basic Statute of the Kingdom of Albania, which stipulates the closure of private schools in Albania.

1. Legal Reforms before the Parliament in the Field of Education during 1928

In April 1928, the Parliament discussed and approved the draft of the organic laws which were presented accurately to education -division, function, types of schools, duties of officers, teachers, students, parents, etc. Among other things in this bill stipulated that primary education was in compulsory and free for men and women, parents who do not enroll a child in school age and who do not obey school committee councils sentenced to a fine fee condemns of 5 to 100 franga in gold money's. (Notices Speaches of the Parliament, 1928, pp. 199-200).

On 1 September 1928, Albania was proclaimed Kingdom. In several meetings of Parliament, were discussed and approved articles of the Basic Statute of the Kingdom. Among them were and articles 206, 207 who refered to national education. In art 206, formulated by the relevant parliamentary committee said that: "Primary education made only in secondary schools was free and compulsory. Secondary schools and university (higher education) only disclosed to the state. The contents of this article had a lot of discussions. Xhafer Ypi, the Minister of Education stated that he had been in commission when the item was formulated and expressed opposition, that the primary monopoly of state. He asked that this be given education in private schools of Albanian citizens. For this Mr.Ypi had prepared his formulation for art nr206, stating: "Primary education for all Albanian citizens was compulsory and free schools given by the state". This proposal was accepted. (Talks of Parliament, 1928, p. 261).

Art 207 was formulated thus: "In conformity with the laws and within the principles and programs of the State received for its schools and always under the effective control of the Government, only Albanian citizens can open different private schools. Foreigners in conformity of the law, can be allowed only for agro -technical schools, and the agricultural program theory, or practice. Can also be opened from the Albanian religious communities, also religious schools with the permission of the competent ministry in conformity with the law. The necessary number of religious schools of any community, and the number of students in these schools, would be determined by the competent Ministry with the Council of Ministers. (Talks of Parliament, 1928, p. 263). This article was accepted without changes.

During this period are discussed and approved several additions and changes to the categorization of teachers appointed a law. So in April 1928 was discussed and approved the law annexes of 12. VI. 1927 on the categorization of teachers. In Art 1 said that taking the exam the teacher gave the right to pass a higher category. Not taking the exam and tried to disabling the various reports from three different inspectors to cause the collapse of the category. In Art 2 determined that teachers who had graduated or finished the normal school of state, forced to undergo for pedagogical proficiency exam after two-year in one internship and if you lose it, you will remain available by subtracting from category III to II. (Talks of Parliament, Volume 2, 1928, p. 27). Also in January 1929 discussed another standard law to categorize all teachers. During the discussions, noted debates that dealt mainly with the way the government brought in Parliament for discussion the Project of Laws. Thus Dr.Simonidhi for MP. Government urged alongside the new project, and it should bring the old that had changed, when they could not go 55 deputies in the archives to find. But Hikmet Delvina, Minister of Justice stated that, "Members must go to the archives themselves, seek and read, that is to make himself be the Government adopted what work remains to be done to them". (Talks of Parliament, 1929 pp. 467-468).

This PL(Project Law) was discussed in March 1929 and was presented for a vote along with the changes made
Among others things professor was replaced with the word teacher, who was determined and teacher salaries was based on seniority and exams taken, etc. (Talks of Parliament, in 1929, Volume 2, pp.131-134).

Meanwhile, despite the good will to undertake reforms and improvements in the education sector, was not observed any major positive result, because in most cases these reforms were not accompanied by adequate financial support, which will enable their implementation. This happened with the law annexes to categorize all teachers. These short comings were not on the sidelines of the Albanian press time at these years. They were covered with realism and criticism, and even in local newspapers of the time were close to this. "We have repeated several times – noted the newspaper "Besa", in November 1931 - is to say once again how government does not make a categorization based on quality, culture, the old service, without exception to all state civil employers, than absences will not be fulfilled and typing up as secretary of any other employee, without any comprehensive school in the city and in rest would take a hefty -salary of the teacher in the village, wich will be in misery with his cruel salary, than the situation will deteriorate, but will never improve."(Besa, 1931, p. 2).

2. An important issue in the years 1928-33 was the Albanian education and ways of administration and payment of scholarships for Albanian students, inside and outside of Albania.

Problems of this matter took an important place in Parliament. Thus, in March 1928 the Albanian Parliament approved a bill -brought by the Government for foreign scholarships for April, May and June of that year. In May 1928 they discussed the draft budget.

Budget was provided for a more internal scholarships available -161,000 gold fr; External Scholarship - 218,000 fr gold, and fine arts - 40,000 gold fr. About these items were held a series of discussions by MPs (member of Parliament). In them were deputies like was observed to lobbying for funding for fine arts, but had different opinions regarding students who would benefit scholarships. So en visions the deputy Ferid Vokopola stressed that "the Ministry of Education had done well will help to develop fine art, because the spirit was fostered not only by eating, are also needed for music and the arts". Talks of Parliament volume.2,1928,p.261). Xhafer Ypi, Minister of Education said, " If the fine arts have sent out girls and boys and if this fund enough then, they would be protected." (Talks of Parliament, Volume 2, 1928, p. 261). Sulejman Starova also supported investments for fine arts, but the main problem was with the students outside and scholarship payments for them. He stressed that, "wherever I go, Albanian students have found in cafes by making politics and some of them had not given exams someone else had entered into debt, they left without doing lessons and fled." (Talks of Parliament,Volume 2, 1928, p. 262).

Asked that he be supervised students in a way that will not go in vain all funding made. During discussions also were expressed other opinions. Said Toptani also urged Albanian students in Europe not only stood in capitals as favoritism in oldest tradition, but only in proficiency Fellowship. (Besa, 1932, p. 1)

Irregularities continued to grow especially in the provision of scholarships to persons not deserve, giving them out of competition, failure to return students to under the contract shall be returned after completion of studies, etc. Scholarships had a major impact on the budgets of poor Albanian Government and also giving them the wrong way they give opportunity for many talented students to pursue their studies. This lead to a reaction in public opinion and in various newspapers, which led to the intervention of the government. Began to take measures to regulate this issue as control of procedures for the granting of scholarships, and began their disruption. Interventions in this direction was taken by the Minister of Education Mr. Hil Mosi. In the first months of his arrival were cut 35 scholarships external and internal 100 scholarships that were given unjustly to children of wealthy families.

This initiative found its reflection and coverage in the media. Thus Mr. H. Mosi wrote in 1932 that the issue of termination of the scholarship will continue and those who had graduated were turned off and will not put on trial and would pay money spending back. The law was becoming hence the back, "not based either on poverty, nor even in the favoritism in oldest tradition, but only in proficiency Fellowship. (Besa, 1932, p. 1)

Those action initiated by his Excellence Mr. Hil Mosi ended by the energetic Minister of Education Mr. Mirash Ivanaj which in October 1933, presented a draft to the Council of Ministers, which one was approved. In this project was determinate and calculate among other that will be awarded scholarships by type of school, the amount that will be given to students for scholarships, ways of payment and cut over 700 scholarships to students studying within or outside the state, which either were unworthy or not justified by the results.

~ 346 ~
3. Parliament and the financial problems of education

Although the Albanian state had low income financial education funding issue was not on the sidelines of the Albanian Government. So in Parliament during 1928-33 were -discussed and approved additions and occasional transfers of funds in favor of the Ministry of Education. Despite this, there is achieved a great result after payments of teachers continued to be lower than the rest of the state administration. Also could see delays in payment of salaries to teachers.

In education funding and laws adopted in the bill presented for approval anticipated to contribute municipalities and residents of towns and villages. So in April 1928 was presented to the school buildings PL commotion. In art 1 determined that primary school buildings will rise to new or repaired at the expense of the population of cities or neighborhoods villages. XH.Ypi, Minister of Education said that the schools were in a very bad state, that does not deserve to be called by the name of the school, the buildings were even not for animals. He said, "These schools are not regulated, and will be destroyed (than no other project was presented in conformity with the law and enforce it first), before it even has been forced people to do these schools." (Talks of Parliament, Volume 2, 1928, p. 24).

Against this proposal ideas were some deputies. One of them deputy Rexhep Matja was declared against the acceptance of this law because according to him, "people were full loaded with heavy taxes." (Talks of Parliament, Volume 2, 1928, p. 24). However, after being brought to vote, the majority approved the Article nr.1, -where was written that residents would contribute to their costs, and will not appear in budgets of municipalities and communes. In primary state just pledged to pay the salary of teachers, and the establishment of the schools, should be provided by the municipal fund.

 Debates were noted in early April 1928 on the proposal for the obtaining of a 2% tax from municipalities for the development of national education. Issues about these discussions was if municipalities should incluse the tax burden, or should have to take it by the government found. Mr. F.Rusi appeal that "no sacrifice of 2% as the others had to make to the budget of municipalities". This sacrifice should be done because the state paid millions and to the municipalities were given the right to collect more taxes and it was not serious why would to pay 2% for national education. Mitlo Tutulani expressed his opposition of paying this tax by municipalities. He stated that this fund should be given by the government, which should help municipalities and used other sources. (Talks of Parliament, 1928, p. 184).

This debate continued in other meetings. In late April 1928 discussed the municipal tax abrogation of 2% for national education and 1% for pensions. Report of the committee on education,finance, administration required the abrogation of only 2% for education and uphold the 1% for pensions. After much discussion it was decided to vote the bill abrogation from the government of that both taxes. (Talks of Parliament, Volume 2, 1928,p. 169).

In 1928 Albania after this were noticing an increase in foreign schools. Lands were taken by these schools in Albania like Greenfield, either as ground for professional staff practices and brought to occasional debates in Parliament. So in May 1928 several MPs(Member of Parliament) demanded explanations from the Minister of Finance on the issue of one land in Lapraka, who was awarded the American Technical school. They stated that it was state land that was given to U.S. and after school was out a somewhat thriving private equity and had taken documents. For this they sought clarification of the Minister of Finance .M.Tutulani, member of the Government, wich stated that he was unaware of it, but demanded to be put on the agenda, to study and after this will be able to give answers. ( Talks of Parliament, Volume 2, 1928, p. 273).

In early March 1931 was time to discuss the draft contract signed between the Ministry of Education of the Federation Est Near New-York on the building of the Albanian-American Institute. This institute will land up in Kavaja. This Institute would be for 100 boys and 100 girls who will be to specialize in agriculture. Students will be scholarships that will be paid by the Government and by the Institute. It is worth noting that Albania had received supportive measures regarding the establishment of this Institute. Thus, the Article 8 of the draft contract, stipulates that "all things that should be founding the Institute of buildings for education, exercise and vessels were excluded from every school and municipal duty in the present and in the future." ( Talks of Parliament , 1930-1931, p.245). After reading the draft contract of this in Parliament, discussions were noted. So Member of Parliament Mr Izedin Beshiri MP demanded to know, if that these lands that, were given to the Institute, were private, or municipal and if was state property or were private or were dispossessed? His Excellence H.Mosi Minister of Education in his reply stated that some lands were private, but are to be expropriated after a year. R.Mati expressed that they were happy to be upheld school, but the dismemberment of the people of the village, can not allow, because the statute prohibited. He said that in this regard "before a year had been taken in 1300 dynym (thousand meter2) and were not paid or pauper money and some did not even where driving a yoke of oxen."(Parliamentary Talks, 1930-1931, pp. 246 - 247).

Discussion on American school lands in Kavaja continued for some other sessions in Parliament on March 11 .. So in 1931, more deputies like R.Mati, S.Toptani, S.Stavri, presented an official document from the office where indicated
in Kavaja mortgage that 200 acres of land that had been taken from the American school in Kavaja were communal property and wanted to see it coming and talking on the agenda. S. Toptani said, "it was not right that you were involved in village and school lands may find a different place." (Parliamentary Talks, 1930-1931, p. 317). What came after was to have prayer meeting focused on the population of the villages of Municipality of Kavaja on pastures that were expropriated in favor of the American school. Mr Mihal Kaso attracted Parliament observed on two points: 1) Property was expropriated from villages without giving the rights duty; 2) the Director of American school had put up in the municipality meadows and pastures unfairly. He asked that on these two points to discuss and to decide only the Parliament. (Parliamentary Talks, 1930-1931, p. 323) MPs (members of Parliament) were divided into two positions regarding this issue. One party was against giving land without first Institute indemnity, while the other party was in favor of granting land and later became reward. Mr Abdurrahman Dibra says that according to the new regulation, "the commission must submit a report should show all the actions that he had made inquiries on this issue or at the end of each month to submit a report Presidency together with a list of prayers and demands. So it was decided that the request of residents will be returning again to the committee for parliamentary discussion. (Parliamentary Talks, 1930-1931, p. 323)

4. Parliament and the Decree-Law of 14 September 1932 on the prohibition of Albanian students in foreign schools

In the early 1930s we have a cooling time in the Italian-Albanian relations. "Signs of worsening relations seem that in October 1930, when the King Ahmet Zogu warned in 1930 that there was no intention of repeating the Pact of Italian-Albanian 'friendship' (1926), whose terms ended in This year." (History of Albanian People, Volume III, 2007, p. 309). The goal was secession from Italian influence and attempted a rapprochement with the Balkan countries. For coping with the situation created by Italy, King needed public support. To achieve this, should be closer to their concerns. One of the biggest concerns for the public and constituted Patriots teachers, increased foreign schools and increase the number of Albanians who attended these schools.

Foreign schools had different functions. There were minority schools, professional, religious and school for children of foreign citizens. So Italian primary schools 'de jure' were set up for children of nationals Italy to Albania, but their aim was to include as many Albanian children. (Gogaj, Italian Educational Influence and Resistances v. Influence and Resistance and it's Albania, 1980, p. 33). Albanian students in these schools were often under the influence of an ideology that feeling violated national and state secularism. With the advent of education in terms of H. Mosi situation began to change. He was a partisan of secularism and patriotic-education. So with the July 24, 1930 along with Mr. Alexander Xhuvani the Government to submitted a report which among other things required the review of scholarship, substitute incompetent teachers, increase the budget for teachers, the nationalization of the Greek minority schools and gradually National Italian and American schools. In support of this position in August 1932 he presented to the King with a prefix urged the nationalization of schools. (History of Education and Pedagogy Albanian Thoughts, 2003, p. 437) Nationalization, went along with the intention of laicity of state schools. So the problem still remains the question of teaching religious subjects in state schools. For this was the feed-back from the patriotic teachers. These reactions were reported in the Albanian press- organs. So in the newspaper - 'Democrat' in April 1930 - in an article of its historical evolution as talk of religious schools, made a call to the Minister of Education, among others was required, "harmful anarchonism religious learning in state schools expects exterminate deadline from you. The precious veterans that you will find with a very large moral reward, cut and support your hand all those thorns that have remained in the beautiful garden and single national entity, which is the primary school. "Mr Hil Mosi you are lucky!" (Demokratia, 1930, pp. 3-4).

An important role in terms of nationalism and secularism played and also one education magazine "New Education". This magazine had on its staff patriots and professional teachers. In December 1931 an article in this magazine among others stated that, "We hope that the parliament's, has left the hatch for an intervention of the state to religious authority in the right education, the right of the state entirely. Cannot be tolerated in any way, that the formation of conscience, a free citizen left in the hands of irresponsible. Religious authority should understand that religion and state are completely separate things." (New Education, 1931, p. 339). With the constant interventions and teacher measures of the Ministry of Education in the year "1931 was reached that the teaching of religion was off school premises or at least outside official school hours." (Gogaj, Reactionary attitude of the clergy in education, 1972, p. 128).

In the south of Albania's Greek minority schools existed. These schools for many years were out of focus and control of the Ministry had exceeded their powers. In these schools conditioned disrespect, the programs of the Ministry of Education, etc. not using the Albanian language. In 1932 Jani Minga Inspector of Education, after a series of raids carried out, had concluded that "minority schools were turned into barracks with active soldiers, uniformed Greek ideology,
subject to their apostolic task force. Therefore he sought the closure of these schools and putting them under the direction of the Albanian state. *(History of Education and Pedagogy Albanian Thought, 2003, p. 433).

The Albanian government under the Fundamental statute had the right to issue decree-laws, on important issues even when the parliamentary session had ended. Then the DL (Decree-Law) was discussed in Parliament when he gathered. On September 14, 1932 came the Decree-Law which prohibited the Albanian students to attend primary and secondary schools abroad. At this time Parliament was closed. This document does not require the closure of these schools but only by Albanian students to attend these schools.

Decree-Law is presented for discussion in Parliament in early February 1933. Among other things in this DL approved by the government stating that: Father and in the absence of the mother, grandfather or grandmother or guardian Albanian nationals whosend their children to foreign schools within or outside the U.S. primary persecuted by two to six months imprisonment and a fine amount of 500 to 1000 fr. of gold. Albanian students who had completed their studies in national schools under the same conditions were right; the candidacies of roughly preference for government employers on those who had completed their studies in Balkans schools states. Albanian students who attending classes in Occidental foreign schools and returning to Albania without exhausting experience were not accepted in government employers candidacy (without supplement their lessons in state schools). Albanian students who had reached adulthood and attended classes in a foreign schools with scholarships to foreign countries without the permission of the Ministry of Education were persecuted: a) with imprisonment of up to two months, b) with the exception of any each respective officers to government three years from the date of the receipt of the diploma. *Parliamentary Talks, from 1932 to 1933, p. 58).

In the report submitted by the Government justifying the Parliament, said that the situation of conducting the studies by Albanian students abroad had become quite problematic, and this situation had forced the Ministry of Education to take preventive measures and to occasionally have been taken three previous decisions by the Council of Ministers No. 192 dated 8th -1927 VIII, No. 848 dated 13-XI-1928, No. 387 dated. 9-V-1929, but these decisions had not provided any certain effect. Then this ministry was necessary to develop a special DL(decret –law). With the application of this decree-laws was believed that this ministry would be closed once the best way to study all boys in primary schools and secondary thus ensuring a sound moral education of the next generation of patriotic. *(Parliamentary Talks, from 1932 to 1933, p. 59).

Most of the deputies was agreed to approve the DL of Government. The only member who did not join the majority was Thoma Orologja who said he was against the conviction of those who study foreign scholarships and would like those who had finished ahead of them Albanian schools with foreign schools. He stressed that the DL was premature, because our schools have not reached that stage as to compete with foreign schools. Education Minister Mr Mirash Ivanaj was against him and replied that, *the state's interest is to educate the younger generation and foreign schools can't totally educated even with our interests. Government has the right to take action because if Albanian students take a foreign politely, could the state tomorrow that these will entrust to guard the border? * *(Parliamentary Talks, 1932-1933, pp. 60-61). He stated that our schools draw students who had continued universities abroad.

During discussions of the Government Parliamentary Committee DL suffered some changes. Thus paragraph of Article III (1) was amended unanimously this: Excluded parents and guardians of children who for any reason a family living abroad. Article 3 was removed. Section 4 of Article 3 placed and changed in this way: Albanian students who have reached age 18 and who attend class in foreign schools with scholarships to foreign countries without the permission of the Ministry of Education punished, a) with imprisonment up to two months, b) with the exception of any government official to three years from the date of their graduation. For students who have not attained the age of 18 in terms of criminal liability, the penalties is in paragraphs. Thumbnail applied to parents or guardians or their tutor as following order as shown in Section 1. Commission had decided to proceed with an additional article this transistor DL with number4 that sanctioned: students who are found before the entry into force of this law, with scholarships to foreign countries, forcing them, or their parents or guardians or carers within three months from the date of publication of this law, only to make an announcement Ministry of Education on the state of their stock. If they would not have notice of the deadline, they will be punished as after section three of this law. *(Parliamentary Talks, from 1932 - 1933, p. 102). On 20 February 1933 the DL and was eventually passed into law. *Shortly in Summary we can say that the reforms undertaken in the education system over the years 1928-1933 brought:*

First: improvements in terms of primary education, teachers and categorization problem scholarship. During these years were observed opposing views if primary education, which should be exclusive of the state, or should be private and, on the way of giving foreign school territories and funds for financing education.

Second: King policy, the reforms work and dedication of patriots- teachers , prepared the way for secularism and nationalism Albanian education.

Third: Decree-Law of 14 September 1932 marked a major step towards about the nationalization of education and
set the stage for major reform in the Albanian education, devised and directed by Mirash Ivanaj, reform which will be addressed in one other work.

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International Commercial Arbitration as an Alternative Method to Solve International Commercial Disputes

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Abstract
The institute of international commercial arbitration, improving especially in the twentieth century, is considered as an important alternative to resolve disputes. Currently, in international commercial contracts the agreement of which way to choose in order to solve possible disputes, occupies a central role in the contractual provisions as a whole. The rapid development of international trade, the increase of investments in foreign countries that operate each with their own legislations, the need for an agreement to be found as soon as possible and for the process as a whole to respect confidentiality and to apply the rules of procedure in a flexible way represent significant reasons why disputing parties prefer international commercial arbitration to judiciary. The analysis of such advantages as well as of the different types of international commercial arbitration with a special attention to the Albanian law concerning international arbitration will be the focus of our paper.

Keywords: International Commercial Arbitration, International commercial disputes, the advantages of arbitration, arbitration agreement, arbitration clause, the principle of confidentiality.

1. Introduction

The arbitration\(^1\) as an institute of law represents a private system for reviewing disputes. Parties who choose to arbitrate their dispute have excluded the resolution in any juridical system. In most instances, the arbitration process means a final and binding decision to be implemented. Decision makers (the arbitrators), usually one or three, as a general principle are chosen by the parties. Parties also are those who decide whether the arbitration process will be administered by an international arbitration institution\(^2\), or ad hoc arbitration\(^3\). The rules will apply to the administration of the arbitration process are institutional arbitration rules, or other rules chosen by the parties. Besides the selection of arbitrators and the rules to be based on the entire arbitration process to be followed, the parties may choose the place and the language of arbitration. Such a process, gives to the parties substantial autonomy and control to be exercised for resolving their disputes. This is particularly important at international commercial arbitration as the parties do not want to be subject to the jurisdiction of the other party’s court system. The arbitration, offers a more neutral forum, where each party believes that, will have a fair hearing.

Furthermore, another characteristic is the flexibility of the arbitration process which means the opportunity to adapt such a process to the parties needs, and the opportunity to select arbitrators who have knowledge in the subject of dispute arbitration, make the arbitration more attractive as an alternative method to resolve disputes.

\(^1\) Huys and Keutgen, page 21, para.21 “a form of dispute resolution which is based on a private agreement and which leads to a decision having res judicata effect. Such decision is the result of the activity of one or more individuals whose power to determine the dispute derives from the common will of the parties”

\(^2\) A. Redfern and M. Hunter 2004, page 47, “An “Institutional” arbitration is one that is administered by a specialist arbitral institution under its own rules of arbitration”

\(^3\) A. Redfern and M. Hunter 2004, page 47 “Ad hoc arbitration si one which is conducted pursuant to rules agreed by the parties themselves or laid down by arbitral tribunal.”
2. Party Autonomy in Arbitration Process

The substantial principle of the parties’ autonomy in the arbitration process is defined at all laws and international conventions with a focus on arbitration. This important principle consists in itself the core of arbitration as an alternative method of resolving the disputes. Simultaneously it is connected closely with the freedom of parties to choose the method of resolving disputes arising or to be arised in the future. Even the parties based on such a principle have the freedom to design the whole process as per their will.

The autonomy principle of the parties is described from the authors Redfern and Hunter as in the following:

“Party autonomy is the guiding principle in determining the procedure to be followed in an international commercial arbitration. It is a principle that has been endorsed not only in national laws, but by international arbitral institutions and organisations. The legislative history of the Model Law shows that the principle was adopted without opposition.” 4

Even in the important act in the field of arbitration the UNCITRAL Model Law at its article 19/1 it has provided this principle as cited below:

"Subject to the provisions of this Law, the parties are free to agree on the procedure to be followed by the arbitral tribunal in conducting the proceedings". 5

In the same time even at the Act of Arbitration of the UK of the year 1996 at its section 1(b) defines that the dispositions of the first part are founded on important principles on which it is comprised even the principle of the parties' authonomy, highlighting so the importance of such a principle as follows:

"the parties should be free to agree how their disputes are resolved, subject only to such safeguards as are necessary in the public interest." 6

So, the parties’ autonomy at an arbitration process is essential. Its importance is found:

▪ First, for the fact that there might not be an arbitration process without the consent of the parties, and
▪ Second, if such consent exists than they may decide the assignment of ad-hoc arbitration or an institutional arbitration, assignement arbitrator(s), the procedure to be followed for resovling the dispute, material law and a serie of important elements related to the arbitration process.

Many agreements between parties today include arbitration clauses with an explicit choice of law, and, in keeping with the principle of party autonomy, the parties’ choice of law is “invariably” applied by arbitrators. 7

While the parties have an agreement for the way of resovilng the disputes, the consensual nature of arbitration demands that the way in which they have chosen to resolve their disputes, be respected in every way possible.

3. The Effectiveness of the Arbitration Process

The arbitration as an alternative method of resolving disputes it is considered as effective. Its effectiveness is found as an advantage focusing the analysis at its two main features. They are:

▪ First, the arbitration as a quick means for resolving the dispute, and
▪ Second, the opportunity that creates the arbitration to maintain the continuity of relations among parties involved in the dispute.

In the Arbitration Act 1996 (UK) it is defined clearly the objective of arbitration is the resolve of the disputes from an impartial tribunal without unnecessary delay or expense.

".the object of arbitration is to obtain the fair resolution of disputes by an impartial tribunal without unnecessary delay or expense"8

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5 Article 19(1) of the UNCITRAL Model Law;
6 Section 1(b) of the Arbitration Act 1996 (UK);
7 W.Michael Reisman Et Al., International Commercial Arbitration: Cases, Materials and Notes on the Resolution of International Business Disputes 712 (1997);
8 Section 1(a) of the Arbitration Act 1996 (UK).
In this way it is seen that the arbitration process cannot be equalized with the court litigation, because its core (of the arbitration) stays on the soonest resolve and without unnecessary expenses. The parties reach to this point through the opportunity that they have to exercise a larger control to manage the time of procedure, the flexibility of the arbitrators to be adapted to the needs and will of the parties to resolve the dispute as soon as possible.

The international commercial arbitration reaches a sooner resolve, because the procedures are less formal than in a court process. The limited right for the appeal against the arbitration decisions means that the resolving of the dispute will not be dragged on in a long appeal process, and in such a way parties reach sooner at a final decision. The sooner the parties resolve the dispute the quicker they may concentrate on their businesses.

The court litigation of commercial disputes has a trend to impinge the business relations judging the parties as well as due to the nature of process development itself which encourages for "revenge".

Anyhow, there will be always a winner and a looser, and the parties, especially from the world of business, are interested to maintain the relations among them and the the only way which offers such an opportunity is the arbitration.

4. The Arbitration is Less Costly than Court Litigation

The cost of the arbitration process referring to its ideal form eventually is another advantage which it is characterized. Assuming the time is a cost for the parties, the longer the procedure proceeds the more the process will cost. The “Cost” element should be dealt with in complexity with the developments that the international arbitration institute represents today.

There are cases that the arbitration could lead really on high costs. This means that, if the parties have chosen an institutional arbitration (for instance ICC, LCIA) which from the procedures development point of view, are looking like nowadays, more to court litigations where respectively, the costs are higher. These costs, for the parties, would include, travelling expenses, accommodation for the arbitrators, fees for the arbitration sessions, and so on. In several processes, there might be raised the need for expertise of a certain field, which means additional costs for the parties, for example:

Article 37/1 “The costs of the arbitration shall include the fees and expenses of the arbitrators and the ICC administrative expenses fixed by the Court, in accordance with the scale in force at the time of the commencement of the arbitration, as well as the fees and expenses of any experts appointed by the arbitral tribunal and the reasonable legal and other costs incurred by the parties for the arbitration”.

Such fees and expenses are usually encountered at court litigations, which mean that the arbitration is looking like more to court litigations, making it less efficient costwise. These factors give a deviation to the arbitration from its core.

Nevertheless, we should reflect related to this characteristic of the arbitration, as the costs will depend from the attitude of the parties, their representatives and of the arbitrators. In the same time, if we refer to the real nature of the arbitration, this means a quick process, effective, limited appeal right against final decisions of the arbitration, and at last, an efficient cost for the parties. So, the arbitration in its ideal form should be accepted as it is much cheaper than court litigations.

5. Privacy and Confidentiality

One of the quoted priorities of the international commercial arbitration, different from the court litigations, is the private procedure as well as the award of the decisions is normally confidential, unless the parties have agreed otherwise. Such a characteristic of the arbitration is considered proper especially for disputes where companies from the business world are involved.

Anyhow, in an arbitration international commercial process it is important to understand the difference between the confidentiality and the privacy concepts.

The privacy means the fact that, in the absence of an otherwise agreed procedure, the arbitration process is not disclosed for the public. This means that as a general rule of the arbitration process is private compared to the court litigation where the main rule is to be public. According to such a rule, in arbitration process no one else can participate except the parties involved in the dispute.

This attitude is kept even from the authors Redfern and Hunter whom quote that:

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9 ICC Rules of Arbitration are used worldwide to resolve business disputes through arbitration. The current Rules are in force as from 1 January 2012. Article 37/1: Decision as to the Costs of the Arbitration
10 Gary B. Born, International Commercial Arbitration (2009), 2251;
“International commercial arbitration is not a public proceeding. It is essentially a private process and this is seen as a considerable advantage by those who do not want discussion in open court, with the possibility of further publication elsewhere, of the kind of allegations which can and do arise in commercial disputes – allegations of bad faith, of misrepresentation, of technical or managerial incompetence, of lack of adequate financial resources, or whatever the case may be.”

The privacy in such a process compounds a principle and it is important to highlight that it meets completely with the nature and the kind of disputes (international commercial ones). Even ICC Rules of Arbitration which are used worldwide to resolve commercial disputes through arbitration provide similar situation related to the privacy that, without the approval of the court of arbitration and of the parties involved in the dispute, no one else can participate in the process:

“Article 26/3 Hearings

“...The Arbitral Tribunal shall be in full charge of the hearings, at which all the parties shall be entitled to be present. Save with the approval of the Arbitral Tribunal and the parties, persons not involved in the proceedings shall not be admitted.”

Similar attitude is stated even at the most important international act, Uncitral Rules of Arbitration next to the Uncitral Law of Arbitration, sanctioning the privacy as an essential principle in its 28 Article where:

Article 28 Hearings

“...Hearings shall be held in camera unless the parties agree otherwise...”

While the concept of confidentiality is represented different from the concept of privacy where, first in contents and as second in the way of sanctioning it in the international acts or national law with focus the arbitration. We explain herewith below in more details both facts:

First: The obligation of confidentiality requires the parties not to disclose information about, or information obtained within the arbitral process to third parties. In this way confidentiality in arbitration process is represented as an obligation that the parties should comply with. Such an obligation should be regulated from the parties themselves. They should keep the confidentiality related to a certain information where included, but not limited to: the arbitration process between parties, documents, materials or informations prepared for such a process, facts stated or written, the content of the final decision, and so on.

Second: from the point of view of the sanctioning of such a principle at international or national acts with focus the arbitration, the situation is not harmonized as applied at the privacy principle. Eventually, the national laws have different approaches, even the Model Law UNCITRAL related to the confidentiality of the arbitration decisions forwards to the parties to be regulated or to the arbitration rules preselected from the parties.

Such a situation is quoted even from the United Nations Commission on International Trade Law [UNCITRAL], at Notes on Organizing Arbitral Proceedings according to which:

“There is no uniform answer in national laws as to the extent to which the participants in an arbitration are under the duty to observe confidentiality of information relating to the case. Moreover, parties that have agreed on arbitration rules or other provisions that do not expressly address the issue of confidentiality cannot assume that all jurisdictions would recognize an implied commitment to confidentiality.”

To this purpose, in such a situation, the parties are those who have to provide dispositions in clauses or agreements of arbitration related to the confidentiality and its extent. In all these cases where the parties are not completely clear on the extent of the confidentiality, it is the the arbitration court to advise discussions with the parties.

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12 ICC Rules of Arbitration are used worldwide to resolve business disputes through arbitration. The current Rules are in force as from 1 January 2012, Article 26/3;
14 Gary B. Born, International Commercial Arbitration (2009), 2251;
and, as far as is possible to make evident all the principles of non-disclosures for which parties have agreed.

To understand the confidentiality principle there are of interest even the court decisions which are stated in relation with this subject, where one of them it is the decision awarded from English Appeal Court for the case Hassneh Insurance Co. of Israel v Mew. In the follow there is an abstract from such a case:

5.1 Background

The plaintiffs, Hassneh Insurance, reinsured the defendant, Stuart Mew, under various insurance contracts placed by Heath. Arbitration took place, and the defendant was unsuccessful. He therefore wished to proceed against his placing broker, Heath, on the basis of negligence and breach. That action was not the subject of an arbitration agreement, and to prosecute his claim in the courts successfully the defendant sought to utilise the series of documents that had come into his possession during the previous arbitration. The documents included both documents that had specially been brought into existence for the purpose of the arbitration, such as the pleadings, witness statements and transcripts, as well as other documents that the plaintiffs discovered in the arbitration.

The plaintiff, Hassneh Insurance Co., claimed an injunction to restrain disclosures by the defendant of the requested documents. They claimed that it would be a breach of confidentiality.

5.2 The Court Decision

Mr Justice Coleman ruled in favour of the plaintiff, and issued an injunction to prevent disclosure of the material. The Judge based his decision on an assertion that the release of the subject documents would amount to a breach of confidence.

It is of interest to highlight that the principle of confidentiality is an important advantageous feature in the arbitration process, notably for the companies of business world, and especially while they have to deal with commercial disputes at which are included intellectual property secrets, where there is a concern of disclosure, damage of the reputation or of the position in the market, etc. In this way, the parties should negotiate with each other for establishing dispositions related to the confidentiality in the clauses or agreement of arbitration.

6. Arbitrator Selection

At the International Commercial Arbitration, the will of parties involved in the process is determinant. It is extended at the right to appoint the arbitrator(s) (as person(s)) and the compound of panel even as for its number. Such a right should be considered as an advantage referred to the court litigation. The parties have the right to choose the arbitrators evaluating their qualifications related to the characteristics of the arbitration in subject. Those qualifications may refer to the following elements: subject expertise, reputation of competence related to the dispute in subject, experience, availability, commitment and capability to manage an effective and efficient arbitration process.

The right of the parties to choose arbitrators with particular expertise and competence is of a paramount importance, referred to the court litigation of commercial disputes where the judge are appointed in random without taking into account whether they are qualified properly for the disputes in subject. Another important advantage is the right to determine the number of arbitrators forming part of the arbitration panel. At UNCITRAL Model Law on International Commercial Arbitration (1985), with amendments as adopted in 2006 it is sanctioned the right of parties to determine the number of arbitrators as quoted below:

Article 10/1. Number of arbitrators

* The parties are free to determine the number of arbitrators,...
In this law, it is sanctioned even the general rule for the number of arbitrators forming part of the arbitration panel, whether the parties have not provided prior related to the subject:

Article 10/2. Number of arbitrators

“…Failing such determination, the number of arbitrators shall be three…”

Finally, the international commercial arbitration gives the opportunity to choose the arbitrator or arbitrators with the proper professional knowledge which is only one factor to be considered but not of minor importance related to the reliability and costs of process. Other abilities to be taken into account from parties for the abilities of arbitrators might be; availability, ethics, managerial capacities, experience for careful examination of previous disputes similar to the subject. If the arbitrator or arbitrators hold these features than the arbitration process is much more hopeful.

7. Albanian Legislation in the Field of Arbitration

The Arbitration Institute is regulated through a special chapter of the Civil Procedures Code (below referred as C.P.C.) of the Republic of Albania, articles 400 – 439. Examining these articles, it can be seen, a division in two parts consisting on national arbitration and the international one. In this chapter of C.P.C. there are provided the general arbitration rules. Referring to the C.P.C., any propert claim or request deriving from a property relation, might be subject of a judgement of arbitration. The parties are free to choose the method of conflict resolution guaranteeing the principle of parties’ autonomy. They have the right to determine only the procedural rules of arbitration and the arbitration place. The parties have the right to choose through the arbitration not only eventual conflicts but even those that might arise in the future. Even in case of conflict due to which parties are addressed for judgement in the tribunal jurisdiction, they may reach to an agreement during judgement and may transfer it for resolution at the arbitration. At the C.P.C. it is stated that the arbitration agreement is invalid if it is not determined the way of appointment of the arbitrator(s) and of the dispute subject, if the latter has occurred. For the determination of the rules of procedure the parties have full freedom provided that to respect the principles, guarantees for a due process. The arbitration decisions are of the enforcement form to be applied. The appeal for arbitration decision is limited to procedural reasons and the competent authority for the examination of appeal is the Appeal Court which may repeal or change the arbitration decision and may decide for the basis of the dispute, but not going beyond the mission of arbitration determined by the parties. There is no appeal form allowed for the decision of the Appeal Court. The execution of the arbitration decisions is performed in the same way as in the cases of decisions from formal courts.

Despite the provisions in this law for the arbitration it is noticed the need for intervene in structure and its contents. In our legislation, can be noticed the lack of important elements of arbitration such as cases of effects of neglect, the case of the freedom of form at the final stage of the arbitration agreement, etc.

While, as for the dispositions regulating the international arbitration they are rescinded. Referring to the globalization where our society is involved, it is an important and immediate duty to compile new dispositions in full accordance with international acts in the field of arbitration.

8. Conclusions

It can be noticed nowadays that the arbitration is playing highly every day an important role in the resolution of international commercial disputes. The Institute of Arbitration provides the opportunity to resolve the international commercial disputes from a neutral decisionmaker and reliable entity. The guarantee for the execution of the final decisions assured this from the international acts (The New York Convention 1958), the parties’ autonomy as for procedural regulations, effectiveness, application of the privacy and confidentiality principles as well as arbitrator selection make this process much more attractive that the court litigations. In conclusion, as the most suitable way to
resolve international commercial disputes, the international commercial arbitration is becoming every day more a massive culture for resolving international commercial disputes.

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Investigating Entrepreneurship Resilience and their Adaptive Capacities to Extreme Events: The Review of the Stabilisation and Association Agreement (Saa) Priorities

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Abstract

In this paper research we want to present the new low re forming in public administration system in Albania. Like any robust reform process, we face significant challenges across a spectrum of efforts. Designing country strategies was more time and labor intensive than originally anticipated, particularly because a large number of partners were engaged in the process to determine tough trade-offs. In the year ahead, we will continue to prioritize the development of country strategies and enable better coordination with our partners to reconcile competing priorities and focus on areas where we each have a comparative advantage. Regular political and economic dialogue between the EU and the country has continued through the SAA structures. The Stabilisation and Association Committee and Council met in March and April 2013 respectively. Meetings of six subcommittees and a meeting of the special group on public administration reform were held. Albania participates in the multilateral economic dialogue with the Commission and the EU Member States to prepare the country for participation in multilateral surveillance and economic policy coordination under the EU’s Economic and Monetary Union. Our effort to focus our assistance programs has been successful for the past two years either because we successfully exited from sustainable projects or because our programming was too minimal to have a true impact. As we look ahead, we must continue to make tough choices and use each country’s strategy as the backbone for decision-making to ensure the greatest development impact.

Keywords: Law system, Legal Economic, Legal Institutions, Investigating, Entrepreneurship Resilience, Public needs, Decision Making

1. Introduction

Entrepreneurship has become a word of the day. Policymakers, economists, academics and even university students are talking about it. Seminars, conferences and workshops are being organized every year across the world which emphasized the importance of entrepreneurship to the economy of a country, society as well as individual development (Béchard and Toulouse 1998; Schaper and Volery 2004; Matlay and Westhead 2005). Entrepreneurship can be regarded as an “employment opportunity”, helping people to get self-employed. (Kume A, Shahini B, Kume V)

1.1 Theoretical framework and administrative Albanian reforms

Administrative reform has been a particularly challenging area across most post-communist countries, especially in the Balkans region where, in addition to post-communist challenges, the states are also ravaged by political instability and not least civil unrest. Albania is a case in point. The administration is routinely staffed on the basis of politics rather than professional criteria, which has in part influenced the poor caliber of the whole administration. Politicization trends do not exempt the thin layer of more protected civil servants, whose career is regulated by specific laws. Hence, the country is a good case to assess whether EU enlargement conditionality has played a role to improve the record of reforms.
The article, thus, analyses the role of EU conditionality in reforming state institutions, focusing on the specific case of civil service reforms in Albania. (Elbasani A, 2004). Albania needs to complement stability-oriented fiscal and monetary policies with structural reforms to ensure long-term sustainable economic growth. Albania will have to address the high levels of budget deficit and public debt and its short term bias. Moreover, it will need to improve fiscal predictability by reducing the recurrent overestimation of revenues and by collecting taxes more efficiently. Improving the business and investment environment is essential for diversifying the economy and boosting its long-term growth potential.

Today, entrepreneurship is regarded as one of the best economic development strategies to develop country's economic growth and sustain the country's competitiveness in facing the increasing trends of globalization (Schaper and Volery 2004; Venkatachalam and Waqif 2005). (Kume A, Shahini B, Kume V)

For most people, the popularity of entrepreneurship is largely due to the positive effects it has on many countries as a catalyst that creates wealth and the generation of job opportunities (Gurol and Atsan 2006). More specifically, entrepreneurship is a major engine driving many nations' economic growth, innovation and competitiveness. (Kume A, Shahini B, Kume V) At the same time, most studies have shown that there is a positive relationship between entrepreneurship and economic growth in terms of job creation, firm survival and technological change (Karanassios, Pazarskis et al. 2006). This could, inter alia, be achieved by reinforcing the rule of law, tackling corruption and addressing payment arrears, as well as developing infrastructure and enhancing human capital.

Source: Wealth and the generation of job opportunities, (Karanassios, Pazarskis et al.)

The informal sector remains an important challenge. The Stabilizations and Association Agreement (SAA) continued to be overall smoothly implemented and Albania continued aligning its legislation to the requirements of the EU legislation in a number of areas, enhancing its ability to take on the obligations of membership. Improvements were made in areas such as public procurement, statistics, justice, freedom and security, and customs. Albania needs to make additional efforts to ensure effective enforcement of intellectual and industrial property rights, and pay particular attention to the energy sector, including the diversification of energy sources, the functioning of the electricity market, addressing concerns over network losses and low bill collection rates.

It also needs to address the issue of VAT refunds with determination, including as regards existing backlogs, and to reinforce environmental protection including through sustainable investments in the field of waste management and waste water. Most government officials, university faculty, and state-owned enterprise (SOE) administrators underwent training based on the communist political economy principles and ideologies. Consequently, modern business education was not available in Albania prior to 1992. (Kume A, Shahini B, Kume V)

Further efforts are needed in the fields of employment and social policy. The administrative capacity and professionalism of bodies charged with the implementation of the acquits needs to be strengthened and the independence of regulatory bodies safeguarded. In several acquits areas, in particular public procurement and financial control, it is important to enhance transparency and accountability. (Albanian Progress report 2013)

The industry has developed 'The Statement of Principles' to provide a powerful framework within which it can act alongside Government and other actors to address the issues that face property insurance. This guaranteed that the industry would continue to provide flood insurance provided that the Government ensured that appropriate flood defences were developed. The current version expires in 2013 and we were advised that there is a significant possibility that it would not be renewed.
The most common view on the history of this agreement to date is that it has been successful in raising the profile of the issue on the agendas of both Government and decision makers in the industry and that benefits have resulted from it. However, it creates some significant market distortions that are suppressing innovation in the sector and that are also unfair to many customers. The multidisciplinary health reform focuses on improving governance and capacity building to ensure effective management of health services and institutions, health system financing, public access to quality health service and expansion of public protection services. (National Strategy for Development and Integration 2014-2020, internet link)

1.2 Public services and public areas, the principles of state

An achievement to be noted is the placement of the family physician at the centre of the system and its functioning at three levels: primary, secondary and tertiary system. Other key developments are the continuous strengthening of the financial and managerial autonomy of Primary Health Care, the clear definition of the service package and treatment protocols, and increased infrastructure investment. Consequently, the average daily visits per family physician increased to 9.3 in 2011 compared to 5.7 before the autonomy was granted. The Health Insurance Institute has strengthened its role as the sole purchaser of health services through inclusion of the public hospital service in the health insurance scheme (January 2009) and increasing the number of reimbursable medicaments and contribution payers by strengthening the referral system and public information (National Strategy for Development and Integration 2014-2020, internet link)

Service resources are objective indicators of the level of resources available for the satisfaction of society's needs. For example, the number of physicians, dentists, acute-care hospital beds, and psychiatric care hospital beds are indicators of the level of health care resources. Square feet of parkland, picnic areas, tot lots, etc., are indicators of facilities for recreation needs. We were advised that some processes (e.g. additional ‘compliance’-focused regulation) may be required to ensure that climate-related risks are addressed in future by less-developed operators when The Statement of

Source: States Agency for International Development (USAID) and the World Bank(WB) references

1.3 Service resources and objective indicators

Service resources are objective indicators of the level of resources available for the satisfaction of society's needs. For example, the number of physicians, dentists, acute-care hospital beds, and psychiatric care hospital beds are indicators of the level of health care resources. Square feet of parkland, picnic areas, tot lots, etc., are indicators of facilities for recreation needs. We were advised that some processes (e.g. additional ‘compliance’-focused regulation) may be required to ensure that climate-related risks are addressed in future by less-developed operators when The Statement of
Principles agreement with the Government on flood insurance expires in 2013. This will lead to a need further to develop underwriting competence in assessing and pricing flood risks, thereby stimulating an increase in capacity. Source: internet link, alexanderballet.com 2013

2. Literature Review and Hypotheses

At the same time, a structural reform occurred, which consisted in redefinition of core governing functions, through reformulating of missions, strategic objectives, organizational structures, functions and job descriptions. Within the frame of this reform, a new structure has been implemented in all ministries. Its basic assumption requires that in every ministry core functions should be grouped in four main pillars: • policy-making • regulation • services delivery • supporting services


The new residents and their associated activities will require a variety of services provided by the areas public and private institutions. A social impact assessment must determine the quantity and variety of anticipated needs. The goods and services most commonly included in a social evaluation are open space and parks; cultural and recreation facilities; education; health care; special care for the elderly, the disabled, the indigent and preschool-age children; police and fire protection; and a variety of administrative support functions. The optimum amount of resources that would be required for the satisfaction of needs is based on either planning standards, which are guidelines established by professional organizations and government agencies, or service levels, which are observed national (or regional) average amounts of resources expended per capita or some unit of size.

Directories and similar functions have been grouped into each pillar. In the case of multifunctional structures, the priorities of functions decide and a general director leads the pillar, having so reduced the number of persons reporting to the general secretary of the ministry and grouping the functions under “a single roof”. As a result the conflict between roles is avoided and a considerable amount of resources will be directed to policy-making strategy formulating processes. Focusing in a single process could also increase the capacity and specialization level of civil servants in a short-time period. (European Commission, “Albania Stabilization and Association Report 2002” Commission Staff Working Document (Brussels: European Commission, COM 2002 163), 6-7. Emphasis in original.20 Note that the 2003 EC Report emphasized the need for better capacities and leadership of the Department for European Integration (under the authority of the State Minister for European Integration). European Commission, “Albania Stabilization and Association Report 2003” Commission Staff Working Document (Brussels: European Commission, COM 2003 139), 19).

Challenges in this sector include: protect and improve public health through reachable and equal services for all; establish a qualitatively new health service; provide services with standards comparable to the EU countries, for all Albanian citizens; reform financial mechanisms and tools which ensure efficient financial coverage of the rising costs in the health system. (National Strategy for Development and Integration 2014-2020, internet link) The law abrogates existing legislation without providing the necessary transitory provisions until its implementing legislation enters into force; the government approved in September 2013 technical amendments to avoid this legal vacuum. Timely adoption of the secondary legislation compliant with the principles of the law and proper implementation is essential. The Law on General Administrative Procedures is still pending. (Commission working document, Albania Brussels 2014)
2.1 Assessing the current accessibility of public services

- What is the present level of services in the community?
- What is the current distribution of services in the community (to social groups or to neighborhoods)?
- What are the anticipated needs and accessibility to services of the future population?
- Are there organizational or coordination problems currently being encountered by service organizations or agencies?
- May such problems be encountered in future service delivery? If so, what are they?
- What are the implications of future service and facility requirements and revenue sources on tax levels, net fiscal balance and service quality?

2.2 Improve the quality of services through improved clinical and institutional management:

The survey centered around two dimensions: entrepreneurial attitude, defined as the degree of positivity one feels towards the idea of becoming an entrepreneur; and motivation factors for growing their own business. To define the entrepreneurial profile of students four traits are used: locus of control, entrepreneurial self-efficacy, independence motive, innovation motive. Establish innovative organizational schemes and a new public-private partnership: 2. Reorganize the management and financing of public hospital and outpatient centre's aiming to increase their autonomy; 3. Determine the referral criteria between primary health care and specialized care in public and private health institutions, based on the service quality and the patient’s right to choose the doctor. 4. Standardized norms and procedures for the management of institutions; 5. Structuring the institutional and national information systems in order to improve monitoring and management of institutions; 6. Creation of spaces required for the efficient use of income. (National Strategy for Development and Integration 2014-2020, internet link)

3. Methodology and Research Goal

This study aims both to improve operational practices and also to help identify a strategic agenda, which is an ideal focus in developing a strategic programmed for the sector. This has the potential to raise capacity in important areas. However, none of the operational units that we reviewed were part of this trial. In a more technical sense, the term is used to describe any form of insurance that provides protection against the costs of medical services. Source: State Children's Health Insurance Program, internet link, www.health&benefits,dc 2013, Callon A.

This research is conducted by means of literature study and empirical analysis. For the literature review, we have consulted papers and researches relevant to entrepreneurial spirit of College students. Regarding empirical studies, data was gathered from a self-administered questionnaire conducted among Vlora University, Vlora Trade office, SME in Vlora. The questionnaire was adapted from various sources and used as a means of data collection. It has two pages that consisted of seven sections: demographic and family background, future career planning and entrepreneurial inclination, locus of control, entrepreneurial self-efficacy, independence motive, and innovative motive. The scales used in the questionnaire was based on a 6-point Likert scale (with 1= strongly disagree, 2= disagree, 3= hardly agree, 4= partly agree, 5=agree, 6= strongly agree) for each close-ended question.
3.1 Data and methodology of study in this paper research

When evaluations failed to meet the standard, the three most common concerns were: (1) evaluation teams received too many questions—especially questions that are too general and ill-defined—relative to the resources available for the evaluation, (2) the data collection and analysis methods were not appropriate to answer the evaluation questions, or (3) evaluation reports did not clearly demonstrate how evidence led to new findings and conclusions.

3.2 Results and discussion and the respondents’ profiles

From the 59 usable questionnaires gathered, the majority of respondents were heavily females (N=37 per cent). This scenario is understandable as female students comprise the majority of economic and business institutions in Albania.

As all of the respondents were studying at the undergraduate level, they were mostly aged between 20 to 25 years old (N=47, 88 per cent). Albanian managers expressed a healthy level of interest in entrepreneurship, with 35% of them have given serious thought to starting their own business. 5.8 per cent (30) of the interviewed are already self employers and 31 per cent of them are starting to do so. As should be evident from the preceding discussion, socio-economic impact assessment is a complex, yet important aspect of development impact analysis. The various changes in the social environment and social well-being of a community that result from development may be significant, yet they are often subtle and not easy to quantify. However, this does not mean that socio-economic impact assessment should not be considered an essential component of the development impact assessment process.

It is important to bear in mind that while certain individuals or community groups may be active and forthcoming with input into the planning process, other community groups (e.g., low income or minority groups) that may be equally or even disproportionately affected by the proposed development may be less vocal in expressing concerns and interests. In situations where traditionally disempowered groups may be impacted by a development, it is important to make a concerted effort to involve them in the social impact assessment process.

4. Recommendations

The analysis of the indicators of this paper research, suggests that the development of Albanian governmental structures in charge of the EU integration process may be divided into three phases which in fact reflect not only the pace of Albania’s integration efforts, but also the problems of the overall economic and political consolidation of an emerging democracy: In addition to the above described (macro-level) structures, the Albanian Government also established specialized European Integration Units (EIU) in all line ministries to act as focal points for EU-related assistance, reporting and monitoring. The Decision of the Council of Ministers No. 179, dated 22/2/2006 outlines the responsibilities of these units, which involve: a. internal coordination, ensuring direct links and cooperation with the MEI and otherline ministries regarding the obligations the country has assumed with the SAP;b. internal institutional coordination and coordination with the MEI and other line ministries regarding the approximation of legislation and reporting on legal acts adopting the acquis communautaire under TAIEX;c. internal institutional coordination regarding the preparation of reports on the process of European integration; d. monitoring and reporting within the ministry on EU integration matters; e. data sharing on the EU integration process between the ministry, the MEI and EIUs in other line ministries; f. assessing the performance of the institution in the process of European integration; propose functional mechanisms facilitating sectorial reforms, implementation of the SAA through approximation of Albanian legislation with the acquis communautaire and strengthening the administrative capacities; g. recommending priorities, planning of activities and human resources for the institutional support of the European integration process.

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The Paradoxes of Situations in the Work “Odin Mondvalsen”

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Abstract

In the aspect of culture in general and in that of literature in particular, the oppression of dictatorial regime against the scholars was felt for almost half of the century. One of significant outstanding figures of Albanian literature after the Second World War is that of Kasem Trebeshina, who not only introduced several types, but at the same time created a new dimension of the Albanian literature. The work of “Odin Mondvalsen” was written in 1955-1956, published in Prishtina. It has been considered in different points of view, with the historical context of period of writing, the character in relationship with the society, but this research is considered viewed through the perception of paradox. A high numbers of paradoxes are created in this work; the paradox of linearity of the events, of legalizing, of the period of time, space and the paradoxes of situations (events) with the character have never been considered before. The research is related to the last one. This type of paradox is created by the clash/impact of the main character with himself, with other characters, with the period of time and the surrounding. These clashes/impacts have founded situations which at the first sight may seem comical but are virtually tragic. These events are filled out with the physical movements of the character, the expression of his thoughts, or more accurately with the nonexpression of his stative situations and by the manner of his interaction with the other characters. It seems as if the reader is powerless to be directed but his sensation, reflections, the manners of speech that will lead him towards such paradoxal situations/events.

In the aspect of culture in general and in that of literature in particular, the oppression of dictatorial regime against the scholars was felt for almost half of the century. One of significant outstanding figures of Albanian literature after the second world war is that of Kasem Trebeshina, who not only introduced several types, but at the same time created a new dimension of the Albanian literature.

The work of “Odin Mondvalsen” was written in 1955-1956, published in Prishtina. It has been considered in different points of view: the historical context of period of writing, the character in relationship with the society, but in overview to reckon in the work like a structure and potential under the guise of figure of paradox is not attend. This research is considered viewed through the perception of paradox.

The works in general differ in their character and functioning. Their character goes out of the linguistic structures and of the relation of each with the extra-linguistic structures (the context of the linguistic text and the experience of the receiver himself). The works, their functioning want to express the world through the language, which never aims towards a single meaning, either in the syntagmatic field or in the paradigmatic field, neither exactness nor clearness, but multiple meanings. From the relation of the word with the self and with the bigger or smaller text units various situations are created.

We are thinking of stopping just on the paradoxes of situation brought to us by the character. In the various historical literary developments such paradoxes have been expressed in the works of F. Rabelais, M. Servantes, L. Sterne and J. Borges, but we are going to discuss some more precisely in the novel “Odin Mondvalsen”.

A situation is the positioning or the situation related to a certain circumstance, or better from a combination of circumstances in a certain moment.

The paradox of situation is created by the confrontation of the main character with himself, with other characters, with the time and the background. These confrontations themselves have created some situation which seem comic in the outer, but on the inside are deeply tragic. On the visible and directly Trebeshina narrates of the character’s standing in the prison-hospital, of dialogues as word plays that seem absurd when contrasted with the reality and which do not bring any solution to the character. Trebeshina’s prose is more noticeable when narrating the second plane; Odin Mondvalsen against those who try to put on him a predetermined destiny. Here he is noticed as a character to whom freedom is the dearest thing in life, his ego is more important than reality.

With these humanist thoughts, he is shown to us as majestic because deep inside retains the most beautiful ideals of humanity. He preserves the freedom he seeks and never finds in the surrounding, so he closes to himself. The
communism encountered in the first pages of the book develops until it reaches the grief and ends to tragic.

In fact we feel necessary to make clear that Odin Mondvalsen inside is characterized as a man of absolute clarity. If he didn’t have this clarity, we wouldn’t have any Odin Mondvalsen. Despite the outer look of a man suffering from schizophrenia to a reader of the first level, he in fact is not such a man. He is neither tormented by Hamlet’s “to be or not be”, or by Don Quixote’s obsession of fixing the world; he becomes a tragic victim not because of his intentions, but due to others’ continuous attempts of destroying him spiritually. Schizophrenia is a mean of creating a second reality as a cover from the first sad reality.

In the relation with himself exist simple paradox, logical kind. Odin Mondvalsen work begin with the character going to the moon to look for a donkey. In the middle of difficulty vital conditions he creates sexual relation with a woman who look as a nurse, as a trap of system where he lives, as a lover etc. In the middle of dictated discussions he succeeds to tell the readers what he really feels and thinks about the system where he lives.

In relation to “the others” that come and go, Odin Mondvalsen creates more powerful paradoxes. Someone appoints your words, someone never accepts the right opinions. Despite the choice of words by someone else, we are of the opinion that the mass of opponents is so big that it passes to many.

In what relation to the others is Odin Mondvalsen? The others form a communion bigger than the one possessed by Mondvalsen. In this communion, its members are not “members” of themselves. They are continuously shown as members of a certain communion and not as individualities. In a surrounding of prison hospital, in an unspecified time the conflict is accomplished: communion vs. Odin Mondvalsen. From the point of view of the communion, they must look for the truth, but then it comes a moment when it is not important anymore if Odin Mondvalsen is telling the truth or the wrong. If he is saying the truth, the communion cannot accept it without punishing him, if he is not telling the truth he will be punished because he lied.

From Mondvalsen’s point of view it doesn’t matter whether he is telling the truth or not. If he is telling the truth the communion has to free him because the truth is what they are looking for and in the end this is his only truth. If he is not telling the truth he must be freed because there is nothing to be said.

Their non-coherent conflict can be analyzed in the form of the following arguments:

- If Odin Mondvalsen says exactly who he is and his actions, then he must be freed, because the truth is what we are looking for.
- If we free him, then Mondvalsen is not getting his punishment.
- But he cannot go without punishment.

Odin Mondvalsen can say that:

- If I say who I am exactly and what I represent, then I will be punished.
- If I am punished I have said exactly what they want to hear.
- So I have to be freed because they don’t have anything to look for in me, I am not telling what they want.

The paradox remains whether you must express yourself or express what they want to hear; finding what “they” want.

In this paradox of situation there is a similarity with Eumenides paradox “the crocodile’s paradox”. Based on a pragmatic choice:

Whatever Mondvalsen does, the communion is not keeping its word. If they imprison him, it means that Mondvalsen was telling the truth, but they don’t either accept his truth. It seems like a going paradox, without any choice. Even if without knowing we imagine Odin Mondvalsen a free man, it comes without solving the paradox between them. If the empiric reader identifies himself with Mondvalsen, the truth is not important any more, freedom becomes important. This seems like being accomplished in the end, but no; the communion has achieved his spiritual punishment. It killed the dream.

A careful reader would notice that the dialogue between the others and the main character is one of the means that in different situations creates empty spaces, i.e. the dialoguing exchange is mainly one way and it does not include both speakers. The intertwining between the two roles: the speaking subject and the listening one, does not function naturally because there happens to be only the speaking subject and the imaginary listener, but not an alternation of the two speakers. “I got up, went to the door and opened it: the hall was deserted. Where had she gone? … What was happening to me?” (p. 100)

In the communicative situations the message does not usually get to the real speaker, but to an unreal speaker, that does not talk. “… why didn’t he speak when I had said several words and needed to hear a clear friendly word about what I had said?” (p. 91)

In such situations the two ways of the dialogue do not function the way they should because the aggressive
subjectivity of one character does not allow for the other’s world to be expressed in a natural dialoguing way: “... wrote! ordered the investigator his secretary – We came to the new world for weak spying ends.” (p. 83)

Still it is not the problem of the dialogue in the book that we are discussing here; we are drawing attention on the fact that this dialogue is the means that points out the paradoxical situations in the book. Some internal sentence structures change the dialogue to both a formal and a thematic problem. About the formal problem, we believe we are dealing with a metalogue, which means that on a problematic argument over which the whole dialogue is built, functions on at least two levels, on conversation and on “subconversation” (on getting to know the character’s internal world), in the real world there misses the real normal communication with “the others”. The repetitions, the pauses, the stubbornness, the violent replies, the ironies do only function dialogically, but they suggest different states even psychological: frustration, violence, submission and rebellion. From the way the sentence is constructed, from the exchange of the dialogue there are found internal tensions, confrontation of forces and powers between Odin Mondvalsen and the “others”, that it can be noticed an absence of a mutual code. This is the paradox of artistic creation and discourse of the novel: if the dialogue or dialoguing happens, it might also have been accepted as a part of not normal structures.

For most readers their first attraction comes from his personality, a relation they find between the main character and themselves. A relation, whom is not find to the normal life either. When we discuss about the character into the terms of literature art, we are talking for the personality of the character, his intellectualities ability; for the techniques that is used to create, develop and showed the character to the reader; and the last if the characters are reliable and obedient.

In a work of art the characters may play different roles: protagonist and antagonist, but this is not an exact definition starting from a character’s positive and negative values.

It is from here that begins the first paradox: the character’s protagonism and antagonism. Odin Mondvalsen, in the eyes of the reader remains undoubtedly the protagonist of the events, the one that holds the positive values, but this does not happen in the eyes of the others. He is labeled a spy: “wrote! said the investigator, - I’ve come here for weak spying ends.” (p. 83); he is investigated a guilty man – he is even presented as such since the first chapter; he is sentenced, freed and persecuted. A naive reader may see this character as a mad man who cannot adjust himself to this New World. Antagonism is often hard to spot, especially when it is spoken about a big, unidentified amount and about an abstract force. This is the first case of unidentified evil characters, in which they come as a mortal mass, which moves to draw you into their lava. The roles are reversed through paradox: crime and justice are put face to face, but alienated from the situation the reader pretends.

- The criminal - Odin Mondvalsen (a human)
- The judges - Criminals
- The justice - Crime
- The crime – Justice

The political criminal, according to the judges: it is his crime calling himself Danish while being Albanian. His proclamation implicates the wish for freedom. This right is the most human right, but it is misinterpreted by the huge mass of “the others”. It is in this context that Justice forbids the expression of free opinion. Thus the judges are inhuman and criminals. Odin Mondvalsen is the most normal among them.

In order to describe the relationship of how the creator develops the characters, E. M. Foster writes about flat and round characters. The flat characters are those which are presented with a limited characteristic, feature or idea or with a list of very limited qualities. These characters are known for their incompleteness, their appearance and their mannerism. These characters are unchangeable; they have the same attitude throughout the book.

The round characters are the opposite of them. They hold a number of qualities and features, are multifunctional, but this does not mean that they are most preferred by the writers. Being a round character means to take time and space and to be expanded largely in a work. They often considered as dynamic characters.

We think that in this stands the second paradox of the character: to be a flat character or to be a round character. Our character at the beginning presents himself as a flat character, without any dilemma. The main leitmotif “I’m Danish” is enough for him. This is the way we get to know his unchangeable attitude, even though he is presented problematic to the others; from the moment we are presented with his attitude, his thoughts are expanded in time and space, either real or hypothetic. In the beginning the main character is presented to us a flat character, without any dilemmas, the main leitmotif “I’m Danish” is enough. This the way we are presented with his unchangeable attitude, even though he shows himself as problematic to the others; from the moment we are presented with his attitude, his thoughts are stretched in time and space, either real or hypothetical. In the beginning his character is shown as rejecting cooperation, but then in the way he changes for the sake of love, but not in his convictions. The disclosure of this character happens from his name, which holds the essence in his characterization. The name is in accordance with his attitude, which sounds as foreign to the Albanian world. His physical appearance is not mention anywhere in the novel; everything comes from the
spiritual world. Apparently, it is not Trebeshina’s intention to attract attention towards one character only. He intends to generalize this character, the same as it happens with the other characters, which do not have a name in the works of art.

The third paradox: a hero or an antihero? The main character consists of one protagonist, the distinctive traits of which are directly contradictory, incompatible with the traditional traits of a hero. This contradiction does not mean that the character is a devil or a malefactor, but in fact it frequently tries to reflect the author’s conviction that in modern life he does not tolerate or produce individual capabilities of real heroism in the classical sense. (James H. Pichenin, Jeffrey D. Haiper, 1986)

The term antihero comes from the creation of antinovel, a new genre which came out against the classical novel. It destroyed the subject, narrowed the character’s space in its structure; it even used pronouns, initials and conventional signs instead of real individualizing names. This type of novel gives importance to the formal structure of the novel as well; it destroys its causal, chronological course to emphasize the absurd character of the world. The antinovel became a fragmental registration of feelings, reflexes, impressions, memories, hallucinations, which do not give any information from social life.

In the classic types of novels, heroes are decisive leaders of their people, hold their ideals, while antiheroes tend to be lonesome, without any perfectionism, they are barely capable of survival. Antiheroes can be distinguished by psychologists for their lack of character; solitary persons who do not know what to do with their lives.

The paradox stands in the way Odin Mondvalsen bears the characteristics of a certain social group as well: has his ideals, knows very well what to do in his life, even though he is in the role of an insane, he bears Trebeshina’s ideals as well, but on the other side he is also an antihero: we know him in a particular moment in his life, the events are not given chronologically; they are given distorted and the love story is presented as a dream of the main character. The drama in this novel is focused in the life of one character.

The words are presented in wordplays to prove the hero’s existence. “I speak, that’s the way I am,” say these tireless heroes, condemned till their last breath to shuffle words. In the form of the fantastic, of memories or ordinary “stories”, the word is their pleasure, but at the same time is their lightening as well. (Storia della litteratura francese, 1985)

The word in this book has double functions: it is the character’s fullness and his emptiness, it is his torture and salvation, it is both his weakness and his greatness, that’s why it is created as an endless paradox in his world.

What is tragic about Odin Mondvalsen is that he stays inside his own life, in a waiting that never comes, in incomprehensiability in an empty world that repeats itself and restarts without an end, which is also reflected in the novel’s structure. Living is like walking forwards and backwards, without any sense, being condemned to stay at the same place with eyes wide open as you may become someone’s prey quickly. Tragedy does not have to do with the end, but with the never stop finishing.

So Odin Mondvalsen cannot succeed with the ones surrounding him, he wants to save himself, but not by escaping aimlessly; but still he is convinced that even if he escapes he will be found by the “others”. Meanwhile he creates another imaginative world, which is showed by the subtitle: “A history of love”, but in the end he falls down.

The world of Odin Mondvalsen, could not be known by the reason because it goes beyond its. Everything comes known through intuitive that is helped by the context. The character shows negativism to everything, approaching to the antihero than to the hero.

Forth paradox of the character consists between the truth and laughter that can be created from the character. Odin Mondvalsen builds the image the hilarious, the silly and the foolish too. However, he creates the image of the person who tell the truth and has the most possible tragic ends. Michael Bachtin says that these kinds of character take place in popular squares (related with folk literature), their existence has not a direct significance, but metaphorical and often reverse from what is showed. At the same time with these roles the character hit who attend to usurps till the dignity.

The character is allowed only a thing in this world: being e foreigner. He does not agree in any condition of life, because the agreement looks like going back in to lie. So he faced these conditions through masks to win the right and the minimal privilege: the living. In this role the reader may laugh, but is created at the same time the parodic laughter.

Our man exists in life passively, watching and reflecting from the inside and the only contact with life is by playing other roles: the hilarious, the silly and the foolish. But the roles in the way overthrow; all the institutions become fictitious and hypocritical, while real life is transformed into animal and dull. Thus there can be noticed various transformations; in the fight against conventions the mask holds extraordinary meanings: it is the character’s right not to understand, to misunderstand, to mime, to hyperbolize life; the right to speak burlesquing, not to be himself, the life to live his life under this fixed and closed cronotropismos, the right to unmask the others, the right to curse together with the cursed and in the end the right to proclaim his private life with its most intimate secrets.

Through these roles Odin Mondvalsen succeeds to see into his inner side; succeeds not to surrender, to fight and
in the end accept his destiny.

The world presented in this novel (even though we are aware that it is not the world in itself but the Albanian reality) is totally degraded, a foreigner to everything related to a motherland. The hero remains attached to the moral and social values and indirectly it is presented not only the spiritual decadence of the main character, but that of the world; Lukacs defines this world as “demonic” (Giorgy Lukacs. 1999) that comes contrary to the positive, divine term. Lukacs continues that in such societies the main character of the novel is a problematic person, an insane or a criminal looking for absolute values without fully knowing them and thus never getting near them, but our character is such a man not because he is looking for values, but because they are disappearing, are alienating and their non-existence causes his moral failure.

The fifth paradox is the character’s absurdity and naivety. Where is the line dividing the absurdity and truthfulness of this character? There seems not to be a dividing line: there where there is the absurdity, there stands his truthfulness. According to the dictionary of literature the absurd is a philosophical notion expressed by Camus in the 1942’s “Myth of Sisyphus” and firstly conceived by Sartre’s “To be or not to be”. The absurdity describes the feeling that rises from the detachment of the man from the world and from ruining of any type hope. The feeling of absurdity does not rise from the simple investigation of a fact or impression, but instead it derives from the contrasting between a factual state and some type of reality, from an action and the world that exceeds it. The absurdity is essentially a divorce. It is not in none of the elements of contrast. It rises from their confrontation. (Le dictionnaire de literature, 2002)

In the end of the book his whole existence goes towards an undoing to end in some type of agony, which is endless; which makes stop living senseless, but going on living is also senseless. The character enters an endless equivocal. He now has the characteristics of absurd heroes, who end up tragically. The tragic hero is problematic and contradictory. He is willing to deny himself by questioning lots of social or moral practices of the time. (Le dictionnaire de literature, 2002) Here stands the contradictory essence of Odin Mondvalsen: he assumes the characteristics of the absurd hero, but retains himself, his identity as inalienable.

In absurd situations that deepen and as always don’t find a solution (because otherwise we would not have an absurd) we understand that:
- He is important because he holds opinions of such greatness that he cannot express himself, but instead he considers himself for the reader to be unimportant;
- He is a man who gives judging opinions for the others, but he pretends to be a mad man;
- He often seems to be without any personality, but he is of more personality than all the other doctors and investigators that wander around him;
- His language creates impossibility of communication with the others, but he and the reader communicate very well.

From absurd come three consequences: revolt, freedom, passion. The revolt of Odin Mondvalsen seems when he rejects openly or tease the others with irony, linguistic parody. Freedom is the center of all his actions, is the ideal that has been violated, while his great passion is for being free to tell and feel what he wants and not what others want.

In this flow the plot lose gradualness and the past, present, future garble and become a mess which ignore its flow in a direction, the event happens anywhere and everywhere. So the action is located in a close environmental, bare from the characteristic concrete because important is the idea that the most crush the “small man”. As much as the main character tries to escape from this situation, more he understands that absurdity is unavoidable.

Absurd works are distinguishable for their lack of action. The inability to act is one of the main motivations of these kinds of works. Odin Mondvalsen is not characterized by actions, on him we find the actions of the others; he tries, but he never attains any goals. In the end we mostly see him submissive to this reality that strangles every sane thing that has opposing points of view. The reality remains the same in the end as it was at the beginning of the book: incorrigible, violent and of omnipotence. The evil continues to live.

Another paradox within this point is also in the interrelation life – death. In absurd works there dominates a suffocating atmosphere of death, at such a point so that death seems to be better than life. The killings and suicides overload the pages of such books, while the paradox in our novel is that there is in fact a homicide, but one created by the others, it is not of someone’s wish, but imposed by the others. The meaning of this action is killing the hopes, wishes, changes of the man who does not share the same points of view as the system.

The sixth paradox of the main character is in the interrelation myth – anti-myth. There has never been seen a crazy, foolish, silly, stupid, imprisoned and marred character tell the truth better than anyone else. A character that mocks the personalities of his time through the names of historical personalities, who have become myths of history and literature as for instance Sultan Murad II, Sultan Mehmed I, comrade Skanderbeg, Ali Pasha of Tepelena, Miladin Popović, Dušan Mugoša, Moisiu I Dibres, the Great Academic etc. The relationship between him and these characters
are in the least good: he discusses with them, they provoke, irritate him and make him look at the wall. This is the given solution. The historical events are transformed into “small” characters that can transform another person’s world. The portraits of myths instead of the respect they must bring, create fear, panic and no solution to the situation Odin Mondvalsen encounters.

Despite the created paradox, the aim is obvious: the smoothening of differences between the different social and political ages and countries. Odin, the Nordic myth, the one giving the title to the book, the most modern novel of Trebeshina, is a foreign myth on purpose. Trebeshina himself admits the ruining of the myth. (Edmond Cali, 2006)

The seventh paradox based in the outlook of the character and the relations that he builds with the others, is the type or antitype Orwellian. Most of the Albanian critics have specified Odin Mondvalsen like Orwellian type. The violence that is treated in both works comes from the totalitarian systems and can bring “the metamorphoses” of the character, but exist some differences in these works. Odin Mondvalsen orients the readers to internal cognitive mechanism, to his psychoses, while Orwell leads the readers to recognize an external mechanism, the arrival and transformation of government officials. The violence to “the Animal’s Farm” is treated in the aspect of collective destruction, while to “Odin Mondvalsen” there is an individual spiritual devastation as much as it seems that the head and the body belong different dimensions. The body of character is in a limited space, while the head is far away. He does not travel in time, stays in a place. The time and histories of different places come to him to give the same image of violence.

In the end it is worth mentioning under these circumstance there is no doubt that the character of Odin Mondvalsen is at the same time the most paradoxical and clear character ever created in the Albanian literature, especially during the years of the socialist realism.

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Is the Adoption of IFRS for SMEs an Added Value for the Financial Reporting in Albania?

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Abstract

SMEs play a vital role in the economy of a country. As in the other European countries, in Albania the SMEs represent over 97% of entities registered in the commercial register. The importance and their contribution to the economy of a country made possible that the international standard setting body, IASB, to devote a special attention to those developing a specific standard aimed to reduce the reporting burdens on these entities. IFRS for SMEs, published in July 2009, it is not mandatory but the adoption of this standard remains a challenge for every country of the world. Most of European countries are still conservative deciding in favor of the application of this standard as prefer their local standards for SMEs. Albania also has its own local accounting standards for such entities, but in circumstances when it aspires to become an EU country, aims to increase foreign investment and tries to encourage doing business in Albania, the adoption of IFRS for SMEs remains a very important decision. The purpose of this paper is to assess whether the adoption of IFRS for SMEs is an added value for financial reporting in Albania. The conclusion will be reached through the evaluation of capability of preparers of financial statements of SMEs, the needs of users of SME financial statements and the cost/benefit analysis.

Keywords: SMEs, IFRS for SMEs, financial reporting, users of financial statements, Albania

1. Background

1.1 Introduction

Small and medium entities play a vital role in the economy of a country. Their growth brings positive effects on the overall economy. As in other European countries, even in Albania, SMEs are the foundation of the economy. Given their business figures, they are categorized in micro, small and medium entities; referring to INSTAT data for 2012 small and medium entities are the economic giant as they represent 97.7% active entities (101,917 out of 104,275 total active entities).

According to their accounting regulation, National Accounting Council is the the regulatory body in Albania, which by law has the task of setting the national accounting standards for these entities. With the exception of the banking sector, that of insurance, subsidiaries of foreign listed entities as well as very large entities, all the other entities apply national accounting standards developed by this regulatory body.

Although since July 2009, the IASB published the International Financial Reporting Standard for Small and Medium Enterprises, designed specially for entities without public interest, European countries generally prefer to apply local standards for such entities.

1.2 Research problem

Entities, regardless of their size, are bound to respect the laws of their countries and to prepare financial statements in accordance with the financial reporting framework adopted in their place. When IASB drafted IFRS for SMEs, argued that this standard was framed for all those entities that do not have public interest. The financial statements of SMEs, prepared under IFRS for SMEs offer their users information about the financial position, financial performance and cash flows. A good part of the users of these statements are based on information provided by these statements when it comes to their future decisions economic (IASB, 2009, p. 10-11).

Since IASB has published IFRS for SMEs and all EU member countries are discussing the adoption of this standard, even Albania should consider this option. It is a matter of fact that NASs are designed in full coherence with full IFRS but Albanian entities as well as Albanian market in general is too much smaller or even negligible comparing to entities and markets of other European countries. Therefore is an actual concern of regulatory organisms in Albania to
stay under current NASs or to shift toward IFRS for SMEs adoption.

1.3 Research question

“Is Albania ready to adopt IFRS for SMEs?” thus requiring an indirect answer to the question “Does the adoption of IFRS for SMEs add any value to the quality of decision-making of users of SMEs financial statements?”. More than few arguments will extend the discussion and will be divided it two major groups, the first will include arguments about research subquestion "Is it necessary?" while the second group includes arguments about the other subquestion "Is it possible?".

2. Literature Review

This chapter will highlight some of the existing literature finding in the field of research that I have chosen the adoption of IFRS for SMEs. The literature review is divided into three sections. The first section deals with an overall view, the second section deals with the users of financial statements of SMEs and the final section deals with the factors that must be taken into consideration if shifting towards IFRS for SMEs.

2.1 Overall view

Globalization, particularly economic globalization is nowadays an undisputed reality. SMEs have been very important in the process of globalization and strengthening worldwide economy, thus accounting information submitted by SMEs is very important. We should know more about aspects related to SMEs, such as who are the users of accounting information, comparability and harmonization of this information. In this context, we should assess the role of a very important actor in this plan, such as compilers of the accounting standards. IFRS for SMEs was published in July 2009. IFRS for SMEs represents an important step towards global convergence of financial reporting practices of SMEs. This standard will help improve the quality and comparability of financial statements of SMEs worldwide and will be an opportunity for SMEs in terms of their access to the world of finance and funding (Neaga, Mascia & Pascan, 2009, p. 1).

IASB developed IFRS for SMEs considering cost benefit analysis of these standards during their use by entities. It is understood that all principles regarding the recognition, measurement, subsequent assessment, presentation and disclosures are sufficiently simplified compared to full IFRS. Many of the requirements for disclosures are reduced and many issues not related to SMEs have been omitted (Fitzpatrick & Frank, 2009, p. 50).

2.2 Financial Statements Users

In the early literature (a.o. Edwards and Bell, 1961), business managers were considered to be the primary users of accounting information. Later on, the decision-usefulness for external users of financial statements became more important. This connection between financial statements and decision usefulness for users was introduced by the standard setters in the 1970s. At first, this connection was criticised by preparers and academics (a.o. Puxty and Laughlin, 1983).

Ironically, one of the arguments against it was the lack of knowledge concerning the users and their needs. Nevertheless, the decision usefulness concept became accepted and many textbooks and articles now list similar users of financial statements. Sometimes, a distinction is made between direct and indirect users. Riahi-Belkaoui (2004) for example lists the following users: - Direct users: Owners of the corporation and its shareholders; Creditors and suppliers; Management of the firm; Taxing authorities; Labourers in an organization; Customers; - Indirect users: Financial analysts and advisers; The stock exchanges; Lawyers; Regulatory or registration authorities; The financial press and reporting agencies; Trade associations; Labour unions; Competitors; The general public; Governmental departments.

The question “Who are the users of financial statements”? has hardly been empirically investigated. The most investigated user groups for listed companies are shareholders, investors and analysts. For non-listed companies, typically bankers are interrogated.

These studies show that financial statements are considered as valuable but not sufficient information sources. Other studies show that the financial statements do not adequately satisfy the information needs of their users. Day (1986) for example argues that investment analysts show a lack of understanding of accounting methods. Bartlett and Chandler (1997) show that many parts of the financial statements are neither well read nor well understood. A more recent study of the International Federation of Accountants (IFAC, 2008) reveals that financial statements have even
become less useful because they have become too complex for the average reader to understand.

2.3 Factors to take into consideration whether the move towards IFRS for SMEs

Before an entity starts to apply IFRS for SMEs, management should consider the feasibility in terms of some specific factors which determine long-term success of the entity. Willingness of the preparers of these financial statements should be the first to be taken in consideration along with the suitability of the time for the transition from local standards to IFRS for SMEs.

Also, training the staff of the entities in a timely and appropriate manner is very important, but always before the adoption of IFRS for SMEs.

Internal control should be assessed in terms of the impact that would the modifications have on already existing control system, in terms of the effectiveness of the latter. Ways and new forms of communication should be designed in such a way as to minimize the shocking surprises that come as a result of something entirely new for investors, creditors, customers and suppliers. For existing contracts or loan agreements, commitments must be made by a renegotiation after switching to another based reporting has its effects on the financial information (Munter, Anderson & Mellentine, 2009, p. 2).

Different countries have different laws on taxation, so the preparation of financial statements under IFRS for SMEs may differ from what is required from tax authorities. SMEs that implement IFRS for SMEs can not be completely in line with what is required them from the tax authorities of their countries. Manipulations or changes in tax laws depend on the tax authorities (IASB, 2009, p. 7-8).

3. Methodology

The choice of the subject of this paper relies on the controversial issue of the adoption of IFRS for SMEs in Albania. Research strategy will be a qualitative research method in order to deepen the subjectivity, experience and internal reaction of selected sample in the study. The paper is conceived as a social survey with a cross-sectional design. “Cross-sectional design involves the collection of data on more than one case and at a single point in time in order to collect a body of quantitative or quantifiable data in connection with two or more variables, which are then examined to detect patterns of association” (Bryman & Bell, 2007, p. 55). When a number of cases are looked at one single point in time, then it is termed as a survey”.

Research instruments will be (a) Tables of Concordance aiming to evaluate technical aspects ofeffectiveness of shifting toward IFRS for SMEs (first one to compare each of NASs with the IFRS for SMEs sections and to highlight the differences between these two sets of reporting, than second one to compare NASs with the provisions of Directive 2013/34/EU to understand whether are NASs in line with the Directive or not and so understanding better if IFRS for SMEs goes closer to that Directive), (b) questionnaires and interviews to evaluate the perception of individuals and groups in regard of the need, possibility and adequacy of adopting IFRS for SMEs. To support the analysis and conclusions of the paper will be assembled primary data through concordance tables, questionnaires and interviews as well as secondary data through literature review.

The survey sample in the study will consist of two target groups: (a) the preparers of financial statements of SMEs (b) the users of financial information of these statements.

4. Empirical Findings, Analysis and Discussions

In this chapter will be described the empirical findings in accordance with the theoretical framework presented in the relevant section of this paper. Analysis and discussion will be about the implications and the assessment of factors affecting the decision on the adoption of IFRS for SMEs in Albania. More specifically the analysis will focus technical and economic context.

4.1 Table of Concordance - Differences between the NAS and IFRS for SMEs

From the concordance table between NASs and IFRS for SMEs, where paragraphs of both sets of financial reporting were respectively compared, resulted a list of differences as follows:
Table 1. Concordance table between NASs and IFRS for SMEs

<table>
<thead>
<tr>
<th>NAS 1 “Framework”</th>
<th>The concept of comprehensive income is missing.</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAS 2 “Presentation of Financial statements”</td>
<td>The statement for comprehensive income is missing; Different nomination for financial statements; Balance sheet – Statement of Financial Position; Statement of revenues and expenses – Statement of financial performance</td>
</tr>
<tr>
<td>NAS 3 “Financial Instruments”</td>
<td>There are all included in a single standard (simple and complex instruments), differently from the IFRS for SMEs where there are two separate sections. Also, differently from IFRS for SMEs, the fair value model is allowable for the subsequent assessment of the simple financial instruments.</td>
</tr>
<tr>
<td>NAS 4 “Inventories”</td>
<td>It is still used the term ‘net realizable value’ instead of ‘selling price after deduction of costs of completion and selling’.</td>
</tr>
<tr>
<td>NAS 5 “Fixed and intangible assets”</td>
<td>Development costs are treated as intangible assets; Borrowing costs have two options to account for – as period expenses or capitalized in the cost of qualified assets; Goodwill – is tested for impairment; Section of investment property is missing; Still allowable the model of property revaluation;</td>
</tr>
<tr>
<td>NAS 9 “Business combinations”</td>
<td>There is no separate chapter for consolidation; Buyers are required to make an analysis of the purchase price; Goodwill is tested for impairment; Some chapters missing: SPEs, Separate Financial Statements and Combined Financial Statements;</td>
</tr>
<tr>
<td>NAS 10 “Grants and others forms of assistance”</td>
<td>There are other requirements for the recognition of the grant as well as this standard does not cover non-governmental grants.</td>
</tr>
<tr>
<td>NAS 11 “Income tax”</td>
<td>It is an optional standard; Lacks demand for current income tax; Does not provide any provision for deferred income tax assets that are carried at fair value;</td>
</tr>
<tr>
<td>NAS 12 “Exchange rates”</td>
<td>Lacks the definition for the functional currency and the primary economic environment; Missing requirements for “net investment in a foreign entity”;</td>
</tr>
<tr>
<td>NAS 13 “Biological assets”</td>
<td>The concessionary agreements are missing; Model for assessment of biological assets is only cost model;</td>
</tr>
<tr>
<td>NAS 14 “Investments in associates and joint ventures”</td>
<td>Applies the fair value model in the evaluation of investments in associates or joint venture investments; Lacks criteria which, if met, allow the entity not to prepare consolidated financial statements; Missing requirements that clarify aspects of the implementation of the equity model or cost model in the measurement of investments in associates and joint ventures;</td>
</tr>
</tbody>
</table>

There are no provisions in NASs which covers following sections of IFRS for SME: Additional Financial Instruments Issues; Liabilities and Equity; Share-based Payment; Employee Benefits; Hyperinflation; Related Party Disclosures.

4.2 Table of Concordance - Differences between the NAS and Directive 213/34/EU

The NASs were compared to the provisions of Directive 2013/34/EU. The spirit of the directive is to allow member states to define themselves the accounting treatments but it is mandatory to unify the presentation of financial statements as well as the notes of those statements. Analyzing all the differences arisen from the concordance table, one can easily understand that those are all about disclosures or legal issues. These differences have, only in few cases, implications to NASs but this doesn’t mean any immediate change to NASs. In these circumstances, when the differences between NAS and Dir 213/34/EU, were almost exclusively about the disclosures and not the accounting treatments, it can be said that in terms of accounting regulations in the EU is neutral the fact whether local NAS or IFRS SME will be adopted. Better harmonization with the Directive, after identifying the differences above, requires mostly legal amendments of the law on accounting and some modifications on disclosures in the actual set of accounting and financial reporting.

4.3 Readiness and qualification of prepares of financial statements

From the survey done on a sample of 381 accounting professionals, 141 of the questionnaires (37%) were returned completed. Of those who answered the questions, 39 were certified auditors, 43 were certified public accountants, while 59 others were graduated in finance and accounting but employed by entities. The questionnaire was divided in three sections:

- The first section gathered information on demographic data for the entity as well as data for the preparers of the entity’s financial statements;
- The second section was completely focused on gathering evidence of the degree of preparation and
qualification of preparers to implement NASs
- The third section was completely focused on gathering evidence of the degree of readiness of the preparers in adopting IFRS for SMEs.

5. The Processing of Demographic Data, Among others Showed that

- There is a fair correlation between the size of the entity and the degree of preparation of preparers (large entities have employed or contracted more skilled people which have a better knowledge on NASs)
- Younger professionals, they were aware of IFRS for SMEs existence;
- Older professionals showed a greater resistance to make new changes in financial reporting;
- Professionals with international qualifications were in favor of the transition to IFRS for SMEs;
- In local entities, it was lower the interest of which set of financial reporting they were applying;
- In foreign entities or joint ventures, resulted higher the level of qualification of preparers;

6. By Processing Data on the Preparation of Preparers in Regard of the Implementation of the Nas was Found that

- In general, the financial statements were prepared for tax office purpose so preparers were keen to better know and implement fiscal legislation compared to the requirements of the set of financial reporting;
- They still need training and application guidance’s materials on the implementation of the NASs;
- It is used only cost model (in local entities) to assess the elements of financial statements on reporting date as the preparers generally don’t know how to apply the fair value model;
- It is used cost model and rarely fair value model (in foreign entities or joint ventures) when assessing the elements of financial statements because usually there is no any active market for and other alternative methods are not easily applicable (lack of application guidance);
- NAS 3 “Financial Instruments” is mostly not applicable and when it is used, there are a lot of difficulties in its interpretation. Furthermore, it is absolutely used only cost model;
- NAS 6 “Provisions and contingency” is almost unusable because the provisions are not recognized as an expense for tax purposes;
- The cost of borrowing for qualified assets is always capitalized and never as treated as period expenses as the last one is not in accordance with the requirements of fiscal policy;
- In local entities, preparers do not know or do not use NAS 9 “Business combinations” or NAS 14 “Investments in associates and joint ventures”;

7. The Processing of Data on Preparers' Readiness for Adoption of IFRS for SMEs Showed that

- Preparers of small and medium entities have very few knowledge or better to say nothing on IFRS for SMEs. It is a different situation in large entities; the preparers have an average level of knowledge on IFRS for SME’s;
- Especially preparers in small and medium entities are not interested to face with radical changes to the set of financial reporting. They do not feel secure if they can succeed, at least for some time as they need a lot of trainings;
- Preparers of the large entities articulate that training is very important before transition to IFRS for SMEs but are generally in favor of its adoption;
- Regarding the option if they were in favor of full adoption of IFRS for SMEs or to a better compliance of NASs with the IFRS for SMEs, 84% of respondents were in favor of the second alternative;
- Generally preparers were against adopting full IFRS for SMEs for some of the following reasons: It is a new set that should be taught from the beginning (they haven't completely understood NASs yet); Some sections of IFRS for SMEs (6 of 34) are not relevant for Albania; Section of complex financial instruments is very difficult to implement; Since very few basic differences are to be changed to NASs, it comes simple for preparers to save NASs but reflecting the most relevant differences with IFRS for SMEs; Standardization of financial reporting do not concern to the local entities as long as they are not interested in foreign investors or foreign funds (96% of local small and medium entities); They feel insecure about whether IFRS for SMEs once adopted will require much more additional work to comply with the requirements of fiscal legislation;
7.1 Users of financial statements of SMEs

To understand who are the users of financial statements of small and medium-sized entities, was drafted another questionnaire that was distributed to 60 entities (managers / owners of these units as target group), 12 commercial banks (loan officers) and five leasing companies (leasing officers). That questionnaire was divided in two sections.

8. From Processing the Demographic Data of the Entities Investigated, Regarding the Users of Financial Statements Resulted that

- The users of financial statements of local entities, in the judgment of the managers / owners, are tax authorities, banks and while they, as the management of the entity, are very few interested;
- Users of financial statements of foreign entities or joint ventures, in the judgment of the managers / owners, are tax authorities, investors, banks and board of Directors;
- Users of financial statements are the same regardless of the size of the entity;
- Users of financial statements are the same regardless of the type of activity of the entity;
- There is a far correlation between education of managers / owners and their being real users of financial statements;

9. The Processing of the Data Gathered from the the Second Section, in Regard of the Role and Importance of FS for Decision Making Procces of their Users, Showed that

- In smaller entities, economic decisions do not rely on financial statements. Those are drafted almost exclusively for tax purposes (managers / owners make their decisions based on the data they receive from direct tracking of activity while banks, on their decision making for lending, heavily rely on physical checks of business activity of the entities as well as on direct contacts with the management of the entities);
- In the medium entities the interest for financial statements of is slightly higher (second tier banks require these statements when evaluate a credit file but the are still looking for sufficient disclosers and notes or other supporting evidence while managers / owners, as in small units mostly do not rely their decision making in the financial statements);
- Managers / owners do not support the decisions of internal control in the financial statements;
- Banks as user, raise the same problem; the entities prepare almost three different pairs of FS (one for the owners, one for the bank and the official one for tax office), which makes these statements less and less relevant for decision making;
- Banks, having no trust on true and fair statements, prepare themselves at least statement of cash flows and adjust the balance sheet and income at a rate of non confidence;
- Statements that present the greatest interest to users of financial statements are found to be income statement (for managers / owners), balance sheet, income statement and notes (for banks) and the whole set of statements (for tax purposes);
- As they do not know IFRS for SMEs, managers / owners are not able to answer which of the sets of reporting would be more appropriate (they have no information on the meaning and impact of accounting policies used when preparing financial statements);
- Commercial banks and leasing companies had made little effort to train their staff on NASs and no effort in terms of IFRS for SMEs training. Banks have their own policies and methodologies for lending decision making so the set of reporting financial information is not important to them;

9.1 Economic context

9.1.1 Costs shifting toward IFRS for SMEs and its impact on business

To understand more about the costs faced from the entities when adopting IFRS for SMEs comparing with the benefits that will flow from these costs, another questionnaire was developed with very few questions and addressed to the same sample selected as representative of users of FS. Questionnaire, as an annex to the main questionnaire, was drafted with only one section and totally focused on the analysis of cost / benefit.
10. The Processing of the Data Resulted as Following

- Small entities are not ready to invest for other new changes in financial reporting because statements themselves do not improve the quality of their business decision. Generally these entities pay external suppliers for accounting services. They evaluate that a change in reporting would have at least an additional cost of 60 to 90 thousands lekë (400 – 600 euro) per year, which cost in their judgment does not bring any benefit;

- Medium entities, estimate approximately an additional cost of about 400 thousand lekë (3.000 euro) as an initial cost and an additional permanent cost of about 300 thousands lekë (something more than 2.000 euros) per year. In the initial cost they include the training of accounting department's staff, purchase of a new accounting software and at least one more qualified employee with a monthly wage of at least 20 to 25 thousand lekw (140 – 180 euros) higher;

- Medium entities, 8% of those investigated, are willing to invest in the transition to IFRS for SMEs. They require internationally standardized financial statements as their intention is to search for foreign investors;

- Medium entities, 3% of those investigated, are willing to invest in the transition to IFRS for SMEs. They consider this shifting as a necessary intermediate step towards full IFRS implementation, as they aim to become a large entity in a 5-year period;

- Medium entities, 58% of those investigated, are not ready to invest in the transition to IFRS for SMEs. They consider this shifting not relevant to the quality of their economic decision-making. Also they neither expect to be not financed by foreign funds nor has interest in foreign investors or even less intend to become a corporation in the medium future;

- Medium entities, 26% of those investigated, are not ready to invest in the transition to IFRS for SMEs. They consider this shifting not only an additional cost in training, software and new staff but also as another burden to comply with fiscal system requirements. They are neither willing nor interested to invest once again in their accounting to adjust it with that of tax office;

11. Conclusions and Recommendations

After analyzing the findings presented in the previous chapter, naturally the main conclusion reached is that the decision for adoption of IFRS for SMEs is actually premature.

In technical terms, the differences between NASs and the relevant sections of the IFRS for SMEs are scarce and it’s quite simple, possible and costless to integrate these differences into the current NASs. Also, remains the most appropriate option that of harmonizing NASs with IFRS for SMEs because part (6 sections) of this international standard is absolutely inapplicable in Albania.

The attitude of preparers was very crucial to reach the main conclusion. In circumstances when most of them still face difficulties in the implementation of the NASs, it would be premature to shift to another set of reporting. Remains still valid the alternative to harmonize NASs with IFRS for SMEs as this process comes easier for the preparers of FS. Should be an appropriate recommendation that of starting with trainings far before adopting IFRS for SMEs.

But on the other hand it’s the attitude of users that would determine the decision on IFRS for SMEs adoption. Even users, according to the questionnaires are in favor of the alternative of harmonizing NASs with the IFRS for SMEs for the reasons that were stated in the previous chapter. It’s only tax office which analyze these statements when makes its decisions while banks and managers/owners rely their decisions on other informal information taken from daily activities of entities.

In the economic context, the findings ultimately support the second alternative, harmonizing NASs with IFRS for SMEs and not the full adoption of the latter. It would be a significant cost, especially for small entities and totally irreversible in terms of any benefit for these entities. As long as it does not improve the quality of decision-making, drafting financial statements is only a mandatory expense. Situation is somewhat different in medium entities, even in those of the upper threshold, especially those with foreign shareholders or wholly foreign-owned. These entities are more inclined to invest in the transition to the IFRS for SMEs.

Another very significant conclusion is that of the impact of financial reporting culture. As noted by the questionnaire responses, in general culture of financial reporting is more oriented toward respecting fiscal rules and neglecting accounting standards.

Taking into consideration the attitude of preparers, users and all technical evaluation of the differences between NAS and IFRS for SMEs, the recommendation at the end of this paper is to to have a smooth transition toward IFRS for
SMEs through the harmonization of existing NAS and then in a period of not less than 3 years to be re-assessed again the attitude of all stakeholders as well as all changes in the international arena of financial reporting.

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International Migration and Its Determinants Evidence from Albania

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Abstract

This paper gives an overview of migration with specific evidence on the case of Albania. Albania is a country on the move, both internally and internationally. This mobility plays a crucial role in household-level strategies to face with economic hardship and it is the most important social, economic and political phenomenon in Albania. About one half of all Albanian households have an exposure to migration case, either through temporary migration of a household member or through their children living abroad. This study will provide a step towards understanding the potential of international migration of Albanians and analyses the determinants that influence more the intentions to migrate like unemployment and average monthly wage. For the preparation of this paper a lot of available data for Albania have been used. Mainly, the data are gathered from the publishing of World Bank and Albanian Institute of Statistics. The data were taken for a period of 16 years, from 1998 to 2013 by implementing the Johansen Cointegration Test. The cointegration results provide evidence of a unique cointegrating vector. In other words, a long-run stable relationship between migration, unemployment and wage exists. This indicates that migration, unemployment and wage move together in the long run in Albania.

Keywords: Cointegration, Migration, Albania, Unemployment, Wage

1. Introduction

Migration is one of the greatest driving forces of human progress and development. The movement of people around the globe has given a large contribution to the history of humanity. While migration is as old as humanity itself, theories about migration are fairly new. One of the early writers on modern migration is Ravenstein, who in the 1880s based his “Laws of Migration” on empirical migration data. Early migration models (Zipf, 1946) used the physical concept of gravity and explained migration as a function of the size of the origin and destination population and predicted to be inversely related to distance.

In addition, migration is one of the most important political, social and economic phenomenon in post-communist Albania, and has been a dominating fact of everyday life in the last decade. In addition, more than one fifth of the entire population has experienced large scales of movements internationally with Greece and Italy being the dominant places. (Carletto, Stampini, Davis, Trento, Zezza, 2004). Albania is one of the most known countries for its massive international migration flows. The high rates of unemployment and the severe poverty experienced by the household may have induced strong pressure toward migration. Albanians, among other transitional countries, are the most inclined to leave their country. According to a study conducted by the International Organization for Migration (Stacher and Dobernig, 1997), in 1993 over half of Albanians were willing to move and more striking, a fifth of them permanently. Statistics are poor, partly due to the irregular nature of much of migration, but most rough estimates of migration suggest that at least 15% of the population lives abroad and 40 percent of the people have some relatives settled outside the border of the country (UN, 2002).

The first step of this study is to investigate whether the time series data of migration, unemployment and wage are stationary or non-stationary. Mishkin (1992) noted that if the independent and dependent variables show the presence of unit roots (non-stationary) the regression results might not hold much meaning. This is referred as a spurious regression. Therefore, the Augmented Dickey-Fuller (ADF) tests were performed to find out if the time series were stationary or not. In addition, after proving to have stationary time series, the second step was that of applying the Johansen Cointegration test. The paper investigates the relationship that exists between migration, unemployment and wage in Albania.

The lack of relevant data, has constrained the attempt to analyze the migration in Albania, its determinants and
potential relationship between them. This paper aims to fill the gap in knowledge, providing a detailed analysis of unemployment and wage at individual micro level and examining the international migration.

The organization of this paper is as follows. Section II presents the theoretical studies. Section III details the data used and outlines the methodology adopted. Section IV presents empirical findings. Section V provides conclusions.

2. Literature Review

A variety of theoretical models have been indicated to explain why international migration begins, and even though each of them attempted to explain the same thing, they employed different concepts and assumptions. The first attempt to analyze the determinants of migration has been done by Smith (1776) and Ravenstein (1889), who arranged migration because of an individual utility maximization subject to a budget constrain. Individuals attempt to maximize their income from moving from one place to another one where the wages are higher; therefore the wages differentials are one of the main factors affecting the migration decision. Neoclassical approach presented by Todaro (1969) and Harris-Todaro (1970) stated that migration is expressed as a function of expected rather than actual earnings differentials and so the migrants chose places which maximize their earnings.

Lucas (1985) concluded that the tendency to migrate increases with higher wages in destination urban areas and decreases with higher home villages wages; moreover, the lower (higher) the chance to be unemployed the higher the probability of emigration.

Herzog et al. (1993) presented a survey of the empirical literature based on US data, reported that four out of eight studies found that both unemployment and wage rate are a significant determinant of migration. Faini and Venturini (1994) reported that emigration rates for South European countries are influenced by wage differentials and by unemployment rates in destination countries.

Ilir Gedeshi (2002) stated that emigrants’ remittances are an important source of income for Albanian households and a source of employment for many Albanians. He used surveys of emigrants and other data to analyze the role of emigration in the Albanian economy. Characteristics of emigrants, their motivation for emigrating and for sending remittances back to Albania are examined too. The finding suggests that the rapid growth of remittances will level off in the future.

Ankica Kosic and Anna Triandafyllidou (2004) studied how undocumented immigrants take advantage or react to the windows of opportunity opened to them by immigration policy design and implementation practices in the country of destination. The study is focused on Albanian and Polish immigrants in Italy. They studied how immigrants prepare and execute their migration plans, how they find employment once in Italy, and how they adapt their plans to the institutional and social environments of the host country. They emphasized the micro-level of the migration phenomenon and the relationship between policy design, implementation and immigrants strategies.

Adriana Castaldo, Julie Litchfield and Barry Reilly (2007) used Albania Living Standards Measurement Survey 2002 to examine the factors that render and individual most prone to international migration. They used novel data on whether individuals ever considered migrating abroad. The results show that the usual characteristics emerge as determining factors, with age, gender, employment status, and education all exerting predictable influences on migration risk.

Russell King and Julie Vullnetari (2009) studied three research projects based on fieldwork in Italy, Greece, UK and Albania. These projects have involved interviews with Albanian migrants in several cities, as well as migrants-sending household in different parts of Albania. The findings presented the intersections of gender and generations in three aspects of the migration process: the emigration itself, the sending and receiving of remittances, and the care of family members who remain in Albania. They found that, at all stages of the migration, Albanian migrants are faced with conflicting and confusing models of gender, behavioral and generational norms, as well as unresolved questions about their legal status and the economic, social and political developments in Albania, which make their future life plans uncertain.

Russell King, Matloob Piracha and Julie Vullnetari (2010) introduced an issue of Eastern European Economics on migration in Kosovo and Albania. It consisted on four parts. In the first two they sketched the background to the large-scale emigration flows: from Kosovo since the 1960s, and from Albania since 1990. They noted the equally large – scale internal migration within Albania since 1990. They made some general and speculative observations about current and future migration trends in Kosovo- Albania region.

Guy Stecklov, Calogero Carletto, Carlo Azzari and Benjamin Davis (2010) examined the dynamics and causes of the shift in the gender composition of migration and more particularly, in women’s access to migration opportunities and decision-making. They focused on Albania case because of the complex layers of inequality existing at the time
when migration began: relatively low levels of inequality within the labor market and educational system— a product by the Communist era— while household relations remained stepped in tradition and patriarchy. They used micro-level data from the Albania 2005 Living Standards Measurement Study, including migration histories for family members since migration began. Based on discrete-time hazard models, the analysis showed a dramatic increase in male migration and a gradual and uneven expansion of the female proportion of this international migration. Female migration, which is shown to be strongly associated with education, wealth, and social capital, appeared responsive to economic incentives and constraints. They argued that women’s migration behavior appears more directly aligned with household-level factors, and there is little evidence to suggest that increased female migration signals rising behavioral independence among Albanian women.

3. Data and Methodology

Time series data display a variety of behavior. The main reason why it is important to know whether a time series is stationary or non-stationary before one embarks on a regression analysis is that there is a danger of obtaining apparently significant regression results from unrelated data when non-stationary series are used in regression analysis. Such regressions are said to be spurious (Hill et al., 2008).

The study employs annual data obtained from INSTAT (www.instat.gov.al, accessed: 28 March 2014) and from WORLD BANK data.worldbank.org, accessed: 28 March 2014) for case of Albania. The sample period is from 1998 to 2013 so for a 16 year period. All tests are performed by using E Views7 statistical program.

In order to study the massive international migration flows of Albanians, I have taken into consideration two of the most important determinants: unemployment status and average monthly wage. Since, Albania is one of the economically least developed countries in Europe; the poverty line is still very high. There is a strong link between poverty, unemployment and low average monthly wage in Albania and these are the reasons that push more Albanians to migrate abroad for a better opportunity of life.

In light of the migration theories, the empirical approach followed in this study attempts to explain the probability of international migration of Albanians. In order to test the average monthly wage and unemployment level which are predictive of whether an individual will migrate abroad, the probit model is applied, where the dependent variable is an outcome, which captures the existence of international migration flows within Albania. Furthermore, the model takes form:

$$Pr(Y=1|X) = \Phi (X'\beta)$$

Where Pr denotes probability, $\Phi$ is the Cumulative Function of the standard normal distribution, $\beta$ are the parameter that will be estimated by maximum likelihood and $X$ is a vector of explanatory variables.
4. Empirical Findings

In figure 1(a) and 1(b) is shown a graphical scatter plot between emigrants and unemployed and emigrants and average wage. As the graphs show the relationship is not spurious and this can be understood that a causal relationship exists between emigrants, unemployed and average wage.

![Figure 1 (a)](image1)

![Figure 1 (b)](image2)

In figure 2 (a, b and c) and also table 1 are shown the group statistics performed in order to test the distribution of data. The results showed to be asymmetric and not in a bell shaped because of the unit root presence for all the three variables.

![Figure 2 (c)](image3)

<table>
<thead>
<tr>
<th>Series: EMIGRANTS</th>
<th>Sample 1998-2013</th>
<th>Observations 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>11391.31</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>12636.00</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>15711.00</td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>4325.00</td>
<td></td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>3647.921</td>
<td></td>
</tr>
<tr>
<td>Skewness</td>
<td>-0.653641</td>
<td></td>
</tr>
<tr>
<td>Kurtosis</td>
<td>2.186376</td>
<td></td>
</tr>
<tr>
<td>Jarque-Bera</td>
<td>1.590649</td>
<td></td>
</tr>
<tr>
<td>Probability</td>
<td>0.453698</td>
<td></td>
</tr>
</tbody>
</table>
Table 1. Group statistics

<table>
<thead>
<tr>
<th></th>
<th>EMIGRANTS</th>
<th>UNEMPLOYED</th>
<th>AVGWAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>11391.31</td>
<td>167.6875</td>
<td>29754.19</td>
</tr>
<tr>
<td>Median</td>
<td>12636.00</td>
<td>152.5000</td>
<td>27815.00</td>
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<tr>
<td>Maximum</td>
<td>15711.00</td>
<td>238.0000</td>
<td>52150.00</td>
</tr>
<tr>
<td>Minimum</td>
<td>4325.000</td>
<td>141.0000</td>
<td>10383.00</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>3647.921</td>
<td>33.64663</td>
<td>13990.77</td>
</tr>
<tr>
<td>Skewness</td>
<td>-0.653641</td>
<td>1.08829</td>
<td>0.189269</td>
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<tr>
<td>Kurtosis</td>
<td>2.18576</td>
<td>1.695470</td>
<td>1.695470</td>
</tr>
<tr>
<td>Jarque-Bera</td>
<td>1.580649</td>
<td>3.336701</td>
<td>1.230060</td>
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<tr>
<td>Probability</td>
<td>0.453698</td>
<td>0.188558</td>
<td>0.540625</td>
</tr>
<tr>
<td>Sum</td>
<td>182261.0</td>
<td>2683.000</td>
<td>476067.0</td>
</tr>
<tr>
<td>Sum Sq. Dev.</td>
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<td>16981.44</td>
<td>2.94E+09</td>
</tr>
<tr>
<td>Observations</td>
<td>16</td>
<td>16</td>
<td>16</td>
</tr>
</tbody>
</table>

Before analyzing the cointegrating relationship between emigrants, unemployed, and average wage, it is important to carry out a univariate analysis. The economic series like those of emigrants, unemployed, and average wage tend to possess unit roots (Hill et al., 2008). The presence of unit roots in the underlying series points towards the nonstationarity of the underlying series. If both the independent and the dependent variables show the presence of unit roots, the regression results do not hold much meaning. This is referred to as spurious regression, whereby the results obtained suggest that there are statistically significant relationships between the variables in the regression model, when in fact all that is obtained is the evidence of contemporaneous correlation rather than a meaningful causal relation. The problem of spurious regression is compounded by the fact that the conventional t- and F-statistics do not have standard distributions generated by stationary series; with nonstationarity, there is a tendency to reject the null in both cases and this tendency increases with sample size.

The stationarity of each series was investigated by employing the unit root tests developed by Dickey and Fuller. The test consists of regressing each series on its lagged value and lagged difference terms. The number of lagged differences to be included can be determined by the Akaike information criterion (Hill et al., 2008).

Table 2 below reports the Augmented Dickey–Fuller test statistics under the null hypothesis of a unit root. This table also presents the number of lagged difference terms included in the regression. The hypothesis of unit root against

Figure 2 (a, b and c)
the stationary alternative is not rejected at 5% levels for emigrants, unemployed and average wage with or without deterministic trend. However, the first differences of these variables are stationary under the test.

Null Hypothesis: EMIGRANTS has a unit root
Exogenous: Constant
Lag Length: 0 (Automatic - based on SIC, maxlag=3)

<table>
<thead>
<tr>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1.773296</td>
<td>0.3779</td>
</tr>
</tbody>
</table>

Test critical values: 1% level -3.959148
5% level -3.081002
10% level -2.681330

Null Hypothesis: UNEMPLOYED has a unit root
Exogenous: Constant
Lag Length: 0 (Automatic - based on SIC, maxlag=3)

<table>
<thead>
<tr>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1.565120</td>
<td>0.4748</td>
</tr>
</tbody>
</table>

Test critical values: 1% level -3.959148
5% level -3.081002
10% level -2.681330

Null Hypothesis: AVWAGE has a unit root
Exogenous: Constant
Lag Length: 0 (Automatic - based on SIC, maxlag=3)

<table>
<thead>
<tr>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.421466</td>
<td>0.9978</td>
</tr>
</tbody>
</table>

Test critical values: 1% level -3.959148
5% level -3.081002
10% level -2.681330

Table 2. ADF tests for emigrants, unemployed and average wage

The hypothesis of unit root against the stationary alternative is not rejected at 5% levels (critical value) for emigrants with or without deterministic trend. Since the calculated ADF t-Statistic (-1.77) is greater than the 5% critical value of (-3.08) do not reject the null of non-stationary. Therefore, emigrant variable has a unit root.

Also, since the calculated ADF t-Statistic for unemployed (-1.56) is greater than the 5% critical value of (-3.08) do not reject the null of non-stationary. Therefore, unemployed has unit root.

Moreover, average wage has a unit root, since the ADF t-Statistic (1.42) is greater than the 5% critical value of (-3.08).

The three variables emigrants, unemployed and average wage have unit root, needed taking differences of all of them. Table 3 reports, after taking the first differences (lags) of emigrants variable since the calculated ADF unit root test statistic (-3.27) is less than 5% critical values of (-3.09) do not reject the null hypothesis of non-stationary. Therefore, the
variable of emigrants has not a unit root, or it is stationary.

Moreover, after taking the second differences (lags) of unemployed variable since the calculated ADF unit root test statistic (-3.52) is less than 5% critical values of (-3.11) do not reject the null hypothesis of non-stationary. Therefore, the unemployed variable has not a unit root, or it is stationary.

Furthermore, after taking the first differences (lags) of average wage variable since the calculated ADF unit root test statistic (-3.50) is less than 5% critical values of (-3.09) do not reject the null hypothesis of non-stationary. Therefore, the average wage variable has not a unit root, or it is stationary.

Null Hypothesis: \( D(\text{EMIGRANTS}) \) has a unit root
Exogenous: Constant
Lag Length: 0 (Automatic - based on SIC, maxlag=3)

<table>
<thead>
<tr>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3.279678</td>
<td>0.0365</td>
</tr>
</tbody>
</table>

Test critical values:
- 1% level: -4.004425
- 5% level: -3.098896
- 10% level: -2.690439

Null Hypothesis: \( D(\text{UNEMPLOYED},2) \) has a unit root
Exogenous: Constant
Lag Length: 0 (Automatic - based on SIC, maxlag=3)

<table>
<thead>
<tr>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3.520055</td>
<td>0.0253</td>
</tr>
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</table>

Test critical values:
- 1% level: -4.057910
- 5% level: -3.119910
- 10% level: -2.701103

Null Hypothesis: \( D(\text{AVWAGE}) \) has a unit root
Exogenous: Constant
Lag Length: 0 (Automatic - based on SIC, maxlag=3)

<table>
<thead>
<tr>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3.501271</td>
<td>0.0246</td>
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</tbody>
</table>

Test critical values:
- 1% level: -4.004425
- 5% level: -3.098896
- 10% level: -2.690439

Warning: Probabilities and critical values calculated for 20 observations
and may not be accurate for a sample size of 14

Table 3. ADF test after taking the differences

The final step after having stationary time series is the application of Johansen Cointegration test in order to study whether there is a long relationship between the variables. According to the test results of table 4 is suggested that there exists a Cointegration relation between variables as long as Trace statistics (42.175) is greater than 5% Critical Value (29.797). Also, by looking at the Maximum Eigenvalue test the maximum eigenvalue statistic (26.871) is greater than 5%
Critical Value (21.131).

**Table 4. Johansen Cointegration Test**

In other words, a long-run stable relationship between emigrants, unemployment and average wage exists. This indicates that emigrants, unemployment and average wage move together in the long run in Albania.

5. **Conclusion**

This master thesis analyzed empirically the cointegrating relationship between emigrants, unemployment and average wage. Since the variables in this article are non-stationary and present a unit root, Johansen’s cointegration technique has been applied. This methodology has allowed for obtaining of a cointegrating relationship among these variables. The cointegration results provide evidence of a unique cointegrating vector. In other words, a long-run stable relationship between emigrants, unemployment and average wage exist. This indicates that migration, unemployment and average wage move together in the long run in Albania.

**References**


The Stands of the Political Parties in the Republic of Macedonia towards the 2001 Armed Conflict and the Signing of the OFA Agreement

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Abstract

Although the dissolution of the ex Yugoslav Federation is one of the bloodiest processes of the newer European history, due to a specific set of factors and circumstances the Republic of Macedonia was the only country that managed to separate from the federation without a single shot being fired. But as it was later proved, The Republic of Macedonia was not immune and was faced with an armed conflict at the beginning of this century due to the many unsolved issues that had mostly to do with the unsettled interethnic relations in the country. The Armed Conflict of 2001, was without a doubt perceived a turning point in the development of the Republic of Macedonia. This paper strives to provide insights regarding the attitudes of the main political parties and political elites in the country regarding the 2001 conflict and the evolution in their attitudes during the conflict and nowadays a whole century after the conflict has ended.

Keywords: Armed Conflict of 2001, Ohrid Framework Agreement

1. Introduction

Although an ex-Yugoslav Republic, Macedonia has undergone a very specific historical development, starting with the process of gaining its independence up to now. The Republic of Macedonia was the only republic that managed to gain its independence without any bloodshed during the breakout of the Ex Yugoslav Federation. On the other side it has remained the only Republic that although being accepted as independent, still has major unsolved issues with all its neighboring countries with the exception of the Republic of Albania and the Republic of Kosovo. Macedonia managed to mark its border with Serbia a decade after it gained its independence while the Serb Orthodox Church continues to refuse accepting the Macedonian Orthodox Church as an independent one. Neighboring Greece and Macedonia has many unsolved issues, mainly having to do with the name of the country and perhaps even the identity of the ethnical Macedonians. On the other hand, Macedonia has unsolved issues with neighboring Bulgaria when it comes to several important historical figures and events as well as the Macedonian language.

Although the Republic of Albania and the Republic of Kosovo, being two neighboring countries with an overwhelming majority of ethnic Albanian population have accepted the Republic of Macedonia as a sovereign country in its entirety, yet many issues have remained unsolved among the ethnic Macedonians and the ethnic Albanians that form two of the numerically largest ethnicities in the country.

Although the Republic of Albania and the Republic of Kosovo, being two neighboring countries with an overwhelming majority of ethnic Albanian population have accepted the Republic of Macedonia as a sovereign country in its entirety, yet many issues have remained unsolved among the ethnic Macedonians and the ethnic Albanians that form two of the numerically largest ethnicities in the country.

During its discourse of development as an independent country, the Republic of Macedonia has been faced with several main challenges both internally and externally. It has undergone a rather difficult process of transition, followed by major social challenges. The process of privatization has in many cases been considered as bad, criminalist, unfair etc. Although for a period of time, Macedonia was considered to be one of the most advanced countries in the Balkans in terms of fulfilling the preconditions for Euro-Atlantic integrations, it has undergone a process of sufficient drawback due to both internal and external pressures and weaknesses.

Surely one of the main issues that has been in many cases a burden to the overall development of the Republic of Macedonia have been the unsolved inter-ethnic relations, mainly due to a major gap in understanding the nature of the country among the two main ethnic groups. The ethnic Macedonians tend to view Macedonia as a crowning of centuries in sacrifice for the creation of an ethnic Macedonian country and therefore prefer to consider the Republic of Macedonia
as a country of the Macedonians in which other ethnicities live and co-exist as well. On the other hand in many cases the ethnic Albanians tend to view the Republic of Macedonia as Tito’s creation and consider themselves autochthon to the regions they inhabit for the moment. Besides this, the Macedonian political elites in many cases have stood shoulder to shoulder with the Serb political elites in the creation of state policies which in many cases were anti-Albanian and this has without a doubt complicated the inter-ethnic relations even further. Besides this even the ethnical structure of the population in the Republic of Macedonia is not clear enough due to the fact that the last census was conducted a decade ago. Many announced Macedonian politicians and experts have in continuity been warning the ethnic Macedonian population that due to the gap in the level of birth-rate the number of ethnic Albanians has been growing and due to this their participation in the general population has increased. The failed census some time ago, complicates this issue even further. Besides this the scientific Albanian community has expressed serious doubts in the correctness of all censuses previously conducted in the Republic of Macedonia.

Although the Republic of Macedonia has been from the very beginning declared to be a secular country in which all religious groups are equal in front of the law, one cannot shake the feeling that after all the Macedonian Orthodox Church has in continuity been privileged compared to the other Religious organizations. Religion is another issue that has until now not been addressed by the public opinion in the Republic of Macedonia specially having in mind that the religious structure is not compliant with the ethnical structure. This is due to the fact that a vast majority of the population that have been declared as ethnic Albanians are Muslim and this is the case with the ethnical turks as well. According to the 2002 census these two ethnical groups comprise around 29% of the population. On the other hand a part of the 53879 Roma populations are Muslim as well as a part of the 1297981 Macedonian populations.

Another issue that should be mentioned is that during the first decade of its functioning as an independent country, the Republic of Macedonia functioned in “steer waters”. The Albanian population took part in all political processes in terms of being part of the electoral process and had its representatives in the Parliament and the Government. But, on the other hand these two organs, in many cases were “ignorant” to the demands of the Albanians for equality.

Perhaps the refusal of the Macedonian political elites, to fulfill and show respects for the basic human and citizen's right of the Albanians was the main reason why the country underwent from s stage in which the first president Gligorov called it an “oasis of peace” to a process of an interethnic conflict.

The Albanian demands, were ranging from the wish to use their national Flag and the oficialization of the Albanian language up to very practical and reasonable demands such as the right to have an University in which the Albanian youth would learn in its mother tongue and the right to equal treatment in employment.

The refusal of the rightful demands of the ethnic Albanian population was followed by many cases of state violence against the Albanian population by the Macedonian police force. Some of the main cases that will be remembered are the Ladorishta events in which the police undertook a violent campaign against ethnic Albanians in the Struga region, the case with the Tetovo University in which a protester was shot in cold blood and no-one took the blame up to the Gostivar case in which three people lost their lives. Two of them were shot in cold-blood while the third died due to the many injuries inflicted by the special police. Hundreds of citizens were brutally beaten up. In the Bit Pazar case tanks were used against the unarmed Albanian protesters. These cases are only a small portion of the many cases in which the judiciary never undertook any measures.

Due to the above mentioned activities and the feeling that the Macedonian state will never allow the Albanians to realize their rights in a peaceful manner, ethnical Albanians gathered in the National Liberation Army and thus started the armed conflict of 2001.

2. The Stands of the Political Parties Toward the Armed Conflict of 2001 and the Signing of the Ohrid Framework Agreement

The fighting between armed Albanians and Macedonian security forces in 2001 ended in August of that year with the signing of the Framework Agreement at Ohrid. Since then, many of Macedonia’s political leaders have vowed to develop cooperation between the two ethnic communities, which have long been separated not only by language and religion but also socially, economically, and politically. One of the key challenges facing the country is to extend this determination to promote cooperation from the political to the social level. (Beska&Bajceska, 2004.2).

Although OFA has become one of the main terms used by the politicians in Macedonia, the fact remains that the political elites and political party’s views and attitudes toward the conflict that resulted with the signing of OFA and the OFA itself differ and in some cases have changed during this period.

Without a doubt the opinions specially differ between representatives of the Albanian and the Macedonian community but also among representatives of these communities. Besides this it should be mentioned that the attitudes
and stands have changed during the very period of the seven months that the conflict lasted for.

2.1 The stands of the political parties of the Albanians toward the armed conflict of 2001 and the signing of the Ohrid Framework Agreement

During the 2001 armed conflict as well as for the most of the period since the independence of the Republic of Macedonia, the Albanian political campus was dominated by two main political parties:

- The Party for Democratic Prosperity (PDP). A political party that had been member of the Government of the republic of Macedonia from the independence of the country up to the 1998 elections thus had been member of the Government during the period in which all of the anti-Albanian actions were undertaken.
- The Democratic Party of the Albanians (DPA). A former wing of the PDP that has separated from the party years ago and was member of the Government since the beginning of 1999.

Their attitudes regarding the armed conflict of 2001 evolved largely as the conflict developed. Perhaps one of the most noted declarations of the PDP regarding the conflict was the one given by the spokesperson of this party after the first attack of the NLA members on the police station in the village of Tearce. In this declaration the NLA members that performed the attack were addressed as “terrorists” by the spokesperson of the largest Albanian opposition party of the time.

On the other hand at his time, the representatives of the DPA although worried saw the attack mostly as a single event and not as a prelude to an armed conflict. In fact the President of the DPA at that time declared that “I believe that Macedonia is after all a stable country because the main political actors both from with the country and outside it are interested in maintaining its stability. A small group of people can create great tensions if there is a lack of political reaction. An action, such as the one in tearce requires no more than three to four people. I believe that such actions cannot present a threat for a serious and democratic country such as Macedonia strives to be”. (Makedonija Denes, 31.January,2001).

After the armed conflict in the village of Tanushevci the vice-president of DPA at that time, expressing the opinion that the conflict is not in the best interest of the Albanians would declare “I know that the attacks are not beneficiary for the advancement of the status of the Albanians in the Republic of Macedonia. Therefore DPA is against the violence and considers that the Albanians can solve their problems only through political means”. (Fakti, 28.February.2001)

On the other hand, the Coordinator of the Parliamentary Group of PDP expressing his concerns regarding the security situation blamed the government’s policies for what was happening. (Fakti, 28.February.2001)

On the 8.March.2001 in a visit to the President of the Republic of Macedonia while heading a delegation of PDP, its president would declare that his party os strongly committed to the defense of the territorial integrity of the country and condemn the attack in Tanushevci as well as expressed their willingness to get politically more engaged in field work. (Flaka, 10.March.2001)

After the declaration of the political demands by the NLA the vice-presidents of both Albanian parties declared that in fact what is required b the NLA is already a part of each of the parties’ political programs (Fakti, 12.March.2001). These claims were also made by the National Democratic Party through its secretary general (Fakti, 13.March.2001).

As the conflict was threatening to become even more serious both Albanian parties came out with demands that the conflict should be stopped before it escalates in a real civil war. After several meetings with the representatives of the international community the president of DPA on behalf of all Albanian political leaders declared that the conflict originates from within Macedonia and required that the conflict should be addresses and resolved in a peaceful manner. This was the first time that officially an Albanian political party condemned the armed forces of Macedonia for the usage of too much firepower without having a need to do so. (Fakti, 21.March.2001)

Therefore the 20.March.2001 can be considered one of the main political turning points during the conflict. Even besides the good will, the conflict continued with an increased intensity and this on the other had resulted in an even broader political support for the NLA on the side of the Albanian political parties. For the first time the political representatives of the Albanians required from the representatives of the international community that the Euro-Atlantic integration processes should be frozen and the country should transform itself into a really functional multi-ethnic country.

On the 13.May.2001 a Government of Large Coalition including all major political parties was created. A few days later on 24.May.2001 the Prizren Accords were signed by the presidents of DPA and PDP, Arben Xhaferi and Imer Imeri as well as the political representative of NLA Ali Ahmeti. This was followed by a large scale military action against the Albanian villages specially in the Kumanovo region. It should be noted that all political representatives of the Albanians as well as many Macedonian political representatives refused the proposals of the PM for the declaration of a State of War.

An analysis of the declarations made by the official representatives of the Albanian political parties in the period
from the Prizren Agreement until the signing of the OFA, shows that as time passed there was a tendency of even further and stronger political support for the NLA, specially having in mind the activities undertaken by the Macedonia police and armed forces.

Although OFA was signed by the presidents of the two major Albanian political parties, the fact remains that even in the period of its signature there was an impression that the agreement was being signed under international pressure and in order to avoid further escalation of the conflict. Perhaps this is the main reason why the Albanian political representatives have had in continuity disagreements regarding the way how OFA is to perceived as well as the path towards its implementation. Besides this there were major differences in perceiving the implementation of OFA among the Albanian and Macedonian political elite.

While the Albanian MP’s, aware of the practical importance of incorporating the main principles of OFA in the Constitution insisted on quick and precise implementation of the accords, individual Macedonian politicians has different views. In several cases an intervention by the international mediators was required in order to unblock the processes.

Even besides the obvious problems, the fact remains that ever since the Agreement was signed the political parties of the Albanians including PDP, DPA and the newly formed Democratic Union for Integration (DUI) as a political representation of the ex NLA were firmly determined to implement the accords in all fields although many debated have been conducted when it comes to the intensity and quality of implementation of the accords.

In the spirit of the Ohrid Framework Agreement a large number of Albanians have been employed in the state administration and partly in the public enterprises, a law for the usage of the languages of the ethnicities that comprise 20% of the general population has been adopted in the Parliament as well as a law for the usage of the Albanian flag. Regardless the changes made, the expert community and the opposition have quite often argued that although a large number of Albanians have been employed, still most of them remain undistributed across institutions and therefore unproductive.

Besides this the usage of the Albanian language has been limited only to the municipalities in which at least 20% of the population are ethnic Albanians as well as to certain usages in the central government institutions but only in the cases when those institutions are managed by ethnic Albanians and not according to law. Even in the Parliament, the usage of Albanian language is limited only to plenary sessions. Regarding the usage of the Albanian flag many debates have been made. Although the Albanian flag can be used, it can be used only in certain cases and only smaller in size compared to the official flag of the country.

2.2 The stands of the political parties of the Macedonians toward the armed conflict of 2001 and the signing of the Ohrid Framework Agreement

During the 2001 armed conflict as well as for the most of the period since the independence of the Republic of Macedonia, the Albanian political campus was dominated by two main political parties:

- Internal Macedonian Revolutionary Organization –Democratic Party for Macedonian National Unity (IMRO-DPMNU). A political party that had been in Government for the most of the period since the 1998 elections.
- Social Democratic Union of Macedonia (SDUM). A political party that has been in Government for the most part of the first decade of the country’s independence.

When it comes to the attitudes of the Macedonian political parties and elites toward the armed conflict of 2001 and the Ohrid Framework Agreement not many differences exist regardless weather they were in position or opposition.

Put in simple words all political parties of the Macedonians had a nugatory attitude toward the conflict and the NLA. Another common treat shared by all of them is the refusal to accept the fact that the NLA and the conflict originate from within Macedonia. Perhaps in order to preserve their “idyllic view” of Macedonia as a democratic country the Macedonian political parties and elites, preferred to consider the conflict as being imported from outside mainly from the neighboring Republic of Kosovo.

During the whole period of the lasting of the conflict the Macedonian political elites, refused to publicly accept the fact that a portion of their own citizens faced with their lack of willingness to guarantee their basic group and ethnical right took up arms as a solution to solving their problems.

The Macedonian political parties, although not with an equal intensity, were all in favor of an armed solution to the conflict hoping that with a swift military response they would be able to resolve the situation. On the other side the practice was different.

The armed forces proved incapable to perform a swift victory against the NLA forces and as each day passed the NLA gained even stronger support among the Albanian population. In return the Government responded with providing weapons to the Macedonian civilians which on the other hand was a sign that the conflict can easily escalate into a full
scale civilian war that could perhaps even grow into a new Balkan war.

Faced with such possible scenarios for the future of the country the Macedonian political elite slowly became aware that perhaps the best solution would be of a political nature, an agreement that would ensure equality among all citizens while ensuring the territorial integrity of the country. After all even the NLA itself never required territorial solutions but rather improved rights for the ethnic Albanian population.

Perhaps the above mentioned reasons were of crucial importance for the acceptance of the Ohrid Framework agreement by the major Macedonian political parties and the signing of OFA by their presidents.

3. Conclusions and Recommendations

The determination of the reasons and consequences of the armed conflict of 2001 is of great importance for the future of the Republic of Macedonia. Even now, more than a decade since the end of the conflict, a decade in which the ex managerial structures of the NLA organized within the Democratic Union for Integration have been a part of the government, there are “two truths” regarding the armed conflict.

The Macedonian political elites continue to consider the conflict as imported from Kosovo and in certain cases have gone so forth in such accusations as to even accuse the international community of stimulating the armed conflict. On the other hand the Albanian side addresses the conflict as an internal one and resulting from the unsolved ethnical issues.

Regardless, it is of great importance to determine the reasons behind the conflict in order to provide for a real democratization of the country, specially having in mind that the conflict itself ended without having a victor and in a phase that allowing for both sides to feel as being victorious. Besides this, both the Albanian and Macedonian side should learn to live the past aside and focus on the future that they will need to build with joint efforts.

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Strategies for the Development of Internal Marketing Orientation in the Private High Education Institutions in Albania

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Abstract

In the post-communist era, Albanian higher education system underwent a series of reforms, which included the privatization of higher education institutions. While this was generally heralded as a progressive move, policymakers could not anticipate the preparedness of the system to face cut-throat competition and the resultant insecurity. The aim of this paper is to identify strategies for the improvement and implementation of internal marketing communication across the Albanian private higher education sector in order to attract and retain its internal customers/employees. It argues that internal marketing in general and organizational communication in particular are some of the most vital yet neglected areas of organizational development in the private higher education system of Albania. Changes are more likely to be accepted by the stakeholders if they are informed by the complex socio-cultural realities surrounding the system undergoing change.

Keywords: higher education, privatization, internal marketing, communication, change management, Albania.

1. Introduction

For almost four decades, Albania has faced one of the most communist extreme dictatorships in Europe, characterized by total isolation. As a result the system of higher education in Albania was obsolete in methodology as well as in the information provided (Kume, 2010). In the post-communist era higher education system underwent a series of reforms, aiming at adapting to the new democratic system. One of these reforms was the liberalization of the Private Higher Education Institutions which resulted by a rapid increase in non-public Higher Education Institutions.

According to the Albanian Public Agency for Accreditation of Higher Education the number of Public Higher Education Institutions was fifteen while the Private Higher Education Institutions reached 47 as of end of year 2013. But private higher education sector is facing a great number of problems, and the system have to change in a variety of ways, including shifting of the focus from quantity to quality and, creating the opportunity for a qualitative education (Duro, 2009). Competition among non-public higher education institutions (NPHEI) in Albania is continuously increasing. As mentioned previously this is predominantly caused by the high number of these institutions. But there are several other forces that drive higher educational institutions to make necessary reforms such as: internationalization, globalization, the limited number of students coming from secondary schools, the economic crisis etc. All these factors push NPHEIs to seek out new organizational structures and types of internal marketing communication strategies. One of the most important factors that boost the internal communication strategies is a coordinated view between head offices and faculties, a good relationship among staff that would play a key role in managing the marketing communications of the whole university.

It is clear that any sustainable competitive advantage for universities is via the staff since the human capital is the most critical source of organizational capability. This paper proposes a set of best practices for the improvement and implementation of internal marketing communication strategies across the Albanian private higher education sector in order to attract and retain its internal customers/employees.

2. Literature Review

The marketing of educational institutions is defined as “the analysis, planning, implementation and control of carefully formulated programs designed to bring about voluntary exchanges of values with a target market to achieve
organizational objectives.” (Kotler & Fox, 1985). Promoting a university brand and image is considered a key factor in relation to attracting new students. For this reason the conception of a client in the tertiary education sphere was one of the main topics in ‘90s (Schüller, & Chalupský, 2011). Other authors like Mupemhi & Mupemhi (2011) have stated that any sustainable competitive advantage for universities is via the staff. They have explored the internal marketing factors or initiatives which were employed by local universities to attract and retain its internal customers or employees. HR and reward strategies were found to be fundamental in attracting, motivating and retaining the staff. The university brand and identity are further explored by (Goonawardana & Hemsley-Brown, 2007) who focus on the cooperation between rectorate and faculties while forming a successful university brand. (Schüller & Rašticová, 2011) have analyzed the methods and styles of marketing communications universities and their faculties use when communicating with prospective students. They have identified some procedures which help to optimize the choice, combination and connection of elements and activities of the marketing communications mix in relation with prospective students. They recommend also that when planning their marketing strategies, higher education institutions should consider applying integrated marketing communications.

This latter should be implemented in two phases; the first is the creation of a university’s own marketing mix, where the target group should be explored in detail to find out about its needs, wishes, and expectations. In the second phase a plan of marketing events has to be set up. These events are mutually interrelated and form a logical pattern. Friman & Arnoldina (2003) discussed the marketing tools for educational organization and to determine the market orientation stage of faculty at different organizational levels. The first level is the “managerial” level where managers such as principals or coordinators manage the educational institution’s faculty on a daily basis. The second level is the professional one, where teachers carry out their professional duties. Oplatka (2009) argues that it is likely that a business model of marketing is inappropriate and needs to be replaced with a more educational approach that is based on non-profit enterprises which are more similar to HE institutions. He admits that marketing might still occur, but with the academic sector viewed as a public service rather than a private business, and the market role not so much as competition to possess market share but rather as a sharing of information to match educational resources to student needs. (Schüller, & Chalupský, 2011) have come to the conclusion that based on the strong competition caused by the high number of HEI, globalization, negative prognosis of demographic trends, austerity caused by the economic crisis, changes in university funding etc, universities are seeking out new organizational schemes. Here comes the role of internal marketing communication strategies between head offices and faculties. According to the authors good relationships among the staff play a key role in managing the marketing communications of the whole university. Wood (1999) has examined the trends in current and preferred methods of communication within tertiary organization. The study takes into account current communication theory and other factors such as the organizational culture and leadership style. Carlos & Rodrigues (2012) have analyzed the relationships between internal market orientation and job satisfaction, organizational commitment, organizational citizenship behavior and performance.

3. Research Methods

In the first stage this paper will identify the main problems of internal communication policies mainly between the marketing department and the faculty, between the head offices and faculty and between academic staff itself- at private Albanian higher education institutions. On the basis of the interviews with persons in charge with marketing activities the research will concentrate on the issues related to co-operation between head offices and faculties. For this purpose the interviews will investigate the following areas:

- The main problems that have to be dealt with in terms of internal communications
- The place of marketing department in the organizational chart
- The human capital is the most critical source of organizational capability. Therefore, any sustainable competitive advantage for universities is via the staff. The next part of the research will explore the internal marketing factors or initiatives which were employed by the private Albanian higher education institutions to attract and retain its internal employees. For this purpose in this stage the interviews will investigate the following areas:
  - The degree of cooperation between the university management and faculty
  - The motivational policies and programs that the private HEIs organize for their faculty. This will include the elements of the reward strategy which could be: Remuneration, Other Benefits, Work-Life Balance, Development and Career Opportunities, Performance and Recognition Programs.

In this research paper faculty and people responsible for marketing communications activities at nine different universities were interviewed by using open-ended questions. The individual interview method was used.
4. Analysis of Responses

Question 1: The main problems that have to be dealt with in terms of internal communications

Most of the interviewees expressed a negative experience towards the appropriate involvement of academicians in the internal communication process of their institutions. But broadly they attached great importance to academics' involvement in internal communication process. Others have admitted the lack of internal channels of communication. The relation rector - academic staff doesn't exist and the academic tasks come from the administrator –which in many cases is the owner of the university- who also is the person who appoints and dismisses the academic personnel. Also the academic structure doesn’t seem to be solid and the distinction between administration and academic tasks in many cases is hard to be made. Because of the lack of a sufficient number of academic assistants or administration staff many tasks (both academic and admin) are left to the primary faculty which in the end results in an overload faculty.

Another problematic area is the relation between the academic staff and the supervisors, because the communication functions from top-bottom, so its holistic meaning or purpose is not fulfilled:

"The communication culture is poor. The way to improve this is for the staff to take some training and orientation sessions. There is no a planned communication plan, mostly it is a personal process than a planned one..."

Beside the negative side some interviewees (but a small part of them) reported that the planned communication does exist, through weekly meetings with the university principals and in which the information is shared.

Question 2: The involvement of academicians in marketing the institution and the place of marketing department in the organizational chart

Academicians do have some sort of involvement in the promotion of their institution and the recruitment of new students, mostly during open days. In this marketing event, high school students are exposed to the various academic programs and take information about university’s facilities, the faculty, job opportunities, etc. Many academicians also reported that their universities do not have a marketing department but a professional person is in charge with marketing activities and PR. The PR/marketing person reports directly to the administrator. But in many cases this person accomplishes the owner's personal objectives which can be different from those of academic prospect. One of the academicians stated that:

"In general marketing activities are identified or equaled with the personal network of the owner..."

Question 3: The degree of cooperation between university principals/management and faculty

The answers here can be divided between positive and negative attitudes toward the collaboration and cooperation of the university management and the staff. In this context the professorate answers to the demands of PR/marketing person since professors are recruited and selected on a student oriented basis:

"The university uses a strong marketing campaign, especially social marketing where a solid cooperation with academic staff is used. In general the public relation office is collaborating strongly with the academic staff in terms of promoting the latter through the university’s magazine or through publishing the academic staff’s CVs on the official website."

But a small percentage of the interviewees reported a low coordination between the academic staff and the PR office. As one of the interviewees stated:

"...many activities are communicated late and there is no a preliminary plan of activities. But when it comes to the participation in already designated marketing activities there is a strong will of staff participation in such activities."

When it comes to the relations and collaboration between the principals and faculty, or the academic staff itself, most of the interviewees reported a problematic situation:

"... the reasons for a non-satisfying communication level are factors such as jealousy and incapability, and for which the university faces difficulties in correcting them..."

Another negative factor identified from the interviews is the high level of academic staff turnover.

Question 4: The motivational programs that the universities organize for their faculty

The questions focused on how these kinds of policies fitted into the organizational culture, the faculty opinions on the current remuneration structures, benefits, the balance of work and life, development and career opportunities and performance recognition. Apart from financial remuneration there are no many other motivational policies in the private HEIs. An important motivational policy resulted to be the participation of academic staff in scientific seminars where outside academic professors are invited so the staff has the possibility to exchange ideas. The participation in various academic conferences serves as a motivational tool; through it the academic staff has the opportunity to exchange ideas
with outside international specialists.

One of the interviewees reported that in recent years the academic staff is sent in other partner universities abroad as part of the staff exchange program and this is a strong factor to increase the external academic communications. But in general the interviewees have pointed out that a weak point: universities don’t offer any internal grant or other stimulus for scientific research.

5. Discussion

With regards to the first question, a bad communication level is being reported from the interviewees between the head offices/administrators and the faculties. Therefore it is highly important for university's head offices or administrators and their faculties to find an appropriate organizational and communication style. The University’s business plan can be well crafted but when bad internal communication exists the teaching and administration staff might not be aware of it. It is important for the internal communication process to be part of the organizational culture and entrenched in its values. In the end both the teaching and non-teaching staff must be socially and emotionally attached to the university and be associated with the success stories of all university’s stakeholders.

In terms of second and third question a lot of answers relate to organizational and internal collaboration and coordination between the marketing department (or PR person) and the academic staff, the collaboration between the academic staff itself or even between the universities head offices and the academic staff. In general the academic staff is willing to participate in marketing communications projects of their university, but in some cases many activities are communicated late and there is no a preliminary plan of activities. Even older students are participating in "open days" activities as part of the marketing communications projects, communicating their personal experiences to the new targeted students.

In terms of the forth question, the motivational tools play a key role in internal marketing communications of higher education institutions. From a range of motivational tools like: remuneration structures, benefits, the balance of work and life, development and career opportunities and performance recognition, the interviewees have reported that apart from the remuneration option another motivational policy used is the participation of academic staff in scientific seminars. This research result indicates and implies that it is advisable for universities to place more emphasis on non-financial motivational incentives and tools.

6. Conclusion

For the private HEIs in Albania is important to be able to understand the business mentality, local culture, students’ needs and wants. Therefore integrated Management Information Systems (MIS), PR, advertising, sales promotion, personal selling should be emphasized and implemented. As a result the main problems that have to be dealt with are: not only recruiting but retaining by integrating internal marketing communications tools.

The place of marketing department in the organizational chart is a position that reports directly to the president, rector or general manager. Therefore their activities should be independent and concentrated on recruiting, selecting the most suitable students for their universities. In addition activities such as building the brand name, improving universities image and most importantly generating positive publicity should be conducted by the marketing department by directly reporting to the management. In doing so administration staff that is in charge of marketing and PR activities should heavily cooperate with faculty members who are competent in selected subjects theoretically to achieve reliable outcomes.

The Marketing and Communication Department should be responsible for overseeing the strategic direction and planning, coordination, and management for the university's marketing, public relations and strategic communication program. It is important to work with both the external and internal constituencies to strategically create and communicate the university's messages and ensure overall continuity of institutional brand consistency and image. Finally with latest advancements in technology like the internet, social networks etc. marketing department should implement their activities on viral marketing.

The main issue is to reach a consensus between the university and marketing department once the ideas are generated. Often times conflict of interest arises among the people who have diverse backgrounds. Therefore it appears to be somehow difficult to make a solid decision. In order to prevent or minimize conflicts it is advisable to strongly encourage weekly meetings with a solid agenda and followed by action steps. Considering the teaching load of faculty the assisting personnel seems to be not enough. Even the administration staff in many cases is not enough in number to boost the daily operational duties. This has caused many problems to the internal communication process among the
personnel in the private high education institutions.

Once the results have been achieved marketing department should be rewarded by providing them with field trips, vacations, performance based incentives, bonuses, employee of the month etc. This will be a very useful motivational program that need to be implemented. In addition flexible work-schedule always comes in handy to achieve great results. In summary problems seems to be short term profit-making rather long-term durable reputation building.

Many academicians might view the business model of marketing as inappropriate, however marketing in the HEIs context might occur, but with the university viewed as a public service rather than a private business and with a new meaning for the marketing; as that of sharing of information to match educational resources to student needs.

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The Economic Growth of Albania during the First Postcomunist Decade: The Economic Institutions Recommendations

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Abstract

1992-1996 was a very distinctive period for the relationship between EU and the Western Balkan countries, exceptionally for Albania. In the new way of market economies development, each country addressed their problems in distinct manners. The relevant politico-economic institutions, democratic decision-making bodies, central banking policies, the organization of privatization of industries, and the regulation of private firms – all had an impact in this first phase of transition period. When these institutions are inappropriate for the development of free market economies, one reaction in many countries is the spontaneous development of informal economies. One of the main strategies of stabilization and liberalization was privatization and the development of the private sector. The liberalization process, on the other hand, proved to be a complicated and delicate procedure with respect to both economic and social aspects. The economic growth in Western Balkans countries for the period 1992-1996 represents double standards, especially in Albania. This paper presents a study of the role of the informal sector in transition. The Albanian case is used to demonstrate some of the characteristics of this transition. This study seeks to present the economic growth of Albania during the first postcomunist decade. It will analyze the conditions for the informal sector to emerge in a transition country, to wit, Albania. The consequences of these conditions are reflected in the various appearances of the informal sector, and from the other hand are the institutions, that survived and tried to correct the situations. In the other hand the paper examines the role of the economic institutions like European Bank for Reconstruction and Development (EBRD), the International Monetary Fund (IMF), the World Bank, etc. The analyses are based on the existing evidence which examines all the facts for the characteristics of developing economy in Albania and the report with the international economic institutions and their recommendations.

Keywords: economy, transition, growth, privatization, recommendations

1. Introduction

Post-communist development is often described as a triple transition, because post-communist countries simultaneously face economic, political, and ethnic changes (Katatchnovski, 2000). The reviewed studies imply that economic growth would accelerate as soon as, or shortly after, economic reforms and macroeconomic stabilization are implemented (See, for example Fisher, et. al., 1996, 64).

However, forecasts, made by the World Bank, PlanEcon, the United Nations Economic and other organizations, did not anticipate the significant variation of growth rates in post-communist countries. According to the IMF (1999a) data, 8 out 22 countries recorded negative growth in that period. The different ways to affrontate the situation reflected the capability of each of these countries (IMF, 1994).

The reviewed literature on economic growth shows that post-communist countries with more reformist polices of economic liberalization, low inflation, and no war involvement tend to grow faster than countries with less reformist policies, higher inflation, and war involvement.

A key issue in the study of democratization has been the relationship between the levels of economic development and the level of support democratic institutions. Economic development is associated with a reduction in the state’s economic role which increases the chances for democracy later by increasing middle class with independent interests of the state and therefore reduces relations of patronage, nepotism and corruption.

2. Political Economic Changes

However in the Western Balkans old static political systems were not transformed by popular revolutions as has happened elsewhere in Eastern Europe. In many cases, the old elite continue to remain in power even after the introduction of democratic political system.
As a result, generally in the Balkans, by the end of the 90s, there was a noticeable transformation of the political and economic elite and reducing the role of the state in the economy has been small. The companies retained their previous character static societies where power had arbitrary actions by lawlessness, despotic ways of exercising power, institutionalism low, the lack of intermediate structures and hence the weakness of civil society. These features can be found to some degree in many Balkan countries. Persistent role of this type imposes state in many cases a real obstacle to the development of democracy.

In Albania, anti communists came to power in the 1992 elections, but the nature of the ruling party retained an authoritative caracter. Successor states of the former Yugoslavia in which centralized planning was abandoned in early 1990 and was replaced by a single form of market socialism. After the division of Yugoslavia's political transition in the Federal Republic of Yugoslavia and Macedonia was similar in some points with him in Romania and Bulgaria, who owed the elements of continuity in the political composition of governments by the previous regimes (Uvalic, 1999).

Albania is often treated as a “most difficult case” of democratization, or an outlier compared to the other post-communist countries that have experienced regime change. The long, difficult, interrupted, and at times chaotic and certainly ambiguous path to democracy and a market economy however has firmly put the country beyond its initial post-communist ratings in democratic and economic progress (Vickers M and Pettifer J, 1997).

The country’s historical “deficit,” including little to no experience with independent statehood, a lack of democratic experience, socioeconomic underdevelopment, a deeply divided elite and the prevalence of authoritarian leadership, is often mentioned when explaining Albania’s difficult transition path and its current problems.

The anti-communist umbrella organization the Democratic Party (DP), put forth “shock therapy” political and economic reforms. The initial enthusiasm of this period was captured in the references to Albania as a “rising star” and a “model pupil” in domestic and foreign evaluations in the early 1990s.


The former Yugoslavia had a special position in the international economy and political relations, which in one way or another benefited all republics. She was a member of the Council for Economic Mutual Assistance (KNRE) but there have been some trade agreements with the European Economic Community (EEC), and all SEE countries, it had the highest proportion of the trade in the EEC countries.
Since the early 1990s, the Yugoslav economy was adversely affected by a number of external shocks, first dissolution of the Yugoslav federation, a series of armed conflicts and the various sanctions imposed by the international community. Although these shake their nature are called "external", are all directly caused by the internal policies of the government of Serbia / Yugoslavia (Bianchini, S Uvalic, M, 1997).

3. Economic Development in the Western Balkans. Privatization Features, the Case of Albania

Political instability and administrative chaos that accompanied desintegration 1991-1992 planned economy produced a budget deficit, while the immediate liberalization of prices and the collapse of production brought a strong inflationary shock (De Waal C 1996).

As a result, the macro-economic situation in the country deteriorated. (Miranda Vickers and James Petiffer 1997). Production fell by more than 50% by the end of 1990 until mid 1992. External debt became too large, 30% of GDP. The budget deficit reached 44% of GDP by the end of 1991 and expanded to more than 50% in the first half of 1992 (Muco M and Minxhozi L, 1992, p: 9-105). At the end of 1991, the change in inflation reached three figures in a change of 104.1% from the previous year, and in early 1992 monthly inflation rate was 10-15% (Ruli, G. and Belortaja, S, 2003).

This initial transformation crisis followed by sudden deterioration of social indicators such as unemployment, social
services, and general uncertainty (Fatos Tarifa, 1993). The Albanian economy was a “small economy”. (Sjöberg O. 1991). On the other hand it should be mentioned that the “cost” of the transition was too heavy for the population of Albanian society. Liberalization and privatization brought forced closure of many state industries what produced that unemployment in 1992-1993 reached 28.5% level which figure so far despite statistics measured on the basis of the records of job seekers think that continues to be at high levels. Social whole categories of pensioners, unemployed state employee was found in personal income levels that classify them in the poorest categories of the society (World Bank, 1994).

Economic trajectories in the post-communist Balkan countries have been strongly influenced by the level and extent of privatization and the pace of development of small business. Economic development models in performance reflect the Balkan states which have been developed such reforms in each of the countries of the Balkans. In general, countries with fixed privatization, and that followed a gradual approach to economic transition, have passed various types of economic crisis. (Gërxhani, K., 1998).

In Albania, a massive privatization program began in 1995 using a securities scheme. However securities were viewed with great skepticism by the public and quickly stopped. The privatization process was extremely slow and only 20 enterprises were privatized in the first year. Privatization is considered by a broad consensus as the main action in economic transition toward a market economy. It represents a key issue as the inefficiency of the State-owned Enterprises (SOE) has been clear not only in the East but in West Europe too (Dăianu,D and Veremes,, 2001). The privatization process for the countries of Eastern Europe, where the main parts of the assets of the society was state property, has a broader meaning and involves a fundamental transformation of the economy. Under these circumstances the privatization, as Lipton and Sachs (1990) pointed out, represents “a complete redefinition of property rights”. Obviously the performance of this action is complex and influences strongly all the other elements of economic reform.

As in all other countries in transition Albania is seriously involved in a privatization program, considering its fast implementation as a priority of the transition.

In all Balkan countries, therefore, the ruling elite has been able to maintain government positions and influence in relation to ownership and control of the majority of economic assets. Where privatization took place this control is done directly through continued state ownership of most companies. Elsewhere, the privatization of the managers, or politicized privatization resulted in a political elite executive control and management of privatized companies first (Barlett, 2000).

Unfortunately, in some of the Balkan economies has been a significant increase small business sector. One of the key reasons has been the lack of a coherent policy for the development of this sector despite continuing commitment to international assistance programs sponsored by the EU (through the PHARE program) and the World Bank and a number of bilateral and multilateral economic assistance programs. Why was this so? For in static societies such as those that exist in the Balkans, the development of competitive small businesses will be a threat against the interest of the ruling elite, the future of which was closely associated with economic income large companies owned by the state or privatized (INSTAT, 1998).

In these initial conditions, and after some confusing efforts during 1991 to mid 1992 launched a comprehensive short-term and medium-term economic reform program. This program was designed to start a market economy reform to stabilize the economy, liberalized prices and trade, and also to privatize and convert state property. Forced out of the starting conditions, economic stabilization was the first step in Albania’s economic reform, which aimed to: reduce the budget deficit, reduce inflation and supervised, to create a modern legal framework necessary to become a market economy (Pasko G.1991.Ruli G, Belortaja S. 2003).

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Further in 1992-1993, Albania achieved significant progress during the transition from rigid communism to a market economy. Although it started from a low base, it has been on the rise, while the controlled inflation, despite the crisis of local and regional instability. She attended and economic structural reform with a wide range and there was progress in building democratic institutions (Fischer, Stanley, Sahay,R and Vegh C., 1996).

In late 1992, after the short program began to implement measures “severe” in the budget, began to show some improvement signals. Also, in 1993 the deficit was reduced again to about 16% of GDP, while in 1994 it dropped to 14% of GDP. A further reduction of the deficit was recorded in 1995, when the deficit amounted to 8.7%. Product growth was showing signs of continuous improvement compared to other countries in similar circumstances (Muco, M, 1994). Unemployment, though still high, is seated slowly, while the private sector is developing rapidly. At the same time, according to official statistics, the rapid decline of inflation in Albania, from 237% at the end of 1992 to 21% at the end of 1993, 16% by the end of 1994 and 6% by the end of 1995, was one of the excellent results of the reform of the Albanian economy. In the manufacturing sector, agriculture, which was almost completely privatized, was the first who responded to price signals, increasing food supply in the domestic market (Aslund A. and Sjöberg O. 1992)
Stabilization process was soon followed by price and trade liberalization, and privatization. The liberalization process was also extended in the external sector and foreign trade, thus allowing for a reliable integration of the Albanian economy in the world economy (Ruli, G. and Belortaja, S. 2003). Liberalization program began in the mid 1992 legalizing a variable exchange with an active market outside banks and continuing to implement the most important trade reforms. Part of the new private sector in foreign trade was becoming important, covering 80% of imports and 50% of exports. Starting mate in foreign trade, caused by the collapse of state enterprises and other factors forced internal transition was reflected in the decline in the volume of exports by 50% in 1994.

Geographical distribution schemes for exports of the former eastern bloc countries fell drastically from 46.3% of total exports in 1989 to around 2% in the first quarter of 1995. The situation was quite the opposite for imports, which changed from 44.8% to 13.2%. In contrast, the volume of imports nearly doubled between 1989 and 1993. Evidence shows that, if exports to the former communist countries were insignificant Balkan region, imports represented a larger share in 1995. Bulgaria only cover about 9% of Albania’s imports (EBRD,1999).

After decades under a trading system more controlled, rapid liberalization that took place in 1991, brought the Albanian products should already meet international standards. The ability of these products to compete in the world market was still limited. Protecting Albanian products currently in the new liberalized system is weak. Statistics show that in 1995, 80% of Albania’s total imports came from EU and EFTA countries (WB, 1994).

This situation emerged clearly highlights during one of the largest trauma has passed Albania: serious political and social crisis of 1997. Results of a progress achieved in the five years before through hardship high social costs, showed that they had a strong base as well as social institutions (Ruli G and Belortaja S, 2004).

Full and immediate paralysis of state institutions, the loss of public order, social anarchy and the acts of violence and destruction that invaded Albania were not accidental events or caused by random factors. Causes of the crisis lie in a broad historical context of the development of Albanian society, but certainly a decisive influence on their production had some phenomena produced during the transition period itself. The weakness and fragility of state institutions, public confidence in political institutions themselves, were most pronounced manifestation of the crisis, and the collapse of pyramid schemes, where over 50% of Albanians had placed their savings, was perceived as a direct cause. The events of 1997 were a major warning to the arbitrary and irresponsible policies (Ruli, G. and Belortaja, S., 2003).

One indicator of this energy during the transition period was the country’s ability to recover quickly and economically. After a production decline of 30% in early 1992, during the years 1993-1996, the economy had increased that ranged from 7 to 11 percent of GDP.

But regenerative ability appeared clearer after the 1997 crisis. After a decrease of -7%, starting from 1998 till date has recorded an annual GDP growth of 7-8% value (EBRD, 1999).

Table 6. Indicators of economic growth, reform, initial conditions and culture in post-communist countries

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<td>Albania</td>
<td>86</td>
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<td>Bulgaria</td>
<td>65</td>
<td>3.92</td>
<td>18</td>
<td>5000</td>
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<td>15</td>
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<td>4.25</td>
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<td>Croatia</td>
<td>78</td>
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<td>12</td>
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<td>22</td>
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<td>Czech Rep.</td>
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<td>Macedonia</td>
<td>58</td>
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<td>Hungary</td>
<td>95</td>
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<td>9</td>
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<td>6.75</td>
<td>93</td>
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<tr>
<td>Poland</td>
<td>117</td>
<td>6.08</td>
<td>13.6</td>
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<td>Romania</td>
<td>76</td>
<td>3.50</td>
<td>16.8</td>
<td>3470</td>
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<td>Yugoslavia</td>
<td>53</td>
<td>3.17</td>
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<td>Bosnia</td>
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<td>1.83</td>
<td>12</td>
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<td>56</td>
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Sources: ¹ EBRD (1999, 6).
4. IMF and WB, Recommendations

Albania's emergency to change was great. The main aim was to halt further deterioration of the economy and to move towards a market economy. The establishment of relationship between Albania and international institution like IMF and WB was urgent for the country. The support of international financial institutions and particularly by the International Monetary Fund, in the designing and implementation of transition reforms, as in other countries has been complex and of an importance and positive impact on Albania.

After the collapse of the totalitarian system are established diplomatic relations with many countries and Albania joined the International Monetary Fund (15 October 1991), the World Bank, the European Bank for Reconstruction and Development etc, as well as many other international organizations.

According to Mr. Bufi: "This meant that Albania had already the opportunity to elaborate its strategies of crisis transition and of the development also, the aid programs, the investment programs, the programs of attracting the foreign investments and of advanced technology" (Ylli Bufi, 1991). It is important to note that until 1990 year, Albania has not undertaken any economic reform. An important step in this direction was the adoption of Law no. 7512 dated 10.08.1991 "On the establishment and protection of private property, free initiative and independent private activities" (ibid), this law will constitute the legal basis of all economic reforms, but in this framework was approved the law on enterprises, the law on salaries and prices, the law for the assistance, the amendments on the law for the State Bank of Albania. During the first steps and in following, the monetary aid and technical assistance of international economic organizations has been essential for the creation of the market economy. In the conditions of a lack of knowledge and experience about the market economy toward them we will go through reforms, the need for expert advices was indisputable.

During the first phase Albania benefited a great help (about USD 1 billion by 1996) from donors and international financial institutions. Democratic legal framework was produced in these few years, along with the construction of basic democratic institutions and a better quality of public administration more efficient than the previous one.

The program was performed in two phases. From mid-1992 to mid-1993, during a one-year program, the fiscal and monetary control combined with a comprehensive price and exchange system reforms, were introduced. Në Shqipëri, ashtu si edhe në vende të tjera të Europës Juglindore, u zgjodh regjimi fleksibël i këmbimit (Kule Dhori, Hadëri Sulo, 1996). The program was generously supported by various international financial and technical sources. One of them was a 12-month International Monetary Fund (IMF) stand-by arrangement of the amount of SDR 20 million (equivalent to about $29 million). Financial aid was also provided by a World Bank critical imports target loan. European Community as well coordinated a balance of payment support and emergency assistance. Other supports, financial and in form of food aid, was also provided by individual countries as Italy, Turkey, Germany, USA, Greece, etc. An important element was the support and remittances sent by the Albanians working abroad.

After the good implementation of the almost one year emergency program, a medium term program was represented in the parliament in November 1993 for the period 1993-1996. To sustain this program, Albania has been "graduated" to an IMF enhanced structural adjustment facility (ESAF) by July 1993 in a three year arrangement for the amount of SDR 42.4 (about $60 million). Other aids continued to flow from humanitarian sources and G-24. European Union also had a very important role in helping Albanian economy.

The first year's efforts, till mid-1993, were mostly dedicated to stabilizing the emergent situation of the Albanian macroeconomics imbalance. Still, most of the planned measures, or those which are already realized in the medium-term 1993-1996 program, have a strongly stabilization nature. Macroeconomic stabilization and sustainable policies explain very well the rapid revitalization of the product after the fall at the beginning of the transition period and after the 1997 crisis. Financial assistance provided by international financial organizations has been crucial not only for Albania but for all countries in the region. Its three main directions have been as financial support through various programs, technical assistance programs that have helped adjusting monetary and fiscal systems, according the market economy demands and by advising on policies and reforms undertaken by the Albanian government. This partnership continues today to be a very important asset for Albania.

5. Conclusion

Post-communist countries experienced a significant variation in their levels of economic growth in the 1990s. Although with similar socialist legacy, the peculiarities of Albania and its low level of incomes set it apart from other ex-communist countries in Eastern Europe. Considering the initial conditions, the path to a new market economy along with a new democratic society will be painful and not short. Besides the macroeconomic imbalances, several political, social and mentality constraints determine endogenously the speed and the strategy of the reform. The delayed entering and rapid
changes are accompanied with social uncertainty. Yet, the initial political instability and the lack of democratic tradition set their own marks on the Albanian transition and make it more difficult. Privatization was considered as the main action in the Albanian economic transition toward a market economy. The performance of this action is complex and influences strongly all the elements of the economic reform. Considering its fast implementation as a priority, the Albanian privatization began immediately after the political changes in 1991. But restructuring process and the large-scale privatization are going slowly in Albania. The role of the foreigners will continue to have a significant importance for the Albanian recovery and more in general for the transition to an open market economy. The recent crisis of 1996-1997 had some painful costs for Albanian economy. The complete demise of state in a short time and political instability ruined the results achieved in a five-year effort of transition. The main conclusion is that political instability could lead to an economic slowdown and that lack of institutions is a clear obstacle to a successful economic transition. The progress and problems of the Albanian transition lead to the conclusion that the process can not be implemented in a short time. A pragmatic approach is urgently needed. Energetic measures by all Albanian political forces and more consensus and support by international sources are necessary for a better performance, but the costs of the transition will continue to be high for Albania.

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Western Balkans’ Accession to the European Union, Intertwined Interests

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Abstract

The accession of the Western Balkans to the European Union will be the completion of a process initiated in November 2000 at the Zagreb Summit, which is proceeding at a slow pace and in different ways through individual negotiations with each of the countries of this region. In the first part of this study, there will be highlighted both the reasons why the EU member states are in favor of accession of the Western Balkans to the European Union and the rumors to the contrary within the EU member countries. In the second part, there will be continued with detecting the reasons why the governments of the countries of the Western Balkans region aspire the integration in the European Union without forgetting the opposition to the EU in certain countries of the Western Balkans. At the conclusion of this study, there will be clear that the advantages of different character drawn from this process are common interests of parties, EU and Western Balkan countries.

Keywords: Balcani occidentali, potenziali candidati, Unione Europea, integrazione regionale, allargamento dell’UE.

1. Introduzione


Negli anni Novanta, le relazioni dell'Unione Europea con i paesi dei Balcani occidentali erano incentrate sulla gestione della crisi e sulla ricostruzione, in linea con le urgenti necessità dei paesi a seguito della dissoluzione della Jugoslavia. Tuttavia, emerse presto la necessità di una strategia a più lungo termine. Nel 2000, in occasione del vertice di Zagabria, l’UE avviò ufficialmente il processo di stabilizzazione e associazione (PSA), un quadro per le relazioni tra l'UE e i paesi nella regione, nonché il patto di stabilità, una più ampia iniziativa che coinvolse tutti i principali attori internazionali. Il Consiglio europeo di Santa Maria da Feira (19-20 giugno 2000), dichiarò che tutti i paesi del PSA erano potenziali candidati all’adesione all’UE, posizione ribadita al Consiglio europeo di Salonicco del 2003, dove fu addirittura delineata una specifica strategia per l’inclusione nell’Unione Europea dei paesi dei Balcani occidentali.

L’integrazione regionale dei Balcani occidentali e l’integrazione dei Balcani occidentali in Europa rappresenta un fattore di stabilità economica e politica che è nell’interesse di tutti.

Qualche anno fa la Commissione internazionale per i Balcani Occidentali, presieduta da Giuliano Amato, aveva avanzato la proposta di ingresso dei paesi dei Balcani per la data simbolica del 2014, esattamente un secolo dopo lo scoppio della Prima guerra mondiale. Nel frattempo, Slovenia, Romania, Bulgaria e Croazia sono entrate a pieno titolo nell’Unione, ma per il resto dei Balcani i tempi sembrano molto più lunghi.

Negli ultimi anni questo progetto ha subito rallentamenti e soste che spingono tutte le leadership politiche europee a prendere di nuovo in considerazione sia la natura che l’Europa dovrebbe avere sia anche e soprattutto i confini dell’Europa. Per comprendere meglio il questione dell’integrazione dei Balcani Occidentali nell’UE dobbiamo tornare indietro di alcuni decenni alla scomparsa di Josip Broz Tito, presidente della ex Jugoslavia. Con la morte di Tito nel 1980, scomparve anche il progetto, l’identità che i slavi del sud avevano maturato ma non assorbito fino a fondo poiché subito erano riaffiorati gli “egoismi” nazionali dei vari Stati, delle varie etnie, dei vari credi religiosi, dei vari e diversi mondi culturali della Jugoslavia (Brancaccio, 2006). La tensione era precipitata sconvolgendo la Federazione Jugoslava e trascinandoli nella tragedia della guerra, del genocidio e degli estremismi nazionalistici. La Guerra fratricida ha portato a circa trecentomila morti, all’improvviso dei paesi che facevano parte della Federazione Jugoslava ma anche e soprattutto ha trasformato in odio profondo i rapporti assai fragili tra le diverse etnie della ormai ex Jugoslavia. In quella occasione l’Europa si è dimostrata miope per capire la gravità della situazione, egoista e incapace di intervenire. Il conflitto nella ex Jugoslavia è stato un banco di prova molto importante e difficile per L’Unione Europea ma allo stesso tempo ha rappresentato la forza motrice dell’integrazione europea. Dopo il conflitto del Kosovo, la situazione era molto delicata e continuava ad imporre all’UE e alla sua politica estera notevoli esigenze. In primo luogo diventava necessario...
utilizzare correttamente l’assistenza finanziaria e tecnica dell’Unione, nel lavoro di ricostruzione post-bellica. In secondo luogo, l’UE dovrebbe essere in grado di esercitare una politica di prevenzione dei conflitti e di gestione delle crisi per la quale non aveva ancora le risorse. Le controversie che rimanevano da risolvere erano molto complesse e multidimensionali e, quindi difficili sfide per la politica estera dell’UE, ancora in fase embrionale.

2. L’interesse dell’UE Verso i Balcani Occidentali

Dopo la caduta del muro di Berlino, furono gli Stati Uniti a svolgere un ruolo di “guida” nei Balcani, con i contestati accordi multidimensionali e, quindi difficili sfide per la politica estera dell’UE, ancora in fase embrionale.

Due ragioni a favore dell’adesione dei Balcani Occidentali nell’UE, come soprammenzionato, riguardano principalmente la sicurezza, ma non soltanto. Queste ragioni sono anche di natura economica, geostrategica e di prestigio dell’UE.

I Balcani Occidentali lasciati al loro destino, senza l’incentivo deciso di una futura integrazione, sarebbero molto probabilmente guidati da regimi autocratici, una fonte non trascurabile di immigrazione clandestina verso l’UE, un canale per il narcotraffico, il traffico di esseri umani e altri traffici illeciti e una “lavanderia” per il denaro sporco. La storia dei conflitti etnici, accompagnati anche da problemi delle frontiere e da violazioni dei diritti dell’uomo, che è in un modo o in un altro legato a questo contesto, si ripeterebbe fino a portare ad un nuovo conflitto con ripercussioni globali. La sicurezza dell’Europa, e il suo potere di deterrent, si pagherà le conseguenze. Inoltre, non sarebbe neanche realistico pensare che l’Europa può prosperare quando tiene al suo interno una regione in queste circostanze che è allo stesso tempo un crocevia dove si incontrano tre potenti forze geopolitiche:Occidente, Islam e Russia, soprattutto alla luce degli ultimi eventi in Ucraina.

Dall’adesione degli Stati dei Balcani Occidentali guadagnerebbe anche l’economia dell’Unione. Come è ovvio, più grande è il mercato unico, maggiore è la portata economica dell’UE nel mondo. La possibile delocalizzazione delle imprese europee nei nuovi Stati membri aiuterebbe le imprese, con sede nei vecchi Stati membri, a rimanere competitive sui mercati mondiali. Questa competitività incentiverebbe e consentirebbe alle imprese di restare in Europa anziché trasferire le proprie attività in altri continenti.

Nonostante i molteplici argomenti a favore dell’adesione dei paesi dei Balcani Occidentali nell’UE, con l’inizio della crisi economica e finanziaria, a partire dal 2008, UE ha rallentato il processo di adesione e non considera più una priorità la questione dei Balcani Occidentali. I cittadini e i leader dell’UE sono diventati più cauti rispetto ad ulteriori allargamenti (Szolucha,2010). La diminuzione dell’entusiasmo generale nei confronti dell’Europa ha portato con sé dei timori più o meno realistici e fondati ma che comunque hanno influenza sulla realtà sociale, economica, politica e culturale come: il timore che la manodopera a basso costo tolga lavoro e diritti agli attuali disoccupati europei; il timore di un aumento di corruzione e criminalità; il timore di perdere diritti di godere di aiuti strutturali ed agricoli per l’aumento degli aventi diritto e dei richiedenti; il timore di perdere potere decisionale in Europa; timore di perdere l’identità culturale, linguistica e religiosa. Però, malgrado i timori associati al processo di adesione dei Balcani occidentali, bisogna ammettere che in un mondo globalizzato e interconnesso, gli strumenti indispensabili e vincenti sono apertura reciproca e collaborazione, non chiusura e isolamento. In più i diritti si difendono promuovendoli ed estendendoli, non dividendo chi li possiede da chi no.
3. L’obiettivo Europeo dei Balcani Occidentali


Nel 2000 il Consiglio di Santa Maria da Feira ha indicato esplicitamente che gli strumenti posti in essere a livello dell’UE nelle relazioni con i Balcani occidentali mirano all’obiettivo dell’integrazione di questi paesi “nel contesto politico ed economico dell’Unione”. In quell’occasione il Consiglio ha conferito a tutti i paesi dei Balcani occidentali la qualità di “potenziali candidati” all’adesione all’Unione1(Rizzo, 2010).

La prospettiva europea dovrebbe costituire un incentivo straordinario per trasformare, in senso favorevole alla stabilità europea, le dinamiche istituzionali, economiche, politiche e sociali di ciascuno dei paesi dei Balcani occidentali. La prospettiva europea non era e non è soltanto il futuro che UE riserva a questi paesi, ma innanzitutto quello che i governi dei Balcani occidentali e le loro popolazioni auspicano da tempo per il loro futuro.

Nonostante i problemi politici interni, i conflitti e le crisi sociali, l’obiettivo dell’integrazione non viene messo in discussione da nessun governo della regione, almeno pubblicamente. Neanche la crisi economica e politico-istituzionale dell’UE sembra aver intaccato gli obiettivi europei dei paesi candidati, o aspiranti tali, all’ingresso nell’UE.

L’adesione all’UE viene considerata dai paesi dei Balcani Occidentali come il modo migliore per raggiungere la prosperità economica, fermo restando le capacità di ciascuno dei paesi di usare questa opportunità. Inoltre diventare parte dell’UE offrirà un alto livello di protezione dei diritti dell’uomo e allo stesso tempo significherà pace e stabilità in un area che in passato è stata attraversata da molte guerre sanguinosi.

L’adesione all’UE renderà più facili le relazioni economiche tra vecchi e nuovi membri dell’Unione e le rafforzerà a beneficio di entrambe le parti. Entrare a far parte di un mercato unico europeo porterà con se dei benefici come la libera circolazione delle persone, delle merci, dei servizi e dei capitali, maggiore concorrenza, maggiore sicurezza del mercato, maggiore protezione dei consumatori, prezzi inferiori, maggiori investimenti esterni, aumento dell’occupazione, della produttività e degli scambi con conseguente miglioramento delle condizioni di vita delle popolazioni ecc.

Benché sia evidente che i benefici sopra elencati sono di un importanza vitale per tutti i paesi dei Balcani occidentali, è pur vero che non sono mancati gli oppositori all’adesione all’UE, come per esempio nel caso della Croazia sono state organizzate diverse manifestazioni per avvertire che il paese potrebbe cedere la propria sovranità nazionale alla burocrazia di Bruxelles. Secondo il fronte del no, la UE non sarebbe una democrazia rappresentativa, ma una forza burocratica in cui il Consiglio obbediente firma tutte le leggi predisposte dalla Commissione. Costoro hanno espresso anche la preoccupazione per possibili eventi quali la riduzione della produzione agricola interna, il blocco ai croati a lavorare nell’UE e la vendita agli stranieri dell’intera costa adriatica del Paese2. Anche i Serbi hanno espresso i loro timori e la loro contrarietà all’avanzamento del Processo di stabilizzazione e associazione poiché secondo loro l’Europa condiziona questo processo con il riconoscimento dell’indipendenza del Kosovo, cosa inaccettabile per Belgrado3.

4. Conclusioni

Per concludere, l’allargamento dell’Unione Europea era stato previsto e voluto sin dall’origine con l’intento di costruire un’Europa forte e unita nella diversità che portasse avanti i valori democratici su cui è stata fondata.

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2vedi anche: http://www.lastampa.it/2012/01/23/blogs/voci-globali/croazia-si-alla-ue-tra-forti-contrastie-asentisemo-x5yoCDf/s0mP3i45sJTwNpagina.html
3vedi anche: Dacic: riconoscimento del Kosovo è la condizione inaccettabile(05.06.2013- ore19:35)-Radio Internazionale di Serbia: http://voiceofserbia.org/it/content/dacic-riconoscimento-del-kosovo-%C3%A8-la-condizione-inaccettabile

~ 408 ~
Se da un lato si può dire che l’adesione dei paesi dei Balcani occidentali può fornire nuove energie all’Unione, soprattutto davanti alla crisi economica in corso e prevenire la diffusione di fattori di instabilità, dall’altro occorre tenere presente che l’UE è l’unica via per i Paesi dei Balcani rimasti ancora fuori dell’Unione di avere una crescita economica più rapida e di essere un giorno all’altezza del resto di Europa.

In poche parole i Balcani occidentali hanno tanto bisogno dell’UE quanto quest’ultima ha bisogno dei Balcani occidentali.

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The Impact of Regional and Dialectal Lexion in Literary Norm

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Abstract

Through this modest study we intend to present the large impact of regional and dialectal words in literary rate. This study aims to find the provincial dialect words and record their significance in enriching the vocabulary of the Albanian language; we study these words to see if they have or not been part of the literary rate, or if they continue or not to be used in today's spoken language. In the end, we aim to make a mini dictionary, including this lexicon. In this dictionary will be included words accepted in the standard version, as well as those words that are left out. In the course of regional dialectal words included in the study, the most difficult problem has been the choice of words. Sometimes they are phonetic or grammatical dialectal variants and it looks like a new lexeme with a new meaning. Another problem would be determining whether they are part of the literary rate or not. This problem was raised in two main directions: a) in horizontal, synchronous cutting, and b) in diachronic, vertical cutting. In synchronous cutting we study these key issues: 1) the fundamental principle of selection and provincial words that have become part of the literary rate. Here will be seen neologisms created by authors and Italian borrowings. It is about the period when a written dictionary in the Albanian language was not created and moreover standard language was not existing yet. 2) words which come from the popular spoken language and are not included in the "Dictionary of the Albanian Language". In diachronic cutting the main issue is: the lexicon included in the dictionary, if there is a change in the criteria for assessment of words or if meaning has changed, compared to FGJS (Albanian Language Dictionary) or to previous dictionaries FGJS (Albanian Language Dictionary of Today) 1980 and FSS 2002. We have used a variety of methods in this study: the method of the analysis of theoretical sources: mainly used for setting the theme, collecting theoretical material, bibliography setting where a variety of books were used by different authors such as J. Thomaj "Lexicology of Albanian Language", Elsie R. History of Albanian literature etc. survey: the collection of dialect words through a questionnaire, which are the words that are not accepted in standard and still continue to be used in the language. the statistical methods for statistical tabulation of the words in the study with the aid of a computer program EXCEL 2007. For the outcomes we have used a broad range of literature that includes monographic studies as well as philological studies by different authors such as: Elsie R., E. Çabej, J.Thomai, Haxhillazi P., J. Lloshi, B. Demas, R. Memushaj, K. Kapinovo etc. The collection of words is made in the works of N. Mjeda, Gj. Fishta, E. Koliqi, Migjeni.

1. The Development of Standard Albanian Language

Language is the main distinguishing element of a nation. With the creation of the national state, there is a need for a language to facilitate communication between separable parts of the country. This language should serve as a language of science, literature and higher education, but also as a sign of national identity of the people that speak that language. These needs can be met only by using the standard language. "Language can be defined as the standard variant of a codified language that serves the needs of multiple and complex communications of a linguistic community, which has created its own national state". Formation of unified national literary language (standard language) as variant processed with the language of the Albanian people has been a long process which was drafted in the centuries XVI-XVIII, but processing it entered a new period in the nineteenth century during the National Renaissance.

Naum Veqilharxhi in 1824 began work to create the alphabet and in 1844 and 1845 was published "Evetar". Vaqilharxhi was the first to express the goals of the Albanian National Renaissance through his treaty in the introduction of "Evetar" and in many other writings. In the Renaissance program were of great importance teaching and extension of native language, its enrichment efforts and clearing it from foreign and unnecessary word. During this period there were many literary, cultural and linguistic activities.

In 1879 it was created "Association of typing Albanian letters", which gave a new impetus to this activity. Grammars were developed first with normative goals and became the first step to design a herald of the Albanian language dictionary, which is the "Dictionary of the Albanian Language" of Constantine Christopher published after the author's death, 1904.

During the Renaissance, it was possible to draw the two literary variants of the Albanian nation, literary northern...
and southern variants. There were also efforts to adapt these variants and unify the literary language. The first task to be done, was the unification of the alphabet. Until then, the Albanian was written in some alphabets: Latin alphabet, Greek alphabet, Turkish- Arabic alphabet and special alphabets. This problem was solved in Monastery Congress held on 14 to 22 November 1908, in the city of Bitola, a city belonging to Macedonia today. In this Congress, after much discussion, it was decided to employ a new alphabet, supported entirely in Latin, filled with nine diagrams (dh, gj, ll, nj, rr, sh, th, xh, zh), and two letters with diacritical marks (ç, ë), the alphabet of the Albanian language used today.

Congress accepted even the use of the Istanbul alphabet, which was widely spread, but later was used only the alphabet which was introduced in Congress, today's alphabet. Another step for the unification of Albanian literary language was made by "Albanian Literary Commission", held in Shkodra in 1916. The Commission underlined the fundamental duty of the Albanian literary language delivery and development of Albanian literature. This committee of writers and linguists was created to assist in the formation of a common literary language through literary approximation of both variants in use. It was praised literary medium variant as a bridge between Tosk and Gheg and some rules for its spelling were defined, which led to the unification of written Albanian. The decisions of Literary Albanian Commission for literary language and for its spelling were later adopted by the Congress of Lushnja Education (1920) and continued to apply until World War II.

After World War II work on the unification of the national literary language (standard language) and its spelling began to be organized by the Institute of Science. There were created special committees to draft projects on spelling.

Thus, some projects were developed in 1948, 1951, 1953 and 1956. Two scientific conference were organized in 1952 to discuss the problem of literary language. In 1967 it was published by the Institute of History and Linguistics," the new project on Albanian spelling rules. "This project was implemented in all spaces that belong to Albania Republic; in Kosovo and Montenegro. Meanwhile, efforts to unify the literary language and its spelling, were made in Kosovo too.

In 1968 the Language Consulate of Pristina convened. It was guided by the principle of "one nation-a literary language". It was decided that the orthography project of 1968 is to be officially accepted in the Republic of Albania. It would be implemented in Kosovo too. Decisions of the Consulate have been extremely important for the unification of Albanian national literary language.

It was presented for discussion at the Congress of the spelling of the Albanian language the "Project of Albanian spelling rules" of 1967. It was convened in Tirana in 1972 and it entered the history of the Albanian language and Albanian culture as the Congress for the unification of the national literary language.

Albanian language spelling Congress which was attended by delegates from all districts of Albania, Kosovo, Macedonia and Montenegro and Arbërësh of Italy, after analyzing all the work done so far for the unification of literary language, adopted a resolution in which, among others, claimed that "the Albanian people have already unified literary language".

Unified national literary language (standard language) was mainly based in southern literary version, especially in the phonetic system but there are also integrated elements of literary variant of the north.

After Spelling Congress, were published a series of important works codifying the standard norms of language, such as "Spelling of Albanian Language" (1973), "Dictionary of literary language of today (1980), Dictionary of Albanian today (1984), the Albanian language spelling dictionary (1976), the grammar of today's Albanian language of Morphology (1995), Syntax II (1997).

1.1 Lexicon of the Albanian language, its historical evolution

Albanian is one of the oldest languages in Balkan. It is already proven definitely that it constitutes of a separate branch of Indo-European language family, but as Eqerem Çabej has stated, Albanian language has not derived from the Indo-European language family. Despite the proximity to the grammatical system in the lexicon, we can say it has developed in parallel with the languages of this family.

When we talk about the Albanian language, we point not necessarily historic, terrestrial, social boundaries etc. The Albanian language is very rich in means of expression tools, full system of phonetic, grammatical, lexical, word-and stylistic devices which have served for linguistic agreement between Albanians wherever they have been, since the period of the formation of the Albanian population that serves in our days. Part of this great unit is today's Albanian language which starts from the period of renaissance up to today.

Studies on some characteristics of the Albanian vocabulary development over the centuries, according to testimony that give us written works, have been made by Eqerem Çabej, Selman Riza, Idriz Ajeti etc. and foreign albanologs Gustav Mayer, Norbert Jokl etc. The history of the written language, which is easy to follow step by step, in a direction serves to explain the current state of the Albanian language. This is a brief description of some features of the
Albanian language in different periods of the vocabulary development:

In the sixteenth and seventeenth centuries, as appears in the works of ancient authors (of John Buzuku, Pjetër Bud, Frank Bardhi, Pjetër Bogdani, Lekë Matrénga, John Kazazi etc.), the Albanian language appears as generally processed and rich in vocabulary. We find words and expressions belonging to Old Albanian. These authors took care to preserve our vocabulary, to bring to light "old and forgotten words" as Pjetër Bogdani says, our language should be kept clean. In the "Latin - English Dictionary" of Franc Bardhi (1635) we find some words that may be see like new formations: kërkuies, këshilltar, kopështar, letërare, luftëtare, ndërues, ndigjues, shitës, shpenzues… But authors of the past used words borrowed from Greek, from Latin etc. We use Albanian vocabulary to express kinship relations: atë, bir, grua, mbese, motër, nënë, vëlla…; vocabulary items that marks the occurrence of nature, way of life, some animal names and work tools: bresher, dash, dele, diell, dite, dhi, nate, toke, re… Borrowings from other languages, especially from Latin, are taken when translating or adapting religious works, so they had to use a foreign term that lacked the Albanian at that time. A majority of these foreign words had entered in the Albanian language earlier. This is mainly noticed in Pjetër Bogdani works. He comes with a rich lexicon because he translated works that treated religions and not religious matters. So he had to use a broader terminology for the various scientific disciplines, such as literature, geography, geology, astronomy, etc., terms that Albanian at that time did not have. Terms: alegori, analogi, gramatikë, gjinezé, hitori, kozmografi, matematikë, meteor, monarki, original, parabolë, poet. Thus, the authors enrich the vocabulary of old Albanian with international words that have already been acquired by Albanian and now are part of its vocabulary.

Although the Ottoman invaded our country for almost a century, there are not many Turkish words used by authors of XVI-XVII century. In "Mesjar" of John Buzuku we find few words of a Turkish origin: cohë, dollyma, kallauz, teps; te vepra e Pjetër Budit: cohë, pazar, raki, shend, terezi…; The vocabulary used by Franc Bardhi and especially in the works of Pjetër Budi we find more words of a Turkish origin: bahçe, haci, hazar, hambar, ibrik, kadi, kasa, kazan, konak, ode, oke, top, pasha, sanxhak… In all works of ancient authors we find particular Turkish terms related to administration, the feudal system, cuisine, urban planning, etc. We also find words od Slavic origin used by the old authors: ças, udob …; words of a Greek origin are rare (except international lexicon).

Another layer of vocabulary in the works of authors of XVI - XVII centuries constitutes new words created by them. They enriched the lexicon of Albanian words created by words within the Albanian language or by means of tracing, using several ways of forming new words. So, there are formed neutral nouns from abstract qualifying adjectives: të mirët, të padjuntjat, shkruemt...; abstract qualifying nouns with the suffix - i or - ri: deshmijen, dhuni, kerthinjeni, parabijeni...; abstract qualifying nouns with the suffix - ri: bashkari, përnjashmeri …; composite nouns: dijeqezi. It is obvious that old authors created words by using words within Albanian language and under the laws of its development. But a good part of neologisms remained limited in their actions but that was only for a short time. Among those not in use, there are words correctly formed. Sometimes they can be reused for special stylistic purpose: dredhje "ciklon", hijëze "ombrellë", humboj “bie në fund”, ndoroj "administroj", pesksuje "pishinë", përmbjat "ëmbësoj"; ngushtëlloj..."

Some of the words in the vocabulary of the old authors are not in use today. Those words today have changed their meaning or they are used in a few regions: me u grishunë "thirrem" (of old authors), me gjeqjune "degoj" (today in riba and arbëresh of Italy), gjellë "jetë", gjellënd "jetoj", kripë "flókë".

In the eighteenth century Albanian language was written not only in the North, but also in other areas of the country. A numerous bilingual dictionaries were published which pose a very large extent the Albanian language vocabulary. A special group of words in the lexicon of the works of the eighteenth century authors constitute of new creations. Many neologisms were created by Anonimi i Elbasanit and Theodore Haxhifilipi. So they come as precursor to vocabulary. A special group of words in the lexicon of works of the eighteenth century authors constitute of new creations.

~ 412 ~
worked several years to collect undiscovered treasure of the Albanian language in different provinces and compiled a dictionary. Naim Frashëri, Jeronim de Rada, Andon Zako Cajupi etc. found in the language of the people, inexhaustible resources words and expressions as well as opportunities for new creations. They tried to get rid of words that were of a foreign source.

Cleaning of the Albanian language from foreign words need to replace them with words created from the language itself. On the other hand, the width of the works themselves by authors required a richer vocabulary with words that expressed various nuances of thought.

After independence was declared in 1912, in accordance with the new social, economic, political, cultural situations, Albanian underwent other developments, mainly in the lexicon. New started to be used in different fields of linguistic activity and certain social classes. Meanwhile, it was not done enough attempts to purify the language from foreign words as done during Renaissance period. In the '20s of the twentieth century in the Albanian language entered words of neolatine, French and Italian origin, mainly in the field of terminology. At that time many words entered from English as borrowings. For some intellectual people foreign words started to become fashion. In 30s many Italian words entered our language, especially in the field of technique, agriculture, industry, art, etc. Fascist invasion, when the Italian was also taught in our schools, the flow of words from this language grew more. But there were patriots such as L. Gurakuqi, A. Xhuvani etc. that made efforts to clean our language.

The second half of the twentieth century down to nowadays represents a dynamic period of development, enriching the vocabulary of Albanian language during major economic, political, social and cultural life changes in our country that required a wealth of lexical semantic much greater than the previous periods, the words to express meanings with subtle nuances of thought to meet the requirements of production, education, culture, science, art, etc.. At this time was primarily insisted replacement of unnecessary foreign words with words created by the Albanian words itself. There were created new words to express new concepts, apart from adapting words from other languages, when this has been necessary. So the Albanian vocabulary is greatly expanded.

Meanwhile, in these last fifteen years, as a result of changes in the socio-political and new developments in the economy, the democratization of the life and the opening of the country's relations with the world, the Albanian vocabulary witnessed a rapid internal motions in some of its classes. To be noticed is the fact that Albanian words have been generalised by popular linguistic resources creating new words, but also the entry of many foreign words, some obviously warranted by areas of new concepts, and many others that are not necessary because that was somewhat overshadowed care to preserve the purity of our language of Albanian speech protection without denying a certain "snobbery" that linguistic appeared mainly in intellectual social classes, in areas of political-social activities, official-administrative, publicity etc…

Finally you can re-emphasize that vocabulary of today's Albanian language includes all words that serve us to communicate with one another. This lexicon includes very old words from the indoeuropian source or from other languages, words that are preserved over the centuries in the lives of our people and those that are created and entered into use as needed, words that have arisen during the development of social, economic, cultural and mental of Albanian people in different historical periods. "In today's Albanian language lexicon are accepted words that belong to both dialect. We use provincial dialect words, restricted words in certain area, in colloquial or written form".¹

1.2 Regional and dialectal lexicon

Dialectal lexicon is limited. It is a glossary of the dialect or part of a special spoken language covering a limited territory. The two dialects of our language are to close to each other, firstly, because most words are the same for both dialects. They exchange words together. Also, borrowed words become the property of the dialects and brings the two of them closer. All this part of the common vocabulary of lexical layer comprises two dialects of Albanian in general. Lexical, phraseological or semantic units of this layer are not dialectical or region words even when they are of a regional dialectal source. They belong to the common Albanian language. Thus, amtar, bishtuk, bjerr, bjeshkë etj… etc ... can not be called regional regardless of their initial origin.

Regional dialect words are those words that are used only in one or in a particular dialect.. So in the northern dialects: me bujte, tarnagop, turre etc. In the south we have: kaçke, gjiton etc.

Regional or dialectal words may be words or their meanings. We have dialectal words when in the other dialect it is not used at all because for the same concept there is another word: çikë “vajzë”, gastare “qelqe” etc.

¹ J. Thomas, Lexicology Albanian language, Toena Publishing House, Tirana 2006, p. 245-252
Dialectal or regional words can also be seen from another side. We see if they have or not a common word in Albanian, eg. Kumbullore in the South / molla t’arta = in common domate. In these cases it is easier to assign the general standard rate. It is different with regional dialect words if there is not a common synonym, except one word in dialect or one in the other dialect. In this case if the common norm is taken one of them, the other remains limited in a dialect or in colloquial.

Words with phonetic differences that have a regional dialectal pronunciation are regional or dialectal phonetic variants: çube “kaçube” etc. Borrowings from other languages, when introduced only in one dialect such as gjiton (from Greek), gjiton (from Turkish) are recognized and used only in Northern dialects. In this case, we accept them as a dialectal or regional words.

Dialectal words are always distinguished by provincial rate against our standard lexicon of language because they reside outside the borders of unified language. However, as it has been said before, dialectal and regional lexical fund is an inexhaustible source for enriching the standard language vocabulary with words or meanings of words. So, they have become property of the standard language. These words are of dialectal origin: almise, i afte, anije, gogel etc.

1.3 The regional or dialectal words are encountered in dialectal discourse, in speaking or oral folk literature

They also are used in the artistic literature, when the topic requires it, to stereotype a character or a certain social environment. When we qualify words as dialectal or provincial we should make clear what we have in mind: which dialect the words belong to, their situation today outside the borders of standard language or their values in artistic literature use. These are varying degrees of provincial acquisition of vocabulary which constantly makes the language according to its needs.

Regional dialectal vocabulary of the Albanian language is traced, it is gathered and published in regional dialect dictionaries, explanatory dictionaries, journals etc. “It is also studied to discover values and to pave the way toward wider use.”

1.4 Words that are accepted in standard Albanian dictionary

Based on material from the works of authors such as Mjeda, Fishta, Migjeni, Koliqi we conclude that a total of approximately 690 words, more than half are accepted in standard Albanian dictionary. Those words have become property of the standard language which yield an additional of lexical, semantic and stylistic elements. So they are accepted in standard Albanian according to the following graph:

Figure 1

The following categories are accepted in standard grammar: nouns, adjectives, verbs, adverbs, pronouns, interjections etc. Their frequency can be presented as in the following graph:

---

1.5 Nouns

The mostly accepted nouns which are related to:

a) Nouns with a concrete meaning, related to the nature of the workers lives, agriculture, livestock, etc. as jetesa, angari, caruqe, carani, duvak, doke, doliina, furkë, fërlik, fuzhnje, gastare, havani, ki, muranë, shëk, shakull, telatin, tur, tërfurq, kopanë, kartuç, kular, zhgun, çini, çardak, fultere, gajtan, kotull, avullore, amëti, ahuri, bire, bishhtuk, bëz, bohçe; pjesë te trupit: kërçik, kollçikë, parzme, rrëcok, rradake, rrëmore, suvale, shteg, shullë, zabel, bjeshkë, grunore, ograjë, sukë; kafshe, bime: bolle, berr, gjok, kaçubet, kaçubë, kaçubë, kërcu, magjar, meçka, zekth, beg, çetinë, cung, grigjë, grethi, krënde, krizantëmë etc.

b) abstract nouns: degame, erz, fitme, gajret, gjëmë, gjasë, kopalla, kamat, moh, ofshe, pasha, qokë, rokullia, sahan, tube, anë, ahtët, apoteoze, akord, buzëmbrëmje, bend, burbuj, cok, duhi, duhmë, hair, kalesa, kompromis, kut, uzdaje etc.

c) Nouns related to history, war etc. as asqer, agzot, batare, birucë, bejleg, dushman, frëngji, harbi, kaush, mejdan, nizam, timar, vezme, gazep

d) Nouns of people, family members etc.: axhami, braci, katallan, kërthi, loke, probatin, buqari, camërdhok, emtë, ferishte, gabel, hyri, hajn, igumen, kasnec, shishman etc.

1.6 Adjectives

Adjectives mainly used:

a) those formed with the suffix - hem (these kind of adjectives maintain a direct connection with the lexical meaning of the corresponding verb. The feature that marks the adjectives may be related only to a particular sense of the verb which constitutes the topic such as i kobshëm, i lakmueshëm, i përloshem, i turrshëm, i thekshëm, etc.

b) those formed from the verb participles (these adjectives have passive sense. They give the feature of the result of the action expressed by the verb which constitutes word-topic such as i ligët, i çartur, i çmeritur, i dalldisur, i mekur, i molisur, i nëmur, i okupuar, i praruar, i soditur, i sosur, i shpulpuar,

c) those formed as a contextual composite in literature: dëmsjellës, epshkaperthyes, tragjikomike, zemerdhembshmi.

d) those borrowed from Italian: melankolik, i okupuar, pompoze, delirant, i bruztë etc.

e) those which are largely qualitative (these adjectives designate a quality attribute that can be directly grasped by using the senses. They can be thinkable and conceived) such as biramel, çufrak, grataçore, gërçëlar, katallan, kërthi, i vobektë, i ligët, anak, bajate, bleroshe, camërdhok, epërëm, i ngratë, i ndragtë, përdorake, rotullore, i remë, shpotar, teveqel, i vranët, zemerdhembshmi, zverdhake, pullali etc.

Lexical content studied rejects the wrong thought that discourse is characterized by people from specific vocabulary word denoting common items of everyday life. This lexcon is not poor. The truth is that the whole set of words collected includes large layers of abstract, spiritual word world and various relationships. These words denote features of actions, thoughts subtle nuances of different shade exciting, with a great semantic variety.
1.7 Verb

a) verbs that designate actions performed and undergone by the subject itself such as: çapoj, davaris, gërvall, kukat, merita, ndrag, ngujoj, plandos, rys, skapulloj, zatet, zdryp, kalamend, korit, konstatoj, këndell, kastigoj, qyr, kullëzoj, kinse, ligështoj, avit, bëzaj, birrem, but, cungoj, çart, dikoj, dihat, dëlit ekzaltoj, urëtoj, fshaj, falem, faroj, galdoj, giata, has, mësyj, nikel, ngas, ngrroj, ndryj, përpiloj, rëshk, ravigoj, rropos, rrok, rejë, sos, shpiko, çel, grillloj, kij, kthjell, këpërthehem;

b) impersonal verbs or verbal expressions that designate atmospheric phenomena, natural or characteristic actions of animals and therefore are used only in the third person singular such as agullo (mëngjesi), farfurit (dega etj) gurron (përroi), mugullon (bari), pingëron (zogu, zana etj); impersonal verb veton etc.

c) verbs borrowed from Italian language: konstatoj, dëlíir, ekzaltoj, galdoj, përpiloj;

1.8 Adverb

Adverbs are less in number compared to other parts of speech and they are classified as:

a) Determinant adverb that designate a feature of the action expressed by the verb and the degree of intensity of this action or feature: ligësisht, hovahov, palmuç, ani, fare, dyst, orok prore, paq;

b) circumstantial adverbs that designate circumstances in which the action is expressed by the verb such as (së) voni, kundruall, kurrkah, këtupari, kund, këtejpari, gjithkah, herherère, ngjat, rreth e rreth, rrethas, atypari;

2. Words that are Not Accepted in Standard Language

Words, which are not accepted in standard language are less in number and belong to different parts of speech. In the graph below are shown the percentages of different parts of speech:

![Graph showing percentages of different parts of speech](image)

**Figure 3**

2.1 Nouns

A certain number of nouns which belong to different fields of life are not accepted. For example:

a) regional words: ahë, ahmarrës, arkapia, drandofile, dullij, dugaj, nadje, putirë etc.

b) Turkish borrowings: aferim, byber, çerpet, halì, quill, kam, mekame; This includes those words which are formed by using the suffix -xhi; dedermahxhi, ehenexhi, postaxhi. This suffix is now substituted by the suffix – tar.

c) historical nouns: arenzi, pyrg, pajade, pedane, lëtinë, hyqymet

d) Italian borrowings: definacion, fantom, inkarnacion, lavabo

2.2 Adjectives

a) adjectives borrowed from Italian: ekstravagant, preçz, delikt, azurta (i e), lavruar (i, e) etc.

b) adjectives with the suffix –xhi such as: dedermahxhi, ehenexhi

c) unrecognized forms of adjectives: i burguem (the standard accepted form is i burgosur; the suffix -ue is often substituted by -uar, so in this case we would have I Burguar but in fact we have accepted the form derived
from the verb burgo (s) and i burgosur); bumbulliore (onomatopoeia derivation); paras, unshëm (from the word un- suffix –shëm feature of the northern dialect; it is formed the adjective unshëm while in standard form it is accepted i uritur derived from the form uri); i paqtë (in standard form is accepted paqësor paqe + sor); i montuar, i marshëm, i njinjishëm (i njëtrajtshëm is the standard form accepted), e patrava etc.

2.3 Verb

a) verbs that express an action by the subject and the adjectives of the verb are the same word which falls such as: delikoj, dërmish, dath, dheshk, dhambçoj, idhnoj, inspiroj, jes, lecoj, léqit, mbshel;

b) impersonal verb: bërkë, hulet, lartushqojn, përshqit etc.

c) verbs borrowed from the Italian language such as: impozoj, inspiroj, etc.

2.4 Other parts of the discours

a) adverbs: anames, fitefit, gjatëmot, kurrherë, kaiher, këndynaj, mje, mjes, mejës, ndara, nemose, njeti, pramur

b) pronouns: asish, gjthkënd, gjithkafja

c) particles: anima

d) interjections: deh, cok etc.

2.5 Words that have been removed from dictionaries

Dictionaries accept popular words and phrases from all dialects, even borrowings that are commonly used in spoken language and writing. If the linguists do not find the equivalent word, they accept the borrowed word. In some of the later dictionaries many of these words or racional words are removed from the dictionary and their number has been reduced. In order to compile a dictionary one should keep in mind to collect words from the spoken language by people living in a specific area because many words may have lost or changed meaning or may have been sunstitute by other words.

A number of words have been removed from some dictionaries but later they have been accepted again in others. We have come across these words that have been removed when comparing "The Albanian Language Dictionary" 2006, "Today's Dictionary of the Albanian Language" 2002 "Dictionary of the current Albanian Language " 1980:

2.6 Albanian glossary

Ahmarrës3- i m.sh. –it qe shpaguhet për një te keqe, për një dhune, për një krim, a për një padrejtësi, për një fyerje, për një qortim a kritike etj

Bajagi4 ndaj bised 1. Ne sasi a ne menyre te mjaftueshme, aq sa duhet aq sa mjafton etj 2. Bised. Ne menyre te ndjeshmea te dukshme 3.perd. kallez Mjafton

Baxhi5,-a f. sh –(të) vjet bised perdorej per te thirur me nerim nje grua te moshuar

Bërkëlyket6 vetv –(u)- ur zhgerryhet per toke e pellet (per bagetine e trashe)

Delirant7,-e mb. Libr1. Edhe si em qe flet perçart 2. Fig entuziast, i dalldisur

Ekzalt/oj8 kal. –ova, -uar libr 1. Ngre, lartesoj dike ne grade 2. Lavderoj shume

Erët/oj9 kal. –ova, -uar mbush me ere, kundermoj

Fatkob10,-e mb. Edhe si em. fatzi

Flanikth11,-a m.sh –a,-at kafaz zogjsh; kotec pulash

Fluid12,-e mb 1. Qe mund te rrjedhe 2. Libr. I pagulitr, I ndryshueshem

3 See FGJSSH p. 13
4 Ibid p. 83
5 Ibid p. 118
6 Ibid p. 136
7 Ibid p. 178
8 Ibid p. 242
9 Ibid p. 434
10 See FGJSSH p. 264, Ibid p. 323
11 Ibid p. 484, ibid p.f.343
12 Ibid p. 284
2.7 English glossary

ahmarrës - the MH That 's a bad pay off for violence , a felony , or an injustice , for an insult , for a reprimand or critical etc.

1 bajagi to talks . A quantity sufficiently , enough just enough etc. 2 . Re . In order to ndjeshme 3 . perd visible . Suffice ears

Baxhi , -a f . sh - ( of ) years of talks duly utilized to Nerima an elderly woman
Bërlıyk / s vetv - ( u ) - ur.zhgerryhet for land and Pella ( for herds )
Delirant , the mb - . Libr1 . Even as you mad em 2 . Fig enthusiastic , foolhardy
Ekzalt / OJ horse . - Ova , - ed Books 1 . Elevate , exalt someone in grade 2 . Extol more
Rappers / OJ horse . - Ova , - Ova , cleanly filled with wind , kundermoj
Fat kob , the mb - . Even as em . unlucky
Flanikth , m.sh -a -a -at the aviary , climbing frame
Fluid , the mb - 1 . You can stream 2 . EBook . The pangulitr , variable
3. Results

In the end we have come to these conclusions: Literary language not only gets the dialects and idioms, but also affects them, expands the vocabulary, processes the words and develops them further into meanings, new formations, and in their expressive values.

We have always been based "on Albanian Language Dictionary" 2006. There are accepted more than half of words collected from authors like Mjeda, Fishta, Koliqi and Migjeni. This shows that regional and dialectal lexicon has played an important role in the vocabulary enrichment.

We confirmed that a large number of nouns, adjective (qualitative), adverbs, particles, interjections, pronouns are accepted. These words belong to various parts of discourse. These words are thought to be purely Albanian words from an early period. For example: drom - rrugë, which is thought to have come from Greek.

Words not accepted are mostly full regional words. They are used in Shkodra and beyond this regional dialect. The authors have been responsible to submit northern dialect including all its forms. They collide in literary rate due to rotation. In some cases they are borrowed from Slavic, Italian or Turkish language etc. Such words are limited as dialectal and as borrowings but they can also be considered as old words as we have mentioned above. Studying the lexicon we also came across unknown antonyms. They have not been created by their authors. For examples: ngatërrimtar - zhgërrimtar. This means that dialectal words may serve for the formation of new words as well.

In the end we compiled a dictionary intending to explain regional and dialectal words, their meanings most of readers do not know. This minidictionary may serve to explain meanings, lexical field, links to other words etc.

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Xhevd Lloshi Emil Lafe. Albanian state and the development of literary Albanian language
The Effect of FDI in the Albania Economy

Alket Kullolli

Abstract

FDI has been a major development of the last decades helping world economic development. It is known that the growth in FDI (Foreign Direct Investment) is increasing at the global scenario. We see this increase in the last decade, especially in the developing countries like Albania. They are important for developing countries, in transition and developed countries. This paper will investigate the effect of the economic indicators on the FDI (Foreign Direct Investment) in Albania. For the research methodology the data’s of FDI, GDP Growth, Inflation from 1992 – 2012 have been used for the purpose of studies. To check the normalcy of the data’s various statistical tools are used as: Mean, Standard Derivation, Variance and Kurtosis. Regression and Correlation analysis have been used to study the relationship dependency of these variables. The findings show that there is a visible effect of the economic indicators of Albania on the FDI (Foreign Direct Investment). The results of the correlation and regression analysis will be illustrated by graphs where they show the significant impact of the economic indicators of the FDI. This study investigates the impact of the economic indicators of Albania on the FDI with the use of the current statistics.

1. Introduction of the Study

In the last decade, in Albania there is a big interest from FDI. This is because Albania is a developing country and has lot of possibilities for new ideas and new businesses. After the communism time Albania was a country which had not knowledge about the foreign products. This exceptional augmentation of global FDI makes FDI a vital and imperative factor of improvement policy in both developed and developing countries. Albania comes among those countries which attracts the FDI inflows. The FDI increase the economic activity and expands the market sizes by offering great opportunities for the Albanian population, employment level and have strong effect in the development of the country like Albania. Albania offers great opportunities for foreign investors to reap a good success and good profit from their businesses.

After a plodding rise from 1991 till the end 1999 inflows increased rapidly thereafter. From an average of 51.4 million of US $ and the effect of this we will see shown by graph in the GDP of the Albania. From 2000-2003 we see a slightly higher average of 163.5 million of US $. Than from 2004 we have an increment of the incomes from FDI.

After visa liberation which was in the end of the December of 2010 we have a slightly lower decrement of the income from the FDI in 2011and 2012 and this will have an effect of the Albanian GDP. This effect will be illustrated by graph. This was because a lot of Albanian went in other countries to their families because as we know the Albania population mostly 30% emigrants in other countries. This effect in the purchasing power because less peoples buys less and when they were here we had an incomes from remittances. So there was less money in these 2 years and less purchasing power.

The Graphs Supports these Facts

![Graph showing FDI in million of US $ from 1991 to 2012]
The graphs show a big jump in the FDI in Albania after 2001. In 2010 we have the peak of the FDI in Albania which is 1043 million of US $.

Albania economy attracts the FDI because of the growth in the GDP, attractive exchange rates, controlled inflation rate, geographic position etc. The Albanian geographic position is favorable for every kind of FDI because it has all condition for being a healthy and successful investment. The current study will evaluate the effect of the economic indicator on FDI.

2. Objectives of the Study

1. To find out the effect of FDI on the economic indicators.
2. How does the FDI effects in the GDP
3. The benefits of a country and a firm which is investing in this country

   From a country perspective:
   - We have the Renaissance of the market system.
   - We have the Globalization of the economic system.
   - We have the Enhanced mobility of wealth creating assets.
   - We have the Increasing number of countries approaching the take-off stage in development.
   - We have the Convergence of the economic structure among developing countries and some new industrializing economies.

   From a firm’s perspectives:
   - Increasing need to exploit global markets
   - Competitive pressure to procure inputs
   - Regional integration has prompted more efficiency-seeking investments.
   - Growing case of trans-border communications and reduce transport costs.
   - It heightened oligopolistic competition among leading firms.
   - It opens up new territorial opportunities for FDI.

   Need to tap into foreign sources of the technology and organizational capabilities and exploit economies of agglomeration.

   We can have new incentives to conclude alliance with foreign firms.
   We can see changes in significance of particular location costs and benefits.
   Need to better balance the advantages of globalization with those of localization.
3. Review

A lot of scholars and economists studied the FDI and FDI’s effects on the different countries economy.

- Balasubramanyam et al. (1996) studied the effect of the FDI on economic growth of the country.
- Bornstein in 1998 investigated the variation of FDI among different countries.
- Bangoa and Sanchez-Robles in 2003 studied and explored the correlation of FDI with economic growth, economic stability, liberalized markets and human capital.
- In this year Choe analyzed casual relationships between economic growth and FDI.
- In 2004 Alfaro examined the links among FDI, financial markets and economic growth.
- In this year John Andreas evaluated the potential of FDI inflows to affect host country economic growth.
- In 2005 Ching studied the impact of exchange rate movements on FDI.
- In this year Mavrotas investigated the effect of FDI on different developing countries.
- In 2006 Bayie studied the relationship of FDI and GDP growth.
- Even the Economist revealed a number of facts related to FDI, the researchers find out the effects of the FDI on the economic indicators. Not many studies have been concentrated on the Albanian to evaluate these effects.
- The present study will investigate the effect of the FDI in the Albanian GDP.

4. Research Methodology

The present study will investigate the relation of FDI and GDP of Albania.

The Albania data of GDP and FDI from 1991-1992 to 2011-2012 has been used to perform the analysis. Following tools and following programs have been used for the purpose of this paper.

The mean is a particular informative measure of the central tendency of the variable if its reported along with its confidence intervals.

Sometimes we get interested in statistics from our sample only to extent to which they can infer information about the population.

The confidence intervals for the mean give us a range of values around the mean where we except the “true” mean is located.

5. The Relation between Foreign Direct Investments and Gross Domestic Product

The two models conducted are:

\[ GDP_t = C_t + \beta_0 FDI_t + u_t \]
\[ GDP_t = C_t + \beta_0 FDI_t + \beta_1 FDI_{t-1} + u_t \]

Where:

- GDP, in both models is the dependent variable and represent the Gross Domestic Product annual changes in percentage at time t.
- FDI, and FDI_{t-1} represent annual changes in percentage respectively at time t and t-1.
- C represents the intercept which is equal to GDP, if all the independent variables equals zero.
- \{\beta_0\} and \{\beta_1\} are the slopes of their respective variable.
- \ u_t represents the estimated error.

The Eview program the results for the no lag model are shown in table 3 and for the one lag model in table 4. Accordingly, the estimated models are.

\[ GDP_t = 0.099 + 0.014FDI_t \]
\[ GDP_t = 0.071 + 0.202FDI_t + 0.112FDI_{t-1} \]
According to the results in table 1, 1 percent increase in FDI increases GDP by 0.14 percent. Yet, the dependent variable is statistically insignificant in predicting the model (p-value greater than 0.05, 1, 5 and 10). Also R-square is very low. (Optimal benchmark = 60%)

Table 1

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDI</td>
<td>0.143239</td>
<td>0.102202</td>
<td>1.401532</td>
<td>0.1772</td>
</tr>
<tr>
<td>C</td>
<td>0.098861</td>
<td>0.063113</td>
<td>1.566397</td>
<td>0.1338</td>
</tr>
</tbody>
</table>

R-squared 0.093697 Mean dependent var 0.147795
Adjusted R-squared 0.045987 S.D. dependent var 0.246674
S.E. of regression 0.240934 Akaike info criterion 0.081807
Sum squared resid 1.102937 Schwarz criterion 0.181286
Log likelihood 1.141024 Hannan-Quinn criter. 0.103397
F-statistic 1.964291 Durbin-Watson stat 1.778156

According the results in table 10, 1 percent increase in FDI increases GDP by 0.14 percent. Yet, the dependent variable is statistically insignificant in predicting the model (p-value greater than 0.05, 1, 5 and 10). Also R-square is very low. (Optimal benchmark = 60%)

Table 2

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDI</td>
<td>0.202137</td>
<td>0.085106</td>
<td>2.375134</td>
<td>0.0296</td>
</tr>
<tr>
<td>FDI(-1)</td>
<td>0.112939</td>
<td>0.082819</td>
<td>1.363676</td>
<td>0.1905</td>
</tr>
<tr>
<td>C</td>
<td>0.070776</td>
<td>0.054876</td>
<td>1.289735</td>
<td>0.2144</td>
</tr>
</tbody>
</table>

R-squared 0.354249 Mean dependent var 0.174030
Adjusted R-squared 0.278278 S.D. dependent var 0.220990
S.E. of regression 0.187740 Akaike info criterion -0.370036
Sum squared resid 1.599188 Schwarz criterion -0.220676
Log likelihood 6.700358 Hannan-Quinn criter. -0.340879
F-statistic 4.662962 Durbin-Watson stat 1.402809
Prob(F-statistic) 0.024297

According to the results in table 10, FDI of the current year is statistically significant in predicting the model at 3 percent significance level (P-value = 0.02). It has a positive impact on GDP when 1 percent increases in FDI, increases GDP by 0.20 percent. Also, the results indicate that an increase of FDI will have a positive impact of the coming year by 0.11 percent if increase only by 1%. Yet this variable is statistically insignificant in predicting the model. Moreover, Prop(F-statistic) = 0.024 indicating that both FDI at t time and t-1 time are jointly statistically significant at 2.5 percent (or higher) significance level. However, the R-square is low when only 35 percent of the data explain the model.
6. Unit Root Test

Moreover, FDI series does not have a unit root at a significance level equal of higher than 2 percent. Also, after testing the first difference of FDI for unit root, has resulted that D_FDI has not a unit root thus this series is non-stationary.

Table 3: ADF test FDI

|Null Hypothesis: FDI has a unit root  
Exogenous: Constant  
Lag Length: 0 (Automatic - based on SIC, maxlag=0) | t-Statistic | Prob.* |
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Augmented Dickey-Fuller test statistic</td>
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<td>Test critical values:</td>
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<td>1% level</td>
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<td></td>
</tr>
<tr>
<td>5% level</td>
<td>-3.020686</td>
<td></td>
</tr>
<tr>
<td>10% level</td>
<td>-2.650413</td>
<td></td>
</tr>
</tbody>
</table>


Table 4: ADF test FDI at 1st difference

|Null Hypothesis: D(FDI CHNG) has a unit root  
Exogenous: Constant  
Lag Length: 0 (Automatic - based on SIC, maxlag=0) | t-Statistic | Prob.* |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Augmented Dickey-Fuller test statistic</td>
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<td>0.0004</td>
</tr>
<tr>
<td>Test critical values:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1% level</td>
<td>-3.831511</td>
<td></td>
</tr>
<tr>
<td>5% level</td>
<td>-3.029970</td>
<td></td>
</tr>
<tr>
<td>10% level</td>
<td>-2.655194</td>
<td></td>
</tr>
</tbody>
</table>

Table 5: PP Test FDI (level)

|Null Hypothesis: FDI has a unit root  
Exogenous: Constant  
Bandwidth: 10 (Newey-West automatic) using Bartlett kernel| Adj. t-Stat | Prob.* |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Phillips-Perron test statistic</td>
<td>-3.877800</td>
<td>0.0086</td>
</tr>
<tr>
<td>Test critical values:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1% level</td>
<td>-3.808546</td>
<td></td>
</tr>
<tr>
<td>5% level</td>
<td>-3.020686</td>
<td></td>
</tr>
<tr>
<td>10% level</td>
<td>-2.650413</td>
<td></td>
</tr>
</tbody>
</table>


7. Findings and Analyses

This part of the study reveals the findings and analysis after evaluating the data of GDP and the data of FDI from the period of 1991-1992 to 2011-2012. The table below shows the result of the descriptive statistics. These tests have been performed to check the normality of the data.
8. Conclusion

The study shows and proofs that there is a quite significant impact of the FDI on the GDP.

The findings shows that the attractive position and favorite taxes are attractive for the a huge number of FDI investing in Albania.

From the study we see that this huge attractive number of FDI which want to invest in Albania brings huge profits for the Albanian economy (it helps to decrease the number of unemployment peoples which is one of the biggest problem now days)

As we can see from the tables above the average FDI in Albania during this period is 339.87 Million Of US $ and the average of the GDP during this period is 6135.1 Million of US $.

So from this data we can see that there is a considerable effect of the FDI in the GDP of Albania.

References

(BoA), 3. C. (2013). Economic Indicators. Albania: Central bank of Albania (BoA).


indicators, W. d. (n.d.). World Development Indicators. World Development Indicators.


Appendixes: FDI and GDP Series Taken at Yearly Changes

T5: ADF test FDI (level)

Null Hypothesis: FDI CHNG has a unit root
Exogenous: Constant
Lag Length: 0 (Automatic - based on SIC, maxlag=0)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDI</td>
<td>-0.790661</td>
<td>0.224001</td>
<td>-3.529728</td>
<td>0.0024</td>
</tr>
<tr>
<td>CHNG(-1)</td>
<td>0.232988</td>
<td>0.141713</td>
<td>1.644084</td>
<td>0.1175</td>
</tr>
</tbody>
</table>

FDI has a not test at level at 0.05% → stationary. FDI has not a unit root at level at 1% → non-stationary
### T6: ADF test FDI at 1st difference

Null Hypothesis: D(FDI CHNG) has a unit root
Exogenous: Constant
Lag Length: 0 (Automatic - based on SIC, maxlag=0)

<table>
<thead>
<tr>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augmented Dickey-Fuller test statistic</td>
<td>0.0004</td>
</tr>
</tbody>
</table>

Augmented Dickey-Fuller test Equation
Dependent Variable: D(FDI CHNG,2)
Method: Least Squares
Date: 06/16/14 Time: 20:42
Sample (adjusted): 1994 2012
Included observations: 19 after adjustments

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>D(FDI CHNG(-1))</td>
<td>-1.249765</td>
<td>0.233396</td>
<td>-5.354696</td>
<td>0.0001</td>
</tr>
<tr>
<td>C</td>
<td>-0.082683</td>
<td>0.154172</td>
<td>-0.536303</td>
<td>0.5987</td>
</tr>
</tbody>
</table>

R-squared 0.627787
Adjusted R-squared 0.605892
S.E. of regression 0.669693
Akaike info criterion 2.135305
S.D. dependent var 1.066763
Schwarz criterion 2.234719

Augmented Dickey-Fuller Test FDI at 1st difference

FDI has not a unit root at 1st difference → non-stationary

### T7: PP test FDI (level)

Null Hypothesis: FDI has a unit root
Exogenous: Constant
Bandwidth: 10 (Newey-West automatic) using Bartlett kernel

<table>
<thead>
<tr>
<th>Adj. t-Stat</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phillips-Perron test statistic</td>
<td>0.0086</td>
</tr>
</tbody>
</table>

Phillips-Perron test Equation
Dependent Variable: D(FDI)
Method: Least Squares
Date: 06/16/14 Time: 20:55
Sample (adjusted): 1993 2012
Included observations: 20 after adjustments

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDI(-1)</td>
<td>-0.790661</td>
<td>0.224001</td>
<td>-3.529728</td>
<td>0.0024</td>
</tr>
<tr>
<td>C</td>
<td>0.232988</td>
<td>0.141713</td>
<td>1.64084</td>
<td>0.1175</td>
</tr>
</tbody>
</table>

R-squared 0.409041
Adjusted R-squared 0.376210
S.E. of regression 0.519951
Akaike info criterion 1.624474
S.D. dependent var 0.658329
Schwarz criterion 1.64474

Warning: Probabilities and critical values calculated for 20 observations and may not be accurate for a sample size of 19

An Empirical Study on Import, Export and Economic Growth in Albania

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Abstract

Imports and Exports have an important role in the Economic Growth of a country. This paper discusses the relationship between export, import and Gross Domestic Product (GDP) in Albania by using annual data for the period between 1984 and 2012. Different empirical researches and macro economic models indicates that there is an equilibrium relationship between exports, imports and GDP in the long term. The main goal is to find if imports and exports affect the GDP growth in Albania? The relationship between this variables is shown by using Econometric Views statistical package and the source of data used is World Bank.

Keywords: Import, Export, GDP, Econometric Views, World Bank, Albania

1. Introduction

The relationship between import, export (also known as international trade) and economic growth has been a very popular subject showing interest of policy makers and academics. The reason is simple. The main goal of almost every nation is to increase GDP and improve the quality of life for their citizens. In Albania, which is a developing country international trade (import, export) is an important factor that affects GDP or economic growth.

Albania is a small economy located in Balkan. After fall of communist regime in 1990 Albania became a small open economy. The GDP of Albania increased year by year starting from 1991 till 2008 excluding year 1997. After 2008 GDP of Albania had slightly movements, decreasing and increasing.

Figure 1. GDP of Albania (1991-2012)

Source: World Bank

In general, the international trade is considered an important factor for the economic growth especially for a small open economy like Albanian economy. By having a quick look on the trade performance over the last decade and the relationship of trade performance with the country's overall development we can highlight two specific contributions of trade.

First, through import trade peoples in Albania fulfilled their basic needs. In 1990 Albania changed from a closed economy to an open economy. So people were mostly focused on imported goods and services because Albania could
not fulfill their needs.

Second, although far from desired levels, trade has played and is playing a significant role in the reallocation of productive resources. Structural changes in the economy, expressed in the increased share of services and their diversity, increasing the weight of construction, transport, etc., as well as the introduction of new technologies in some sectors of the economy are the expression of this role. Important institutional changes of recent years such as Albania’s membership in the World Trade Organization (WTO) and the signing of a series of bilateral agreements of free trade with region countries, accompanied these with a significant reduction in trade barriers.

The number of studies done to measure economic growth through exports and imports in Albania is very limited. This paper is an attempt to make an empirical examination of the hypothesis export-led growth. It also examines long-run impact of exports, imports on GDP growth in case of Albania.

2. Literature Review

Different studies and researches were done by academics and policy makers for economic growth, import and export. A variety of studies shows different results about the relationship of this three variables. Export led hypothesis is a widely known hypothesis and accepted by different academics (Feder 1982; Kruege 1990).

Atrkar Roshan Sedigheh (2008) made a study about export expansion and economic growth in Iran after the revolution period. The results of this study confirms the relationship between these variables in Iran after the revolution period.

A study done by Ahmet Ugur (2008), shows the relationship between imports and economic growth in Turkey. Velnampy. T, Achchuthan (2013); Based on the overall study, in the Sri Lankan context, the export and import have the significant positive relationship and also, both export and import have the significant impact on the economic growth. Further, the export and import have been associated by 98 percent, which denotes that, there is a strong positive association between export and import.

Another study done by Murat Çetinkaya and Savas Erdogan (2010) tested the relationship of two figures, import-export by using VAR Analysis. According to the study it was determined that there was causality relationship between these variables, the variable import influenced GDP, and GDP influenced the variable export. Between export and import, two way Causality relationships released mutually. In the same way, the results of causality overlap with variance decomposition test.

Mehdi Taghavi, Masoumeh Goudarzi, Elham Masoudi, Hadi gashti (2012) studied the Iran economy from 1962-2011. VAR Analysis was applied between the variables of annual economic growth, import, and export. When regarding to these results, it is implied that the export increases as the country grows and the import indicates a decrease economic growth. When regarding to the data used in the study, they indicate a difference proportionally, it is seen that the increases or decreases in the import, export, and GDP always occur in the same period. This case indicates that the relationships between three variables are very strict.

Barbara Pistoresi and Alberto Rinaldi (2011), the nexus between trade and economic growth in Italy has been widely debated by historiography. The outcome suggests that three variables, GDP, import, export commove in the long run but the direction of causality varies across time.

However, there are also other studies that do not support the relationship between these variables. There is no causal relation between exports and economic growth, namely exports and economic growth are both the result of the development process and technological change (Yaghmaian, 1994; Dritsakis, 2005).

Kogid, Mulok, Ching, Lily, Ghazali and Loganathan (2011) analyzed the relationship between the economic growth and the import in Malaysia from 1970 to 2007. Results show that there is no co integration exists between economic growth and import, but there exists bilateral causality between economic growth and import. Results also show that import could indirectly contribute to economic growth, and economic growth could also directly contribute to import. These findings may be vital for future economic growth policy.

Ali F. Darrat (1987) made a study about export-led hypothesis of Ronald Findlay (1984) and Anne Kruege (1985); This hypothesis states that higher exports accelerate the economic growth process. The empirical results reported by Ali F. Darrat (1987) shows that the economic growth of Hong Kong, Korea, Singapore and Taiwan are not affected by exports. Based on the Granger causality test, no causal effect were shown from exports to economic growth in any of the four countries.

Francisco (2000) investigated the Granger-causality between exports, imports, and economic growth in Portugal over the period 1865 - 1998. Findings revealed that, more interestingly, there is no kind of significant causality between import-export growth. Further, researcher concluded that the growth of output for the Portuguese economy during that
period revealed a shape associated with a small dual economy in which the intra-industry transactions were very limited.

As stated above there are different arguments about the relationship and effect of Export and Import on Economic growth. The relationship of these three variables differs from country to country. Also the arguments are controversial. Based on these arguments we can generate different hypothesis about the relationship of these variables.

3. Data and Methodology

This section includes the empirical analysis of the relation of Gross Domestic Product with Import and Export. To inspect the relation between GDP with Import and Export a time series regression model is conducted once with no lag and later with one lag included. Data included in the regression are the annual changes in percentage of GDP, Import and Export.

4. The Relation of Gross Domestic Product with Import and Export

The two model conducted are:

\[ \begin{align*}
GDP_t &= C_t + \beta_0 EX_t + \beta_1 IMP_t + u_t, \\
GDP_t &= C_t + \beta_0 EX_t + \beta_1 IMP_t + \beta_2 EX_{t-1} + \beta_3 IMP_{t-1} + u_t,
\end{align*} \]

Where:
- \( GDP_t \) in both model is the dependent variable.
- \( GDP_t \) represent Gross Domestic Product annual changes in percentage at time \( t \).
- \( EX_t \) and \( EX_{t-1} \) represent Export annual changes in percentage respectively at time \( t \) and \( t-1 \).
- \( IMP_t \) and \( IMP_{t-1} \) represent Import annual changes in percentage respectively at time \( t \) and \( t-1 \).
- \( C_t \) represent the intercept which \( GDP_t \) equal if all the independent variables equals zero.
- \( \{\beta_0, \beta_1, \beta_2, \beta_3\} \) are the slopes of their respective variable.
- \( u_t \) represents the estimated error.

The Eview program the results for the no lag model are shown in table 1 and for the one lag model in table 2. Accordingly, the estimated models are.

\[ \begin{align*}
GDP_t &= -0.012 + 0.521 EX_t - 0.106 IMP_t + 0.222 EX_{t-1} + 0.03 IMP_{t-1} \\
GDP_t &= 0.035 + 0.589 EX_t - 0.277 IMP_t
\end{align*} \]

Table 1

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EX</td>
<td>0.588980</td>
<td>0.079780</td>
<td>7.382567</td>
<td>0.0000</td>
</tr>
<tr>
<td>IMP</td>
<td>-0.227415</td>
<td>0.124190</td>
<td>-1.831186</td>
<td>0.0790</td>
</tr>
<tr>
<td>C</td>
<td>0.034920</td>
<td>0.031340</td>
<td>1.114231</td>
<td>0.2758</td>
</tr>
</tbody>
</table>

According to the results EX is statistically significant at significance level 0.05% (p-value <0.05) in predicting the model. Also an annual increase by 1 percent in exports will increase GDP by 0.58 percent. Moreover, the imports data are not
statistically significant in predicting the model at the significance level at 0.05% however they significant at significance level 1% (p-value=0.07). The results indicate that 1 percent annual increase in imports will decrease GDP by 0.23 percent. According to the p-value of F-statistics which equal 0.00, it can be concluded that Exports and Imports data jointly are statistically significant in predicting the model.

Table 2

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EX</td>
<td>0.520971</td>
<td>0.088267</td>
<td>5.902214</td>
<td>0.0000</td>
</tr>
<tr>
<td>IMP</td>
<td>-0.106079</td>
<td>0.121758</td>
<td>-0.871231</td>
<td>0.3930</td>
</tr>
<tr>
<td>EX(-1)</td>
<td>0.222313</td>
<td>0.070233</td>
<td>3.165354</td>
<td>0.0045</td>
</tr>
<tr>
<td>IMP(-1)</td>
<td>0.030464</td>
<td>0.136255</td>
<td>0.223579</td>
<td>0.8251</td>
</tr>
<tr>
<td>C</td>
<td>-0.011810</td>
<td>0.033497</td>
<td>-0.352565</td>
<td>0.7278</td>
</tr>
</tbody>
</table>

According to the results 1 percent increase in export will increase both the current GDP and GDP of the next coming year by respectively 0.52 and 0.22 percent. While an increase in imports will decrease the current GDP by 0.10 percent and increase the GDP of the next coming year by 0.03 percent. Moreover, only the current and previous annual % change of exports are separately statistically significant in predicting the model. All other variables are separately statistically insignificant in predicting the model. However, all the variables are jointly statistically significant in predicting the model.

5. Unit Root Tests

Furthermore, the Augmented Dickey-Fuller and Phillips-Perron Test are conducted in order to check the series have a unit root. Table 5-9 show the test statistics respectively for GDP, EX and IMP. Accordingly, all the p-value of the test, are less than 0.05 indicating that the null hypothesis of the ADF Test, which is that the tested series has a unit root, can be rejected. Thus, it can be concluded that GDP, Export and Import series are non-stationary.

According to table 6-8, which show the result of PP test for respectively GDP, EX and IMP indicate that the series do not have a unit root and are non-stationary because the p-value is less than 0.05 and thus, the null hypothesis which predict a unit root for each test series can be rejected.
Table 3: ADF Test GDP (level)

Null Hypothesis: GDP has a unit root  
Exogenous: Constant  
Lag Length: 0 (Automatic - based on SIC, maxlag=0)

<table>
<thead>
<tr>
<th>Augmented Dickey-Fuller test statistic</th>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-3.737283</td>
<td>0.0092</td>
</tr>
</tbody>
</table>

Test critical values:  
1% level: -3.699871  
5% level: -2.976263  
10% level: -2.627420


Table 4: ADF Test EXPORTS (level)

Null Hypothesis: EX has a unit root  
Exogenous: Constant  
Lag Length: 0 (Automatic - based on SIC, maxlag=0)

<table>
<thead>
<tr>
<th>Augmented Dickey-Fuller test statistic</th>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-4.374356</td>
<td>0.0020</td>
</tr>
</tbody>
</table>

Test critical values:  
1% level: -3.699871  
5% level: -2.976263  
10% level: -2.627420


Table 5: ADF Test IMPORTS (level)

Null Hypothesis: IMP has a unit root  
Exogenous: Constant  
Lag Length: 0 (Automatic - based on SIC, maxlag=0)

<table>
<thead>
<tr>
<th>Augmented Dickey-Fuller test statistic</th>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-5.746192</td>
<td>0.0001</td>
</tr>
</tbody>
</table>

Test critical values:  
1% level: -3.699871  
5% level: -2.976263  
10% level: -2.627420

Table 6: PP Test GDP (level)

Null Hypothesis: GDP has a unit root
Exogenous: Constant
Bandwidth: 5 (Newey-West automatic) using Bartlett kernel

<table>
<thead>
<tr>
<th>Adj. t-Stat</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phillips-Perron test statistic</td>
<td>-3.524272</td>
</tr>
</tbody>
</table>

Test critical values:
- 1% level: -3.699871
- 5% level: -2.976263
- 10% level: -2.627420


Table 7: PP Test EXPORTS (level)

Null Hypothesis: EX has a unit root
Exogenous: Constant
Bandwidth: 8 (Newey-West automatic) using Bartlett kernel

<table>
<thead>
<tr>
<th>Adj. t-Stat</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phillips-Perron test statistic</td>
<td>-4.322073</td>
</tr>
</tbody>
</table>

Test critical values:
- 1% level: -3.699871
- 5% level: -2.976263
- 10% level: -2.627420


Table 8: PP Test IMPORTS (level)

Null Hypothesis: IMP has a unit root
Exogenous: Constant
Bandwidth: 5 (Newey-West automatic) using Bartlett kernel

<table>
<thead>
<tr>
<th>Adj. t-Stat</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phillips-Perron test statistic</td>
<td>-5.894665</td>
</tr>
</tbody>
</table>

Test critical values:
- 1% level: -3.699871
- 5% level: -2.976263
- 10% level: -2.627420


6. Conclusion

Based on the study done, the import and export have a significant relationship with GDP. Exports have a significant impact on the economic growth. The study shows that an annual increase by 1 percent in Exports will increase GDP by 0.58 percent. Regarding the import, it has a negative impact on economic growth. The results indicate that 1 percent annual increase in Imports will decrease GDP by 0.23 percent. According to the p-value of F-statistics which equal 0.00, it can be concluded that Exports and Imports data jointly are statistically significant in predicting the model.
According to the results 1 percent increase in export will increase both the current GDP and GDP of the next coming year by respectively 0.52 and 0.22 percent. While an increase in imports will decrease the current GDP by 0.10 percent and increase the GDP of the next coming year by 0.03 percent.

References


Appendix

**ADF Test GDP (level)**

Null Hypothesis: GDP has a unit root
Exogenous: Constant
Lag Length: 0 (Automatic - based on SIC, maxlag=0)

<table>
<thead>
<tr>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augmented Dickey-Fuller test statistic</td>
<td>-3.737283</td>
</tr>
</tbody>
</table>

Test critical values:
- 1% level: -3.699871
- 5% level: -2.976283
- 10% level: -2.627420


Augmented Dickey-Fuller Test Equation
Dependent Variable: D(GDP)
Method: Least Squares
Date: 06/16/14 Time: 22:08
Sample (adjusted): 1986 2012
Included observations: 27 after adjustments

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP(-1)</td>
<td>-0.719733</td>
<td>0.192582</td>
<td>-3.737283</td>
<td>0.0010</td>
</tr>
</tbody>
</table>

~ 434 ~
### ADF Test Exports (level)

Null Hypothesis: EX has a unit root  
Exogenous: Constant  
Lag Length: 0 (Automatic - based on SIC, maxlag=0)

<table>
<thead>
<tr>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augmented Dickey-Fuller test statistic</td>
<td>-4.374356</td>
</tr>
</tbody>
</table>

Test critical values:  
1% level: -3.699871  
5% level: -2.976263  
10% level: -2.627420


Augmented Dickey-Fuller Test Equation  
Dependent Variable: D(EX)  
Method: Least Squares  
Date: 06/16/14 Time: 22:10  
Sample (adjusted): 1986 2012  
Included observations: 27 after adjustments

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EX(-1)</td>
<td>-0.870203</td>
<td>0.198933</td>
<td>-4.374356</td>
<td>0.0002</td>
</tr>
<tr>
<td>C</td>
<td>0.143191</td>
<td>0.081004</td>
<td>1.767704</td>
<td>0.0893</td>
</tr>
</tbody>
</table>

| R-squared | 0.358436 | Mean dependent var | -0.001682 |
| Adjusted R-squared | 0.332774 | S.D. dependent var | 0.301230 |
| S.E. of regression | 0.246056 | Akaike info criterion | 0.104675 |
| Sum squared resid | 1.513593 | Schwarz criterion | 0.200662 |
| Log likelihood | 0.566893 | Hannan-Quinn criter. | 0.133217 |
| F-statistic | 13.96728 | Durbin-Watson stat | 1.785551 |
| Prob(F-statistic) | 0.000970 | | |
ADF Test Imports (level)

Null Hypothesis: IMP has a unit root
Exogenous: Constant
Lag Length: 0 (Automatic - based on SIC, maxlag=0)

<table>
<thead>
<tr>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augmented Dickey-Fuller test statistic</td>
<td>-5.746192</td>
</tr>
</tbody>
</table>

Test critical values:
- 1% level: -3.699871
- 5% level: -2.976263
- 10% level: -2.627420


Augmented Dickey-Fuller Test Equation
Dependent Variable: D(IMP)
Method: Least Squares
Date: 06/16/14 Time: 22:10
Sample (adjusted): 1986 2012
Included observations: 27 after adjustments

<table>
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<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMP(-1)</td>
<td>-1.157045</td>
<td>0.201359</td>
<td>-5.746192</td>
<td>0.0000</td>
</tr>
<tr>
<td>C</td>
<td>0.156594</td>
<td>0.054908</td>
<td>2.851914</td>
<td>0.0086</td>
</tr>
</tbody>
</table>

R-squared 0.569105 Mean dependent var -0.004633
Adjusted R-squared 0.551869 S.D. dependent var 0.366357
S.E. of regression 0.245249 Akaike info criterion 0.098103
Sum squared resid 1.503678 Schwarz criterion 0.194091
Log likelihood 0.675613 Hannan-Quinn criter. 0.126645
F-statistic 33.01872 Durbin-Watson stat 2.020477
Prob(F-statistic) 0.000005

PP Test GDP (level)

Null Hypothesis: GDP has a unit root
Exogenous: Constant
Bandwidth: 5 (Newey-West automatic) using Bartlett kernel

<table>
<thead>
<tr>
<th>Adj. t-Stat</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phillips-Perron test statistic</td>
<td>-3.524272</td>
</tr>
</tbody>
</table>

Test critical values:
- 1% level: -3.699871
- 5% level: -2.976263
- 10% level: -2.627420


Residual variance (no correction) 0.056059
HAC corrected variance (Bartlett kernel) 0.031685

Phillips-Perron Test Equation
Dependent Variable: D(GDP)
Method: Least Squares  
Date: 06/16/14 Time: 22:09  
Sample (adjusted): 1986 2012  
Included observations: 27 after adjustments

<table>
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<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP(-1)</td>
<td>-0.719733</td>
<td>0.192582</td>
<td>-3.737283</td>
<td>0.0010</td>
</tr>
<tr>
<td>C</td>
<td>0.072259</td>
<td>0.051320</td>
<td>1.407989</td>
<td>0.1714</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>R-squared</th>
<th>Adjusted R-squared</th>
<th>S.E. of regression</th>
<th>Sum squared resid</th>
<th>Log likelihood</th>
<th>F-statistic</th>
<th>Prob(F-statistic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.358436</td>
<td>0.332774</td>
<td>0.246056</td>
<td>1.513593</td>
<td>0.586893</td>
<td>13.96728</td>
<td>0.000970</td>
</tr>
<tr>
<td>-0.001682</td>
<td>0.301230</td>
<td>0.104675</td>
<td>0.200662</td>
<td>0.133217</td>
<td>1.785551</td>
<td></td>
</tr>
</tbody>
</table>

**PP Test Exports (level)**

Null Hypothesis: EX has a unit root  
Exogenous: Constant  
Bandwidth: 8 (Newey-West automatic) using Bartlett kernel

<table>
<thead>
<tr>
<th>Phillips-Perron test statistic</th>
<th>Adj. t-Stat</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>-4.322073</td>
<td>0.0022</td>
<td></td>
</tr>
</tbody>
</table>

Test critical values:  
1% level: -3.699871  
5% level: -2.976263  
10% level: -2.627420


Residual variance (no correction) 0.136574  
HAC corrected variance (Bartlett kernel) 0.077872

**Phillips-Perron Test Equation**

Dependent Variable: D(EX)  
Method: Least Squares  
Date: 06/16/14 Time: 22:11  
Sample (adjusted): 1986 2012  
Included observations: 27 after adjustments

<table>
<thead>
<tr>
<th>Variable</th>
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<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EX(-1)</td>
<td>-0.870203</td>
<td>0.198933</td>
<td>-4.374356</td>
<td>0.0002</td>
</tr>
<tr>
<td>C</td>
<td>0.143191</td>
<td>0.081004</td>
<td>1.767704</td>
<td>0.0893</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>R-squared</th>
<th>Adjusted R-squared</th>
<th>S.E. of regression</th>
<th>Sum squared resid</th>
<th>Mean dependent var</th>
<th>S.D. dependent var</th>
<th>Akaike info criterion</th>
<th>Schwarz criterion</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.435556</td>
<td>0.410898</td>
<td>0.384057</td>
<td>3.687501</td>
<td>-0.001801</td>
<td>0.500381</td>
<td>0.995137</td>
<td>1.091125</td>
</tr>
</tbody>
</table>
Log likelihood  -11.43436    Hannan-Quinn criter. 1.023680
F-statistic 19.13499    Durbin-Watson stat 1.897335
Prob(F-statistic) 0.000189

---

**PP Test Imports (level)**

Null Hypothesis: IMP has a unit root
Exogenous: Constant
Bandwidth: 5 (Newey-West automatic) using Bartlett kernel

<table>
<thead>
<tr>
<th></th>
<th>Adj. t-Stat</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phillips-Perron test statistic</td>
<td>-5.894665</td>
<td>0.0000</td>
</tr>
<tr>
<td>Test critical values:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1% level</td>
<td>-3.699871</td>
<td></td>
</tr>
<tr>
<td>5% level</td>
<td>-2.976263</td>
<td></td>
</tr>
<tr>
<td>10% level</td>
<td>-2.627420</td>
<td></td>
</tr>
</tbody>
</table>


Residual variance (no correction) 0.055692
HAC corrected variance (Bartlett kernel) 0.040893

---

Phillips-Perron Test Equation
Dependent Variable: D(IMP)
Method: Least Squares
Date: 06/16/14 Time: 22:11
Sample (adjusted): 1986 2012
Included observations: 27 after adjustments

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
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<td>2.851914</td>
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</tr>
</tbody>
</table>

R-squared 0.569105  Mean dependent var -0.004633
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Sum squared resid 1.503678  Schwarz criterion 0.194091
Log likelihood 0.675613  Hannan-Quinn criter. 0.126645
F-statistic 33.01872  Durbin-Watson stat 2.020477
Managment of the Small and Medium Enterprises

Drita Krasniqi PhDc
Lecturer University of Prizren "Ukshin Hoxh"
dritakrasniqi@yahoo.com

Abstract

Small and medium enterprises have a special importance for the economy of a country. The role and importance of small and medium enterprises (SME) can be seen from the economic and social aspect, because of their contribution to operation of economic system and the creation of new jobs. Therefore it is considered that these enterprises are the main generators of employment. The basic purpose of this paper is the diagnosis of the current situation of the micro small and medium enterprises. Another goal of this research is to lay out significant results for existing condition, structure, problems, difficulties, and to measure the trend of development of these enterprises. Classification of (SME) according to the number of employee, and classification according to the legal status. Another importance shows the structure of managing these (SME) by fiscal number. Special emphasis has also the structure of these enterprises according to the gender of employees, expressed as a percentage thus making a comparison of the participation of women in the labor market compared to men.

Keywords: Economic, management, businesses, structure of SME

1. Different Approaches to the Definition of Small Business and the Middle Business

In today's literature, but also in everyday life is a broad term associated with enterprise, namely small and medium enterprises (SMEs / SMBs). However there is no consensus on what are the criteria that define an enterprise or business to be small or medium.

SME development in Kosovo offers new employment opportunities, which help reduce unemployment and demographic challenges facing the population, which are growing rapidly. In addition, the development of the SME sector contributes to strengthening the competitiveness and productivity, helping to increase the total income and per capita income in the country. This development promotes structural transformation of the SME sector, due to its link with innovation and technological development in general. The process contributes to regional and local development and social cohesion, enabling the reduction of inequality.

One of the definitions for small businesses is provided by the "Committee for economic Development", under which must be met two or more of the following characteristics:

- Management of the firm is independent and usually managers are also owners
- Capital is owned by an individual or a small group;
- Region mainly interment is small, and the employees and owners are from the same region. But the market does not mean to be local.
- Relative size of firm in the industry frames must be small when compared with larger enterprises in the region.

This can be presented in terms of sales as size, the number of employees or a large number of key comparisons.

It is clear that in the definition of small and medium must be taken into account more criteria, which can help (Mustafa M, Kutilovci E, Gashi P, Krasniqi B, 2006).

2. Specifics of Small and Medium

There are fundamental differences between small and large, which should be taken into account when discussing the implementation of management. Thus, for eg. small and have few employees, working small size, small number of Customer and operating primarily in local markets. To clarify the differences in the application of management in small and large, it is necessary to clarify some additional features to small enterprises which are different from large enterprises, they are:

- Making decisions faster
- greater flexibility
- greater centralization in decision-making, organizational structure simple
- owner's big impact, direct communication from the top down, simple formal planning
Participation limited employed in decision making, fewer management layers (Mustafa M, Kutlovci E, Gashi P, Krasniqi B, 2006).

3. Registered Businesses in Kosovo

Enterprise fundamental institution of social reproduction—is the subject of much research in economic sciences. That took more theory or theories taken menjohurit economic enterprise. In this case we are dealing with a specific view of enterprise-word is for the knowledge of some specifications, features, attributes, or characteristics of the enterprise (Myftari, 2010).

SME has a very important impact on employment growth in certain countries. It is considered that about 60-70% of the new places of work in countries more developed parts of the world, achieved as a result of the recruitment of adjacent SMEs (Stienhoff, 1998).

Selection and the difference of small and medium enterprises from large ones, according to criteria set by the European Union done in this way:
- micro-enterprises employing 1-9 workers;
- small - employing 10 to 49 workers;
- sized enterprises - 50 to 249 workers. (mti-ks.org, 2005).

On 17 October 2008, the Kosovo Assembly adopted the Law 03/L-031 which replaced the Law on SME support 02/L-5 and which govern the determination of the size of enterprises in Kosovo (mei-ks.org, 2012).

**Table nr.1**: Enterprises classification according to EU and KS

<table>
<thead>
<tr>
<th>Classification of enterprises by size</th>
<th>EU procedure</th>
<th>KS procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle</td>
<td>under 250</td>
<td>under 250</td>
</tr>
<tr>
<td>Small</td>
<td>under 50</td>
<td>under 50</td>
</tr>
<tr>
<td>Micro</td>
<td>under 10</td>
<td>under 10</td>
</tr>
</tbody>
</table>

Source: ARBK (Agjencia për regjistrimin e bizneseve në Kosovë)

In Kosovo SMEs constitute the dominant number of registered enterprises. Under the ARBK, the number of SMEs registered on December 31, 2010 was greater than 100,000, which employ 216,799 workers, or 79.59% of the total employees in the private sector and 62.24% of the total employees in Kosovo (mti-ks.org, Strategjia e zhvillimit të NVM-ve në Kosovë, 2011).

Size of SMEs in Kosovo is determined by Law no. 2005/02-L5 and the Law no. 03/L-031 to support Small and Medium Enterprises. The number of employees is the only criterion in Kosovo (mti-ks.org, Strategjia për zhvillimin e NVM-ve 2012-2016, 2011), for classification of size of the enterprises. This represents the difference with the EU countries, where beside the number of employees, annual turnover is taken into consideration.

Important considering the structure of employment in Kosovo, particularly employment categories enterprises (micro, small and medium enterprises), we extracted the results from the processing of data which are presented in table

**Table nr.2**: Employment by enterprise categories

<table>
<thead>
<tr>
<th>Categories according to the number of employees¹</th>
<th>Number of businesses (31.12.2010)</th>
<th>Number of employees (31.12.2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 9</td>
<td>102070</td>
<td>171393</td>
</tr>
<tr>
<td>10 – 49</td>
<td>1406</td>
<td>23380</td>
</tr>
<tr>
<td>50 – 249</td>
<td>221</td>
<td>22026</td>
</tr>
<tr>
<td>250 - ---</td>
<td>58</td>
<td>55658</td>
</tr>
<tr>
<td>Total</td>
<td>103755</td>
<td>272457</td>
</tr>
</tbody>
</table>

Source: ARBK

Out of a total of 103,755 enterprises: 102,070 (98.37%) are micro-enterprises; 1406 (1.35%) are small; 221 (0.22%) are secondary and only 58 (12.06%) classified as major.

~ 440 ~
Tabela nr.3: Registered Enterprises in Kosovo by Number of Employees – 2010

<table>
<thead>
<tr>
<th>Classification by Size</th>
<th>Number of employees</th>
<th>Number of enterprises</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>1 - 9</td>
<td>102,070</td>
<td>98.37</td>
</tr>
<tr>
<td>Small</td>
<td>10 - 49</td>
<td>1,406</td>
<td>1.35</td>
</tr>
<tr>
<td>Middle</td>
<td>50 - 249</td>
<td>221</td>
<td>0.22</td>
</tr>
<tr>
<td>Large</td>
<td>250 e më shumë</td>
<td>58</td>
<td>0.06</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>103,755</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: ARBK

Enterprises registered in Kosovo under the ownership structure are as follows:

Type of ownership The number of enterprises in %
- Individual Business 90.00
- General partnership 3.20
- Limited partnership 0.08
- Limited liability company 5.80
- Joint Stock Company 0.35
- Foreign-owned Enterprise 0.46
- Social Enterprise 0.01
- Public Enterprises 0.01
- Agricultural Cooperative 0.06
- Others 0.03
Total 100%

Details ARBK presented in above provide information about the ownership structure of companies registered in Kosovo. Individual businesses clearly dominate with 90% ownership structure. The rest of the companies are general partnerships (3.2%) and limited liability companies (5.8%). (mti-ks.org, Strategjian e zhvillimit të NVM-venë Kosovë, 2011).

Certainly the type of ownership of the above shows disadvantages of SMEs in Kosovo, because it shows the reluctance of SME owners to joining the financial and human capital in the most advanced forms of business (mti-ks.org, Strategjian e zhvillimit të NVM-venë Kosovë, 2011).

4. General Data on the Structure of SMEs in Kosovo

4.1 Enterprises by management

Apparently legal statutes size enterprises and tours, has an impact on the form of management. Results from the survey show that to MSMEs in Kosovo still does not have separation of ownership and management functions. In fact, by all enterprises surveyed can see that 86.46% of them are managed by the owners and only 13.54% are managed by appointed managers.

Table nr.4: MSMEs by leaders manager

<table>
<thead>
<tr>
<th>Management</th>
<th>Total enterprise</th>
<th>%</th>
<th>Prishtinë</th>
<th>%</th>
<th>Gjilan</th>
<th>%</th>
<th>Peji</th>
<th>%</th>
<th>Prizren</th>
<th>%</th>
<th>Mitrovicë</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>667</td>
<td>86.46</td>
<td>226</td>
<td>88.28</td>
<td>151</td>
<td>86.29</td>
<td>121</td>
<td>87.68</td>
<td>109</td>
<td>78.99</td>
<td>70</td>
<td>92.11</td>
</tr>
<tr>
<td>Manager</td>
<td>106</td>
<td>13.54</td>
<td>30</td>
<td>11.72</td>
<td>24</td>
<td>13.21</td>
<td>17</td>
<td>12.32</td>
<td>29</td>
<td>21.01</td>
<td>6</td>
<td>7.89</td>
</tr>
<tr>
<td>Total</td>
<td>783</td>
<td>100</td>
<td>256</td>
<td>100</td>
<td>175</td>
<td>100</td>
<td>138</td>
<td>100</td>
<td>138</td>
<td>100</td>
<td>76</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Report – Survey 800 of SMSs
From this we see that the greater the number of enterprises that are managed by the owners in the Mitrovica region is 92.11%, while the number of smaller enterprises that are managed by the owners in Prizren region is 78.99%.

While greater the number of enterprises that are managed by managers in the Prizren region is 21.1% lower while the number of enterprises that are managed by the owners of the Mitrovica region is 7.89%. (mti-ks.org-Agjencia për mbështetjen e NVM-ve, 2011).

4.2 Structure of the founders of the founders of SMEs

Structure of the founding owners of enterprises is an important element in the analysis and monitoring of activities of enterprises, although in our country, women's participation in leadership and small enterprises has in recent years seen an increase of women's participation in the registration of enterprises.

The table data are carried on the participation and role of women in the ownership of enterprises by such over by no positive effect on economic development. In this table are they presented data from the ownership of women at the national level

**Table nr.5:** MSMEs under the structure of gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Initial enterprise</th>
<th>Initial enterprise</th>
<th>Gjilan</th>
<th>%</th>
<th>Pejë</th>
<th>%</th>
<th>Prizren</th>
<th>%</th>
<th>Mitrovicë</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>54</td>
<td>6.9</td>
<td>20</td>
<td>7.81</td>
<td>5</td>
<td>2.87</td>
<td>11</td>
<td>7.97</td>
<td>12</td>
<td>8.63</td>
</tr>
<tr>
<td>Male</td>
<td>729</td>
<td>93.1</td>
<td>236</td>
<td>92.19</td>
<td>169</td>
<td>97.13</td>
<td>127</td>
<td>92.03</td>
<td>127</td>
<td>91.37</td>
</tr>
<tr>
<td>Total</td>
<td>783</td>
<td>100</td>
<td>256</td>
<td>100</td>
<td>174</td>
<td>100</td>
<td>138</td>
<td>100</td>
<td>139</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Report – Survey 800 of SMSs

The table shows that the increased participation of women in business establishment is in the Prizren region with 8.63%, 7.97% region of Pec, Mitrovica region of 7.90%, then 7.81% Pristina region and with little participation of women in the establishment of business is Cjilan 2.87%.

While most large participation of men in business establishment is in Gjilan region with 97.13%, 92.19% Pristina region, the Mitrovica region 92.10%, then 92.03% Pec region and in the Prizren region with 91.37%. (mti-ks.org- Agjencia për mbështetjen e NVM-ve, 2011)

4.3 Enterprises by fiscal number

Of all the businesses surveyed is generally observed that MSMEs are equipped with alphanumerical fiscal fulfilling their obligations ATK calls for fiscal device number and respecting deadlines.

**Table nr.6:** Count MSME equipped with a fiscal number

<table>
<thead>
<tr>
<th>Equipping the fiscal numbers</th>
<th>Total enterprise</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>739</td>
<td>94.4</td>
</tr>
<tr>
<td>No</td>
<td>44</td>
<td>5.6</td>
</tr>
<tr>
<td>Total</td>
<td>783</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Report – Survey 800 of SMSs

From the table we see that by 739 or 94.4% of enterprises only 44 or 5.6% of them have declared that they are not equipped with the fiscal numbers. (mti-ks.org- Agjencia për mbështetjen e NVM-ve, 2011)

4.4 Enterprises by spatial extent (urban & rural)

Spatial distribution of enterprises indicates that the enterprises except in urban areas except in rural ones. According to
research conducted can conclude that 61.4% of enterprises in urban areas stretching and stretching 38.6% of them in rural areas. From this we can conclude that the extension conforms enterprise market and social and demographic developments.

Table nr.7: Structure of SMEs by extending open space

<table>
<thead>
<tr>
<th>Location</th>
<th>Total enterprise</th>
<th>%</th>
<th>Productive</th>
<th>%</th>
<th>Commercial</th>
<th>%</th>
<th>Service</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>481</td>
<td></td>
<td>123</td>
<td></td>
<td>293</td>
<td></td>
<td>65</td>
<td></td>
</tr>
<tr>
<td></td>
<td>61.4</td>
<td></td>
<td>51.5</td>
<td></td>
<td>65.8</td>
<td></td>
<td>65</td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>302</td>
<td></td>
<td>116</td>
<td></td>
<td>152</td>
<td></td>
<td>34</td>
<td></td>
</tr>
<tr>
<td></td>
<td>38.6</td>
<td></td>
<td>48.5</td>
<td></td>
<td>34.2</td>
<td></td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>783</td>
<td>100</td>
<td>239</td>
<td></td>
<td>445</td>
<td></td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>

Source: Report – Survey 800 of SMSs

Can see that manufacturing activities are concentrated are already close spatial alignment SIPA same in urban and rural areas, 51.5% in urban areas and 48.5% in rural areas .. Unlike these enterprises with business activities 65.8 % urban and 35.2% rural, and service enterprises dominate with 65.7% urban and 34.3% rural. (mti-ks.org Agjencia për mbështetjen e NVM-ve, 2011).

5. Results

- Enterprise management is important element in determining responsibility for enterprise development. From surveys conducted shows that in 86.46% of cases the owner manages the enterprise, while 13.54% of the enterprises managed by managers.
- Gender structure of founders indicates that 93.1.0% of firm owners in small and medium enterprises are male, while only 6.9% are women. Such a structure of women’s participation in the establishment of businesses remains small. However it should be noted that the trend of female participation in the establishment of enterprises has positive signs tend downs, but very slow
- Derived from surveys conclude that about 94.4% of MSMEs are provided with fiscal numbers, while only 5.6% of them still have not fulfilled their administrative duties prescribed by law for providing every business entity with fiscal number.
- Within the general information for enterprise development activities, particular importance is the spatial extent of activities, namely the development of activities of enterprises in urban and rural areas. From surveys is noted that the enterprises surveyed 61.4% of their activity in urban areas and 38.6% in rural areas.

6. Recommendations

- Improvement and facilitation of opening and closing businesses. A convenience where ndërmarrasi is able to enter and exit the market has profound impact on business growth and vitality of the overall private sector
- Increasing numbers of women in establishing and running businesses
- Facilitating procedures for equipment with administrative documentation, professional and technical as the number of fiscal, technical and professional licenses, etc.
- Strengthening economic relations with other countries in the region that other conditions are favorable for the penetration of local products in regional markets and beyond.

Bibliography

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La Missione Evangelica e l’Indipendenza Albanese

Ilir Nushi

1. All’Inizio del XIX Secolo le Società Evangeliche Allaciarono i Primi Contatti con Gli Intelletuali Albanesi


2. L’Operato in Sintonia del Rev. A. Thomson e dell’intelettuale K. Kristoforidhi Pose le Basi della Lingua Scritta Albanese


3. La Distribuzione della Letteratura Biblica Innescò il Risveglio della Coscienza Nazionale

Come affermava Edwin Jacques nella sua opera “Gli Albanesi”, la letteratura nella lingua albanese appena esisteva essendo vietata sia dalle autorità di stato ottomane, sia dalla Chiesa Ortodossa. Il sistema del “millet” con cui la “Sublime Porta” sanciva i rapporti tra essa e i vari popoli e le varie comunità confessionali, considerava gli albanesi musulmani ottomani e quelli cristiani come greci, serbi e italiani. Sulla stessa onda anche la chiesa ortodossa optava per l’uso solo del greco nella liturgia opponendosi all’uso della lingua albanese. Per di più non esisteva un alfabeto standartizzato. Eppure la S.B.B.S. ebbe modo di sorpassare gli ostacoli. Le idee della Società Biblica concordarono con la principale caratteristica del nazionalismo albanese che fu quella, di maturarsi basandosi principalmente sulla lingua e non sulla fede come nel caso degli altri nazionalismi della regione. (Clayer, 2012, p. 11) Le edizioni in albanese ebbero una particolare influenza su una ristretta cerchia di albanologhi stranieri e uomini istruiti albanesi i quali si interessavano della lingua albanese. Proprio in quelle edizioni, i linguisti Xylander e Hahn trovarono appoggio nel compimento dei loro studi. (Clayer, 2012, p. 342)
2012, p. 164) Paradossalmente era il clero mussulmano albanese o l’élite dirigente albanese convertita all’islam, più propensi verso la parola sacra nei Vangeli. Thomson raccontava che durante il suo viaggio missionario, alla fermata di Kruja, città centrale dell’Albania, il collega di missione Dr. Koelle ebbe un cortese scambio di opinioni con un mullah, autorità del clero mussulmano, alla fine del quale dopo che gli s’era offerta una Bibbia lui rispose: “Come vedete signore, io sono un uomo povero, ma è così grande il rispetto nei confronti del profeta Jesu, che io comprava questo libro”. (Thomson, 2002, p. 20) Un fatto del genere ha toccato anche la diaspora albanese a Costantinopoli. Nel suo rapporto riguardante l’anno 1868, il rappresentante della Società Biblica con sede alla capitale ottomana informava che i Salmi erano tanto richiesti dalla popolazione albanese a Costantinopoli. Lui sottolineava sopra tutto che le Scritture e le grammatiche venivano acquistate anzi anche dai musulmani del sud “tosk” e del nord “qheg” che a volte erano negli alti ranghi dirigenti dell’impero. Alcuni di loro, funzionari dei tribunali “kadi e myderis” facevano pubblico il loro impegno a distribuire quelli libri senza curarsi delle conseguenze.

L’élite intelleutale albanese vedeva nei Vangeli in lingua albanese un mezzo di enorme importanza per il risveglio della coscienza nazionale. Nel 1912 una grande personalità come Mid-hat Frashëri affermava che “La Casa Biblica era onorata e lodata da tutti i patrioti albanesi sia cristiani, sia musulmani (Clark, 2012, p. 7)

4. Il Congresso di Manastir e la Standartizzazione della Lingua Albanese


5. Gjerasim Qiriazi e la Fratelanza Evangelica

Nel 1873 due missionari protestanti arrivarono nella città di Manastr. (Hellstein, 2008, p. 57) I due missionari erano in missione per conto del Bordo Americano. La città fu scelta per il suo peso politico come centro di vilajet e per il suo livello culturale relativamente alto. Gjerazim il quale secondo le testimonianze documentarie nacque il 18 ottobre 1858 e morì il 1894, fu uno dei loro primi adepti. Il 19 agosto del 1877 dopo aver superato l’esame, Gjerasim fu accettato nella Fratelanza Evangelica di Manastir. Quella via fu seguita più tardi anche da sua fratello Gjergj e dalle due sue sorelle Parashqevi e Sevasti. I missionari protestanti organizzarono classi speciali per gli alievi i quali potevano proseguire dopo gli studi in una delle scuole medie della missione. Gjerasim comincò gli studi presso il college di Samokov nel 1878 e lo concluse nel 1882. La sua classe era l’ultima che accettò studenti le spese dei quali venivano affrontate dalla missione protestante. Durante il periodo di studio a Samokov un particolare influenza ebbe su di lui John House il quale fu fondatore della scuola agricola americana a Salonico. Nell’anno 1882 Gjerasim partecipò alla riunione della missione protestante del Bordo Americano a Costantinopoli dove fu conferito di prendere cura di una piccola congregazione bulgaro di Scopie. Ormai Gjerasim era un “predicatore con la licenza” e aveva il diritto di dare lezioni sulla Bibbia. Era parte della tradizione che gli studenti che avevano usufruito di una piena borsa di studio dal collegio dovevano servire sotto un piccolo stipendio per un certo periodo. Durante il viaggio per Skopje lui si fermò a Manastir ad incontrare i familiari e i compagni di fede. Proprio qui avvenne “la rottura” con la missione precedente. Fu il missionario americano John Berd che informò Gjerazim sull’attività del Reverendo Thomson, il quale dopo il permesso concesso dai missionari...
del Bordo Americano, attraverso una lettera del 27 gennaio 1883 chiese la cooperazione di Gjerasim. Nella lettera di risposta indirizzata a Thomson Gjerasim si esprimeva che "era toccato dalla volontà di Thomson di predicare il Vangelo tra gli albanesi" e per conoscere meglio le necessità del paese proponeva "che insieme ad un suo amico di visitare i villaggi e le principali città dell' Albania portando con se anche i libri necessari". (Quanroud, 1998, p. 62) Con un telegramma del 3 maggio 1883 Thomson confermò a Gjerasim il suo contratto come colporter "missionari che vendono le copie della Bibbia" con la Società Biblica. Il 4 maggio 1883 Gjerasim parte da Scopie per arrivare dopo dieci giorni a Korça via Manastir. Sull' atteggiamento dei suoi compatrioti verso le religioni, lui si espressse: "Gli albanesi sono nobili e non fanatici come le altre nazioni della Turchia" (Quanroud, 1998, p. 64) Conseguenza di tale atteggiamento fu la vendita di tanti volumi del Nuovo Testamento nel dialetto tosk e gheg, della grammatica in dialetto tosk di Kristoforidhi, del Catechismo per bambini in dialetto tosk. Gjerasim non si fermò solo a questa. Nel rapporto della data del 21 agosto 1884 da Manastir un prete della chiesa unita si riferiva di un giovane protestante albanese; "il quale si occupava dello studio della sua lingua materna, alla quale si era dedicato con anima e corpo, il quale stava cercando di preparare l’edizione di una nuova originale grammatica". Compiendo la sua missione da pastore protestante lui predicava in lingua albanese nell’edificio della scuola greca dove veniva seguito da un pubblico molto attento. (Young, Perendim- Lindje; nje dore miku, 2008, p. 81) Per oltre un decennio la sua attività missionaria fece decollare gli ideali protestanti e nazionali diventano una figura di spicco tra i patrioti albanesi. Nel 1889 per suggerimento del poeta del Rinascimento Albanese Pandeli Sotiri e un suo maestro Athanasina. Dopo il ritorno a Korça Sevasti con l’aiuto del fratello Gjerasim e dei colleghi protestanti fondarono "La Scuola delle Giovani Albanesi" nel 1891, con Sevasti come direttrice. Dopo la morte di Gjerasim, le due sorelle continuarono a dirigere la scuola delle ragazze. Con la chiusura della scuola per ragazzi nel 1902 per opera delle autorità tureche, la scuola diretta dalle sorelle Qiriazi era l’ unica istituzione dove si insegnava in lingua albanese. Il dissenso di coloro che erano contro la lingua albanese fu così duro, che le due sorelle videro come l’ unica via di salvezza l’ appoggio alla copia missionaria Kennedy, i quali diedero un grande contributo alla difesa della scuola delle giovani albanesi.

### 6. Le Sorelle Qiriazi e la Scuola Biblica delle Ragazze

Alla fine del XIX secolo e all’inizio del XX secolo la regione albanese veniva caratterizzata da una società di carattere patriarcale. Lo spazio d’azione delle donne albanesi era abbastanza scarso. La cultura della divisione e differenzazione tra i due generi imposta dalle autorità ottomane comprimeva di più la libertà femminile. In queste condizioni il messaggio patriarcale. Lo spazio d’azione delle donne albanesi era abbastanza scarso. La cultura della divisione e differenzazione tra i due generi imposta dalle autorità ottomane comprimeva di più la libertà femminile.

Per colmare i bisogni didattici si mise al lavoro anche l’altro fratello Gjergj Qiriazi, il quale raccolse tutta la composizione letteraria creata da Gjerasim e da lui stesso, e la pubblicò nell’ anno 1902 sotto il titolo “Cristomazia”. Questa edizione influenzò all’ arricchimento della letteratura del rinascimento nazionale albanese. Testimonando la situazione, Gjergj Qiriazi scriveva; “C’è un grande bisogno dei libri in albanese con materiale scelto come la Cristomazia, cominciò a preparare l’edizione dei primi cinque libri della Bibbia, addattati come testi scolastici. Nel frattempo lui allacciò contatti e raccolse fondi dalle società delle colonie albanesi e dai patrioti come, i fratelli Frasher, Kristo Dako, Nikolla Naço, Mihal Grameno.

L’apice dell’attività missionaria avvenne con la fondazione della Chiesa Evangelica a Korça il 14 novembre 1892. Contemporaneamente lui fondò anche la società “La Fratelanza Evangelica dell’Albania” e pubblicò il primo numero del giornale della società intitolato “Lettere della Fratelanza”. Oltre a questo cooperò anche con il dirigente della prima scuola albanese Pandeli Sotiri e un suo maestro Athanas Sina.

Diversamente da tanti uomini istruiti albanesi, Gjerasim tornò in Albania a contribuire in mezzo al suo popolo. Durante i suoi numerosissimi viaggi lui insegnò e predicò in albanese, portando il sentimento della speranza, e facendo rinascere ai suoi compatrioti il senso rinato dell’identità nazionale.

Con la chiusura della scuola per ragazzi nel 1902 per opera delle autorità tureche, la scuola diretta dalle sorelle Qiriazi era l’unica istituzione dove si insegnava in lingua albanese. Il dissenso di coloro che erano contro la lingua albanese fu così duro, che le due sorelle videro come l’unica via di salvezza l’appoggio alla copia missionaria Kennedy, i quali diedero un grande contributo alla difesa della scuola delle giovani albanesi.

Anche se la scuola rimanesse con un’unica allieva, io non lo chiuderò“ rispose Sevasti Qiriazi al vescovo ortodosso greco. (Dishnica, 2007, p. 73)

Per colmare i bisogni didattici si mise al lavoro anche l’altro fratello Gjergj Qiriazi, il quale raccolse tutta la composizione letteraria creata da Gjerasim e da lui stesso, e la pubblicò nell’anno 1902 sotto il titolo “Cristomazia”. Questa edizione influenzò all’arricchimento della letteratura del rinascimento nazionale albanese. Testimonando la situazione, Gjergj Qiriazi scriveva; “C’è un grande bisogno dei libri in albanese con materiale scelto come la Cristomazia, in modo che i poveri albanesi ne approfittino, mentre aspettano a bocca aperta ogni nuovo e interessante libro." (Dishnica, 2007, p. 74) Oltre a questo lui fece preparare due altri libri “Cristomazia per i viaggiatori” e “Storia della Schiavitù”, considerandoli utili per la mente di ogni albanese.

Sulla stessa Sevasti addottò dei testi scolastici contemporanei, cercando di farli affini alla mentalità degli allievi albanesi. Secondo lo studioso Dhimiter Dishnica, l’attività di Sevasti e delle altre maestre, ebbe il ruolo di un centro metodico e di un istituzione specializzata nel compimento dei testi scolastici. Come annotava la stessa Sevasti...
nei suoi ricordi “C’è voluto lavorare giorno e notte per colmare la richiesta dei testi scolastici in albanese. Mi sento fiera e felice che con tutte le difficoltà siamo riusciti a compilare, fare le bozze e alla fine leggere tutti i testi di cui la nostra scuola aveva bisogno”. Dai suoi contemporanei veniva tanto valutato il suo diapason culturale, i suoi chiari scopi nazionali, la volontà di accrescere il livello della Scuola delle Giovani Albaneesi. “I testi di storia, aritmetica e fisica preparati da lei erano migliori di quelli precedenti.” Con questi termini venivano valutati nella corrispondenza epistolare tra due personalità politiche e intellettuali albanesi Thimi Marko e Pandeli Evangjeli. Per la sua età di soli 27 anni lei rappresentava un caso unico per tutto il periodo del rinascimento nazionale albanese. (Dishnica, 2007, p. 74) Il console austro-ungarico Krall, citando u rapporto di Gjergj Qiriazi, qualificava questa scuola come il nido di educazione per le future maestre. (Dishnica, 2007, p. 77) La scuola delle giovani fu il nocciole della scuola nazionale albanese per la preparazione della nuova generazione delle maestre. Secondo Sevasti Qiriazi: “Una delle intenzioni della scuola era di allenare tutte le allieve in modo che un giorno potessero essere in grado di adempiere il mestiere del maestro perché solo in questo modo avremmo potuto distribuire l’educazione anche nelle regioni più remote del nostro paese”.

Le due sorelle si impegnarono anche negli avvenimenti più importanti che convolsero la vita politica e intellettuale della nazione albanese. Nel Congresso di Manastir Parashqevi ebbe l’onore di essere l’unica delegata femmina e la prima donna che prese parte in un’assemblée panalbanese. Lei servì da segretaria e nel suo discorso nel congresso la sua opinione sul alfabeto era di uno unico, accettato da tutti. Nel 1909 Parashqevia pubblicò l’Abbecedario per le Scuole Elementari con l’alfabeto standartizzato del Congresso di Manastir, diventandosi così la prima donna albanese che pubblicava edizioni scolastiche in albanese. Lei compose una canzone sull’alfabeto la quale diventò un inno nazionale. Parashqevia fu la fondatrice della società “Ylli i Mëngjesit” (Stella del Mattino) nel 1909, la quale viene riconosciuta come la prima società delle donne albanesi. Lo scopo era di ampliare la scolarizzazione tra le donne albanesi. L’attività della società fu ramificata nelle altre città dell’Albania, distribuendo giornali e libri nella lingua albanese. (Clark, 2012, p. 25) Sevasti Qiriazi notava che “gli albanesi di Manastir diedero prova di non poter essere denazionalizzati o assimilati dalle altre nazionalità” (Dishnica, 2007, p. 67) In questa missione tutta la famiglia Qiriazi trovò appoggio nella missione protestante.

7. **Gli Evangelisti si Impegnano Politicamente a Favore dell’Indipendenza Albanese**


Questi eventi non poteva passare inosservato all’attenzione dei patrioti albanesi. Uno di loro Mid-hat Frasheri sì
esprresse che: “Onore e tanta gratitudine alla Società Biblica Britannica e Straniera per i servizi che ha fatto al paese e alla nostra litteratura... Infatti è impossibile, parlare della lingua e litteratura albanese e non ricordarsi delle loro fatiche e le loro sofferenze, davanti a così tante difficoltà” (Clark, 2012, p. 11)

Lo stesso Onorevole Ismail Qemalli, fondatore dello Stato Albanese durante la sua presenza a Londra con lo scopo di difendere l’integrità territoriale del paese davanti alla Conferenza degliAmbassadori di Londra a metà dell’anno 1913, fece una visita ad alcuni cristiani evangelisti inglesi (a ringraziargli dell’aiuto che avevano dato alla questione albanese” (Young, 2011, p. 55)

8. Conclusione

Il movimento evangelico in Albania acquisì con il passare del tempo un carattere sempre di più nazionale. I protestanti albanesi diedero un contributo di primo piano alla creazione delle istituzioni le quali maneggiarono l’attività religiosa. La simbiosi degli interessi comuni degli attivisti protestanti con quelli delle altre religioni promosse l’unione nazionale evitando così una ulteriore disgregazione nazionale. L’Albania è l’unico caso nelle regioni balcaniche dove il movimento protestante si incorporò pienamente alla questione nazionale. Il movimento contribuì alla questione nazionale facendolo guadagnare il supporto delle potenze occidentali. Questa attività costruttiva della comunità protestante albanese ampliata nel tempo fino ai nostri giorni gli valse il titolo della “quarta comunità religiosa” col decreto di legge del governo albanese del 22 dicembre 2010.

Bibliography

The Negative Effect of Pension Fund and the Steps to Resolve the Situation in Albania

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Abstract

Pension system provides a financial support towards elder people as well as those that are incapable to work, by assuring the main providers regarding to the consumer balancing tools through all the life cycle. For the majority of population, the pension benefits present the main income stream during the retirement time. Each country does have a national strategy seeking the social insurance provided for all the people, thus expressing the society solidarity for groups in needs due to the health problems, old generation problems or unemployment. By social protection through the re-distribution of incomes, social welfare is provided. Nowadays the pension fund management presents a very important topic in the sphere of economics. The aim of this paper is to examine the negative impact of pension found on Albania pension system. The paper argues about the problems that pension found are facing in Albania and the measurements that have to be taken in order to have a more efficient pension fund management. The methodology used in the preparation of this paper will be that of utilizing the foreign and national literature.

Keywords: Pension fund, the contribute, the benefits, incapable

1. Introduction

The 21st century has faced up humanity with many great human challenges. One of these actual sharpest problems is the preservation of the human resources development equilibrium.

We are in front of the fact that the rhythm of birth are decreasing and the average life -length of people is increasing, the third age group number is raising at a very galloping rhythm compared to the working power. At such conditions, the old system of social insurance Pay-As-You-Go, ideated over 100 years ago, whose at its basis stands the principle of solidarity and generations’ continuity, each day is approaching the impossibility to fulfill the needs of the third age population. If there would be an unchanging world the principle of Pay-As-You-Go financial system, it would be more stable if the appropriate tax fee is decided as well as the right norms of benefit. But the world is going forward globalization, opposite the effects of economic decline, unemployment, the early retirement and the increase of the average life-length, the increase of the expectancy on the inflation norm and the incredible increase of the human services’ costs.

With an aging population and together with the burden of pensions and social welfare, the economic growth will always be very little. If there is no measure taken today, it is going to be very difficult.1

The main reason of the reformation of social insurance system requires is connected to actual problems that worry our economy. The system does not offer financial stability. This instability is directly connected to other factors as well. The transition from the economic plan in that of the market was accompanied by negative impacts, such as massive increase of unemployment, increase of informal economy, and the early retirement. These changes led to the deterioration of the contributor/benefiter ratio, which from the value of 4 contributors per benefiter decreased into 1.3 contributors per 1 benefiter. The participation of the contributors into this scheme is relatively low. The process of privatization of the strategic sectors of economy will influence in the increase of the private sector role in economy. This will as well lead to the increase of invasion in the scheme. The demographic prognosis testifies that in Albania it will raise the undesired tendency of the population’s aging. Having an increase of this category of population, therefore, we will have an increase of expenditure in the scheme of Social Insurance. The setting of minimum and maximum limits in the amount of pension, in combination with the unequal verified indexing during the increase of the pensions have influenced in the weakening of dependence between the given contributions and the benefits that can be profited by the pension’s scheme.

1 Martins Kazaks, kryeekonomist Swedbank ne Riga
2. Actual Problems of the Pension System

There is need to stress the fact that pensions are an indispensable and important element of social protection. 17.2 per cent of the population benefits from them, an indicator that has a clear tendency towards increase. It is spent 40.2 billion of Albanian Leks from the social insurance.

It exists a low level of incomes in ratio to the GNP of 5.03 per cent vs. 8-10 per cent of the countries surrounding us, a low benefiter-contributor ratio of 1.3 and 1, a very low scale of replacement (the ratio of average pension to average salary) of 38-42 per cent, a low percentage of the working population inducted in the system of only 30-32 per cent, etc. All these elements have significantly affected the budget financing and subventions. The system offers low benefits with high contributions and the strategy of its reformation and increase of its financial stability is connected to these main issues that require solution.

As well, the formula of benefit for the pension is the basis of the pension plus 1 per cent per working year. But the only benefitters to benefit the additional amount set by the law in such cases are those individuals whose salary is much higher than a minimum salary. Theoretically, this would insure 73 per cent of the salary for a person of average salary that would result to be satisfactory for the individual. But in reality the average full pension in the urban sector according to the official data reaches 40 -48 per cent of the gross covered salary, which means that it does not differ a lot from the basic pension.

First, this pension is limited at the double of the basic pension, where the individuals with higher incomes who can assure incomes higher than the average salary will reach the limits.

Second, the pension is limited in case an individual reaches 75 per cent of the average net salary higher than that of the three subsequent last years in the final 10 years.

Third, the pensions are limited even more because the law previews that the salaries in the past should be re-evaluated in accordance to the increase of contributions per year, whereas the limits in practice are applied on the average of normal salaries. The norms of replacement for the salaries which are higher and bearing difficulty result at the rate of 30-35 per cent. Based on the formula of pension calculation, it is noticed that the redistribution is applied only in the cases when the pensioner for the minimum contributions per month due to his/her minimum salary.

Another element of this formula is the coefficient of the contribution period. The coefficient is important for the individuals who have not contributed for 35 years despite they have had a high salary. It can happen that someone has paid maximum contributions for 25 years, contributing more in the scheme rather than a person of 35 years of contribution and with a minimum salary. There are no benefits even for individuals who have contributed for more than 35 years, even though they pay minimum contributions.

Pensions have to be indexed according to inflation. But in reality it has been done only an increase of the minimum pensions higher than the average and maximum pensions. The real average pension is supposed to be under the average standard of living, the individuals benefit minimum pension despite the amount of contributions contributed in the scheme. The international data demonstrate that for every increase of 0.3 per cent of employment we have got a reduction of 1 per cent of the norm of contributions in the scheme. Thus, with the decrease of the contribution norms with 7-9 per cent, employment should raise with 10 per cent. In this way, there will be generated more incomes in the scheme of social insurance.

Not offering stimulus in the formula of benefits for the individuals who contribute, it makes it impossible the declaration of the real salary of individuals. When the pensioners profit a minimum pension despite the fact of declaration in minimum salaries, it is normal that they choose to declare the minimum salary. This situation is very real in the private sector, whereas about 50 per cent of the employees declare minimum salary when this sector offers higher salaries than the state sector. This is because the maximum salary that is subject of contributions equals 5 times of the minimum salary, whereas the maximum pension they benefit is twice the minimum pension.

It exists a disproportion at very high levels. The individuals with high incomes will benefit a maximum pension quicker than the fulfillment of the 35 years of working contribution.

For these individuals, early retirement, despite the lowering percentages that is applied, does not affect negatively because the pension does not change. In this way the limits put for the payment of the pensions serve for the preservation under control of the expanses for the pensions but on the other side they provide the individual a stimulus to early retirement.

An over-favoring is attributed to the pensioners in the rural sector, where the employees in this sector are estimated with fixed contributions and the calculation of the contribution is done on basis of the minimum urban salary.

\[ http://int/com \]
and he/she pays to the ISSH (Institute of Social Insurance) the difference between this value and the fixed contribution that is paid by rural employees. Rural contributors are more namely contributors than valuable ones. The average contribution of the rural contributors is 1/3 of the urban area’s contributions. The minimum pension of rural pensioners is about 68 per cent of the urban areas’ pensioners. In fact, the rural old age pension is more a social help for the self-employed in the agricultural sector and it is based on the low contributions they pay. The process of equalizing the rural pensions to the urban ones remains an actual problem that exists in the system of pensions.

3. The Importance of the Pension Scheme Reformation

All these changes sensitively affect the system creating the impossibility for financing. In order to resolve this problematic situation, it is important the undertaking of a general reform of pensions. At its foundations, it stands the construction of an altered system of multicylumns which would make possible the combination for financial participation in the pension fund of the old state system P.A.Y.G to the private system of the individual’s responsibility to take part in the solution of the social problems. This system would be composed of the column of the state system P.A.Y.G, the second column is the mandatory private system, the third column is the suplementary voluntary private system. Pensions’ reforms have occurred in all the member states of EU. A strong tendency of this reformationas been the speed of mix columns spread in these countries.

Some states have implemented an imaginary estimation. The estimations consider GNP in increase and the future of length to define the benefits.

The consolidation of the scheme with three columns in Albania will be a very productive initiative. Borrowing from the model of the EU member states, it will be reached to create a system of pensions based on the self-interest and responsibility to be insured at third age.

Latvia is the best example for the existence of the best effective and progressive pension system. According to this reform we will have:

1. The mandatory non-financed pension plan, well-known as P.A.Y.G. is a plan that has at its basis the collection of the taxes to govern the third age which is transfered in the social budget and it is used to finance the actual generation of pensioners.

2. The state mandatory voluntary pension plan.

A part of the paid funds at the first level of the pension system is divided in order to give the pensioners the opportunity to be invested at benefit and to increase the old age of pensioners. Choosing the fund manager and the most appropriate investment plan where there are invested means in the financial markets, se secure the pensions’ increase. The people who are involved int his scheme born after July 1. 1971.

With the increase of the pension’s age it can be chosen to add the estimated capital in the second level of the pensions’ system at level 1 to receive pension from the state to buy the policy of ensuring the life of the pensioner by insurance companies and to benefit a pension according to the terms of concesion. The total of contributions of social insurance for a pension are divided between the pension systems of level 1 and 2. You ar enot obliged to pay any additional tax of social contribution for participation at column 2. In the future the assets assured in pension system number 2 together with the additional benefit can compose a considerable contribution of the pension.

3. The pivate pension fund gives the opportunity to gather the voluntary savings for a private pension to complete pension 1, 2. The investments in private pensions can be done by the individual in his/her means, by the employer in the account of his/her employee by the company funds. Different by the state pensions, the accumulation of the private pensions can be reached at the age of 55 and it is inheritable.

Each person who is insured at the age of 65 benefits an amount of pension 80 per cent of the average of his/her entire life incomes after having paid contributions for 45 years. The scheme will allow people themselves to define their pension age, if one person born after January 1. 1955 and he has paid contributions up to 37.5 years, he/she (for women this system will be relevant only after 2028) can retire between 62-65 years old.

If the person remains at work until the age of 68, there will be applied special bonuses. Exactly, this gives value to the system because in reality currently pensioners are paid a maximum pension that is double the minimum pension even when he has fulfilled and overpassed the years to benefit pension.

The EU member states specifically, the example of Denmark the situation of the employees as far as it concerns
the employees who are 50 years old are praised for their experience and performance at work. Very few European countries have a great ratio of the old people still working compared to Denmark, where about 58 per cent of the 55-64 year old are still working. The retirement age is 67 in Denmark, the pensions’ benefits cannot be paid before the age of 60. The Danish government pays an essential importance to the treatment done to the integration of the old employees at work. It is spent about 7.4 per cent of the GNP for the treatment and education. Many courses and programs are specified for the population of over 50 years old.

Meanwhile Sweden\(^5\) as well decided that the personal accounts were the best current way to insure the workers who can benefit a secure and appropriate pension. Thus, there were two solutions before: to increase the tax or to lower the benefit of the ability paying lengthening or to give to the workers a private pension account. It was decided that privatization was the most adequate way. The new system has got four main features.

1. **Partial privatization.** Workers can invest 2.5 points of per cent at the 18.5 per cent of their incomes that they have to leave aside to retire. Workers can decide very quickly at what fund they should send their savings.

2. **Imaginary accounts.** The taxes of the remaining salary finances the dramatic structuring of the governing PAYG program. Instead of paying benefits on basis of the working force years, the new system previews a pension based on the amounts of the tax obligation (taxes) which the worker has paid in the system.

3. **Net insurance to protect the poor.** The state is going to insure a minimum pension fund insured by the tax incomes.

4. **Transition to protect the pensioners and the elderly.** The actual pensioners and elderly will continue to get incomes by the pension on basis of the old program. The workers born after 1938-1953 will take benefits by the new and old system.

By creating a system of notional accounts (in reality there are not deposits on cash means) by linking retirement benefits it will be financed a minimum pension on the collection of general tax revenues. Those born before 1938 will benefit all of the benefits of old pension system. Retirement for those born between 1938-1953 will benefit earnings by a combination between the old system and the new one.

Under the new system the prospective pension for each employee will be based on the amount accumulated on both two separate individual accounts. Most of retirement income although this may change if privatization occurs, will come from the imaginary account held by the government on behalf of the individual. An important part of retirement income, however, will come entirely from the private individual account. The overall rate for contributions is 18.5 per cent, which is slightly under the burden of tax of the old system.

18.5 per cent is divided equally between employers and employees, where everyone pays 9.25 per cent on "basic pension income" in the system. This value is then divided though not uniformly between the maintaining account of the government and the government and private accounts.

3.1 **The imaginary individual account**

From 18.5 per cent of the tax of individual’s salary, the majority, 16 per cent of the salary goes to the government program. As is the case of PAYG system the means are used to finance the benefits of current retirees. 16 per cent of the tax for each employee’s salary is credited to individual accounts even though the accounts were fictional. These are fictional accounts credited annually with "profits" based on salary growth per capita basis. Starting at the age of 61 a worker can retire, and the government uses monetary fund in this imaginary account to calculate the notional annual benefit for a retired worker. It is important to be stressed that, the calculation is based on life expectancy, the length of stay of an employee at work, the amount of benefit which he/she receives annually. This reform is expected to discourage workers who come to early retirement, which is a common phenomenon.

The table presented below illustrates the pension penalties for workers who come to early retirement, and the bonus they receive when they go to later in retirement.

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\(^5\) IPE investments and pensions Europe
The new pension system will regulate retirement benefits for inflation, though the adjustment will vary depending on real salary growth. This provision creates a direct link between income growth of the workforce and tax paid for income, and benefits paid to retirees. This system ensures financial sustainability. But one should not forget the fact that adjustments for inflation may be higher or lower than the rate of inflation depending on whether the real salary growth is higher or lower than 1.6 per cent.

Interesting features of the notional accounts system are:

- As far as the imaginary accounts it will be assigned a modest administrative fee to cover the cost of running the government program.
- The balance of accounts is not transferable to heirs.
- Workforce that leaves to take care of children is credited with contributions from their account.

3.2 Private Individual accounts

From 18.5 per cent of the tax and the individual salary event he smallest part 2.5 per cent of the salary goes to private account. This is the financing system part, which means that money is invested in real assets that can be sold to generate income during retirement.

- This system was created to discourage funds with high administrative fees.
- Workers can choose where they want to ensure the provision of income for heirs in case of premature death.

The gradual transition to the new system does not affect individuals born before 1938, and the old system does not affect individuals born after 1953. Persons born between the period 1938 and 1953 profit a mixed benefit as shown in the table below. For example one born in 1948 benefits 70 per cent of the pension benefits in the new systems.

4. Main Findings and Conclusions

By filing the problematic situation that our system generates and by the comparison with some of the EU member states it emerges the fact that the reformation scheme is a very good opportunity to bring financial sustainability and the appropriate benefits for the elderly to cope retirement. This is because this scheme currently suffers from a deep deficit and provides benefits covering quite a low and a small number of third ages. Therefore if this scheme is not reformed, the

<table>
<thead>
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<th>Working force years</th>
<th>Percentage of the new pension</th>
<th>Annual pension’s amount</th>
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<tr>
<td>1938</td>
<td>20%</td>
<td>80%</td>
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<td>75%</td>
</tr>
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<td>1940</td>
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<td>1941</td>
<td>35%</td>
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<td>1942</td>
<td>40%</td>
<td>60%</td>
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<tr>
<td>1943</td>
<td>45%</td>
<td>55%</td>
</tr>
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<td>1944</td>
<td>50%</td>
<td>50%</td>
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<td>5%</td>
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<tr>
<td>1954 or later</td>
<td>100%</td>
<td>0%</td>
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</table>
benefits will always be lower and some of the citizens will not benefit at retirement. Other motives of reforming the pension scheme are referred as well to the progress of future demographic trends, the data are referred to INSTAT where the fertility rate will drop and this will increase the life expectancy of the third age. World Bank’s suggestions are based on the idea of our country’s integration with in region and the EU countries. We benefit from European experience in the use of the Open Method of Coordination (OMC) used by these countries to exchange experiences in the field of pensions.

The combination of partial privatization and the PAYG reform part of the retirement pension system will result in the sustainable fiscal system.

Private investment will allow workers to benefit from the rate of return, and will increase the retirement incomes. By reducing the rate of salaries’ tax and linking the incomes to the retirement benefits would increase incentives to work. Shifting to a funded system will increase national savings and provide capital for the growth of the future. The first lesson is that countries can switch from a PAYG program into a personal account.

The best option to benefit all individual workers and the entire economy is if the old-age system is partially privatized. In the partial privatization, workers can put 18.5 per cent of their incomes aside for retirement, but they are ready to invest 2.5 per cent of the money in individual accounts. Workers will be able to choose the best fund pension that suits their investment preferences.

The positivity of this system lies in the fact that the return of incomes from imaginary accounts is associated with salary growth per capita, while the returns of private accounts to retirement should reflect long-term return on capital investment. Under the new program, employees may choose to retire at the age of 61 or stay at work until the age of 70. For attraction brings low benefits at earlier retirement and more incomes when the withdraw later in life, this has no consequences for taxpayers. Workers can continue to work while they benefit an amount of pension. They can choose a partial retirement (25 per cent, 50 per cent, or 75 per cent of the amount that they can benefit depending on their age). The future is especially attractive for workers who want withdraw gradually from labor force. They choose a full pension, of course they receive a full pension recalculated in accordance with the age and number of imaginary accounts.

The benefits that this new scheme provides are:

Great incentive to work. In the new pension system the pensions are defined by incomes generated throughout life, which means that at every profiting year the benefits will have a positive impact on the benefits of prospective retirees. Pension rights shall be recorded in real accounts and individual imaginary accounts, workers will have less reason to hide and do not report their incomes. The system will also discourage labor force who leaves the market power.

The increase of national savings and flexible age of retirement will enable non-penalization or non-reward for early retirement. Workers can retire at the age of 61 or can stay in the labor market as they wish. All these positive impacts make it more attractive having an alternate parallel system as the EU member countries.

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Empirical Analysis in Front of Theory-Cal Analysis

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Abstract

This study examines the legal framework for municipal governance and analyses whether, in practice, the relationships follow the pattern as intended in the law. More than thirty interviews were conducted with office-bearers, councilors and officials in five municipalities which differed according to size, location and success levels. In recent years, leaders of development cities have become progressively concerned, about increasing the college-going and completion rate of their residents. Development other cities have launched initiatives to increase college completion rates, mobilizing stakeholders from the education, non-profit, and corporate sectors to share responsibility for achieving these goals. To a large extent, efforts to increase college-going and completion rates have focused on making-changes in education systems to ensure that young people finish high school ready for college and complete degrees in a timely manner. But, today there is growing recognition of the important role that community-based organizations (CBOs) can play in supporting young people's postsecondary aspirations and success.

Business takes place worldwide, in a huge diversity of societies and between widely varying organizations. Actually, the business environment has become more complex, with expanding and deepening ties between societies and between the many organizations within those societies. Moreover, many large organizations now see themselves as truly global in scope, not rooted in any one society. This study empirically examines the impact of debt management policies on borrowing costs incurred by state governments when issuing debt in the municipal bond market and it is in focus of public administration reforms.

Keywords: Albanian situation, foreign investment; roles of governments; European Community;

1. Introduction

The aim of this article is to present an overview of the international environment, highlighting the differing levels, from local and national, to regional and international. The discussion focuses on the main identifying features of the business organization, including ownership and decision-making structures, as they adapt in differing geographical contexts. It is emphasized that the multinational enterprise (MNE), central to international business activities, covers a variety of organizations, large and small and the growing interactions between organizations, governmental and societal players are resulting in a broader view of the business organization in society. This argument looks at varying perspectives on globalization, often argued to be the defining characteristic of our times.

Albania is open to foreign investment and increasing FDI is a top priority for the Albanian Government. Albania has put in place a liberal foreign investment regime, including a 10 percent flat corporate and income tax and has taken measures to improve the business climate by streamlining business procedures through e-government reforms. These improvements along with NATO membership and progress toward EU integration have contributed to the increase in...
invests interest during the last couple of years. Promising sectors for foreign investors and include: energy (including alternative energies), mining, transportation, telecommunications, and tourism.

1.1 What are community-based organizations and why are they important?

CBOs are public or private, nonprofit organizations engaged in addressing the social and economic needs of individuals and groups in a defined geographic area, usually no larger than a county. The college access and success efforts of CBOs vary, depending on their mission and vision. For example, direct service organizations provide college information, advice, and application assistance to individual students and families; organize college awareness workshops, financial aid nights, and college fairs; and support students in high school through their college years.

H1. Youth development organizations often offer extended learning opportunities such as traditional after-school activities with an academic focus, apprenticeships and internships, summer enrichment and travel, and activities on college campuses.

Integrated student services organizations work with schools to identify and assist individual students needing support with academic issues and non-academic problems that interfere with their school achievement averaging resources from appropriate agencies, including health care, social services, and counseling. Finally, community mobilization coalitions consist of public and private entities focused on systemic change to achieve an overarching community-wide goal such as doubling the number of high school graduates or improving college completion within a specified time period. (Source: Root Cause, Colliner A, 2011)

The strategic country’s geographic position places it at the crossroads of Western and Eastern Europe makes it a stable U.S. ally, a member of NATO, the WTO and a probable candidate status in the European Union. Although FDI has increased during the last couple of years, it still remains among the lowest in the region with a significant part of it coming from privatizations. Despite progress in reforms the major factors hindering FDI seem to remain the same: widespread corruption, weak law enforcement, insufficiently defined property rights, lack of developed infrastructure, a sluggish government bureaucracy and frequent changes in the legal framework. (Bennet S & Dolann F 2011 MSCER)

Having autonomy is very important to employees. People have a strong need to control their lives and to participate in making decisions that affect them. In my own research I found that autonomy was related to higher levels of job satisfaction and commitment and fewer thoughts of quitting. In cultures of caring leaders understand that their job is to create conditions where people thrive, not to control their every move. (Cabrerra B 2011)

In addition to autonomy, people also need to feel that they have the support necessary to succeed. Clarifying expectations and giving people control over how they achieve their goals isn’t enough. Leaders need to clear the path, getting rid of barriers that stand in the way of goal achievement. Their role should be to empower others by serving their needs and making sure they have the resources required to get the job done.

1.2 Structural Features and Partnership system

Partnerships and cross-systems collaboration: work with schools, higher education institutions, families, and other community organizations to address students’ diverse needs and smooth the transition from high school to college. Strategic use of time: using after-school, weekend, and summer time for experiences that will expand students’ sense of possibilities, accelerate learning in core subject areas, and keep them on track toward reaching college goals.

Leadership and autonomy: competent and tenacious leaders and the independence to act quickly and strategically to meet students’ needs.

2. Autonomy Helps Employees Be Self-Motivated

As a charismatic leader, you can help employees be self-motivated and earn their discretionary effort by turning the focus of employee motivation from hard results and productivity numbers tied to rewards to employee autonomy and employee learning.

It makes no sense to hire an employee for their skills, knowledge, and intellect, then micromanage their every move. It makes good sense to give the employee parameters, conditions and a vision of the finished product and invite the employee to share their ideas. At this point, if you feel the employee understands the project and what the end product should be, permit the employee to operate autonomously within the parameter you have set. The employees feel empowered as they exercise influence over the decisions that affect them personally, assert control over the project and make crucial decisions. Giving the employee autonomy to make decisions is a form of reward for consistent and reliable

~ 458 ~
behavior.

It also provides phenomenal learning and growth experiences. I learn quickly and deeply when I need information to solve a particular problem. When employees are immersed in a project, operating autonomously and MUST have answers to challenges to complete the project, they will learn rapidly, finding viable alternatives and exploring feasible options. This learning builds competence and self-esteem. (Brendeau K)

You reward? You will have a gift of time to focus on the future as your employees provide their own internal motivation through the opportunity to operate autonomously. The by product is retention of your best and brightest.

Effective assessment and use of data: continually compiling and using information on students' backgrounds, participation and progress to determine program effectiveness and make changes as needed. (Source: Root Cause, 2011)

Positive organizations create cultures of caring based on the belief that everyone who comes into contact with the company should be better off because of it. This includes employees. Companies demonstrate concern for their employees' well-being by actively attending to their needs. Two key employee needs are autonomy and support.

Foreign companies continue to face significant challenges in entering the market, particularly in areas that touch on property rights. Despite advancements government bureaucracy and inefficiency greatly hampers the ability to hold successful, open and transparent government tenders. They are under-equipped to handle essential tasks. These are primarily to manage transition, provide the regulatory/administrative framework for the market, establish relations with the international community and negotiate and manage aid flows. But these tasks must be carried out while re-establishing order and maintaining social safety nets, under conditions of budget stringency. (Dumi A. AJIS 2012)

3. The Importance of this Study

This study empirically examines the impact of debt management policies on borrowing costs incurred by state governments when issuing debt in the municipal bond market. Based on positive political theory and the benefit principle of taxation, it is proposed that states that adhere to best practice debt management policies transmit signals to the credit ratings, investment community and taxpayers that the government should meet its obligations in a timely manner, resulting in lower debt costs. As a result (USA political debt and reforming policies) of a multi-block multivariate regression model the implication of adhering to debt policies aimed at promoting transparency results in a borrowing cost savings in terms of true interest cost (TIC). However a comprehensive debt policy is not a significant indicator of borrowing costs. These results suggest a product of a pull-push process between the economic forces of the bond market on one hand and politics on the other, pulling the administrative function toward efficiency in the former and democratic values of responsiveness and transparency in the latter.

The problem lies in policies that respond to the bond market but virtually exclude any other community interest in policy making. It is recommended that openness in government and allowing taxpayers to understand government services are essential goals in ensuring responsible citizen oversight and providing taxpayers the opportunity to be less likely to propose restrictive initiatives or force dramatic political or management changes through the electoral process or bond referenda.

3.1 Albanian Local Government Programs and Projects

Refers to European Community, the difference of single states policy applied to grow the own international trade, are small. What is the real situation in states not members of European Community, like Albania, according to international business environment? The external environment includes an array of dimensions, including economic, political, legal and technological factors. The article analyses their impacts on societies and the environment, and considers the roles of governments and firms in the wider stakeholder context.

Naturally, at the end of this article we will have a complete vision of Albanian situation. We are going to illustrate the nature of globalization, highlighting trends in globalized production and market, by contrasting the key features of foreign direct investment (FDI), foreign indirect investment and other modes of international operations.

The whole Society and Albanian Local Government Support Program (CSLGP) aims to increase the level of informed and organized civic activism at the local and national levels, along with more participatory, decentralized, accountable governance that leads to a more democratic society.
The Access to Information for Albanian Community Involvement program focuses on: (1) Training of public officials, local government representatives and civic groups on freedom of information, (2) Media outreach to inform and update the public and the government on freedom-of-information, (3) production of a freedom-of-information (FOI) website; (4) Improving mechanisms for proactive publication of government-held information; and (5) free legal counseling to citizens and community organizations on FOI. The project will reach this objective through three programmatic components: (1) local government and civil society collaboration, (2) fostering civic participation, advocacy and activism, and (3) facilitating decentralization and local fiscal autonomy. Project aims to support Albania rapprochement through developing new business partnerships and regional professional networks; engaging civil society in alliance-building to further contribute to Albania normalization; and supporting government and non-government efforts toward rapprochement with research.


4. Organizing the Effort by Developing a Management Team and Partnership Network

- Mayor and the body of councilmen must take pride in knowing their community and its residents.
- Community goals/image are constructed and must be visible to members of the community.
- Level of Organization and Full Democratic Representation: Representative organizations are necessary to serve as a forum for persons to give input. It is also important to determine the interests of each segment of the population.
- Political Will: Local authorities must demonstrate the political will to carry out the plan, i.e. A readiness to set objectives and to accomplish them.
- Availability of Basic Resources: Resources and funds are necessary.
- Objectives achieved and assumed by the population: The organization needs to have ownership of achievable objectives that combine individual interests with those of the community.
- Social sector defined in and for each objective: Each development objective has to have its social subject defined.
- Schedule of Activities: The plan must be concrete, with dates and deadlines set in advance and publicly announced.
- Permanent Evaluation: The performance, accomplishments, progress and failures must also be public to lay the foundation for new objectives and participation practices.

Information and Transparency: Information is the most secure basis for transparency in public life.

4.1 Rule of Law Albanian Development Program core programmatic objectives include: (1) increasing the judiciary’s knowledge of the European Court of Human Rights (ECHR); (2) enhancing the institutional capacity of the Independent Bar Association; (3) improving the quality of legal education; and (4) fostering an effective environment for human rights protection. Administrative changes in Albanian public policies as an obstacle to the operating foreign investments, comparison of EU like these factors: A dynamic local government leadership;

- A healthy climate of cooperation with business;
- Improving the quality of legal rules;
- Local government’s investment initiatives to jumpstart the stagnant economy;
- Creative use of EU funds to implement local policy;
Efficient municipal administration;


5. Institutional Mission

- Promote economic development of the city.
- Efficiently provide public services.
- Administers funds to raise the population’s standard of living.
- Regulate activities such as healthfulness of district and its ecological conservation.

6. Objectives

These results suggest a product of a pull-push process between the economic forces of the bond market on one hand and politics on the other, pulling the administrative function toward efficiency in the former and democratic values of responsiveness and transparency in the latter. The problem lies in policies that respond to the bond market but virtually exclude any other community interest in policy making. It is recommended that openness in government and allowing taxpayers to understand government services are essential goals in ensuring responsible citizen oversight and providing taxpayers the opportunity to be less likely to propose restrictive initiatives or force dramatic political or management changes through the electoral process or bond referenda.

The external environment includes an array of dimensions, including economic, political, legal and technological factors. The article analyses their impacts on societies and the environment, and considers the roles of governments and firms in the wider stakeholder context.

The principal arguments treated. Through its programs in the areas of anti-corruption, local governance, rule of law, alternative media, and parliamentary assistance, USAID is working with civil society and reformers within the Government of Albania to help create opportunities that help Albania to advance the country’s democratic reform both at the local and national levels. Based on an “active citizen” approach to democratic development, USAID is broadening efforts to foster greater citizen participation at the grassroots level and strengthening advocacy NGOs by providing core funding, advocacy grants and tailored technical assistance.

6.1 Analyses selected indicators for responsiveness of public administration

The business environment may be visualized in terms of layers, beginning with the immediate internal environment within the organization, and moving outwards to the external environment surrounding the business and influencing its organization and operations. While only a few decades ago these external aspects were seen as centering on the home country of the business, the environmental horizon of business has now widened to take in a host of international forces, which interact with national and local factors.

Tensions exist between an organization and the external forces that impact on it, from local through to international, and these tensions are reflected in its internal environment.

For this, when we think of international business, we tend to think of large multinationals, but most of the world’s businesses are very much smaller, and, increasingly, these smaller firms are becoming international in their outlook.
Nowadays, thanks to advances in communication technology and transport, it is easier for companies to expand a variety of business activities across national borders. A large American corporation such as IBM may seem to have very little in common with a family-run firm in Tirana that selling its products or purchasing raw materials abroad, and go on to producing its products abroad. Even if their answers on how to achieve a smooth-running and efficient organization and how to satisfy the needs of customers may be different, both companies in their own way will affronting universal issues.

Like we know in the past the most important factors which influenced the firms were cultural and social, legal and technological factors. Now the factors which compose the economic policy and influenced international environment are not so unpredictable. The problem is that are complicated for the different decision making stakeholders at a time of a stagnant economy.

7. Methodology

From the interviews, it is clear that role confusion exists between the various organs within municipalities. This has lead to uncertainty and turf battles, shifting the energy of the council to technical issues and impeding efficient service delivery. Municipalities have not been sufficiently able to design and implement role divisions and agree on workable protocols. Local government legislation establishes various organs within the municipality and broadly defines the functions of these organs. It also creates various instruments for accountability and oversight. Importantly, municipalities themselves must define the precise roles of their organs in delegations and terms of reference. These role definitions, terms of reference and instruments of accountability are intended to produce clear and sound internal municipal governance arrangements. This, in turn, is meant to define and shape the relationships within the municipal council and between the council and the administration.

The research methodology used to complete this article is that to compare the latest international economic policies to respond to different features present or not in them. To pursue this purpose we will use as a reliable research sources such as the European community, the Ministry of Economy of Albania, etc. Albanian companies act in an environment that is more or less favorable to them. The environment is significantly limited by the institutional framework that the rules of the game and is controlled by public administration and is responsive to the needs of foreign companies.

In the empirical part of the paper, we analyze selected indicators for responsiveness of the public administration in selected Albanian programs, compared European Union (EU).

7.1 The real situation of financial sector in Albania

The financial sector in Albania has in general been spared from the global financial turmoil, primarily due to the low amount of loans in relation to total deposits. Also the lack of a housing/construction bubble has minimized pressure on the banks. However, a significant reduction in bank deposits took place in the fall of September 2008 as individuals withdraw their money due to fear from losing their savings. Since October 2008 deposits dropped by about 15% and during 2009 they were below their top level. After summer 2009 there has been a stable increase in bank deposits and by the end of 2009 they reached their pre-crisis level.

<table>
<thead>
<tr>
<th>Mesatarja</th>
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<td>37.9</td>
<td>43.2</td>
<td>23.9</td>
<td>4.4</td>
</tr>
<tr>
<td>Pextrenal Debt_percent</td>
<td>19.2</td>
<td>17.6</td>
<td>28.4</td>
<td>9.7</td>
<td>4.6</td>
</tr>
</tbody>
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| Koeficentet | 2.834811 | -39.6484 |
| Deviimi standart | 0.139517 | 45.47917 |
| R² | 0.962691 | 69.53546 |
| F | 412.8511 | 16 |
| RSS totale | 1996209 | 77382.88 |

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<th>testet t</th>
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<tr>
<td>X₁</td>
<td>20</td>
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<tr>
<td>Y</td>
<td>4.26</td>
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~ 462 ~
t statistic = \frac{\hat{b}}{\text{SEP}}

Y = a_0 + a_1X_1 + u_t

Y = -39.6 + 2.8X_1

(45.5) (0.12)

a_0 = -39.6, a_1 = 2.8, R^2 = 0.96, F-Test = 413

Lower deposits created some liquidity issues but banks were well equipped to face the situation. Banks have increased their equity capital to better face the situation and also BOA has an active monitoring program to ensure enough liquidity in the banking sector. The financial sector is totally dominated by commercial banks funded with private capital. Currently, 16 banks are operating in the country – two domestically owned banks and 14 foreign or joint ventures.

<table>
<thead>
<tr>
<th>Koeificentet</th>
<th>2.96756</th>
<th>309.626</th>
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<tbody>
<tr>
<td>Devijimi standart</td>
<td>0.22866</td>
<td>46.7481</td>
</tr>
<tr>
<td>R</td>
<td>0.91325</td>
<td>106.034</td>
</tr>
<tr>
<td>F</td>
<td>168,428</td>
<td>16</td>
</tr>
<tr>
<td>RSS totale</td>
<td>1693680</td>
<td>179893</td>
</tr>
</tbody>
</table>

Y = a_0 + a_1X_2 + u_t

Y = 309.6 + 2.96X_2

(46.7) (0.2)

a_0 = 309.6, a_1 = 2.9, R^2 = 0.91, F-Test = 168

Referring to the above mentioned financial crisis which influenced companies stocks, we can say that, Albanian companies have little or no influence. This, not only for the mentioned reasons above, but because only 3% of the Albanian companies are with private capital trading in stock exchange, the rest are joint stock companies with public capital.

7.2 Foreign Direct Investment Statistics

The FDI has increased although it still remains among the lowest in the region. The cumulative FDI is also the lowest in the region. The Bank of Albania reported the following figures for foreign direct investment in Albania. Regardless of numerous contracts, only a few projects materialized in 2009.
Source: Bank of Albania BA estimate for the first three quarters of 2009, 2010

8. The Direct Investments in Albania in 2009-2010

FDI during the first nine months of 2009, 2010 is estimated to have reached 580 or 588 million euro despite optimistic GOA projections for 2009 fueled mainly by strong investor interest witnessed during 2007-2008. A large part of FDI is due to privatizations. The Albanian government collected 103 million Euro from the privatization of 76 percent of the shares of the distribution arm of Albanian Power Corporation; 48 million Euro from the privatization of 12.6 percent of AMC state controlled shares; 5 million euro from the privatization of 40% of GOA controlled shares of the United Bank Albania. INSIG (insurance company) privatization failed during the negotiation process with the winner and it might take place during 2011.

8.1 Public Debt and Albanian Situation

Analyzing the relationship between economic shocks and public debt that is having lately the European Community (we refer in particular to the crisis of the GDP of the two member states like Greece and Italy) budgeting decisions in the context of local economic shocks reveal the local fiscal policy priorities. The analysis of Albanian incomes, finds that current expenditure paths are more influential when making cuts than when expanding budgets.

H2. Public Strategies employees strive to support and improve the communities in which they live and work.

The government support programs that help those in need who strive to provide for their families; and provide the youth of the community with the tools necessary to become leaders. Also focus on two primary areas to ensure the company provides meaningful contributions to the community. Our corporate contributions of time and money go to promoting philanthropy and to youth leadership development through initiatives that produce measurable outcomes and sustainable results in these two areas.
Government regulations applied to counties, like Albania once classified as not in attainment of ambient air quality standards affect local tax bases. Local communities are also seen to employ some short-term use of reserve funds when facing negative expenditure pressures, but these funds are not used to completely prevent expenditure cuts. Furthermore, communities do not use debt as a mitigating response to external tax base pressures, but instead alter expenditure patterns.

9. Conclusions and Recommendation

Administrative changes in Albanian public policies as an obstacle to the operating foreign investments, comparison of EU are progressed in Albania like as:

• Developing;
• International investments founds;
• Entrepreneurship ambition;
• Marshalling resources to exploit business opportunity;
• State regulatory statistical and tax reporting.

Local communities are also seen to employ some short-term use of reserve funds when facing negative expenditure pressures, but these funds are not used to completely prevent expenditure cuts. Furthermore, communities do not use debt as a mitigating response to external tax base pressures, but instead alter expenditure patterns. Using the EU measurements and assessment of different areas of the business, namely the production of goods and services, can take place smoothly in Albania. PSI worked closely with high-level public officials and community leaders and provided critical guidance and strategic planning. On an ongoing basis, PSI continues to adapt to: the changing needs of the communities we serve, legislative and administrative directives, research findings and promising practices from the field. These efforts include:

• Providing customized training and learning opportunities for partners;
• Managing the daily activities of project staff;
• Monitoring large-scale project implementation benchmarks;
• Monitoring the new opportunities of developing and LC of new business;
• Manage the human resources, youth and women.

Additionally, PSI conducts field research that may lead to adjustments to the program in order to meet greater project goals. This has resulted in a high level of trust with state officials and more effective service delivery because program adjustments are made in a timely manner.

10. Results and Profits from this Research

Administrative changes in Albanian public policies as an obstacle to the operating foreign investments, comparison of EU. This includes partnerships with community-based organizations, public and private colleges, universities, public school teachers, public health departments. Additionally, more number of community leaders have been trained to deliver educational workshops; PSI has developed a robust workshop leader database, which permits remote access to (and entry of) service delivery information. This will be an important point of administrative changes in Albanian public policies as an obstacle to the operating foreign investments, comparison of EU.

Entrepreneurship ambition has worked to support changes in Albanian law that would offer anti-discrimination protections in keeping with international standards. The another point of administrative changes in Albanian public policies as an obstacle to the operating foreign investments, comparison of EU is: (1) International investments contributed to the improvement of Albania’s financial regulatory environment which has strengthened public confidence in the banking system and has provided a more secure, efficient and transparent financial system to meet the credit, savings and insurance needs of businesses and individuals.

11. Results of Paper Research

Local government legislation establishes various organs within the municipality and broadly defines the functions of these organs. It also creates various instruments for accountability and oversight. Importantly, municipalities themselves must define the precise roles of their organs in delegations and terms of reference. These role definitions, terms of reference and instruments of accountability are intended to produce clear and sound internal municipal governance arrangements.
This, in turn, is meant to define and shape the relationships within the municipal council and between the council and the administration. Whatever cannot be solved in strictly institutional or legal terms needs to be solved through agreed protocols, gentleman’s agreements and working arrangements.

The result is a carefully crafted system of governance and oversight whose success is dependent on all constituent parts working in sync. Practically, if one component of the system is deficient, it has a detrimental knock-on effect which ultimately impacts municipal service delivery.

From the interviews, it is clear that role confusion exists between the various organs within municipalities. This has lead to uncertainty and turf battles, shifting the energy of the council to technical issues and impeding efficient service delivery. Municipalities have not been sufficiently able to design and implement role divisions and agree on workable protocols.

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Cipiku & Mittitelu, Workshop on “Public Administration in the Balkans – from Weberian bureaucracy to New Public Management” 2010
Concessions in Albania and Macedonia in Comparative Law (Interdisciplinary Studies)

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Abstract

The changes of political and economic system in the late 80's in Macedonia and early 90's in Albania required a broader reform of the entire legal system by creating a functioning market based in the rules of free market and competition and the privatization of state enterprises. Roggemman (Roggemann 1993) describes the transformation as a transformation from state institutions in Albania - or selfmanaged enterprises in Macedonia, into western commercial companies such as JSC or limited partnership. In this sense the concession-process was one of the main pillars of the privatization process in Albania and Macedonia that built the foundation of free market economy. For more than 40 years, the Albanian and Macedonian citizens were faced with the communist ideology as the basis of state government regulation. This ideology stated that all citizens had contributed the same way and in the same extent during socialism for the construction of state and social property. In this context, the concession - process was accompanied by the deficiency of accurate economic statistics, concession strategies, foreign investors, a bad policy implementation as well as delays in the framework of immedialy needed reforms (Åslund 2013). The main objective of this article is to analyze the concession - process in Albania and Macedonia in comparative law, keeping in mind their EU-integration.

Keywords: Concessions, Economy, law, Albania, Macedonia.

1. Introduction

Albania and Macedonia are two candidates for EU Membership. Although both states followed the communist pattern (had a different approach as a consequence of the central planned economy in Albania and selfadministration of workers in Macedonia), the transition process in both countries in the beginning of the 90's was followed by a fundamental change not only in the whole economic system but of the whole society in both states. But before the transition, with the coming of Communism, both states followed the Soviet pattern: nationalization of major enterprises, state direction of investment and production through a series of Five-Year Plans, emphasis on heavy industry and collectivization of agriculture. After the 50's Macedonia as part of Yugoslavia followed its own system with the selfadministration of workers a mix of central planning- and free market economy and Albania continued with the central planning until 1990.

The problem with transition in both states was closely connected with the extent and form of implementation of economic reforms and especially privatization, because some enterprises had at least to be transformed, others restructured and others had to be completely liquidated. Another problem with transition was closely connected with two questions: the question of economics and the question of politics. In fact, it can be argued that what has happened in Albania and Macedonia, but also in all post-communist Balkan states and the new countries that have emerged since 1989, is historically unique (Papajorgji 2013).

The transformation process in South East Europe was unprecedented, significant effect of the legal-economic transformation process and necessary precondition for the introduction of a market economy (Åslund 2013). Privatization, political democratization and the development of legislation were the core of this transformation (Roggeman 1993). In incredible ten years, more than 150,000 medium and large enterprises, hundreds of thousands of small businesses and millions of apartments and houses in the countries of Southeast Europe have been privatized (Åslund 2013). These figures show the importance of this process in the post-communist states.

As regards to the effect of transition on the economic system of these two countries, the transformation did not result in stabilization. Rather, it came to a "cross-layer" between central government managed or self-management into an autonomy-based company, which did not permit the full development into the market economy.

No other measure has had such a serious effect on the creation of new social orders.

In this sense Albania and Macedonia have tried to provide goods or services to their citizens that could, in some
form, be provided by the private sector. The most common method, that we stated before is privatisation, or outright sale or transfer of ownership of the relevant assets to one or more private parties. A second, however, is concession. Concessions are often viewed as a substitute for privatisation when the latter is not feasible for political or legal reasons. This paper deals with concessions and the development of this process in both countries analysed in a legal and economical point of view.

2. Concession Process in Albania and Macedonia in Comparative Law

As I stated in the introduction, concession can be defined as another form of privatization. The granting of a concession is primarily used to attract foreign investors and to induce them to invest.

The first laws, that contained regulations about concession, were the Macedonian "Concession Law of 7.7.1993" and the Albanian "Law No. 7973 of 26.7.1995 on the concession and the involvement of the private sector in public services and infrastructure". The main objective of both laws was the creation of a legal framework for the award of public service contracts and public infrastructure to private companies (natural and legal persons) through concession by entering into private-public partnerships. These regulations included two types of concession agreements:

- BOT (Build-Operate-Transfer), in which one or more commercial companies finance a property for a specified time, build, manage for a certain time and then transfer it to the state. Other forms of the BOT contract are BTO (Build-Transfer-Operate) and BLT (Build-Lease-Transfer).
- The BOOT concession contract (Build–Own–Operate–Transfer) corresponds to the BOT contract, only that a private party is the owner of the project. In a BOO contract (Build–Own–Operate) the trading company has the right to build and administer or take advantage of the object; a transfer to an agency or the government, however, is not provided.

In Albania, Concessions could be granted in the fields of water supply, railway-, air- and water transport, the construction of tunnels and bridges, power generation and supply, in the telecommunications sector, in the field of waste management and industrial zones in Albania. The contract should include the representation and authorized signatories, terms, conditions, specifications for the construction, rules on cases of force majeure, the rights and obligations of the concessionaires and the authorized state body, liability protection and final provisions. In disputes decided the state courts or international arbitration courts.

In Macedonia, the sectors that were eligible for concession, were not explicitly specified by law. The Concession Law of 1993, described only the method and conditions for the use of public property, the conditions that had to be met by the concessionaire, the start date and the duration of the concession, as well as rules on the early termination of contract, quantity and manner of payment of the license fee; in addition the licensed areas were determined, the possibility of concession termination in public interest, the way of concession acquisition, supervision of the concession activities and the conditions for the improvement and protection of the environment during the performance of the licensed activity.

The concession could be granted like in Albania through a tender sale process. The concession contract had the same content as in Albania. In case of dispute, it was chosen the court that was specified in the concession agreement.

The new Albanian Concession Law of 18.12.2006 abolished the law of 1995. Article 2 paragraph 3 of the new law defined Concession as an agreement between the Contracting Authority and the concessionaire and defined the requirements and conditions for the realization of economic activities. This law defined also the risk taking. The field of application for Concessions was expanded in different sectors, such as education, health, tourism, prison infrastructure and oil supply. The application of Concession procedure would be supervised by the Public Procurement Agency. In addition, the Agency for implementation, evaluation and Concession Agreement, which was incorporated under the guidance of the Ministry of Economy, was established. The rules about the content of the contract were not changed in comparison to the content of the concession contract based on the law of 1995 and also the Macedonian law of 1993.

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1 An accepted definition of a concession is: a grant to a private firm of the right to operate a defined infrastructure service and to receive revenues deriving from it.
3 Лигј № 7973 Мbi конcesionin dhe perfshijen e sektorit privat ne sherbimet publike dhe infrastrukture, date 26.7.2995, Fl Z 1995, Nr 19, 805.
4 Compare Article 2 paragraph 7 of the Albanian Concession Law with Article 3 of Macedonian Concession Law.
5 Лигј № 9663 Мbi koncesionin, date 18.2.2006, Fl Z 2006, Nr 150, 6075; Fl Z 2008, Nr 156, 156; Fl Z 2009, Nr 86, 3775; Fl Z 2010, Nr 73, 3931.
6 They were established based on Decision of CoM No 150 of 22.3.2007.
while Concessionaires, Shareholders and Partners were free of regulation within their legal relations.

The new Albanian law no. 125/2013 of 25.04.2013 on Concession and Public-Private Partnership (PPP),\(^7\) which was in accordance with Directive No. 2004/18/EC of the European Parliament and European Council of 31.3.2004 on the coordination of procedures for granting procurement in the context of public buildings, supplies and services, abolished the Albanian law of 2006 and its amendments and strengthened the role of the Ministry of Finance (Malltezi 2013). Public-Private Partnerships in Albania do not provide any rule about risk taking between parties. In the case of Concession, the concessionaire holds the risk of commercial activities, except when the negative consequences derive as a result of wrong decisions with public contracting partner or public authority. In contrast to that, Article 3 of the law on public procurement,\(^8\) provides that public procurement is a binding contract with a reward for completion of goods and services between public party and the receiver of obligations and this means that the risk taking for contractual fulfillments will be held by the state procurement authority.

The receivers of procurement are responsible for the obligations undertaken by them. In Concessions, the concessionaire is responsible for the preparation of the project, which requires contractual obligation for its funding, application and fulfillment (Malltezi 2013).

The new Albanian law provided 3 types of Concessions: a. Concession, through which the concessionaire, gives the right of use in the field of material goods, for example, in the field of water supply, natural resources and minerals, b. Concessions for the implementation of public works and c. Concessions for granting public services. According to Article 5, Law on Concessions and Public-Private Partnership is not applied on Concessions on construction measures for the construction and management of hydropower stations and power supplies, for which the law of 1996 was valid. This dual system will be abolished within four years from the entry into force of the new law of 2013. Until then, all service contracts and concessions must be completed with the old law and be subject to the new law of 2013. New contracts need to be signed for a maximum term of 35 years (Malltezi 2013).

Until 2007, Macedonia regulated concessions and Public-Private Partnership with particular laws, and indeed specific sectors through economic laws and the law on public procurement.\(^9\) The new Law on Concessions and Public-Private Partnership in 2008\(^10\) facilitated and improved the legal framework for all types of concessions. However, as previously described, specific aspects of economic areas were regulated by different laws, which had priority over the Concession law (Georgievski 2009). As in Albania, this law was drafted in accordance with the EU Directive No 2004/18/EC. This law regulated the contractual partnerships and institutional forms of concession and Public-Private Partnership:

- According to the Macedonian law, a contractual partnership is understood as a partnership based on the contract between the Concessionaire and Contracting Authority, a physical- or legal person, domestic or foreign.
- With an institutional partnership is understood the partnership between the Concessionaire and Contracting Authority, also a physical - or legal person, domestic or foreign, while the object of investment is owned by both parties.

In article 3 of this law, the Concession was defined as giving the right to work for the public interest of the Republic of Macedonia and to have the obligation as a Concessionaire to build, administrate and make use of the object given for Concession and pay for it. As a public Contracting Authority could rather be the Republic of Macedonia or the Municipalities like for ex.: The Municipality of Skopje (Georgievski 2009).

As in the Albanian Law, this law also forecasts three different procedures in giving the concessions: a. The open procedure; b. The restricted procedure; and c. the negotiated procedure, that are in full accordance with the Directive of 2004/18/EC for special cases. The procedures were conducted by a Commission chaired by the responsible Minister or the Head of Municipality or the Head of Municipality of Skopje. The Commission was composed of the Chairman, Vice-Chairman, and three persons from the Ministry of Finance and other experts. The Commission has to prepare the documents for the procurement procedure and also to conduct the dialogue with the Bidder. After that, the Commission would prepare a report and send it to the Contracting Authority, who would respectively make a decision (Georgievski 2009).

\(^7\) Ligj Nr 125/2013 Mbi koncesionin dhe partneritetin publik privat, date 25.4.2013, Fl Z 2013, Nr 76, 3271.
\(^8\) Ligj Nr 9643 Mbi prokurimin publik, date 20.11.2006, Fl Z 2006, Nr 133, 133; Fl Z 2007, Nr 122, 3427; Fl Z 2007, Nr 184, 5796; Fl Z 2009, Nr 153, 6900.
\(^10\) Zakon za koncesii i drugi vidovi na javno privatno partnersvo, Sl V RM 2008/7; Sl V RM 2008/139; Sl V RM 2009/64; Sl V RM 2010/52; Sl V RM 2012/6.
The new Macedonian Law of Concession and the Partnership between the Public and Private sector entered into force on 11.01.2012. For the PPP, are applied the same rules defined in the Law of 2008, until the New Concession Commission was established. This law applies for all the public goods and PPP contracts. It is based on the principles of equity, transparency, proportionality, protection of environment and the principle of efficiency (Article 2).

The new Law of 2012 defines the PPP in article 5 as a form of long – term cooperation between the Contracting Authority and the Concessionaire. It also includes the Concession for public work, public services, work contracts and services. As in the Albanian Law of 2013, the establishment of SPC (Special Purpose Company) was forecasted. This law also determines three procedures for assigning a concession. The procedure is conducted by a Commission, which is composed of 15 members, not 5 as of the law of 2008. It is chaired by the responsible Minister, the Head of Municipality, or the Head of Skopje Municipality and 13 others experts from the Ministry of Economy and Finance. The competences of this Commission include the data processing of the Procurement Documentation, definition of the concession-giving criteria, the requirements for the participants and the preparation of the final evaluation report. The members of the commission are elected for a 4 year mandate. The responsible organ for PPP is the Ministry of Economy. The contracts are signed as in Albania for a maximum term of 35 years.

3. Conclusions

As we analysed in this paper, the concession – process, just like privatization in both countries was faced with many challenges. After the fall of the communist regime, the Albanian and Macedonian states were nearly bankrupt. In addition the old inherited technology, the lack of investment (savings were in short supply) and especially competition from abroad (imported products) made it hard for state-owned firms to survive and grow in the industrial sector. Most of them changed their activities or ceased operation. These developments, in the first years of transition, reshaped the structure of the Albanian and Macedonian economies in favor of agriculture, trade and service sectors. As if the organizational and procedural problems were not enough, another one was added, that included the lack of government financial resources. The Albanian and Macedonian authorities were totally overwhelmed with the concession - process. This is largely due to the fact that there were no prescribed legal structures and frameworks, that were able to ensure a proper procedure. Neither existed sufficient legal criterias or a commited administration. To evaluate the process in organizational terms, the adequate word in both countries would be "confusion".

In this sense both countries introduced the concession as a new form of attracting foreign investments especially after 2005. This new way of privatization can be described as partly successful, compared to the privatization process which was a total failure. It brought many investors in both countries, but at the same time a lot of bad consequences for both economies, such as the establishment of foreign monopolies especially in the strategic sectors of the economy or the promotion of opportunistic behaviour. In many cases in both countries, the bidder conceded a great deal in the competitive award stage, with the hope or expectation that it was going to recoup these “losses” in renegotiation. After the award the balance of negotiating strength was shifted dramatically in favour of the concessionaire. Both countries for example could have introduced some steps to minimise the risk of opportunistic behaviour at the award stage, such as: structure the contracts to create as much competition post-award as possible, thus providing the state with more alternative service providers and thereby reducing the bargaining power of the concessionaires.

All in all: Concessions in Albania and Macedonia can serve as a partly positive example of how legal and economic transformation processes should be performed.

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80.
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The Ohrid Framework Agreement and the Multiethnic Future of the Republic of Macedonia

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Abstract

Being one of the youngest countries in Europe, the Republic of Macedonia has undergone a specific and quite complicated path since the declaration of its independence in 1991. Once a self named “oasis of peace” it was faced with an internal interethnic armed conflict in 2011 which ended with the signing of the Ohrid Framework Agreement. This agreement has on the other hand become of the main symbols of the internal development of the country during the last decade. Although the OFA has not been treated equally by all interested sides, the fact remains that it is most definitively one of the main documents in the development of the country. Although one might argue that the ethnic Macedonians try to build Macedonia as a country of the Macedonians and the others while the ethnic Albanians treat Macedonia as country of the Macedonians, the Albanians and the others, one truth remains. And that undisputable truth is that Macedonia is a multiethnic, multilingual and multicultural country and its future can be build only on mutual respect. This paper strives to provide a short description of the main reasons behind the OFA and its consequences for the Republic of Macedonia and its multiethnic future.

Keywords: Ohrid Framework Agreement, Interethnic relations, multiethnic future

1. Introduction

Perhaps the most noted developments since the second world war were the “revolutionary” changes in the ex eastern blok that resulted in a major shift of the political system in these countries, replacement of communism with liberal democracy and the planned economy with a free market economy.

Although changes started in the Eastern European Countries, they were quickly spread to the Ex Yugoslav Federation, a country comprised of people with similar yet different historical, cultural and religious background. Although the many problems that the country had, were skillfully “hidden” by the leadership, after the death of Tito, the re-emergence of nationalism and the wish of the bigger nations to dominate others, they sparkled into inter ethnic conflicts that will be remembered for a long time.

Macedonia, being one of the constituent Republics of former Yugoslavia, was without a doubt one of the least developed Republics, but at the same time one of the most attached ones to Serbia. Perhaps due to the similar ethnic composition, the Macedonian political elite seemed to follow all anti-Albanian policies created and declared by certain political circles. This on the other hand, resulted in permanent worsening of the inter-ethnic relations within Macedonia. Such worsened inter-ethnic relations continued to worsen even further after the country’s independence due to the major differences in understanding of the concept upon which the country should have been developed between the Albanians and the Macedonians being the two major ethnicities with the country.

In fact, the Albanians were convinced that the Republic of Macedonia should be build as a joint country of the Macedonians, Albanians and the others with mutual respect for each other’s history, tradition, culture, language and needs. On the other hand the Macedonian political elite, was keen on understanding Macedonia as an ethnic country of the Macedonians and in many circumstances forgetting that almost half of the population is not declared as ethnic Macedonians.

Most ethnic Macedonian politicians and average citizens alike acknowledge that, historically, ethnic Albanians have been excluded from the country’s decision-making processes. Notwithstanding the talk of equality that greeted the
post-Yugoslav transition of the early 1990s, Albanians were the subject of political and economic discrimination during Macedonia's first decade as an independent state, as they had been in communist times. Albanian power was always nominal, certainly at the elite level. Instead, Albanian power was limited to control of peripheral ministries, a ploy designed to lend the state a veneer of legitimacy in the eyes of Macedonia's largest ethnic minority community, comprising some 25% of the population. In the framework of this 'nationalized state', Macedonians controlled all major levers of power.

In the same vein, Albanians were underrepresented in the public administration, and use of the Albanian language in parliament and higher education was prohibited. For the Albanian community, which, given its size, felt entitled to the same rights and privileges as the titular nation, the lopsided concentration of power established at independence was a source of great discontent, one which its political representatives proved unable to address through Macedonia's fledgling democratic institutions. (Ripilovski & Pendarovski, 2013. P.135).

If we try to present with two or three sentences political situation in Macedonia in the years 1990-2001 and in this context to clarify reports of strained relations (here always thought of Albanian-Macedonian relations) as the main and decisive factor must mention the construction of a ethnocentric model state where the constitution was brought by multiparty parliament without the votes of Albanian deputies, Macedonia will be treated as a state of Macedonians (Slav - Macedonian meaning) while all other nations would be ranked as citizens. Constitutional inequality of Albanians and state terror that will be exercised for many years led to the extreme aggravation of the Albanian-Macedonian relations and armed conflict in 2001. The years 1990-2001 were years of great despair for Albanians in Macedonia, but also were years that almost nothing good was introduced to Macedonians too. These years represent the first phase of transition, which means privatization of important state enterprises under a formula that meant the enrichment of individuals and small groups in illegal way, further reduction in living standards, poverty, unemployment, deterioration of interpersonal relations, increasing the number of divorces, delay of the marriage, with one word non perspective situation for all Macedonian groups in illegal way, further reduction in living standards, poverty, unemployment, deterioration of interpersonal relations, increasing the number of divorces, delay of the marriage, with one word non perspective situation for all Macedonian citizens regardless of religion or nation. Anti-Albanian policy of Macedonian elite began implementation with a more sophisticated strategy from the beginning of plural life in the country.

The first signs of expressing non tolerance will be identified in pre-election rallies in the first multiparty elections. Rhetoric of political leaders in Macedonia and the anger that they were expressing against Albanians in rallies across the country in many respects resembled the Hitler rallies on the eve of World War II. Slogans "gas chambers for Albanians", "Death to Albanians," Albanians to go to vote in Albania "," We have wait a lot "," This is not Kosovo "," Wake up Macedonians "," clean Macedonia "etc. became the anthem of the state. As a result of disregard of legitimate claims, Albanian population did not participate in the referendum for independence that took place on 8th September 1991, also Albanian deputies didn't voted the country's new constitution in the parliament on 17th November 1991. Response of the Albanian political parties to a total ignorance of the Macedonian structures will be organizing a referendum for politico-territorial autonomy which will be held on 11-12 January 1992, and declaring the Macedonian constitution as a document that will became the catalyst of crisis.

In the period 1990-2001 all the requests of the Albanians can sublimed on three issues: equal constitutional status with Macedonians, education in mother tongue at all levels and institutional participation of Albanians in state institutions. Unfortunately Albanian demands permanently were rejected by Macedonian elite and Macedonian state. State responses to these legitimate requests was ignoring and repression. In addition will be stated just chilling cases that rocked the domestic opinion, but also relevant international factor, such as the police activities in Struga in 1992, using tanks against Albanian protesters in Bit Pazar a few days later, the Tetovo University happenings which ended with a victim, the bloody Gostivar events in 1997 were all factors that influenced the starting of the armed Albanian rebellion in 2001 which ended with the signing of the Ohrid Framework Agreement. (Aziri, 2010).

On 8 August 2001 in Ohrid, the leaders of the Republic of Macedonia's main political parties, that since 13 May 2001 had formed a shaky 'National Unity Government', struck a deal which aimed at ending the violent conflict between Macedonian security forces and armed Albanian extremists in the country. The fighting had begun in February 2001 and resulted in more than 200 casualties, among them over sixty Macedonian soldiers and policemen. More than 100,000 persons were exiled or internally displaced, and relations between the ethnic Macedonian majority of the country and the Albanian minority reached a record low (for the course of last year's events see Brunnbauer 2001a). In order to prevent fully-fledged civil war from breaking out, Prime-Minister Ljubcho Georgievski ('Internal Macedonian Revolutionary Organisation-Democratic Party of National Unity', VMRO-DPMNE), Branko Crvenkovski ('Social-Democratic Union of Macedonia', SDSM), Arben Xhaferi ('Democratic Party of the Albanians', DPA) and Ymer Ymeri ('Party of Democratic Prosperity', PDP - the second Albanian party) agreed on a package of wide-ranging amendments to the constitution and far-reaching legislative changes that should meet the Albanians' long-standing demands. The agreement came after weeks of intense negotiations, in which two international mediators (Francois Leotard for the EU and James Pardew for
the USA) took part. (Brunnbauer, 2002). It should be noted that for a period of time the international community addressed NLA leadership and member as “extremists”, while the relevant Macedonian factors called them “terrorists”. The fact remains that they have been part of the government for the most time since the end of the conflict.

2. The Ohrid Framework Agreement

Essentially, the Ohrid Agreement provides the architectural framework for equitable representation of minorities in public administration, language rights, the strengthening of local government, reintegration of territory held or captured by the NLA, return of refugees, and the conduct of an internationally supervised census. On balance, the agreement preserves the unitary state of Macedonia and its territorial integrity. The agreement may be flawed in many ways, but there are many flawed treaties in Europe that function well in practice. Some Macedonians contend that the constitutional changes introduced a type of consensual democracy that could have a negative impact on the government’s efficiency and lead to manipulations regarding the ethnic origins of parliamentarians. They argue that the Framework Agreement promotes collective as opposed to individual rights. Thus, Albanians are now identified as a collective rather than as Macedonian citizens. (Pearson, 2002, p.6)

The Framework Agreement was accepted in principle by both sides in the conflict as the only alternative for Macedonia and its citizens. Some analysts characterized the signing of the Agreement as a date of the signature of peace by the two armed sides or as a beginning of a new history for the two biggest nations in Macedonia. Others viewed this as the last chance for cohabitation between Albanians and Macedonians on this territory. The Macedonian President Boris Trajkovski stated that: “The function of the Ohrid Framework Agreement is to stop the war and to set the foundation for a long-lasting peace”. (Aziri, 2008). As will be confirmed by the following text the Ohrid Framework Agreement has played a crucial role in reconfirming the multiethnic, multicultural, multilingual character of the Republic of Macedonia, although much has remained to be done in this field.

3. The Ohrid Framework Agreement and the Multiethnic Future of the Republic of Macedonia

Much is to be said when analyzing the importance of the Ohrid Framework Agreement in insuring not only the multiethnic character of the Republic of Macedonia, but as many authors like to say the overall survival of the Republic of Macedonia as an independent country. Having this in mind one might argue that although many aspects have been regulated with the OFA, much has still remained to be done. In fact many issues have arisen when it comes to the implementation of the OFA in certain fields such as the usage of the Albanian language, flag etc. Only a few issues will be tackled in the following text.

One of the starting points when discussing the reforms introduced by the OFA should be a careful analysis of the Preamble of the Constitution of the Republic of Macedonia, table 1.

**Table 1. Preamble of the Constitution**

<table>
<thead>
<tr>
<th>As provided by OFA</th>
<th>The official Preamble</th>
</tr>
</thead>
<tbody>
<tr>
<td>The citizens of the Republic of Macedonia, taking over responsibility for the present and future of their fatherland, aware and grateful to their predecessors for their sacrifice and dedication in their endeavors and struggle to create an independent and sovereign state of Macedonia, and responsible to future generations to preserve and develop everything that is valuable from the rich cultural inheritance and coexistence within Macedonia, equal in rights and obligations towards the common good -- the Republic of Macedonia, in accordance with the tradition of the Krushevo Republic and the decisions of the Anti-Fascist Peopleís Liberation Assembly of Macedonia, and the Referendum of September 8, 1991, they have decided to establish the Republic of Macedonia as an independent, sovereign state, with the intention of establishing and consolidating rule of law, guaranteeing human rights and civil liberties, providing peace and coexistence, social justice, economic well-being and prosperity in the life of the individual and the community, …</td>
<td>Taking as the points of departure the historical, cultural, spiritual and statehood heritage of the Macedonian people and their struggle over centuries for national and social freedom as well as for the creation of their own state, and particularly the traditions of statehood and legality of the Krushevo Republic and the historic decisions of the Anti-Fascist Assembly of the People’s Liberation of Macedonia, together with the constitutional and legal continuity of the Macedonian state as a sovereign republic within Federal Yugoslavia and the freely manifested will of the citizens of the Republic of Macedonia in the referendum of September 8th, 1991, as well as the historical fact that Macedonia is established as a national state of the Macedonian people, in which full equality as citizens and permanent co-existence with the Macedonian people is provided for Albanians, Turks, Vlachs, Romanies and other nationalities living in the Republic of Macedonia, and intent on …</td>
</tr>
</tbody>
</table>
Therefore, it is obviously notable that the Preamble as introduced by the OFA and the one adopted by the Parliament of the Republic of Macedonia are not the same. In fact while the OFA version mentions only the citizens of the Republic of Macedonia, therefore providing for a citizen’s character of the country, the official Preamble in the very beginning in the English version uses the term the Macedonian people and in the Macedonian version the “Macedonian Nation” and by the end of the preamble mentions other ethnicities. Although this can be considered a semantic issue by some, the fact remains that in a way the Macedonian ethnicity are mentioned as the main ethnicity which provides the right of equality to other ethnicities.

Perhaps one of the greatest contributions of OFA in this sense is one of its main basic principles “The multi-ethnic character of Macedonia’s society must be preserved and reflected in public life”. Therefore, the OFA considers the multiethnic character of Macedonia as a starting point in the future development of the country and determines that Macedonia’s future can be built only through a reflection of the multiethnic character of the country in public life. Although this is one of the main principles of OFA, having in mind the latest developments in the country, one might argue that instead of using multi-ethnicity as a starting point in building an integrated society, multi-ethnicity is being “misused” as a source of further divisions.

One of the main points in which OFA is usually cited for is the right of the non-majority ethnicities to be treated equally in issues such as employment and access to public finance. In fact in OFA it is clearly mentioned in point 4.1. that “The principle of non-discrimination and equal treatment of all under the law will be respected completely. This principle will be applied in particular with respect to employment in public administration and public enterprises, and access to public financing for business development”. In practice, as the reports of the Ombudsman show in most institutions the principle of equal representation has not been respected, especially when it comes to managerial positions. Some of the most noted examples are represented in table 2.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Managerial positions</th>
<th>Non-managerial positions</th>
<th>Employees at the body</th>
</tr>
</thead>
<tbody>
<tr>
<td>The cabinet of the President of the Republic of Macedonia</td>
<td>Total n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td></td>
<td>Macedonians</td>
<td>Albanians</td>
<td>Others</td>
</tr>
<tr>
<td>Non-managerial positions</td>
<td>28</td>
<td>25</td>
<td>89.29</td>
</tr>
<tr>
<td>Employees at the body</td>
<td>44</td>
<td>38</td>
<td>86.36</td>
</tr>
<tr>
<td>State Commission for the Prevention of Corruption</td>
<td>Total n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Non-managerial positions</td>
<td>12</td>
<td>10</td>
<td>83.33</td>
</tr>
<tr>
<td>Employees at the body</td>
<td>24</td>
<td>17</td>
<td>70.83</td>
</tr>
<tr>
<td>Constitutional Court of RM</td>
<td>Total n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Non-managerial positions</td>
<td>7</td>
<td>6</td>
<td>85.71</td>
</tr>
<tr>
<td>Employees at the body</td>
<td>25</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>Supreme Court of RM</td>
<td>Total n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Non-managerial positions</td>
<td>50</td>
<td>48</td>
<td>96</td>
</tr>
<tr>
<td>Employees at the body</td>
<td>76</td>
<td>68</td>
<td>89.47</td>
</tr>
<tr>
<td>Macedonian Academy of Sciences and Arts - Skopje</td>
<td>Total n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Non-managerial positions</td>
<td>52</td>
<td>49</td>
<td>94.23</td>
</tr>
<tr>
<td>Employees at the body</td>
<td>57</td>
<td>54</td>
<td>94.74</td>
</tr>
<tr>
<td>Ministry of Interior Affairs</td>
<td>Total n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Non-managerial positions</td>
<td>11196</td>
<td>8814</td>
<td>78.72</td>
</tr>
<tr>
<td>Employees at the body</td>
<td>11410</td>
<td>8982</td>
<td>78.72</td>
</tr>
<tr>
<td>Ministry of Defense</td>
<td>Total n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Non-managerial positions</td>
<td>795</td>
<td>678</td>
<td>85.28</td>
</tr>
<tr>
<td>Employees at the body</td>
<td>875</td>
<td>750</td>
<td>85.71</td>
</tr>
<tr>
<td>Ministry of Transport and Communications</td>
<td>Total n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Non-managerial positions</td>
<td>62</td>
<td>54</td>
<td>87.1</td>
</tr>
<tr>
<td>Employees at the body</td>
<td>246</td>
<td>197</td>
<td>80.08</td>
</tr>
</tbody>
</table>
Macedonian”. On the other hand the text of Article 7 of the Constitution is as cited “The Macedonian language, written using its Cyrillic alphabet, is the official language in the Republic of Macedonia. In the units of local self-government where the majority of the inhabitants belong to a nationality, in addition to the Macedonian language and Cyrillic alphabet, their language and alphabet are also in official use, in a manner determined by law. In the units of local self-government where there is a considerable number of inhabitants belonging to a nationality, their language and alphabet are also in official use, in addition to the Macedonian language and Cyrillic alphabet, under conditions and in a manner determined by law”. Therefore, the very text of the OFA has not been in full incorporated in the Constitution, leaving in this way much space for open debates regarding the right to use the Albanian language as official. Perhaps this is one of the reasons for the tensioned debated regarding the adoption of the “Law for official usage of the language spoken by at least 20% of citizens and the units of local self-governance”, although in many cases this Law introduced the main principled of OFA regarding this issue to the society in the Republic of Macedonia. Another issue having to do with this aspect is the capacity and the willingness of the mostly ethnic Macedonian employees in the regional offices of the central government to communicate officially in Albanian besides in Macedonian.

4. Conclusions and recommendations

The Republic of Macedonia is one of the many multi-ethnic countries in Europe. But, it seems that in the case of the Republic of Macedonia the shared past mostly presents an element of further divisions mostly due to a sort of a “hate’ imbedded and developed through generations. The lack of sense for the natural requests of the Albanian national ethnicity on the side of the Macedonian political elites has been one of the most expressed obstacles to the development of the Republic of Macedonia as a truly integrated multiethnic society in which all sides would show proper respect for the needs and wants of the others.

The years of a lack of willingness to show at least minimal respect for the group demands of the Albanian ethnical community and the lack of understanding for even the basic human and democratic right such as the one of using own language and being allowed to educate in their own language, led to the Armed Conflict of 2001 that ended with the adoption of the Ohrid Framework Agreement as a document that should have provided a truly multiethnic future for the Republic of Macedonia and its citizens.

Regardless of the way how different politicians, analysts and policy makers prefer to understand and comment the Ohrid Framework Agreement and its provisions, the fact remains that its “spirit” is embedded in its very text. Without a doubt, there is a reason why the Agreement itself begins with the following text: “The following points comprise an agreed framework for securing the future of Macedonia’s democracy and permitting the development of closer and more integrated relations between the Republic of Macedonia and the Euro-Atlantic community. This Framework will promote the peaceful and harmonious development of civil society while respecting the ethnic identity and the interests of all Macedonian citizens”. Obviously the “spirit” of OFA that is quite often mentioned by politicians in Macedonia, has to do with building improved relations of Macedonia with the international community preconditioned by the creation of a fully functional multi-ethnic society in Macedonia with respect for all citizens. Therefore it implies building Macedonia as a civic rather than a nation state.

Having this in mind the citizens of the Republic of Macedonia, the political elites and everyone else should be aware of the fact that OFA cannot be considered and treated as a simple document, a framework with a beginning and an end but rather as a living and breathing framework that needs to be kept alive and change alongside with the highly developed international standards. After all one of the basic principles of OFA is “A modern democratic state in its natural course of development and maturation must continually ensure that its Constitution fully meets the needs of all its citizens and comports with the highest international standards, which themselves continue to evolve”. As long as OFA is treated as such it can provide for a good basis upon which the future development of Macedonia can be built and created according to the ever enduring multi-ethnic, multi-lingual, multi-cultural and multi-religious character of the country.
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The Ohrid Framework Agreement

Criminological Aspects of Organized Crime in Albania

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Abstract

The purpose of this paper is to bring an overview of criminological aspects of organized crime in Albania, provide key characteristics, trends, an analysis of the most prevalent activities of Albanian criminal groups, statistical data for the period 2002-2009 and preventive measures of organized crime. Organized crime is a form of manifestation of criminality and perhaps his particular form. It is a phenomenon that conveys how fear and wonderment for the mode of functioning and in the same time evokes attraction for mysteries and special way of understanding. Finally, organized crime is an international crime and global concern where detection and combating organized crime requires cooperation and joint operations between countries based on strong penal policies which enable the detection, investigation, proceeding, punishment of its various forms. Specifically bodies such as the police, prosecution and courts of a country should coordinate work with neighboring or regional bodies such as a rapid exchange of information in order to provide data on criminal groups, their activities, modes of action and tools that they use for their hitting.

Keywords: Organised crime, albanian criminal groups, preventive measures, statistical data

1. Introduction

Around the world is shocked by the events of the twentieth century, accompanied by an increase in crime. Criminologist, sociologist, psychologist establish that the measures taken for the prevention of crime and its forms are insufficient. Although organized crime is a complex phenomenon, concern around the world for a long time in various countries, for it have existed various concepts and definitions.

The term "organized crime" is used in 1896, on the annual report of the Society for the Crime Prevention, in New York. In this report, this term was used for acts of prostitution and gambling, protected by public official (Fijnuat, C & Paoli, L, 2004). For the first time the concept of "organized crime" was sanctioned by the law, specifically in federal statutes of America, in 1968, where with organized crime understood illegal activities of members of well-organized, and a union disciplined and committed in support services and illegal trade, including: gambling, narcotics, threats at work and other criminal activities of members of these groups (Adamoli, S; Di Nikola, A & Savona, E, 1998). Then, criminal codes of different countries gave the definition of the concept of "organized crime". Thus, the Canadian Criminal Code of 1989 defined the meaning of organized crime, including, as this form of crime, 24 types of crimes. Italian Criminal Code (Article 416) has defined organized crime as a crime of type mafioso (Adamoli, S; Di Nikola, A & Savona, E, 1998). Despite the size that got organized crime in the albanian reality, for a long time albanian legislation does not give a definition of the term "organized crime". The first attempts to give a definition, are made in different studies and scientific articles to the albanian scholars. In early 1994, the professor Ismet Elezi (Elezi, I, 1994) defines organized crime as the highest level of professional crime organization and the creation of groups and different organized gangs who collaborate on a regular basis for committing offenses. Another albanian researcher, Zamir Poda (Poda, Z, 1998), wanting to give a definition of organized crime, stresses: to talk to, first of all need to talk about the mafia, as a criminal organization.

By law no. 8920, dated 11.07.2002, Albanian Parliament ratified the United Nations Convention "Against Transnational Organized Crime" and two extra protocols: 1. protocol "against of immigrants trafficking by land, air and sea" and 2. protocol "for the prevention, obstruction and punishment of trafficking in persons, especially women and children. Ratification of this convention makes it an integral part of the albanian legislation and article 2 of her, has solved the problem of the notion of organized crime, in Albania (Convention of the UNO, 1953).

2. Methodology

To highlight the criminological aspects of organized crime in Albania means to characterize it in all aspects. Realization of this goal can be done on the basis of studies conducted about the phenomenon by aboriginal and foreign researcher (V, Hysi; Friman, H & Reich, S, 2007), statistical data of all bodies involved in combating and preventing it.
In this paper will be presented the most prevalent activities of Albanian criminal groups, based on statistical data and reports of various international institutions (HEUNI, UNICRI, UNDCP), the Council of Europe, research centers and independent scientific (Council of Europe, 2004). Periodic studies or various reports of organized crime, also publish institutions charged with the prevention and investigation of crimes such as the police, the prosecution, the court, Ministry of Justice and the Ministry of Public Order (IOM & Ministry of Public Order, 2001).

3. Analysis

In this paper will be an analysis of the most common activities of Albanian criminal groups, based on different measurement models, as in the international study of crime victims (UNICRI, 2001), in reports of various international institutions (HEUNI, UNICRI, UNDCP), in the official records of the Council of Ministers (Council of Ministers, 2001), in reports of the Ministry of Public Order (Ministry of Public Order, 2002) as well as interviews conducted by local and international organizations, whose mission is to provide support to victims of trafficking (IOM & ICMC, 2001).

Another interesting study in the field of measuring damages that causes organized crime is offered by Savona (Savona, E, 2009) in the framework of a project that aims better recognition of organized crime. Among a detailed analysis of the literature that exists in this field, he identifies some difficulties in measuring the damage that causes organized crime, as: measuring the cost of crime, the definition of indirect costs, the costs of society and the difficulties of data collection. The purpose of these methods is to distill data systematically about the number of people who are most vulnerable to being trafficked, the pressures that may be made to individuals to support them in various stages of criminal activity and full evaluation of crimes reported and unreported otherwise called dark figure of crime.

4. Result of the Study

Results of the study of organized crime are structured in three categories which are: Trafficking of women, child trafficking and drug trafficking. In these results will reflect the number of officially registered cases.

4.1 First category: Trafficking of women

Illegal trafficking of women is one of the most prevalent forms over these years in Albania. Albanian criminal groups to draw greater profits, were connected to the network traffic in neighboring countries. Cooperation with the latter was necessary because the realization of traffic require the fulfillment of certain duties and involvement of people who have a certain role in such trafficking as: finding women, their transportation, creation of facilities for transportation, visas, false passports, finding labor market, communication with authors etc.

The study of cases detected in the country and evidence of the girls returned and questioned (IOM & ICMC, 2002) show that criminal groups have used fraud, promise of marriage, work or a better life, forcible coercion or abduction for the purpose of prostitution in different countries of Europe, mainly in Italy, Greece. For the number of Albanian females, victims of this traffic, has different data. Currently according to the Albanian government (Council of Ministers, 2001), in different European countries is thought that there are 8,000 Albanian women which utilized with obligation, while the number of those who practice prostitution willingly or in secret, not known exactly.

Disturbing phenomenon after 1996 became traffic of foreign women through the territory of Albania (IOM & ICMC, 2001). Their trafficking is made from Greece to Albania, with the destination Italy. To realize traffic, criminal groups have cooperated with criminal groups in countries through which pass. For example, trafficking of Moldovan and Romanian girls is done by passing them to the limit of their countries, in Serbia, in Montenegro, to arrive later in Albania, with the destination Italy or other countries (Sadikaj, B, 2002). Official data reflect a part of the phenomenon. The number of officially registered cases is scarce, but far less is the number of persons convicted of trafficking for prostitution purposes. (IOM & Ministry of Public Order, 2001)

<table>
<thead>
<tr>
<th>Table 1. Issues and persons convicted of trafficking for prostitution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Years</strong></td>
</tr>
<tr>
<td>Issues</td>
</tr>
<tr>
<td>Persons convicted</td>
</tr>
</tbody>
</table>

Albanian criminal groups have been very violent towards victims. During 2000, 168 prostitutes were reported killed by...
their tutors, the majority of which were Albanian and Nigerian origin. (UNICRI, 2001).

### 4.2 Second category. Trafficking of children

Besides women, victims of trafficking have been children. Data on the number of children trafficked by criminal groups are not accurate. According to official statistics, there are about 4,000 migrant minors unaccompanied by parents (Council of Ministers, 2001). Only in Thessaloniki are about 1,000 children with color (Sadikaj, B, 2002). During 2001, there were 11 minor girls rescued from trafficking (Renton, D, 2001). Within 8 years are missing and 1,000 Albanian children and throughout Greece thought that utilized 3,000 minors (Bregu, M, 1999).

<table>
<thead>
<tr>
<th>Table 2. Issues and persons convicted of children trafficking</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Years</strong></td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Issues</td>
</tr>
<tr>
<td>Persons convicted</td>
</tr>
</tbody>
</table>

### 4.3 Third category. Trafficking of drugs

The geographical position of our country favors drug cultivation and its traffic from east to west. In most cases, Albania is between this traffic. Cultivation, trafficking and the use of drugs has become a problem for the Albanian government. Initially, drugs was cultivated in southern and central part of the country, but soon territories planted with cannabis were spread in most of the country. In addition to cultivation of cannabis, Albania is a transit country in the drug traffic of other types from the east to the west.

The amount of drugs trafficked from Albania is considerable. Albanian criminal groups and international groups have perfected its methods of transportation. According to statistics from the Italian authorities, the amount of drugs coming from Albania and seized during the period 2004 - 2009 is as follows. (State Police, 2009).

<table>
<thead>
<tr>
<th>Type</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heroin</td>
<td>1085 kg 330 gr</td>
<td>392 kg 604 gr</td>
<td>379 kg 162 gr</td>
</tr>
<tr>
<td>Cocaine</td>
<td>3 kg 289 gr</td>
<td>2 kg 130 gr</td>
<td>0</td>
</tr>
<tr>
<td>Hashash</td>
<td>0</td>
<td>0</td>
<td>30 kg 800 gr</td>
</tr>
<tr>
<td>Marijuana</td>
<td>801 kg 300 gr</td>
<td>808 kg 322 gr</td>
<td>3043 kg 25 gr</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heroin</td>
<td>173 kg 568 gr</td>
<td>62 kg 479 gr</td>
<td>39 kg 560 gr</td>
</tr>
<tr>
<td>Cocaine</td>
<td>13 kg 844 gr</td>
<td>3 kg 880 gr</td>
<td>0</td>
</tr>
<tr>
<td>Hashash</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Marijuana</td>
<td>456 kg 517 gr</td>
<td>4 kg</td>
<td>1420 kg 233 gr</td>
</tr>
</tbody>
</table>

The number of cases prosecuted in this field is increasing from year to year. For a researcher it is difficult to determine whether this increase in registered cases is the result of increasing the effectiveness of police work or that drug trafficking, after the collapse of human trafficking, has become the most preferred and most profitable of Albanian criminal groups. Annual Statistics of the Ministry of Justice show that the number of criminal cases adjudicated and the number of convicted persons is variable (Ministry of Justice, 2002-2008).

<table>
<thead>
<tr>
<th>Table 3. Issues and convicted persons for drug trafficking</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Years</strong></td>
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<tr>
<td>Issues</td>
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<td>Person convicted</td>
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### 5. Discussion

Numerous discussions about the structure of Albanian criminal groups involved in organized crime in Albania or in places where they exercise criminal activities. In general, Albanian criminal groups prefer to operate alone, but in activities such
as human trafficking, drug trafficking, their cooperation with criminal groups in neighboring countries is necessary.

Cases of drug trafficking detected and investigated show that Albanian criminal groups have links with groups or people of other countries, such as Italy, Bulgaria, and connections go even further, as America, Holland, England etc. (Poda, Z, 2009). In the context of economic globalization, criminal groups and their activities are internationalized, what has dictated the need for them to be able to recognize different markets and change their organization structures (Adamoli, S; Di Nikola, A & Savona, E, 1998).

Instead of hierarchical structures and centralized, are developing decentralized structures, with few procedures and built on the basis of understanding and alliances between criminal groups. Thanks to the development of means of communication and his speed, are developing new forms of crime, among which we can mention: computer crimes, crimes in the field of environmental, arms trafficking etc. According to studies conducted, criminal groups, enter into alliances with the governments of various countries in order to reduce risks in the countries where they operate (Adamoli, S; Di Nikola, A & Savona, E, 1998).

6. Conclusions

In this work are evidenced most widespread forms of organized crime but what should take great advantage is prevention. The growth of organized crime and professionalism, as well as its internationalization have made that prevention to be very important. Unlike the banal crime prevention, prevention of organized crime requires numerous legal measures, specific detection techniques and investigation of his.

To achieve this aim, it is necessary strengthening of cooperation with the bodies of our state and other states as well as with specialized bodies, drafting of new strategies for the rehabilitation of victims of trafficking by the Albanian state. Victims of organized crime are numerous, consequently, their protection is the requirement of time. In conclusion I would recommend to be made efficiently by the Albanian legislation, all the recommendations of Universal Organizations, as Organization of the United Nation and regional organizations as the Council of Europe and the European Union for the strict implementation of directives which hit organized crime and their illegal activities.

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Sadikaj, B. (2002). The state of organized crime in Albania, Kosovo, Montenegro, Macedonia, and problems related to it, summary speeches, Tirana, 90.
The Epidemiological Scope of Diabetes Mellitus in District of Berat in Albania

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Abstract

Early diagnosis of diabetes is one of the biggest challenges to medicine. The aim is to know the extent of diabetes epidemic through examination of records and files of patients diagnosed with diabetes and hereby present a detailed distribution of diabetes type I and type II. To value how the dynamics of the disease progressing clinical and laboratory aspect, what explosive factors influence, how is presented the geographical distribution of diabetes, what implications, acute or chronic, micro or macro vascular pose. Which one of these complications often meet in different types diabetes. How are diabetes-specific biological indicators as: sober glycemia 2 hours after food, HbA1c, cholesterol triglycerides, LDL, VLDL, HDL, in both types of diabetes. How are the values of biological indicators and the complications of the disease at the time of diagnosis and what happens with their values or complications during treatment with medication and dietary. To draw the attention of the employees health centers, practitioners and nurse to sensitize the population through health education on the risk of diabetes, for early diagnosis as its mostly to those patients who present with family history of diabetes, or who have the risk factor such as obesity, hypertension, smoking or alcohol. Patients are advised by health personnel for continuous measurement of glycemia, continuous monitoring of blood pressure, performing physical activities according to age and concomitant diseases, keeping a food regimen as convenient advised by a doctor to prevent obesity.

Keywords: diabetes, glycemia, HbA1c, Cholesterol, health education.

1. Introduction

Diabetes is a group of metabolic diseases characterized by hyperglycemia resulting from defects in insulin secretion, insulin action, or both. The chronic hyperglycemia of diabetes is associated with long-term damage, dysfunction, and failure of different organs, especially the eyes, kidneys, nerves, heart, and blood vessels. (1) The classification of diabetes includes four clinical classes: Type 1 diabetes (results from b-cell destruction, usually leading to absolute insulin deficiency) and Type 2 diabetes (results from a progressive insulin secretory defect on the background of insulin resistance). (2) Other specific types of diabetes due to other causes, e.g., genetic defects in b-cell function, genetic defects in insulin resistance, diseases of the exocrine pancreas, such as cystic fibrosis, and drug- or chemical-induced (such as in the treatment of HIV/AIDS or after organ transplantation). (2) Gestational diabetes mellitus (GDM) (diabetes diagnosed during pregnancy that is not clearly overt diabetes). (2) It is possible to encounter also other types of diabetes such as genetic defects in the functionality of β cells, genetic defects related to the inefficiency of insulin. (3) The main factors causing diabetes are hyperlipidemia, arterial hypertension, obesity, sedentary life with no physical activity, alcohol etc. (11) The clinic The main characteristic signs of diabetes are polyuria, polydipsia, polyphagia and weight loss. (4) Other clinical symptoms of diabetes are drowsiness, asthenia, and pruritus. Patients often develop different infections, and mainly they have candidose and have wounds on the skin. (4) People with diabetes often have urinary infections because their urine contains glucoses which has a great potential for microbial development. (6) The laboratory values of mellitus diabetes: Hyperglycemics Normal values of glycemia are 80-120mg/dl. All other values above these values are called hyperglycemics. (6) HbA1c It is otherwise called glucated haemoglobin and its values are influenced by the chronic charge with glucoses for a period of 90-100 days. Its normal values are 4-6.5% (12). Patients with HbA1c at 5.7-6.4% are considered to be at risk of developing diabetes (12). If the level of HbA1c is higher than 8.5 % then diabetes has not been kept under control. If its level is 7% then the diabetes is balanced. If its level is less than 8.5% then diabetes is said to be controlled (12). The values of fat are represented by lipidogram where we see the cholesterol HDL, LDL, VLDL, TG. (14)(5) The change of fat such as the increased levels of cholesterol, TG, HDL, VLDL (lipoproteins with a small density) are the main reason for the acceleration of the arteriosclerotic process or macro or micro angiopathy a damage of the arteries in the big and middle calibre. (10) Complications of Diabetes The more balanced diabetes is the latter the complications appear (9) Late complications of diabetes are: Diabetic macroangiopathy (arteriosclerosis, cardiovascular diseases) (9) Diabetic microangiopathy (retinopathy, nephropathy) (9) Diabetic neuropathy (9) Cure of diabetes consists in: Diet cure (10) Medical cure with oral antidiabetic (10) Cure with insulin (10) Combined cure with oral antidiabetic drugs + insulin (10)
Physical activities depending on the age and accompanying diseases (10) Patient health education (10)

The purpose This is a recognition of diabetes mellitus morbidity in the County of Berat by presenting a detailed distribution according to the geography, village, city, type of diabetes, age, gender as well as monitoring and comparing the performance of laboratory data, specific biological indicators of diabetes as sober glycaemia, 2hours after the load, HbA1c, lipid values, triglycerides, cholesterol and lipo proteins. It also intends to introduce the presence of complications which are observed on these patients, the link which exists between lipid values, the presence of arterial hypertension, in case of receiving or not receiving treatment, implementation of nutritional diet, performance of physical activity and improving the quality of life.

The material In this research there were included 119 patients, taken in one of the suburban neighborhoods of Berat District, in a 3 –year monitoring, from January 2010 to December 2013, aged 30-85, diagnosed with diabetes type I, type II and type II being under treatment with insulin. The study will also include other neighborhoods of the city, the town center as well, on the outskirts and in rural areas around town. This study is based on the examination of records and registers of health centers in primary health care, which have got a contract with the regional FDRSKSH (The fund of the obligatory insurances of the healthy care) which covers financially the reimbursement of the treatment of diabetes with oral anti diabetics and insulin. All patients taken in this study were enrolled in fundamental registers of chronic disease in the basic primary health care centers, where these patients have got their own records and are treated under the health insurance scheme. These patients are also enrolled in the cabinet of Endocrinology and Cardiology.

2. Method

There are examined all personal records of patients who were diagnosed with diabetes separated according type I, type II and type II with their medication regularly insulin. Patients appear regularly in the health center for the planned control of every month where in addition to reimbursement for their type prescription for the drugs they get such as biguanids and insulin, they also undergo the measurement of arterial hypertension, and measuring glycaemia as well. They also represent at the family doctor the results of the analyzes performed, such as lipidogram, HbA1c, examinations conducted at the oculist doctor, ECG, which are all placed in the personal patients’ recording book.

3. Analysis of Results

All patients taken in this study were classified according to these two type of diabetes, type I and type II.

3 patients resulted of type 1 and 116 patients resulted with type II.

![Chart 1: Classification by sex showed that 64 patients were female and 55 patients were male](image)

~ 484 ~
Depending on the treatment that they use, they are classified as follows:

- Of 119 patients, 61 of them or 51.2% are treated with tablets, 55 patients or 46.2% were treated with tablets + insulin and 3 or 2.5% of them treated only with insulin.

During the examination of the cards there were also evaluated the years these patients were suffering from diabetes. From 64 females, 17 of them or 26.5% had over 10 years who were diagnosed with diabetes and 47 of them or 73.4% had less than 10 years who were diagnosed with diabetes.

From 55 male patients, 16 of them or 29% were over 10 years who were diagnosed with diabetes and 39 of them or 70.9% had less than 10 years diagnosed with diabetes.
Average values for the period of 4 three-months of the year were compared for specific laboratory biological indicators such as sober glycaemia, 2hours after load and HbA1c for men and women both, and these results are confirmed:

From 36 female patients diagnosed with diabetes of type II, 30 of them or 83.3% have values of sober glycaemia > 120mg/dl. Of 36 women patients, 30 of them or 83.3% of them have values of glycaemia 2hours after the load > than the rate. From 36 female patients, 27 or 75% have values of HbA1c > 7.5% 9 female patients or 25% have values of HbA1c < 7%. Of the 25 male patients diagnosed with type II of diabetes, 19 of them or 76% have the value of sober glycaemia > 120mg/dl. 19 of them or 76% of them have values of glycaemia 2h higher than the rate. 20 of them, or 80% have got values of HbA1c > 7.5%. 5 of them or 20% have values of HbA1c <7%. From the analysis of these results it is noted that 27 female patients or 75% of them have uncontrolled diabetes 20 male patients or 80% of them have uncontrolled diabetes Hyper glycaemia extended in time and not bringing about a balance of diabetes leads to a large number of complications. The more balanced the diabetes is, the later the complications occur and the more unbalanced the diabetes is, the sooner and the more severe the complications are presented. During continuous monitoring of patients' personal folders we see the presence of high values of systolic and diastolic blood pressure. There are compared the values of arterial hypertension of stage I and stage II to patients connected to their age, their gender and type of their diabetes and these results are seen:
From 36 female patients diagnosed with type II diabetes < 60 years in medication with tablets, 32 of them or 88.8% represent values of high blood arterial pressure. From 32 female patients diagnosed with diabetes of type II, 17 of them or 53.3% have their blood pressure values of stage II.

Of the 28 female patients diagnosed with type II of diabetes < 60 years old in treatment with insulin + tablets, 24 of them or 85.7% represent values of stage II of high blood pressure.

From 24 female patients, 11 of them or 45.8% have arterial blood pressure values of stage II.

Of the 32 female patients diagnosed with type II of diabetes < 60 years old in treatment with insulin + tablets, 24 of them or 85.7% represent values of stage II of high blood pressure.

From 24 female patients, 11 of them or 45.8% have arterial blood pressure values of stage II.

We also see that with the increasing of the age of patient, we have increased values of arterial tension. HTA is a disease associated with diabetes, especially the one of type II, and it takes part in the increasing of the cardiovascular risk especially for SIZ, cerebral stroke, retinopathy and diabetic nephropathy.

Lipid values were compared with the patient's age, gender and type of diabetes, and the following results are confirmed:

Chart 7

Chart 8
From 36 female patients diagnosed with type II diabetes < 60 years, in medication with tablets, 5 of them or 13.8 % represent higher value of lipids.

Of the 28 female patients diagnosed with type II diabetes < 60 years, in treatment with tablet + insulin, 8 of them or 28.5 % represent higher values of lipids.

From 36 female patients diagnosed with type II diabetes > 60 years, in medication tablets, 16 of them or 44.4 % represent higher values of lipids.

Of the 28 women diagnosed with type II of diabetes > 60 years, in medication with tablets + insulin, 15 of them or 53.5 % have higher lipid values.

Of the 25 male patients diagnosed with type II of diabetes < 60 years old, in medication with tablets, 4 of them or 16 % of them have high levels of lipids.

Of the 30 male patients diagnosed with type II of diabetes < 60 years, in medication with tablets + insulin, 8 of them or 26.6 % of them have high levels of lipids.

Of the 25 male patients diagnosed with type II of diabetes > 60 years old, in medication with tablets, 16 of them or 64 % of them have high levels of lipids.

Of the 30 male patients diagnosed with type II of diabetes > 60 years old, in medication with insulin + tablets, 16 of them or 53.3 % of them have high levels of lipids.

The comparison shows that in type II of diabetes, in the medication with tablets, dominate men with higher values of lipids. It is also important the fact that with the increasing age of the patient, we have the presence of higher values of lipids. The growth of cholesterol, triglycerides and lipoproteins are the basis for accelerating the atherosclerotic process that affects arteries with large-caliber and medium one, known as atherosclerosis or diabetic macro angiopathia which is noted to patients take for survey.

It has been compared the presence of atherosclerosis or diabetic macro angiopathia connected to the patient's age, gender and type of diabetes, and these results are confirmed:

Chart 9

From 36 female patients diagnosed with type II of diabetes < 60 years old, in treatment with tablets, 1 patient or 2.7% have SKV.

Of the 28 female patients diagnosed with type II of diabetes < 60 years old, in treatment with tablets + insulin, 2 of them insulin or 7.1% have SKV.

From 36 female patients diagnosed with type II of diabetes > 60 years old, in treatment with tablets, 9 of them or 25% of them have macroangiopathia.

Of the 28 female patients diagnosed with type II of diabetes > 60 years in treatment with tablets + insulin, 8 of them or 28.5% of them have macroangiopathia.

Of the 25 male patients diagnosed with type II of diabetes < 60 years old in treatment with tablets, 2 of them or 8% of them have SKV.

Of the 30 male patients diagnosed with type II of diabetes < 60 years of age in treatment with insulin + tablets, 2 of them or 6.6% of them have SKV.

Of the 25 male patients diagnosed with type II of diabetes > 60 years of age, in treatment with tablets, 7 of them or 28% of them have macro angiopathy.

Of the 30 male patients diagnosed with type II of diabetes > 60 years of age, in treatment with insulin + tablets, 9 of them or 30% of them have macro angiopathy.

By comparing these results we see that in diabetes of type II > 60 years in age, in treatment with tablets + insulin, there are men who dominate with the presence of macro angiopathy. With the increasing of the age of patient, to the
presence of high lipid values it is also added the risk for arteriosclerotic tiles formation in large blood vessels enabling the appearance of vascular accidents such as cerebral stroke, ischemic heart disease.

It has also been compared the presence of accompanying diseases with the type of diabetes and gender and these results are observed:

![Chart 10](chart.png)

The first place in the accompanying diseases of diabetes to the feminine gender is occupied by IVU with 59.3%, the second place is occupied by Candida with 42.1% and the third place is occupied by the articular pains with 31%.

To male patients, to both types of diabetes the first place in the accompanying diseases of diabetes is occupied by the articular pains with 36.3% and the second place is occupied by IVU with 30.9%, and the third place is occupied by Candida with 14.5%.

4. Conclusions

From the analysis of the above data showed that: Comparing the average values of glycaemia sober, 2H, and type of diabetes HbA1c and gender showed that the 25 men diagnosed with diabetes 20 of them or 80% had uncontrolled diabetes and 36 female patients diagnosed with diabetes 27 of them or 75% had uncontrolled diabetes.

In comparison that is made between blood pressure, diabetes type, age and gender showed that: In type 2 diabetes aged less than 60 years old in medication tablets and younger than 60 years old in tablets plus insulin treatment in women dominate higher present value of blood pressure. We compare lipid values with age, gender and type of diabetes that resulted in type 2 diabetes with tablets in treating older than 60 years old males predominate with higher values of lipids. Important is the fact that with increasing age patients have increased lipid values to both genders male and female. Comparing the presence makroangiopatise diabetic patient's age, gender and type of diabetes that resulted in the type 2 diabetes treatment with insulin and tablets with bigger age of 60 years old men dominate the higher presence of complications such as stroke or SZI brain by 30%. The comparison of diseases associated with diabetes patient age and gender type of diabetes that resulted in first place for women diseases associated urinary tract infections. And first place occupied males articular pain.

This part of the study that was presented by comparing the values of sober glycaemia, 2h after the load, HbA1c, blood pressure show a non-good situation of the appearance of diabetes, the presence of high values of cholesterol, triglycerides accompanied this by high values of glycaemia which show a negative trend in favor of developing of the complications of diabetes such as diabetic micro and macro angiopathic. The presence of hyper lipids longer time, the non-balance of the diabetes, the presence of high values of blood pressure, makes it possible the emergence of serious complications for the body such as stroke or cerebral ischemic diseases.

5. Discussions

According to the experts of World Health Organization, mellitus diabetes is defined as metabolic disorder caused by many reasons (1) including the simultaneous presence of dyslipidemia, obesity and HTA with levels higher than 130-80 mmhg (7). In type II diabetes, the most regular disorders are the fat disorders such as TG, cholesterol and lipoprotein disorders (9). In type II diabetes, the levels of lipids are higher and this makes it difficult the removal of triglycerides and cholesterol from the blood, enabling so the formation of arteriosclerosis plaques and as result arteriosclerosis and diabetic macroangiopathy start to develop (10). This research shows also, when comparing the specific biologic values such as glycaemia, HbA1c and lipids, that their values are higher in type II diabetes and this leads to the development of imbalanced diabetes. The more imbalanced diabetes is the faster and the graver are the complications (6). Long
hyperglycemias keep the metabolism of fluids in general in an imbalanced condition leading to the gradual development for months and years of functional and structural changes in the tissues, organs and in the entire organism. This shows the high level of cardiovascular damages that are present in this patients as well as the presence of a series of complications at the same time. (1)

6. Recommendations

In order to enable an early diagnose of diabetes or even to keep it under control, it is of special importance to educate the population in relation to food control, the kind of food that should be eaten, number of meals, quantity and the distribution of food. The quantity of food should be controlled in respect to age and accompanying diseases. Important is to informing well the patients in relation to physical activities and the types of physical activities that are recommended by the doctor. The health personnel have a special duty in relation to:

- The identification of people with a risk of developing diabetes, mainly family members of patients with diabetes and to inform them on doing the tests regularly and controlling the arterial pressure.
- Performing regular medical checks at the family doctor or endocrinologist.
- Performing regular checks of fasting glycaemia
- Constant control of arterial pressure
- Measuring the values of lipids especially in people with a risk of developing diabetes, people with obesity or in those people with little physical activity.
- Health centres should form specialised teams with their workers in relation to educating the population o health.
- These health workers should develop their activities in schools, or in other places where the population usually gathers or near health centres with groups of patients at risk in order to raise their awareness for early diagnose of diabetes and the risks that it inherently carries.

References


Nonperforming Loans in Albania

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Abstract

This paper examines the continuous increase of nonperforming loans in Albania as a result of the problems caused by economics crisis and the decrease of incomes coming from emigrants. The methodology used consists on applying Johansen multivariate co-integration test to show the long-run relationship that exists between nonperforming loans and: real GDP; unemployment; inflation; loan interest rate; and remittance. The data taken are calculated on quarterly basis from 2003 to 2013. The results show that nonperforming loans and all these variables are co-integrated but this is a weak co-integration in the long run.

Keywords: Nonperforming Loans, Real GDP, Unemployment, Inflation, Loans Interest Rate, Remittance, Co-integration Test, Albania.

1. Introduction

A boom in lending activity has characterized Albania in these last 10 years. One of the main sources that promotes economic growth for this country that has been in transition since it tear down the communism system are investments which are generally financed by crediting of banks. In this situation on one hand it can be said that the banking system is one of the most developed sectors in the country but on the other hand even though there has been an increase in the level of banking intermediation the progress that has been made is not good enough compared with the other countries and compared with the goals that the country has. The financial stability of Albania is being endangered by the increase of the overall level of the nonperforming loans. A nonperforming loan can be defined as a loan which does not provide incomes anymore because the full payment of the principal and interest is not provided, the payment may be 90 or more days late and the maturity date has passed and the payment has not been completed. Nonperforming loans cause mismatches of maturities between assets and liabilities, they decrease profitability and increase liquidity problems so their continuous increase may bring banks to insolvency.

In the first period of transition the causes of nonperforming loans were mainly related with the inefficiency of state owned banks and enterprises but now the causes of the increase of level of nonperforming loans are related with the micro and macroeconomic environmental factors where banks operate. There are two main factors that have contributed in the increase of nonperforming loans in Albania: economic crisis that directly affects GDP, unemployment and inflation of the country and the decrease of the incomes coming from emigrants. This increase of nonperforming loans shows that individuals and businesses have difficulties in making their payments and this increases the risk of the whole economic system of the country. Another factor that should be taken in consideration is that during the first years of transition the loans that were given weren’t well studied. A loan register did not exist just some years ago so banks gave more than one loan to the same individual or business even though they were unable to pay it back.

What is worrying is that majority of banks believe that the level of nonperforming loans is much higher than it is reported so according to them the level of nonperforming loans will not decrease in short term. Nonperforming loans have affected more business loans than consumer loans and business loans comprise more than 70% of the total lending activity in Albania. For the business loans the most problematic ones were those ones that were given to construction companies

The study of nonperforming loans and the factors that has caused their increase is very important because in a situation where nonperforming loans are continuously increasing especially in a developing country like Albania they are
the main obstacles of financial stability and economic growth so it is the main duty of regulators and policy makers to take immediate measures for the improvement of the situation.

After the introduction the rest of the paper consists on: section 2 literature review, section 3 data and methodology where are explained the variables and methodology used, section 4 an analysis made on the results and section 5 conclusions.

2. Literature Review

Recent studies especially Mwanza Nkusu (2011) has concluded that the linkages between nonperforming loans (NPL) and macroeconomic performance attributes to nonperforming loans a central role because a sharp increase of nonperforming loans cripples macroeconomic performance from several fronts. This sharp increase in NPL which weakens macroeconomic performance also activates a vicious spiral that exacerbates macro financial vulnerabilities. From another study carried out from Roland Beck, Petr Jakubik and Anamaria Piloiu (2013) was suggested that GDP growth is the main driver of nonperforming loans. Therefore a drop in global economic activity remains the most important risk for bank asset quality. At the same time, asset quality in countries with specific vulnerabilities may be negatively affected by additional factors. In particular, exchange rate depreciations might lead to an increase of nonperforming loans in countries with a high degree of lending in foreign currencies to unprotected borrowers. A drop in stock prices also negatively affects bank asset quality for example those countries with large stock markets relative to the economy. Similarly another study made by Bruna Skarica (2013) concluded that GDP is the main driver of nonperforming loans and that the high levels of NPLs are the legacy of the crisis. The results of a study made by Nir Klein (2013) showed that the level of NPLs depends on macroeconomic conditions and banks’ specific factors, particularly the results showed that the increase in the level of NPLs is caused by the increases in unemployment, depreciation of exchange rate and increase of inflation. The same result that the level of NPLs depends on macroeconomic variables and banks’ specific factors was found also by another study carried out by Dimitrios Angelos and Vasilios (2011) which was a study made on Greek banking system. Abdelkader Boundriga, Neila Bouilla Taktak and Sana Jellouli (2014) also carried out a study to show the strong relationship that exists between nonperforming loans and bank specific variables and found out that higher capital adequacy and higher provisions are those bank specific variables that decrease the level of nonperforming loans. In Italy and Spain according to Carlos Andres and Olaya Bonilla (2012) it was concluded that macroeconomic variables are strong determinants of NPLs where the most statistically significant ones are unemployment and GDP. Another study showed that the main contributors of the increase of the level of NPLs are some factors controllable by commercial banks and they are: the diversification of funds and weak credit analysis Evelyn Richard (2011). Also for developing countries it was specifically concluded that rapid growth of nonperforming loans causes: an increase of inflation, decline of economic growth, substantial depreciation of exchange rate, high budget and balance of payment deficit influencing the banking sector with increasing interest rate and money supply which reduces the repayment capacity of borrowers Munib Badar, Atiya Yasmin Javid and Shaheed Zulfiquar (2013). This malfunctioning of the banking sector which is directly related with its inefficiency of resource allocation destroys the real economic performance of a country. The level of NPLs in India according to Krishna Prasanna (2014) depends on macroeconomic variables and moreover from his results he showed that 52% of changes in NPLs is attributed to macroeconomic variables. In Romania was found that a strong correlation exists between NPLs and unemployment rate so when unemployment increased the level of NPLs increased too, Iulia Iuga and Ruxandra Lazea (2012). In Kenya, Daniel Kwambai and Moses Wandera 2013 have concluded that credit information sharing and level of nonperforming loans are really related to each other. Credit information sharing plays a key role because it increases transparency among financial institutions, helps the banks lend prudently, decreases the risk level to the banks, acts as a borrowers discipline against defaulting and it also reduces the borrowing cost. When the economic sectors grow, the level of lending to these sectors will also increase and in return the level of nonperforming loans tends to increase as the sector grows. The main factors that lead to bad loans in the bank are; lending to borrowers with questionable characters, serial loan defaulters, high interest rates that make it hard for some to pay back the loan, diversion of funds by borrowers. These causes make many borrowers not able to fulfill their obligations hence leading to many nonperforming loans and most of these factors are due to information asymmetry in the banking industry. Except information sharing as an important determinant of nonperforming loans in developing countries it was also concluded that corruption is an important factor that affects the level of nonperforming loans in these countries Fawad Ahmad (2013). This increase of nonperforming loans that is seen in many different countries is a very problematic issue because it leads to inefficiency of banking sector Linbo Fan,Sherill Shafer (2004) and Mohd Zain Abd Karim, Sok-Gee Chan, Sallahudin Hassan (2010).
3. Data and Methodology

In this paper there are used five macroeconomic indicators to analyze the increase of nonperforming loans in Albania. These variables are: real GDP; unemployment; inflation; loan interest rate; and remittance. The data of these variables are calculated on quarterly basis from 2003 to 2013 and they are taken from quarterly reports of Bank of Albania.

Real GDP is negatively related with nonperforming loans. An overall increase of GDP brings economic development to a country so when it increases the level of NPL decreases.

Unemployment is positively related with nonperforming loans. An increase in the unemployment level means that there will be an increase in the level of people who cannot make the payments of the loans taken because of losing their jobs.

Inflation is positively related with nonperforming loans. An increase of inflation forces monetary regulators to increase interest rate to control inflation which means that there will be an increase in the cost of borrowing.

Loan interest rate is positively related with nonperforming loans because it means that the cost of borrowing will increase so people with have to pay more and they may not be able to make this payment if the loan interest rate increases.

Remittance is negatively related with nonperforming loans. A decrease in the incomes coming from emigrants causes a depreciation of home currency and those people who make the payments of their loans in dollars or euro so in foreign currency will have to pay more.

The methodology used is a multiple regression, so the model specification is:

\[ Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + U \]

Where: 
- \( Y \) = nonperforming loans
- \( B_0 \) = intercept
- \( X_1 \) = real GDP
- \( X_2 \) = unemployment
- \( X_3 \) = inflation
- \( X_4 \) = loan interest rate
- \( X_5 \) = remittance
- \( U \) = random error

So \( NPL = B_0 + B_1GDP + B_2UN + B_3INF + B_4INT + B_5RE + U \)

Firstly all the variables are tested if they have a normally distribution. A normal distribution means a symmetric distribution and it has a bell shape with a peakness leading to a Skewness of 1 and a tail-thickness leading to a Kurtosis of 3. If the Skewness is not near to 0 and Kurtosis is not near to 3 the normality distribution is rejected. After doing this on all variables is applied Augmented Dickey Fuller unit root test meaning that all variables are examined if they have a unit root so if they are non stationary. Non stationary means that a series does not fluctuates around a mean value and does not have a tendency of coverage toward mean value. If for 1%, 5% and 10% level the probability is greater than 0.05 it means that the variable has a unit root (non stationary) so it is first differenced becoming stationary meaning that for 1%, 5% and 10% level the probability is lower than 0.05. The long run relationship that exists between nonperforming loans and all five other variables (real GDP, unemployment, inflation, loan interest rate, remittances) is shown by using Johansen co-integration test. If in the Johansen co-integration test the value of Trace statistic is greater than 5% critical value and if the Max-Eigen statistic is greater than 5% critical value it means that in the long run there exist a strong co-integration between nonperforming loans and: real GDP, unemployment, inflation, loan interest rate and remittances.

4. Estimated Results

Graph 1. Nonperforming loans, real GDP, unemployment, inflation, loan interest rate and remittance series
The fluctuations of these variables show the economic situation which Albania is facing, where:

1. The problems caused from the economic crisis can be easily seen in the decrease of real GDP level, in the decrease of unemployment and in the continuous changes of inflation.
2. The incomes from emigrants coming mainly from Greece and Italy also have decreased because of the economic situation that also these countries have been facing.
3. And nonperforming loans are increasing over time because of the problems caused from economic crisis, from decrease of remittances and from banks not being careful on giving loans.

Graph 2. Real GDP, unemployment, inflation, loan interest rate and remittances in Albania, scatter diagram

In Graph 2 when moving to the right is seen what kind of relationship nonperforming loans have with real GDP, unemployment, inflation, loan interest rate and remittances, specifically:

1. Real GDP tends to decrease nonperforming loans tend to increase.
2. Unemployment tends to increase and nonperforming loans tend to increase too.
3. Inflation tends to decrease while nonperforming loans tend to increase
4. Loan interest rate tends to decrease while nonperforming loans tend to increase
5. Remittances tend to decrease while non performing loans tend increase.

Graph 3. Histogram and statistics of nonperforming loans series

For nonperforming loans Skewness is equal to 0.797893 which is near to 0 and a Kurtosis is equal 2.143471 which is equal to 3 meaning that nonperforming loans have a normal distribution.
Graph 4. Histogram and statistics of real GDP series

For real GDP Skewness is equal to -0.260558 which is near to 0 and Kurtosis is equal to 2.416129 which is near to 3 meaning that real GDP has a normal distribution.

Graph 5. Histogram and statistics of unemployment series

For unemployment Skewness is equal to 0.222306 which is near 0 and Kurtosis is equal to 2.506905 which is near 3 meaning that unemployment has a normal distribution.

Graph 6. Histogram and statistics of inflation series

For inflation Skewness is equal to -0.243113 which is near to 0 and Kurtosis is equal to 2.724018 which is near to 3 meaning that inflation has a normal distribution.
Graph 7. Histogram and statistics of loan interest rate series

For loan interest rate Skewness is 0.536289 which is equal to 0 and Kurtosis is equal to 2.490622 which is near to 3 meaning that loan interest rate has a normal distribution.

Graph 8. Histogram and statistics of remittances series

For remittance Skewness is equal to -0.218290 which is near to 0 and Kurtosis is equal to 1.506181 near 3 meaning that remittance has a normal distribution.

Table 1. Descriptive statistics of all variables

<table>
<thead>
<tr>
<th></th>
<th>NPL</th>
<th>REAL_GDP</th>
<th>UNEMPLOYMENT</th>
<th>INFLATION</th>
<th>LOAN_INTEREST_RATE</th>
<th>REMITTANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>0.092846</td>
<td>0.046563</td>
<td>0.137668</td>
<td>0.029293</td>
<td>0.129195</td>
<td>0.122946</td>
</tr>
<tr>
<td>Median</td>
<td>0.065000</td>
<td>0.052000</td>
<td>0.135000</td>
<td>0.030000</td>
<td>0.128300</td>
<td>0.120000</td>
</tr>
<tr>
<td>Maximum</td>
<td>0.230000</td>
<td>0.080000</td>
<td>0.155000</td>
<td>0.044000</td>
<td>0.143700</td>
<td>0.159200</td>
</tr>
<tr>
<td>Minimum</td>
<td>0.020000</td>
<td>0.017000</td>
<td>0.120000</td>
<td>0.010000</td>
<td>0.116400</td>
<td>0.074300</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>0.071516</td>
<td>0.017611</td>
<td>0.007860</td>
<td>0.007692</td>
<td>0.007443</td>
<td>0.029836</td>
</tr>
<tr>
<td>Skewness</td>
<td>0.797893</td>
<td>-0.260558</td>
<td>0.223206</td>
<td>-0.243113</td>
<td>0.536289</td>
<td>-0.218290</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>5.603634</td>
<td>2.416129</td>
<td>0.753073</td>
<td>0.533994</td>
<td>2.405558</td>
<td>4.137749</td>
</tr>
<tr>
<td>Jarque-Bera</td>
<td>0.060700</td>
<td>0.298775</td>
<td>0.686234</td>
<td>0.765675</td>
<td>0.299908</td>
<td>0.126328</td>
</tr>
<tr>
<td>Probability</td>
<td>3.806700</td>
<td>1.909100</td>
<td>5.644400</td>
<td>1.201000</td>
<td>5.297000</td>
<td>5.040800</td>
</tr>
<tr>
<td>Sum Sq. Dev.</td>
<td>0.204583</td>
<td>0.012406</td>
<td>0.002471</td>
<td>0.002366</td>
<td>0.002216</td>
<td>0.035607</td>
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<tr>
<td>Observations</td>
<td>41</td>
<td>41</td>
<td>41</td>
<td>41</td>
<td>41</td>
<td>41</td>
</tr>
</tbody>
</table>

Table 1 shows the group statistic where for each variable is made the same analysis as in the series statistics(mean, median, maximum, minimum, Std.Dev, Skewness, kurtosis, Jarque-Bera, probability, sum, sum Sq. Dev) and again is
seen that all variables are normally distributed.

**Table 2: Estimated Equation Output**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>0.033834</td>
<td>0.055798</td>
<td>0.606370</td>
<td>0.5482</td>
</tr>
<tr>
<td>REAL_GDP</td>
<td>-0.772011</td>
<td>0.253977</td>
<td>-3.039689</td>
<td>0.0045</td>
</tr>
<tr>
<td>UNEMPLOYMENT</td>
<td>3.841085</td>
<td>0.383110</td>
<td>10.02607</td>
<td>0.0000</td>
</tr>
<tr>
<td>INFLATION</td>
<td>-0.246298</td>
<td>0.261159</td>
<td>-0.943094</td>
<td>0.3521</td>
</tr>
<tr>
<td>LOAN_INTEREST_RATE</td>
<td>-0.911462</td>
<td>0.339569</td>
<td>-2.684176</td>
<td>0.0110</td>
</tr>
<tr>
<td>REMITTANCES</td>
<td>-2.512194</td>
<td>0.154053</td>
<td>-16.30734</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

R-squared 0.975041 Mean dependent var 0.092846
Adjusted R-squared 0.971475 S.D. dependent var 0.071516
S.E. of regression 0.02079 Akaike info criterion -5.60315
Sum squared resid 0.005106 Schwarz criterion -5.40548
Log likelihood 273.4605 Durbin-Watson stat 0.741452
Prob(F-statistic) 0.000000

In the table is noticed that when:
- Real GDP increases by 1 unit NPL decreases 0.77 unit
- Unemployment increases by 1 unit NPL increases 3.84 unit
- Inflation increases by 1 unit NPL decreases by 0.25 unit
- Loan interest rate increases by 1 unit, NPL decreases 0.91 unit
- Remittances increases by 1 unit, NPL decreases by 2.51 unit.

From these results is seen that there exist a negative relationship between non-performing loans and inflation and also a negative relationship between non-performing loans and loan interest rate. These results are against the international results from which it is concluded that there exists a positive relationship between non-performing loans and these other two variables (inflation, loan interest rate).

As the equation was NPL = B0 + B1GDP + B2UN + B3INF + B4INT + B5RE + U by substituting the values is achieved the final equation:

\[ NPL = 0.033834 - 0.772011 \times GDP + 3.841085 \times UN - 0.246298 \times INF - 0.911462 \times INT - 2.512194 \times RE \]

**Table 3: Augmented Dickey Fuller Unit Root Test on NPL, real GDP, unemployment, inflation, loan interest rate, remittances**

<table>
<thead>
<tr>
<th>Variables</th>
<th>1% level</th>
<th>5% level</th>
<th>10% level</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL</td>
<td>-3.610453</td>
<td>-2.938987</td>
<td>-2.607932</td>
<td>0.9992</td>
</tr>
<tr>
<td>Real GDP</td>
<td>-3.610453</td>
<td>-2.938987</td>
<td>-2.607932</td>
<td>0.8075</td>
</tr>
<tr>
<td>Unemployment</td>
<td>-3.610453</td>
<td>-2.938987</td>
<td>-2.607932</td>
<td>0.2763</td>
</tr>
<tr>
<td>Inflation</td>
<td>-3.610453</td>
<td>-2.938987</td>
<td>-2.607932</td>
<td>0.0219</td>
</tr>
<tr>
<td>Loan interest rate</td>
<td>-3.610453</td>
<td>-2.938987</td>
<td>-2.607932</td>
<td>0.0565</td>
</tr>
<tr>
<td>Remittances</td>
<td>-3.610453</td>
<td>-2.938987</td>
<td>-2.607932</td>
<td>0.985</td>
</tr>
</tbody>
</table>
Table 4: Augmented Dickey Fuller Unit Root Test on \(D(NPL, \text{real GDP, unemployment, inflation, loan interest rate, remittances})\)

<table>
<thead>
<tr>
<th>Variables</th>
<th>1% level</th>
<th>5% level</th>
<th>10% level</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>(D(NPL))</td>
<td>-2.625606</td>
<td>-1.949609</td>
<td>-1.611593</td>
<td>0.0000</td>
</tr>
<tr>
<td>(D(\text{Real GDP}))</td>
<td>-2.625606</td>
<td>-1.949609</td>
<td>-1.611593</td>
<td>0.0005</td>
</tr>
<tr>
<td>(D(\text{Unemployment}))</td>
<td>2.625606</td>
<td>1.949609</td>
<td>-1.611593</td>
<td>0</td>
</tr>
<tr>
<td>(D(\text{Loan interest rate}))</td>
<td>-2.625606</td>
<td>-1.949609</td>
<td>-1.611593</td>
<td>0.0000</td>
</tr>
<tr>
<td>(D(\text{Remittances}))</td>
<td>2.625606</td>
<td>1.949609</td>
<td>1.611593</td>
<td>0.0001</td>
</tr>
</tbody>
</table>

All the variables are analyzed if they have a unit root or not so if they are non-stationary or stationary or in other words if they are integrated in the same order. From the results of Augmented Dickey Fuller Unit Root Test as it is seen in the table all the variables except inflation have a unit root so they are non-stationary because the value of probability is greater than 0.05 but when first differenced they become stationary their probabilities are lower than 0.05.

After converting non-stationary variables into stationary ones it is applied Johansen co-integration test to see whether these variables are co-integrated in the long run.

Table 5: Johansen co-integration test
Series: \(NPL, \text{REAL_GDP, UNEMPLOYMENT, INFLATION, LOAN_INTEREST_RATE, REMITTANCES}\)
Lags interval (in first differences): 1 to 2
Unrestricted Cointegration Rank Test (Trace)

<table>
<thead>
<tr>
<th>Hypothesized No. of CE(s)</th>
<th>Eigenvalue</th>
<th>Trace Statistic</th>
<th>0.05 Critical Value</th>
<th>Prob.**</th>
</tr>
</thead>
<tbody>
<tr>
<td>None *</td>
<td>0.591094</td>
<td>117.6240</td>
<td>95.75366</td>
<td>0.0007</td>
</tr>
<tr>
<td>At most 1 *</td>
<td>0.514157</td>
<td>83.64178</td>
<td>69.81889</td>
<td>0.0027</td>
</tr>
<tr>
<td>At most 2 *</td>
<td>0.450358</td>
<td>56.21076</td>
<td>47.85613</td>
<td>0.0068</td>
</tr>
<tr>
<td>At most 3 *</td>
<td>0.395210</td>
<td>33.46822</td>
<td>29.79707</td>
<td>0.0181</td>
</tr>
<tr>
<td>At most 4</td>
<td>0.240533</td>
<td>14.35948</td>
<td>15.49471</td>
<td>0.0736</td>
</tr>
<tr>
<td>At most 5 *</td>
<td>0.097629</td>
<td>3.903741</td>
<td>3.841466</td>
<td>0.0482</td>
</tr>
</tbody>
</table>

Trace test indicates 4 cointegrating eqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

<table>
<thead>
<tr>
<th>Hypothesized No. of CE(s)</th>
<th>Eigenvalue</th>
<th>Max-Eigen Statistic</th>
<th>0.05 Critical Value</th>
<th>Prob.**</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>0.591094</td>
<td>33.98226</td>
<td>40.07757</td>
<td>0.2068</td>
</tr>
<tr>
<td>At most 1</td>
<td>0.514157</td>
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</tr>
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<td>At most 2</td>
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<td>0.1847</td>
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<tr>
<td>At most 3</td>
<td>0.395210</td>
<td>19.10924</td>
<td>21.13162</td>
<td>0.0937</td>
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<tr>
<td>At most 4</td>
<td>0.240533</td>
<td>10.45523</td>
<td>14.26460</td>
<td>0.1837</td>
</tr>
<tr>
<td>At most 5 *</td>
<td>0.097629</td>
<td>3.903741</td>
<td>3.841466</td>
<td>0.0482</td>
</tr>
</tbody>
</table>

Max-eigenvalue test indicates no cointegration at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

In Table 5, Trace test indicates 4 co-integrating equations at the 0.05 level where the Trace statistic is greater than 5% critical value while Max-Eigen value test indicates that there is no co-integration at 0.05 level because Max-Eigen statistic

~ 498 ~
is lower than 5% critical value. In other words nonperforming loans and the other five variables: real GDP, unemployment, inflation, loan interest rate, remittances are co-integrated to each other but in the long run this co-integration is weak.

5. Conclusions

Albanian banking system is facing many challenges. The problems caused by economic crisis, the decrease of incomes coming from emigrants and the fact that banks were not careful on giving loans in the first years of transition have caused a continuous increase of nonperforming loans. In this situation an analysis of the micro and macroeconomic environmental factors where banks operate must be done. There are five economic variables taken in consideration in this paper as main economic variables affecting the level of nonperforming loans and they are: real GDP, unemployment, inflation, loan interest rate and remittances. From what it is concluded from the results of Johansen co-integration nonperforming loans and the other five variables: real GDP, unemployment, inflation, loan interest rate, remittances are co-integrated to each other but in the long run this co-integration is weak.

It is important to pay more attention to this situation because when nonperforming loans increase the whole economic stability of the country is being endangered so regulators must take some fiscal and monetary measures to improve it. Even though the Albanian banking system has made a progress compared to the first years of transition there are still some other things that need to be done.

For the improvement of the situation there are some measures that can be taken:
- Start to develop a tighter loan monitoring process. Banks must be more careful than they are now when giving new loans because in this way they can improve their loans portfolio step by step.
- Lending smaller loans than larger ones.
- For large clients accept financial statements that are audited from reputable companies.
- Offer training to loan officers continuously.

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Bank of Albania quarterly reports of 2013


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Appendix

<table>
<thead>
<tr>
<th>Years</th>
<th>NPL</th>
<th>Real GDP</th>
<th>Unemployment</th>
<th>Inflation</th>
<th>Loan interest rate</th>
<th>Remittance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003Q1</td>
<td>4.80%</td>
<td>8%</td>
<td>15.50%</td>
<td>1.80%</td>
<td>14.37%</td>
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<tr>
<td>2003Q2</td>
<td>4.60%</td>
<td>7.30%</td>
<td>15.20%</td>
<td>3.50%</td>
<td>14.29%</td>
<td>15.72%</td>
</tr>
<tr>
<td>2003Q3</td>
<td>4.50%</td>
<td>7%</td>
<td>15%</td>
<td>4.00%</td>
<td>14.27%</td>
<td>15.72%</td>
</tr>
<tr>
<td>2003Q4</td>
<td>4.40%</td>
<td>7%</td>
<td>15%</td>
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<td>14.15%</td>
<td>15.62%</td>
</tr>
<tr>
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<td>4.30%</td>
<td>6.50%</td>
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<td>3.50%</td>
<td>12.11%</td>
<td>15.61%</td>
</tr>
<tr>
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<td>4.30%</td>
<td>6%</td>
<td>14.80%</td>
<td>3.30%</td>
<td>11.88%</td>
<td>15.57%</td>
</tr>
<tr>
<td>2004Q3</td>
<td>4.20%</td>
<td>5.60%</td>
<td>14.60%</td>
<td>3%</td>
<td>11.72%</td>
<td>15.55%</td>
</tr>
<tr>
<td>2004Q4</td>
<td>3.85%</td>
<td>5.60%</td>
<td>14.40%</td>
<td>3.00%</td>
<td>11.64%</td>
<td>15.55%</td>
</tr>
<tr>
<td>2005Q1</td>
<td>2.50%</td>
<td>5.80%</td>
<td>14.40%</td>
<td>3%</td>
<td>13.11%</td>
<td>15.50%</td>
</tr>
<tr>
<td>2005Q2</td>
<td>2.40%</td>
<td>5.50%</td>
<td>14.30%</td>
<td>3%</td>
<td>13.10%</td>
<td>15.40%</td>
</tr>
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<td>15.39%</td>
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<td>5.33%</td>
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<td>13.05%</td>
<td>15.39%</td>
</tr>
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<td>2006Q1</td>
<td>3%</td>
<td>5.20%</td>
<td>14%</td>
<td>3%</td>
<td>13%</td>
<td>14.99%</td>
</tr>
<tr>
<td>2006Q2</td>
<td>3.10%</td>
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<td>12.94%</td>
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<tr>
<td>2006Q3</td>
<td>3.10%</td>
<td>4.95%</td>
<td>13.80%</td>
<td>3%</td>
<td>13%</td>
<td>14.89%</td>
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<td>3.20%</td>
<td>4.80%</td>
<td>13.80%</td>
<td>3%</td>
<td>13.00%</td>
<td>14.66%</td>
</tr>
<tr>
<td>2007Q1</td>
<td>3.30%</td>
<td>5%</td>
<td>14%</td>
<td>3%</td>
<td>13.98%</td>
<td>13.99%</td>
</tr>
<tr>
<td>2007Q2</td>
<td>3.39%</td>
<td>5.97%</td>
<td>14.20%</td>
<td>2%</td>
<td>14%</td>
<td>13.71%</td>
</tr>
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<td>3.40%</td>
<td>6%</td>
<td>14.30%</td>
<td>3.60%</td>
<td>14.10%</td>
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</tr>
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<td>2007Q4</td>
<td>3.41%</td>
<td>6.10%</td>
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<td>3%</td>
<td>14.30%</td>
<td>13.65%</td>
</tr>
<tr>
<td>2008Q1</td>
<td>6.50%</td>
<td>6.10%</td>
<td>13.50%</td>
<td>4.40%</td>
<td>13.33%</td>
<td>12%</td>
</tr>
<tr>
<td>2008Q2</td>
<td>6.58%</td>
<td>6.31%</td>
<td>13.40%</td>
<td>3.50%</td>
<td>13.05%</td>
<td>11.53%</td>
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<tr>
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<td>6.70%</td>
<td>6.20%</td>
<td>13.20%</td>
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<td>13.03%</td>
<td>11.50%</td>
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<td>2008Q4</td>
<td>6.80%</td>
<td>5.74%</td>
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</tr>
<tr>
<td>2009Q1</td>
<td>9%</td>
<td>5.46%</td>
<td>12.68%</td>
<td>1.80%</td>
<td>12.86%</td>
<td>11.00%</td>
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<td>2009Q2</td>
<td>10%</td>
<td>4%</td>
<td>12.70%</td>
<td>1.90%</td>
<td>12.66%</td>
<td>10.90%</td>
</tr>
<tr>
<td>2009Q3</td>
<td>11%</td>
<td>3.30%</td>
<td>12.76%</td>
<td>2.00%</td>
<td>12.59%</td>
<td>10.88%</td>
</tr>
<tr>
<td>2009Q4</td>
<td>11.50%</td>
<td>3%</td>
<td>12.80%</td>
<td>3.00%</td>
<td>12.77%</td>
<td>10.65%</td>
</tr>
<tr>
<td>2010Q1</td>
<td>12.50%</td>
<td>3.20%</td>
<td>13.00%</td>
<td>3.90%</td>
<td>12.80%</td>
<td>10.31%</td>
</tr>
<tr>
<td>2010Q2</td>
<td>13.39%</td>
<td>3.37%</td>
<td>13.10%</td>
<td>3.20%</td>
<td>12.82%</td>
<td>9.75%</td>
</tr>
<tr>
<td>2010Q3</td>
<td>14%</td>
<td>3.55%</td>
<td>13.20%</td>
<td>3.40%</td>
<td>12.83%</td>
<td>9.60%</td>
</tr>
<tr>
<td>2010Q4</td>
<td>14.50%</td>
<td>3.55%</td>
<td>13.20%</td>
<td>3.40%</td>
<td>12.60%</td>
<td>9.30%</td>
</tr>
<tr>
<td>2011Q1</td>
<td>17.88%</td>
<td>3.15%</td>
<td>13.30%</td>
<td>4.30%</td>
<td>12.47%</td>
<td>8.88%</td>
</tr>
<tr>
<td>2011Q2</td>
<td>18%</td>
<td>2.77%</td>
<td>13.30%</td>
<td>3.90%</td>
<td>12.40%</td>
<td>8.86%</td>
</tr>
<tr>
<td>2011Q3</td>
<td>19.50%</td>
<td>2.13%</td>
<td>13.30%</td>
<td>2.70%</td>
<td>12.30%</td>
<td>8.86%</td>
</tr>
<tr>
<td>2011Q4</td>
<td>20%</td>
<td>1.93%</td>
<td>13.31%</td>
<td>1.70%</td>
<td>12.25%</td>
<td>8.84%</td>
</tr>
<tr>
<td>2012Q1</td>
<td>21.50%</td>
<td>1.93%</td>
<td>13.32%</td>
<td>1.00%</td>
<td>12.23%</td>
<td>7.80%</td>
</tr>
<tr>
<td>2012Q2</td>
<td>23%</td>
<td>1.90%</td>
<td>13.35%</td>
<td>2.20%</td>
<td>12.23%</td>
<td>7.79%</td>
</tr>
<tr>
<td>2012Q3</td>
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<td>1.89%</td>
<td>13.39%</td>
<td>2.60%</td>
<td>12.22%</td>
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</tr>
<tr>
<td>2012Q4</td>
<td>22.99%</td>
<td>1.88%</td>
<td>13.40%</td>
<td>2.50%</td>
<td>12.22%</td>
<td>7.60%</td>
</tr>
<tr>
<td>2013Q1</td>
<td>23%</td>
<td>1.70%</td>
<td>13.40%</td>
<td>3%</td>
<td>12.21%</td>
<td>7.43%</td>
</tr>
</tbody>
</table>

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Regional Competitiveness in Albania under the Focus of Labor Management Relations

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**Abstract**

The paper analyzes main aspects of public administration reform in Albania during the last decade, focusing especially on last three years. At the beginning, the role of Public Administration Department has been highlighted and discussed. Later, the author identifies three important ingredients of reforming efforts: functional and structural reform, extension of scope of legislation related to civil service and wage system reform. The latest has been discussed in details for different public sectors like education, health service etc. The contribution of Training Institute of Public Administration to reform process has been also briefly identified. Albania is open to foreign investment and increasing FDI is a top priority for the Albanian government. Albania has put in place a liberal foreign investment regime, including a 10 percent flat corporate and income tax and has taken measures to improve the business climate by streamlining business procedures through e-government reforms. These improvements along with NATO membership and progress toward EU integration have contributed to the increase in investor interest during the last couple of years. Promising sectors for foreign investors and include: energy (including alternative energies), mining, transportation, telecommunications, and tourism. The country’s geographic position places it at the crossroads of Western and Eastern Europe. A stable U.S. ally, Albania is a member of NATO, the WTO and is in the process of applying for candidate status in the European Union.

**Keywords:** Administration reform, EU integration, Candidate status, Tax reform, Strategic objectives

1. **Introduction**

We want to start this paper research with a famous English economist, Artur Pigou definition:

> “It is planned that divergences between private and social net product of the kinds we have so far been considering cannot, like divergences due to tenancy laws, be mitigated by a modification of the contractual relation between any two contracting parties, because the divergence arises out of a service or disservice to persons other than the contracting parties. It is, however, possible for the State, if it so chooses, to remove the divergence in any field by "extraordinary encouragements" or "extraordinary restraints" upon investments in that field. The most obvious forms which these encouragements and restraints may assume are, of course, those of bounties and taxes (Pigou, A).”

FDI during the first nine months of 2009 is estimated to have reached 580 million euro despite optimistic GOA projections for 2009 fueled mainly by strong investor interest witnessed during 2007-2008. A large part of FDI is due to privatizations. The Albanian government collected 103 million Euro from the privatization of 76 percent of the shares of the distribution arm of Albanian Power Corporation; 48 million Euro from the privatization of 12.6 percent of AMC state controlled shares; 5 million euro from the privatization of 40% of GOA controlled shares of the United Bank of Albania. INSIG (insurance company) privatization failed during the negotiation process with the winter and it might take place during 2010. Leading investor nations in Albania include: Italy, Greece, Turkey, Austria, Germany, Canada, Spain and the U.S. Foreign investment focuses on financial sector, oil and gas production, telecommunications, mining, metallurgy,
energy, manufacturing and cement production.

1.1 Albania and its relations with internal and external markets

The development of the EU and the completion of the internal market have increased the imperative that member countries develop certain administrative capacities to deal with both the transposition and the effective implementation of the growing body of the *acquis communautaire*. In addition, the EU enlargement experience in the East and the challenging scope of reforming post-communist administrations have seemingly pushed the Union towards developing and refining a criterion of administrative capacity. (Belishova 2013).

The EU, thus, intended to avoid the possibilities that this group of states disrupted the functioning of the Union once they became part of it. The process of downsizing the government started at the end of 2005 and has been implemented through the first quarter of 2006. There are actually 14 ministries, compared to previous 17. This reduction has been associated with decrease of political positions in ministries by 21 %, which in turn resulted in considerable decrease of supporting staff. (Alderman, H., (2002)

Tab 1: Four dimensions of PD management levels, Source: Kantter K 1989

1.1.1 Albania’s tax system and foreign and domestic investors support.

Albania’s tax system does not discriminate against foreign investors and no distinction is made between foreign and domestic investors. The e-taxes reform is progressing and as of January 2008, corporate income tax was reduced from 20% to 10%, one of the lowest in the region. In addition, as of May 2009-2010, the social insurance contribution payable by employers will be reduced again from 20% to 15%, down from 29% in 2006. Businesses can file their tax returns and social insurance declarations electronically in 12 cities including Tirana and electronic payment of taxes is also possible through certain banks.(Callon A, 2006)(Mazreku V 2010)

At the same time, a structural reform occurred, which consisted in redefinition of core governing functions, through reformulating of missions, strategic objectives, organizational structures, functions and job descriptions. Within the frame of this reform, a new structure has been implemented in all ministries. Its basic assumption requires that in every ministry core functions should be grouped in four main pillars: • policy-making • regulation • services delivery • supporting services (Selenica B, 2001)

Supported by donor assistance and international and local NGO’s the city initiated a community-based development strategy in the informal. The program brought together local government teams, NGO’s and residents to formulate a development plan for the neighborhood define priorities for improvements and determine equitable cost-sharing formulas to finance infrastructure. This partnership led to the upgrading of roads and electrical networks, the construction of community buildings and schools, improved public spaces and programs for youth housing. The newly adopted strategies in the central public administration integrate the following concepts: transparency, predictability, accountability, adaptability, and effectiveness.

2. Literature Review and Hypotheses

In the case of multifunctional structures, the priorities of functions decide and a general director leads the pillar, having so reduced the number of persons reporting to the general secretary of the ministry and grouping the functions under “a single roof”. As a result the conflict between roles is avoided and a considerable amount of resources will be directed to policy-making strategy formulating processes. Focusing in a single process could also increase the capacity and specialization level of civil servants in a short-time period.
The law “On Concessions,” No. 9663, dated December 18, 2006, established the necessary framework for promoting and facilitating the implementation of privately financed concessionary projects enhancing transparency, fairness, efficiency and long-term sustainability in the development of infrastructure and public service projects. First, the application of EU conditionality in this area seems to suggest that a state can hardly be refused entry into the EU on the basis of the administrative capacity alone. Even when all the aforementioned elements of the administration are absent, the country could still be judged to meet the general political criteria of accession.

Increasingly, in recent years, employers have succumbed to an urge to use “labor relations consultants” who are usually either lawyers or psychologists, to prevent a union from gaining bargaining rights or to get rid of an established union through a decertification election. Informed estimates place the number of such consulting firms at an absolute minimum of 1,000, with at least five times that number of individuals directly involved in what unions bitterly call “union busting” and many employers contend is merely the providing of assistance to employees who genuinely want a nonunion environment. (Bradler & Sediss 1989)

\[ Ty^+ Tx = \frac{b}{s_{b}} \]

<table>
<thead>
<tr>
<th>Number of employers</th>
<th>consulting firms</th>
<th>Environment indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>( x_1 )</td>
<td>20</td>
<td>( \text{ut} )</td>
</tr>
<tr>
<td>( Y )</td>
<td>4.26</td>
<td>( a_0 + a_1 )</td>
</tr>
</tbody>
</table>

\[ Y = a_0 + a_1 X_1 + u_t \]

\[ Y = -39.6 + 2.8X_1 \] (45.5) (0.12)

\[ a_0 = -39.6 \quad a_1 = 2.8 \quad R^2 = 0.96 \quad F-Test = 413 \]

A more formal, institutional driven approach to the reform process was also implemented. Specialized governmental structures such as the Central Unit for the Reform of Public Administration (Ministry of Administration and Interior), the Superior Council for the Reform of Public Administration, Coordination of Public Policies, and Structural Adjustment (under the direct supervision of the prime minister), and Unit for Public Policy were created. The aim was to identify the strategic actors involved in the process of administrative reform and to create national networks for the promotion of the reform. (Hintea, 2006:13)

2.1 Labor relations consultants

Some members of this new growth industry at times advise their employer-clients to engage in activities that are quite illegal under national labor policy, such as placing agents in the workplace to spy on employees; harassing and discharging union members; avoiding the hiring of blacks (who are –in the opinion of at least one practitioner in this line of work–more prone to unionization than whites “); and initiating decertification elections. Others guide managements in engaging in bad-faith, uncompromising bargaining so as to provoke a strike in which the employer can replace unionized employees with a nonunion work force. (Alderman H., (2002)

Expertise is also provided to employers who wish to legally move their unionized work to their nonunion facilities (some of which have been newly created just for this purpose). Given the current state of labor relations law, will explain in much more detail in this paper research, consultants have a wide area of lawful tactics and strategies to place at their clients’ disposal and by no means need move beyond what public policy allows in order to be effective. In addition to providing such personalized services, some consultants hold seminars open to all comers for a fee. (Bankedel S, Seggel S 2013)

2.2 The analysis of the EU impact over public administrations structure

The engagement of senior government officials in the dissemination of project information secured commitment among communities and farmers. Albania has improved public procurement by approving a new law and introducing e-procurement. The new law takes into account the principles of non-discrimination and equal treatment, transparency, and legal protection of interests of bidders on public contracts.

Direct tendering has been abolished and criteria to identify abnormally low bids have been introduced. The Public Procurement Advocate was established as an independent institution reporting to parliament. However, it has no particular executive powers and its functions duplicate the monitoring tasks of the PPA.

Decisions on appeals are taken by the same unit of the PPA that is responsible for interpreting the law and giving
advice to contracting authorities. Current procedures for handling complaints still do not meet recognized international standards. Despite progress, its application is hampered by technical problems, the insufficient IT capacity of many contracting authorities and corruption in drafting tender documents. Companies continue to experience issues with transparency in specifications and communication in competing for public tenders.

2.3 The improvements in the public procurement legislation and the impact of EU

Overall, the improvements in the public procurement legislation are advancing while the proper-enforcement of the law is still a work in progress. The ‘bureaucratic’ criterion was, thus, formally outlined as part of enlargement conditionality. It was also by and large detailed down, especially in the EU documents monitoring accession stages. Yet, most analysis of the EU impact over post-communist administrations finds that the criterion was hardly used to speed up or slow down each country’s path to membership according to the respective progress of reforms. (Abbas, S & Christensen, E (2007)

Even though generally the employees of the Public Administration were evaluated very good and good, still there is work that needs to be done regarding the personal qualification. The personal qualification often is referred to the trainings that the employees of the public administration, which is very important. Until nowadays only a small part of the employees are involved in doctorate studies. The employees are still far from career commitments, and this is why only a few of them represent scientific publications for their sector. The 1997 commission’s opinions on candidate countries readiness to accede to the EU were quite telling in this regard. The majority of the candidate countries did not encounter any problems to meet the public administration criteria, although only few had passed a civil service law, a strategy of implementation and even less so specific civil service management institutions back then. One of its major amendments includes a better regulation for unsolicited proposals and of public-private partnerships in general. (Albanian Progress report 2013)

The law applies to a wide range of sectors, including:
• transport (railway system, rail transport, ports, airports, roads, tunnels, bridges, parking facilities,
  a) public transport);
• generation and distribution of electricity and heating;
• production and distribution of water, treatment, collection distribution and administration of waste water, irrigation, drainage, cleaning of canals, dams;
• collection, transfer, processing and administration of solid waste;
• telecommunication;
• education and sport;
• health;
• tourism and culture;
• prison infrastructure;
• recycling projects, rehabilitation of land and forests, in industrial parks, housing, governmental buildings, service of maintenance of IT and data base infrastructure;
• natural gas distribution;
• management contracts or provision of public services including those related to sectors specified above.

In order to promote investments in priority sectors the GOA may offer concessions to local or international investors for the symbolic price of one euro. The GOA, with the approval of the Minister of Economy, authorizes concessions in other sectors besides the ones listed above. The law does not apply to concessions that require a separate operating license unless that is included in the framework of the concession agreement.

3. Methodology and Research Goal

At the same time, a structural reform occurred, which consisted in redefinition of core governing functions, through reformulating of missions, strategic objectives, organizational structures, functions and job descriptions. Within the frame of this reform, a new structure has been implemented in all ministries. Its basic assumption requires that in every ministry core functions should be grouped in four main pillars: • policy-making • regulation • services delivery • supporting services

3.1 Analyzing data

The performance evaluation is mainly characterized by qualitative indicators and there are only a few quantitative indicators. According to the data collected from the questionnaires the employees assess the importance of the
performance evaluation in 100%, they concretize it with the objectivity in the evaluation. To the question “Is the performance evaluation objective in your institution?” 20% answered positively, 54% avoided the answer and 26% of them think that it is dictated from the subjectivity of the leaders. According to the questionnaire the major part of the questioned employees think that the performance evaluation takes to conflicts between the subordinate and the superiors.

And this is why we pretend that the performance evaluation does not justify its objectives because it is based only in the commitment related to the job. To create the conviction for this problem a hypotheses came out:

H1: The performance evaluation in the public administration is objective.

The question “Is the performance evaluation objective?” was analyzed in details and the answers were evaluated from 1-10 points each, nine of the questioned persons were leaders and employees.

The respective evaluations are presented below:

<table>
<thead>
<tr>
<th>Environment indicators</th>
<th>Number of employers</th>
<th>consulting firms and ADP changes</th>
<th>strategic objectives</th>
<th>strategic decision making</th>
<th>organizational structures</th>
</tr>
</thead>
<tbody>
<tr>
<td>First choice</td>
<td>1</td>
<td>8</td>
<td>3</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Second choice</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>6</td>
<td>4</td>
</tr>
</tbody>
</table>

We join both choices in one and keep the identity by underlining (for ex. the second choice)

<table>
<thead>
<tr>
<th>values</th>
<th>4.4</th>
<th>4.3</th>
<th>5.5</th>
<th>6.1</th>
<th>7.3</th>
<th>7.2</th>
<th>7.4</th>
<th>8.2</th>
<th>9.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranks</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>

We calculate the sum of the first choice and the average

\[
R_m = \frac{1+2+3+4+5+6+7+8+9}{9} = 5.5
\]

We calculate the quadratic average derivation of the Man Whitney criteria

\[
S_m = \sqrt{\frac{1+2+3+4+5+6+7+8+9}{9}} = 4.8
\]

We calculate the factual value \(Z_f\) and are compared with \(Z_k\) that is the statistic value at a critic level.

\[
Z_f = \frac{R_{1m} - M_{2m}}{SR_1} = \frac{(30-20)}{4.8} = 2
\]

\(Z_f > Z_k\); \(2 > 1.76\)

This calculation shows that the hypothesis is not valid.

In the performance evaluation the subjectivism has high levels. It is important to find other parameters for the evaluation, and this is a commitment of this article in the future.

On other cases we are studying rank of PAD indicators like this: \(Y_0 > Y_1, Y_4 > Y_2\), so \(YN-1 < YN\)

The results from this article show that the performance evaluation is a very important element in the Public Administration, and it effects the improvement of the work in the state and central bodies.

- The performance evaluation conditions the emplacement and the implementation of the standards as referential points. Emplacing standards would increase the responsibility for each post in the Public Administration and will help in monitoring the performance of the institution.
- Despite the continuous improvements after 1990-2013, there are still lacks and gaps in the performance evaluation and this harms the public opinion for the Public Administration.
- One of the lacks is the considerable subjectivism during the performance evaluation, which was proved by the contemporary methods, with the Man Whitney method for the minor choices where \(Z_f\) is larger than \(Z_k\), and this showed that the hypothesis about the objectivity of the performance evaluation is not available.

3.2 Economic policy essentials

- The main political parties agree on the key essentials of a market economy, despite a tense political environment. Macroeconomic stability was broadly preserved, but vulnerabilities remain. The budget deficit exceeded the target in 2012. This led to the statutory debt ceiling of 60% of GDP enshrined in the budget law being breached and abolished. The privatization process suffered certain setbacks. Albania submitted its seventh Economic and Fiscal Programmers, for 2013-15, in January. The programmer's medium-term macroeconomic scenario is optimistic. Its coverage of risks to the macroeconomic and budgetary outlook is
insufficient, and the approach to addressing structural obstacles to growth lacks a clear strategy and targeted policy measures. Overall, the consensus on the main fundamentals of a market-oriented economy has been maintained.

Source: Open Systems for Social Transformation, Toricelli A 2014, Milano Italy

3.2.1 Macroeconomic stability

According to preliminary data, economic growth slowed to 1.6% in 2012 from 3.1% a year earlier. Financial constraints, low confidence among consumers and investors and the presence of spare production capacity held back private consumption and investment spending. Total gross fixed capital formation decreased by around 5% in 2012 compared with the previous year. Migrant workers’ remittances increased slightly, by some 1.6% in 2012, but dropped by 33% on an annual basis in the first six months of 2013. Private consumption remained at low levels. Net exports were the main contributor to economic growth, with foreign sales holding up while imports declined.

3.2.2 Policy-making strategy and the job descriptions

After falling in four consecutive quarters, economic sentiment indicators started to climb in late 2012 and early 2013, but real GDP only grew by 1.7% in the first quarter of 2013 in annual terms, reflecting still sluggish domestic spending. Foreign demand continued to contribute positively to growth. Per capita GDP in purchasing power standards was estimated at 30% of the EU-27 average in 2012, unchanged from 2011. Alfredo Schclarek (2004)

4. Limited Liability Company

This is the most common legal form of conducting business in Albania. Its members enjoy limited liability and, unless the articles of the bylaws provide otherwise, members have the right to transfer their shares to other persons, upon decision of three fourths of the shareholders. It can be established by one or more partners, legal or natural persons, who are responsible for losses only to the extent of their contribution to the capital of the company. The minimum required capital for this form of company is approximately $1 USD. The capital is divided into shares and there are no mandatory requirements for their nominal value. The contributions to capital can be in cash or in any asset, tangible or intangible.

The law does not permit contributions in services. Administrators nominated through the General Assembly of the shareholders manage the limited liability company. Extraordinary decisions, increases or decreases in the share capital, mergers and acquisitions are to be approved by at least three quarters of the capital shareholders. The law requires annual financial statements to be prepared by the company. The transformation of this form of business into unlimited and limited partnership is subject to decision of general assembly of the shareholders that takes valid decisions upon majority vote of ¾ of shareholders and after approval of financial statements for the last two years.

4.1 Foreign Direct Investment Statistics

The FDI has increased although it still remains among the lowest in the region. The cumulative FDI is also the lowest in the region. Market entry and exit Business registration and licensing continued to perform well through the established
network of one-stop shops. Some improvement was made to the business registration system by making the notarization of incorporation documents optional. In 2012 the number of new businesses registered grew by 8% year-on-year; they make up 12% of all active enterprises. A registry of certified bankruptcy administrators was set up and 23 bankruptcy administrators were licensed until April. However, the time taken and procedures for market exit remain slow. In 2012 the number of requests for voluntary business closures went up by 14% from a year earlier. Overall, Albania has made incremental improvements to its well-functioning procedures for starting a business. Market exit procedures remain slow. 

(Albanian progress report 2010)

5. Recommendation

Albania, one of the smallest and poorest countries in Eastern Europe, has experienced a transition marked by sharp economic swings and periods of civil strife. The early phases of decentralization witnessed the transfer of political autonomy and limited administrative and fiscal authority, to local governments, inadequate legislation outlining central/local responsibilities, scarce financial resources and deficient infrastructure strained the capacity of local governments to manage urban services. In January 2000, the government promulgated a National Strategy for Decentralization and Local Autonomy which includes lows to strengthen the autonomy of local governments and increase their capacity to manage local infrastructure and services. To work closely with Community- Based organizations so as to enhance their capacity to participate in development programs and strengthen the City Council’s capacity to respond to requests from communities(Alfredo Schclarek (2004)

- To adopt a new approach to Environmental Planning and Management based on capacity building.

Supported by donor assistance and international and local NGO’s the city initiated a community-based development strategy in the informal. The program brought together local government teams, NGO’s and residents to formulate a development plan for the neighborhood define priorities for improvements and determine equitable cost-sharing formulas to finance infrastructure.

This partnership led to the upgrading of roads and electrical networks, the construction of community buildings and schools, improved public spaces and programs for youth. Clarifying the legal status of residential land and formalizing an urban plan resulted in the sufficient leveraging of community and household resources to provide infrastructure and build new housing. Finally, the engagement of senior government officials in the dissemination of project information secured commitment among communities and farmers.

- To work closely with Community- Based organizations so as to enhance their capacity to participate in development programs and strengthen the City Council’s capacity to respond to requests from communities.

The CIP upgraded infrastructure, enhanced participation and built the capacity of CBOs and stakeholders. CIP strengthened institutional capacity by establishing program offices in each community, forming steering committees made up of representatives from all stakeholder groups and formalizing institutional links between the relevant partners and information for decision-making and monitoring of performance among the stakeholders altered attitudes and understanding of roles and responsibilities. Communities have agreed to earmark part of stakeholders as a partner in urban development ensures the sustainability of these assets.

6. Conclusions

Sustained political pressure and the demonstrated capacity of municipalities to manage their responsibilities were the driving forces for local administrative and fiscal autonomy. Initial assessments suggested that decentralization did improve the quality of service delivery and foster a new, user oriented attitude, facilitating the transition from a centrally planned to a market economy.

The act for support of local investment committed the municipality to cover 50 percent of the cost of water, sewerage and power lines, 70 percent of the cost of roadbeds and sidewalks and 100 percent of the cost of drainage and street paving. The cost sharing formula can be modulated to take into consideration issues of equity and cost burden. As an incentive to private rehabilitations of buildings, investors are granted a three year exemption from property taxes. This is a highly significant feature of infrastructure programs and carries important implications for local development. The conclusions of this paper research are following:

1. Introducing participatory planning and community-based development processes through neighborhood development committees and street representatives working in partnership with the city
2. Creating an enabling environment for private investment
3. Empowering citizens to pursue their own self improvement
4. Promoting privatization of the housing a stock and fostering the development of micro-enterprises
5. Ensuring the sustainability of activities initiated
6. Promoting the reliability of successful initiatives.

Albanian government will work on these points:
• A dynamic local government leadership
• A coherent strategy acted upon with determination
• A healthy climate of cooperation with business
• Local government’s investment initiatives to jumpstart the stagnant economy
• Creative use EU funds to implement local policy
• Efficient municipal administration
• Coherent links among urban planning, infrastructure and economic development.

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Nikolov M. (2006), The future of local government finance. Case studies from Romania, Bulgaria and Macedonia, Skopje
Guaranteeing the Judgment of Civil Cases Within a Reasonable Time as a Requirement of the Right to a Fair Trial in Albania

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Abstract

Guaranteeing the fundamental rights and freedoms is one of the preconditions for the existence of the rule of law in a democratic society. Our paper tries to analyze how is the right to a fair trial guaranteed as far as it concerns the requirement that civil cases should be judged within a reasonable time. Compared to criminal law, civil law in Albania still lacks concrete time – limits within which the judgment of a civil case should necessarily end. The lack of such concrete time limits, is one of the principal causes for the delay of the civil judgments beyond a reasonable time, which represents itself a violation not only of the Constitution as a primary act regulating the fundamental rights in our country, but also of other conventional acts such as the European Convection of Human Rights, which enjoys a position of particular significance in Albanian Constitution compared to the other international acts that have been ratified in our country. Considering the fact that for the subjects of law the provision of justice within a reasonable time by the respective authorities, is considered almost as important as the right itself at that point that it is fair to affirm that "justice too long delayed is justice denied", we have found of particular interest to involve in our research also some possible suggestions on which are the types of measures we consider could be the most efficient to be taken in order to improve the judgment of civil cases within a reasonable time in our country.

Keywords: civil case, judgment within a reasonable time, European Court of Human Rights and Albanian Constitutional Court jurisprudence, default judgment, “Strasbourg Programme” of Turin’s Court.

1. The Constitution of the Republic of Albania and the ECHR

The right to a fair trial is a constitutional right.1 Due process is one of individual rights associated with the regularity of an ordinary trial or an administrative process.2 So, “the meaning that the constitution has given to the protection of fundamental rights from public bodies through the fulfillment of legal proceedings, enables this right not to be reduced simply to a fair trial before then courts, but also to take a broader sense, that of a due process exercised even by other public bodies, which follow extra court procedures (administrative, parliamentary, arbitration or mediation procedures, etc.)”.3

Also, since July of 1996, the year when the Parliament in Albania ratified the European Convention on Human Rights, this act is naturally considered as part of the legal system of our country.4 Article 6/1 of European Convention on Human Rights guarantees the right to a fair trial as a fundamental right in a democratic society.5 The obligation to respect this right provided by the aforementioned convention applies to all public bodies, including not only the courts which are part of the judiciary system but also other bodies that implement their decisions. The protection of Article 6/1 extends over criminal charges as well as over rights and obligations of a civil nature.

In order for Article 6 to be applied in the civil context, there should be a "dispute" over a civil right. The Court interprets in a broad sense the concept of "civil rights and obligations". In the case Ringeisen against Austria (1971), the Court stated that Article 6/1 covers all those proceedings the result of which is decisive for private rights and obligations,
regardless of the character of the legislation that manages how the issue should be addressed, and regardless of the authority exercising the jurisdiction over the matter.\textsuperscript{6} The concept therefore, can be said to have an autonomous meaning as defined by the convention. What matters then is the kind of the right in question and whether the outcome of the proceedings would be "crucial to the rights and obligations of private character."\textsuperscript{7}

Civil matters under the convention are considered as follows: when the claim can be converted in money and stems from the violation of a civil right, regardless of the source of the conflict or of the jurisdiction of administrative courts; the right to protection of goodwill also is of civilian character, the same applies to the right to respect family life and to the state actions that affect its way of implementation which include decisions of placement of the child under foster care, the access that parents should have to the child, the child adoption and the placement in a substitute family; obligations are also civil in the sense of Article 6 when issues include incomes from social services, including social assistance, but also in case of the payment of insurance premiums; also procedures in matters of recognition of industrial property are intended as civil rights and obligations; the same applies to the conflicts between the owner and the tenant in connection with the contents of the lease agreement; or to the registrations on the list of lawyers; civil rights are also considered the right to personal freedom and other rights of a similar nature.\textsuperscript{8}

Some of these issues as those related to the rights and obligations to respect for family life, issues related to the incomes earned by social services or pension payments are considered of special priority as far as regards their need to be judged within a reasonable time.

2. The Judgment of Civil Cases within a Reasonable Time

The concept of "judgment within a reasonable time" for civil matters as provided by the European Convention on Human Rights and also by the Constitution of the Republic of Albania is of fundamental importance in providing the necessary guarantees to the parties in legal proceedings against long and unjustified procedural delays. The judgment of civil matters within a reasonable time is also important for guaranteeing - especially to subjects that have a particular situation - that within a reasonable time and through a court decision an end will be put to legal uncertainty.

To assess whether a civil case is resolved within a reasonable time it should be clear when did the proceeding start and when did it end.

In the analysis of civil proceedings in the district courts in Albania in 2013, the OSCE Presence argues that:

... "In civil cases, the calculation starts from the moment when the matter is referred to the competent judicial authority.\textsuperscript{9} When there is a need to initially submit a request to an administrative authority, the duration of the trial is calculated by beginning from the moment of submission of the request.\textsuperscript{10} The trial is considered complete when the final decision is taken.\textsuperscript{11} In some cases, the European Convention on Human Rights may also include within this term the enforcing procedures and other forms of execution of the judgments.\textsuperscript{12} It is worth noting that in order to determine if there has been a violation of the right to trial within a reasonable time, as Article 6 of the European Convention on Human Rights provides, it is sufficient to show that the applicant has suffered a harm or has been adversely affected by the delays of procedures..."\textsuperscript{13}

The European Court of human rights has developed four main criteria in order to assess whether the duration of

\textsuperscript{6} Gomien D., Short Guide to the European Convention on Human Rights, Strasbourg, 2005

\textsuperscript{7} See Baraona v Portugal, 1987


\textsuperscript{10} See Jorg and others v. Portugal, ECtHR, 19 February 2004, paragraph 30, citing the OSCE Presence in Albania, Towards justice, civil process analysis in the district courts, 2013.

\textsuperscript{11} See Deweer v. Belgium, ECHR, 27 February 1980, paragraph 46, citing the OSCE Presence in Albania, Towards justice, civil process analysis in the district courts, 2013.

\textsuperscript{12} See Scordino v. Italy, ECtHR judgment of the Grand Chamber (Grand Chamber), 29 March 2006, paragraph 197, Jankovic against Croatia, ECHR, March 5, 2009, paragraph 68; Hornsby v. Greece, ECHR, 1 April 1998, paragraph 40; Plazonic against Croatia, ECHR, March 6, 2008, cited in paragraph 47 of the OSCE Presence in Albania, Towards justice, civil process analysis in the district courts, 2013.

proceedings in a given case has been reasonable. These four criteria are as follows:

- **The complexity of the case:** The factors which determine if a case should be considered complex may be the number of witnesses or expert witnesses, the volume of evidence to be examined, the number of the accused persons, the difficulties of the legal issues rising from the case or the intervention by other persons. The court examines case by case whether the complexity of the case justifies the length of proceedings. The more a case is considered as complex, the more the Court allows for protracted proceedings.

- **The conduct of the claimant:** The factors which determine if the duration of a trial can be imputed to the claimant are: has the claimant followed the summons or not, has paid the court fees, whether he complied with his promise to submit documents. However, the applicant cannot be blamed for making full use of the remedies available to him under domestic law.

These factors are considered reasonable if the applicant's behavior constitutes an objective fact which cannot be attributed to the respondent state and which must be taken into account for the purpose of determining whether or not the reasonable time referred to in Art. 6 paragraph 1 of the European Convention on Human Rights has been exceeded.

However, it is important to underline that the delays caused by the applicant are only one factor which the Court takes into account when assessing whether the duration of the proceedings can be considered a reasonable one. The Court can still find a violation of art. 6 if some of the delays are attributable to the applicant, but are outweighed by delays which the respondent state has caused.

- **The conduct of the respondent state:** another criteria the Court applies is how much the duration of the proceedings can be imputed to the respondent state. In that respect, the Court gives special attention to the periods of inactivity. The question, whether the length of proceedings is attributable to the state is not to be confused with the question of responsibility of the individual judge for delays. Even if the judge who is handling the case is overburdened, this cannot justify extremely long procedures. The state is under an obligation to organize its legal system in such a way that the courts can guarantee everyone's right to obtain a final decision within a reasonable time. The enjoyment of the right to a trial within reasonable time must be secured by the authorities through all appropriate means, including changing the jurisprudence or through legislative measures if necessary. Moreover if hearings have to be postponed several times due to the absence of the witnesses, the responsibility of the state is engaged if the court handling the case does not avail itself of all measures available under domestic law. The burden to facilitate speedy proceedings is on the state even in legal systems in which the procedural initiative lies with the parties.

- **Importance of the matter to the applicant:** In the frame of this criteria, the Court considers what is at stake for the applicant. If the outcome of the procedure is particularly important for the applicant, even shorter durations of proceedings may lead to a violation. The Court has held that certain matters call for special expediency, for example pension disputes, litigation regarding the custody for children, disputes regarding civil status and capacity, pre-trial detention cases and cases regarding the compensation for the victims of road accidents. The high age of the applicant may be another factor which calls for swift proceedings.

The Code of Civil Procedure in our courts recognizes the obligation to conduct a trial within a reasonable time. However, neither the code nor any other law in the formal sense (ie, approved by the Parliament) does not define which terms specifically are considered reasonable. Also, the rules of civil procedure, unlike criminal proceedings do not determine maximum limits of time between sessions. The Code of Civil Procedure stipulates that it is the court itself which sets the hearings and the deadlines within which procedural acts and other actions should be performed. In this sense judges must manage responsibly judicial time in order to fulfill the constitutional obligation to conduct a judgment within a reasonable time. The OSCE Presence in Albania by observing civil proceedings in several court districts found

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14 See Van Dijk et al., Theory and Practice of the European Convention on Human Rights, 4th edition
15 See Girardi v Austria (application no. 500064/99), judgment of 11 December 2003, para 55
16 See Erkner and Hofauer v Austria (application no. 9616/81), judgment of 24 March 1987, para 69
17 See Sumerli v Germany (Grand Chamber) (application no. 75529/01), judgment of 8 June 2006
18 See Vachev v Bulgaria (application no. 42987/98), judgment of 8 July 2004, para 96
19 See Surmel v Germany (application no. 75529/01), judgment of 8 June 2006, para 129
20 See Kitov v Bulgaria (application no. 37104/97), judgment of 3 April 2003, para 73
21 See Kusmierek v Poland (application no. 10675/02), judgment of 21 September 2004, para 65
22 See Surmel v Germany (Grand Chamber) (application no. 75529/01), judgment of 8 June 2006, para 129
23 See Sussmann v Germany (Grand Chamber) (application no. 20024/92), judgment of 31 August 1996, para 61
24 See Article 28 of the Code of Civil Procedure
25 See Article 342 of the Code of Criminal Procedure

~ 511 ~
that "the current practice of the courts shows that judges rarely manage actively judicial proceedings." Thus in this analysis it is highlighted that the judges do not always plan in advance sessions in consultation with representatives of the parties, on the other hand the parties do not present all their evidence at the earliest opportunity, which constitutes one of the most common causes of delays. Even the current system of the preparatory phase in judicial proceedings where actions are performed only in physical sessions verbally, is noted to cause enough delays compared with those systems where the preparatory phase is a written one and helps to reduce the number of trials and the duration of processes avoiding therefore a significant number of unproductive sessions. Problems were found with the summoning of parties and of witnesses involved, other problems arise from the failure of participants to take place in the hearings without any reason, as well as from delays in providing reasoned decisions.

Although there is no law in the formal sense, the High Council of Justice has directed the courts regarding procedural deadlines for certain types of civil matters. But these guidelines, in order to be applied with greater responsibility by judges, should be taken into account when the High Council of Justice estimates the judges for their promotion and transfer.

However the determination of these terms from the High Council of Justice, does not deflect neither the responsibility of the Parliament to pass a law which establishes specific deadlines for court proceedings, nor the responsibility of the courts and judges who manage court proceedings taking into account the jurisprudence of the European Court of Human Rights, which is legally binding for them as long as our country has ratified the European Convention of Human Rights and as long as the European Court of Human Rights is considered a living mechanism which through its reasoned decisions develops and gives meaning to the provisions of the Convention itself, including the obligations arising from Article 6/1.

As far as the role of the judges in judging civil proceedings within a reasonable time is concerned, the Turin tribunal launched a successful experimental programme ("the Strasbourg Programme") aimed at introducing new working methods in the internal organization of the tribunal in order to identify and prioritize old, pending cases and avoid unnecessary delays.

Back in the context of the due process of law, of particular importance is "The 22nd Recommendation of the OSCE Presence: Setting Automatic Judgment for the respondent unjustifiably absent", which is directly related to one of the elements (conduct of the parties) which is analyzed to assess whether the right to a trial within a reasonable time is taken into account or not.

Automatic judgment or (the default judgment) means that the court can decide regarding the issue in favor of the other party present if the other party is absent without a legitimate reason. The inclusion of automatic judgment by the Code of Civil Procedure, is legitimized by reasoning first in an expansion of the party autonomy, ie. the right of a party to settle the dispute by agreeing up with the other party and second the unjustified absence can be seen as an implicit admission of the other party’s claim.

Also the inclusion in the Code of Civil Procedure of the Republic of Albania of automatic judgment can be conceived as a sanction against parties involved in the process who are unjustifiably absent, causing delays in judicial proceedings.

As a result of the inclusion of automatic judgments in the Civil Procedure Code we will have the elimination of costly court proceedings and the disciplining of the parties involved in those proceedings, enabling at the same time the observance of the right to a trial within a reasonable time.

26 OSCE Presence in Albania, Towards justice, civil process analysis in the district courts, 2013.
28 Decision of the High Council of Justice no. 199/3, dated September 15, 2006 "On the criteria of evaluation of judicial activity", point 5 - e. Timing of first degree trial: Trials of commercial disputes - a maximum of 6 months. Trials of family disputes - maximum 4 months. Trials of administrative disputes - maximum 1 month. Trials of civil disputes general character maximum 6 months. These time limits are used when evaluating the work of judges. Deadlines begin as of the registration of the case in the court.
29 OSCE Presence in Albania, Towards justice, civil process analysis in the district courts, 2013.
30 https://wcd.coe.int/ViewDoc.jsp?id=1378699&Site=CMIP217_29380
31 OSCE Presence in Albania, Towards justice, civil process analysis in the district courts, 2013.
33 See, Jo Hov Rettergang III Sivilprosess, Papinian, Oslo 2000
34 OSCE Presence in Albania, Towards justice, civil process analysis in the district courts, 2013.
3. The Role of the European Court of Human Rights on Constitutional Court Judgments in Albania Regarding the Right for a Fair Trial

The Constitution of the Republic of Albania in Article 42 is not exhaustive in terms of giving a detailed understanding of the concept of due process of law. But the practice of the Constitutional Court, also directed by the jurisprudence of the European Court of Human Rights, is trying to hold one more this concept and explore issues related to specific elements of the due process of law. Moreover we recall the decision given by the Court to the case Marini v. Albania where the European Court of Human Rights notes that: "... according to Article 6 of the Convention, everyone has the right to be provided within a reasonable time a final judgment concerning the determination of his civil rights and obligations. " Also, the European Court of Human Rights stresses that it is a duty of The High Contracting Parties to organize their legal systems in such a way as to enable the court to meet this requirement.35 So the states have the obligation to take all the measures in order to fulfill the obligations assumed by ratifying the convention. These measures could include legislative measures when such a thing is necessary or fitting the jurisprudence of the domestic courts to the European Court of Human Rights jurisprudence noting that the latter one is also an obligation.36

We deal here with two moments that already constitute a jurisprudence for the Albanian constitutional court decisions as a result of the pursuing the reasoning of the decisions taken by the European Court of Human Rights: first the non obligation for exhausting all legal remedies as far as violations of the right to a fair trial – in particular of the right to guarantee the judgment of civil cases within a reasonable time – is concerned and secondly the involvement of the execution phase as a part of the due process of law.

As provided by the Constitution, in Albania individuals may address to the Constitutional Court only through a conditioned request for issues that concern the right to a fair trial – including violations of this right due to delays in the judgment of civil cases within a reasonable time.37 Thus, the control of the Constitutional Court is limited to a procedural control of the elements that constitute the legal process, part of which is the right for civil proceedings to be judged within a reasonable time, without focusing even on the right claimed - a kind of inspection reserved only to the judiciary in our country.

Formally, the constitution provides some conditions – among which the requirement of exhaustion of “all other remedies” before filing an individual lawsuit in the constitutional court. If this condition is not met formally, a panel composed of three members from the Constitutional Court may decide not to pass the case to a court hearing.38

The constitutional complaint is conceived as an auxiliar or additional (subsidiary) mean, in addition to other legal means, this is why it can be exercised only after the exhaustion of all other remedies provided by law in order to gain a right. But the law researcher Arta Vorpsi rightly raises two very important questions regarding this issue:

"...Should the exhaustion of all other legal remedies be necessarily required by the Constitutional Court even in the case when the plaintiff relies his claim precisely on the lack of the possibility of exhausting those means, because the courts do not act in accordance with the constitutional standards that require that the judgment of civil cases should be done within a reasonable time? Such a thing seems to lose the essence of the claimant's right because once the litigation has ended it is impossible to reestablish that right...

Actually, the Albanian legal system lacks a specific legal mean which could be used by individuals to seek the restoration for the excessive delay of court proceedings. This has been more than once stressed from the European Court of Human Rights in previous cases against Albania - such as Gjonbocari v. Albania, Marini v. Albania etc.

The Constitutional Court, in respect of article 17 of the Constitution and of article 5 of the Law N. 8137, dated 31.07.1996 "On the Ratification of the European Convention for the Protection of Human Rights and Fundamental Freedoms" as far as regarding the claim that the complaint should not be accepted because the legal remedies are not exhausted determines that:

35 See Marini v Albania, date 7.7.2008, application Nr.3738/02, par. 154
37 Article 131/ f, 134/1/g and article 134/2 of the Constitution of the Republic of Albania
38 Articles 30, 31 of the Law Nr. 8577, dt.10.2.2000 "On the organization and functioning of the Constitutional Court of the Republic of Albania"

~ 513 ~
“...the claims of individuals for violations of the right to a trial within a reasonable time may be judged by this court, regardless of the fact that the trial for the protection of their rights, their freedoms and constitutional or legal matters has not yet been completed in all instances of the courts of ordinary jurisdiction ...”

This kind of reasoning is also used in other similar decisions of the Constitutional Court which has embraced the European Court of Human Rights' jurisprudence concerning this issue.

The practice of the European Court of Human Rights has played a positive role in the jurisprudence of our Constitutional Court even when it compelled our Constitutional Court to consider the non-execution of court decisions as a part of the due process of law, which until 2005 was not considered as such by the Constitutional Court. In Qufaj v. Albania, the Strasbourg Court notes that “the Albanian legal system provides for an adjustment in the form of a complaint regarding violations of the right to a fair trial.” Below this the European Court of Human Rights emphasizes that:

"...the provisions regarding the due process of law in Albania should have been interpreted in a way such as to guarantee an effective remedy for the alleged breach of Article 6/1 of the Convention, therefore the court gave the opinion that the Constitutional Court was competent to examine the claim of the company about the non execution of a final decision, as part of its own jurisdiction concerning its right to ensure the right to a fair trial for individuals.”

Today there is an ample practice concerning the decisions of the Constitutional Court for breaches of the right to a due process of law during the execution phase. However it still remains problematic the fact that the decision of the Constitutional Court ascertaining the infringement is another final and binding decision to the plaintiff, but that does not set for them compensations or other commandments.

This has thrown into question the effectiveness of the decisions of the Constitutional Court, which is concluded by the European Court of Human Rights in its jurisprudence with the Albanian state as party. According to Article 13 of the European Convention on Human Rights, a remedy will be considered effective: if it nationally guarantees the existence of a mean to enforce the essence of the right, when it specifically and explicitly defines the competent authority for the concrete breach and very important when it provides the possibility to reestablish the violated right.

The constitutional court's decision as long as it neither regulates the consequences of the issue that has been judging nor provides compensations to the injured party cannot be considered completely an effective tool in itself. For this reason our country should consider the possibility of changing the legislation in order that the violations found by the constitutional court could be repaired within the system and in the shortest time but most of all the Constitutional Court should proceed at least in a parallel way with European Court of Human Rights' jurisprudence in reasoning its decisions (such as expanding the traditional competence of the Constitutional Court determining compensations for the party that has been harmed, etc.).

4. Conclusions

The Albanian Constitution, the European Convention of Human Rights, and the Code of Civil Procedure recognize the obligation for our courts to conduct a trial within a reasonable time. However, neither the Albanian Constitution, neither the European Convention of Human Rights nor the Civil Procedure Code or any other law in a formal sense (ie, approved by the Parliament) does not define which term is specifically considered reasonable. Also, the rules of procedure in civil matters, unlike criminal proceedings do not determine the maximum limits of time between sessions. The Civil Procedure Code stipulates that it is the court which sets hearings and deadlines within which procedural acts are performed. In this sense judges must manage responsibly judicial time in order to fulfil the constitutional obligation to ensure judgment of civil cases within a reasonable time.

Although there is not a law in the formal sense, the High Council of Justice has directed the courts regarding procedural deadlines for certain types of civil matters. But these guidelines of the High Council of Justice should be taken into account when the High Council of Justice estimates judges for promotion and transfer in order for these guidelines to be applied with responsibility by judges.

However the determination of concrete time limits by the High Council of Justice, does not reflect the responsibility of the Parliament to approve a law in order to establish specific deadlines for civil judicial proceedings, but also the

40 Decision of the Constitutional Court Decision no. 12, dated 05.03.2012
41 Decision of the Constitutional Court Decision no.35, dated 17.07.2013
42 See Qufaj v Albania, 18 september 2004
43 Vorpsi A., Due Process in the practice of the Constitutional Court of Albania, Maluka Publications, 2011

~ 514 ~
responsibility of the courts and judges to respect the ECHR jurisprudence, which constitutes an obligation to be respected as far as our country has ratified the ECHR and as far as this instrument constitutes a living mechanism which through reasoned decisions develops and gives meaning to its provisions, including to the obligations arising from Article 6/1 of the Convention.

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Qufaj v Albania, 18 september 2004; https://wcd.coe.int/ViewDoc.jsp?id=1378699&Site=CM#P217_29380;
The Different “Speeds” of the Countries in WB toward EU Evaluations of Last Developments

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Abstract

This paper analyzes the key moments and challenges that has passed the Western Balkans through the process of European integration. The main criteria for EU integration and the main problems and challenges of our region, are described in the paper. The problems and incoherence of EU countries regarding the attitude towards the Western Balkans, the various options of integration speeds of Balkan countries, there have been exposed also. The purpose of this study consists not just in deepening in yesterday’s developments in this region but in all the inspections of the possibilities, opportunities and standards for the final approach also, aiming a full recognition of Western Balkans in the prolonged transition of society’s transformation towards a new social and political system. Seen in historical perspective, in many barriers of mentality formation of these people, in peculiarities that history of the region offers ranging from nationalism to the complete communist isolation, the wars waged in their name, this study also provides the opportunity of reflection on the necessity of the development of the region as a whole, where development speeds are not far from each other. Comparative methods, surveys and official reports of the European institutions are used for the realization of this study. The study is based also on the identification of similarities and differences of these countries through using a vast historical and contemporary literature. We try to answer questions related to the future of this region and two sided challenges that this integration involves.

Keywords: integration, criteria, development, transition

1. Introduction

EU accession is seen as crucial to a successful transformation in Western Balkans. Further progress with the EU accession process is of great importance for the continuation of institutional reforms and establishment of a functioning market economy across the Western Balkans. Fulfilling the Copenhagen criteria and achieving further progress in regional cooperation would also increase political stability, which was recognized as a serious obstacle to the economic stabilization of the region.

This paper analyzes the key moments and challenges that has passed the Western Balkans through the process of European integration. The main criteria for EU integration and the main problems and challenges of our region, are described in the paper. Our focus is the attitude of EU countries towards the Western Balkans, the different integration speeds of Balkan countries, there have been exposed also.

The paper is focused not just in past developments in this region, but in all the inspections of the possibilities, opportunities and standards for the final approach. Comparative methods, surveys and official reports of the European institutions are used for the realization of this study. The study is based also on the identification of similarities and differences of these countries through using a vast historical and contemporary literature. We try to answer questions related to the future of this region. This paper discusses how different is the position of the Western Balkan countries in the enlargement process and what are the policy options in the new circumstances from the position of the policy-taker, a potential EU member state.

2. Western Balkans: Achievements and Challenges

The 28 EU member states granted Albania the status of official EU membership candidate on 24 June. This is the next step in Albania’s long road to becoming an EU member state, and is recognition of recent reforms in the country. Albania is now the sixth accession candidate along with Turkey, Montenegro, Serbia, Macedonia and Iceland. Talks with these countries have come to a standstill, and unlike Albania, they are taking steps to leave behind their candidate status. European affairs ministers in Luxembourg concluded that progress in the membership process is still conditional on further efforts (Euraktiv, 2014).

In their conclusions, they state that Albania must “intensify its anti-corruption efforts and implement its anti-corruption strategy and, reform of the public administration and the judiciary, the fight against organized crime and
In moments when the economies of these countries recover from recessions of global financial crisis, a new crisis the Commission reports weak to some progress (Ibid). From the Western Balkans suffer from a huge share of the informal economy. The weak fight with corruption and the weak optimism when planning the budget and, in general, of bad management of public finances (Ibid). All the six countries also some differences, which are rather to be qualified as insignificant. All of them suffer from extremely high unemployment, especially among the young people, of widespread corruption, a growing public sector, unjustified optimism when planning the budget and, in general, of bad management of public finances (Ibid). The accession struggle has demonstrated a lot of difficulties. According to Milan Nič “the euro crisis has not killed the enlargement process. But, the first EU enlargement since the euro crisis will be also be the last in this decade, at least for South-Eastern Europe”. (Nič, 2013). He ask how the EU’s transformative power can be sustained for this fragile corner of Europe that is gradually emerging from its troubled history - and how this “incomplete mission” can be kept on the EU’s political agenda at a time when it is undergoing its own great transformation (Ibid).

If we try to observe now the countries, we find that the entry of Croatia into the EU is a real test of the benefits that European integration can bring to a region. Nič’s questions are: “Will the inflow of foreign direct investment to Croatia increase? Will EU funds help to create more growth and infrastructure development?” And the answer is that if Croatia is unable to leverage the opportunities EU membership brings, it would have wider repercussions for the region.

Balkan economies are now struggling with a recession, characterized by an unemployment. Serbia has an unemployment rate above 25%, Macedonia over 30% and Kosovo over 40%. There is no doubt that the Western Balkans will now face a difficult period. Now, more than ever, they must show the Union that they can be good members and that the negative stereotypes that will be put about by those hostile to enlargement do no match the realities on the ground (Lindsay, 2013). They need to reform and continue their efforts to overcome outstanding problems with their neighbors. At this difficult time, Balkan policy-makers must also realise that they can, and must, play their part in helping others to help them (Ibid).

The director of the Center for Research of Southeast Europe Florian Bieber in his overview of the BiEPAG analysis, 2014, argue that the new European Commission will have to make a new strategy and plan for the future enlargement. “We need to start the talks with all the countries in the region, and the conditions at the beginning should be moved to the end of the negotiations, because the negotiations themselves have the potential to resolve some internal issues in the candidate countries”. Competition reforms in the countries of the region, in his opinion, are the key to a better paced progress towards the EU, but this can only happen if the certainty of membership is confirmed in the political practice (Bieber, 2014).

### 3. European Perspectives of Western Balkan Countries

The candidate countries for EU membership had to fulfill the economic criteria approved by the European Council in Copenhagen in 1993 today it became clear that they are insufficient. And these criteria are the existence of a functioning market economy and a capacity to handle competitive pressures and the market forces in the EU. Almost all Western Balkan countries have no market economy status yet (Marini, 2014).

According to Adelam Marini, the countries from former Yugoslavia and Albania have a lot of common problems, but also some differences, which are rather to be qualified as insignificant. All of them suffer from extremely high unemployment, especially among the young people, of widespread corruption, a growing public sector, unjustified optimism when planning the budget and, in general, of bad management of public finances (Ibid). All the six countries from the Western Balkans suffer from a huge share of the informal economy. The weak fight with corruption and the weak rule of law also pose a serious impediment for the economic development of the countries in the region, as in all cases the Commission reports weak to some progress (Ibid).

The issue of financial crisis still remains a matter of concern for Western Balkan countries and Europe as a whole. In moments when the economies of these countries recover from recessions of global financial crisis, a new crisis.
threatens the region. (Murat Sadiku, Luljeta Sadiku, and Nimete Berisha, 2013). In her analyses, Slavica Penev in 2012 confirm that the Western Balkan countries witnessed strong economic growth in the pre-crisis period, but the growth was based on high domestic consumption linked to fast credit growth, and was accompanied by a widening current account deficit and increasing private sector debt. According to her this growth was interrupted when the global financial crisis was transmitted to the region. In 2009, GDP declined in Bosnia and Herzegovina, Macedonia, Montenegro, and Serbia, while in Albania and Kosovo the growth was slower compared to the pre-crisis period. The consolidation of the economic recovery that began in 2010 resulted in moderate positive growth in all countries of the region. While some recovery seemed evident in the first half of 2011, economic activity weakened in the second half of the year and the first half of 2012 (Penev, 2012). Data shows us that the short-term economic prospects for the Western Balkan region remain weak and vulnerabilities have increased as a result of the Euro zone crisis.

Table 1: Western Balkans: Real GDP growth and projections, percentage change, 2001-2013

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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>6</td>
<td>5.6</td>
<td>6</td>
<td>7.7</td>
<td>3.6</td>
<td>3.3</td>
<td>3</td>
<td>0.5</td>
<td>1.7</td>
</tr>
<tr>
<td>BiH</td>
<td>4.3</td>
<td>5.6</td>
<td>6.8</td>
<td>6</td>
<td>-2.8</td>
<td>0.7</td>
<td>1.3</td>
<td>0</td>
<td>0.5</td>
</tr>
<tr>
<td>Macedonia</td>
<td>-0.3</td>
<td>4.1</td>
<td>5.9</td>
<td>4.8</td>
<td>-1</td>
<td>1.9</td>
<td>3.1</td>
<td>1</td>
<td>2.2</td>
</tr>
<tr>
<td>Montenegro</td>
<td>1.8</td>
<td>5.7</td>
<td>10.7</td>
<td>7.5</td>
<td>-5.7</td>
<td>2.5</td>
<td>2.4</td>
<td>0.2</td>
<td>1.5</td>
</tr>
<tr>
<td>Serbia</td>
<td>4</td>
<td>7</td>
<td>6.9</td>
<td>5.5</td>
<td>3.5</td>
<td>1</td>
<td>1.6</td>
<td>-0.5</td>
<td>2.0</td>
</tr>
<tr>
<td>Kosovo</td>
<td>n.a.</td>
<td>3.3</td>
<td>6.3</td>
<td>6.9</td>
<td>2.9</td>
<td>3.9</td>
<td>5</td>
<td>3.8</td>
<td>2.6</td>
</tr>
<tr>
<td>Western Balkans</td>
<td>3.2</td>
<td>5.6</td>
<td>7.3</td>
<td>6.4</td>
<td>-1.1</td>
<td>2.2</td>
<td>2.7</td>
<td>0.8</td>
<td>1.75</td>
</tr>
</tbody>
</table>


The entire region (with the exception of Macedonia) lags significantly behind the average rankings of EU-10 member states (47th) (Figure 1), indicating a much more burdensome environment for doing business in the Webs, with the exception of Macedonia and Montenegro.

Figure 1: World Bank Doing Business Rankings: Ease of Doing Business Rank, 2009-2013

Source: World Bank Doing Business database

Note 1: Ease of Doing Business Rank among 185 countries in 2013.

All Western Balkan countries are in the second development stage, with economies that are primarily efficiency-driven. At this stage, competitiveness is increasingly driven by higher education and training, efficient goods markets, well-functioning labour markets, developed financial markets, the ability to harness the benefits of existing technologies, and a large domestic or foreign market. (Table 2).
The global crisis has revealed the vulnerabilities of the growth pattern in the Western Balkan countries, which is based on domestic demand and financed by foreign capital inflows. In order to enhance the economy’s resilience through sustainable export-led growth, Western Balkan countries need to step up their structural reforms and deal with the problem of unemployment. The global financial and economic crisis exposed the vulnerabilities of a growth paradigm that was based on domestic demand financed largely by borrowing abroad. The attempts towards strengthening the financial framework and the quality of public finances gave some results in 2010 and 2011, but recent worsening in this area resulted in an increased budget deficit and a further increase of general government debt (European Commission, 2011b).

Table 3: SEE6 Real GDP Growth

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ALB</td>
<td>0.8</td>
<td>1.6</td>
<td>0.9</td>
<td>2.2</td>
<td>1.8</td>
<td>2</td>
</tr>
<tr>
<td>BIH</td>
<td>0</td>
<td>-0.7</td>
<td>-0.2</td>
<td>-1.1</td>
<td>0.5</td>
<td>2</td>
</tr>
<tr>
<td>KOS</td>
<td>3.6</td>
<td>2.3</td>
<td>3.6</td>
<td>1.1</td>
<td>3.1</td>
<td>4.3</td>
</tr>
<tr>
<td>MKD</td>
<td>0</td>
<td>-0.3</td>
<td>-1.1</td>
<td>0.4</td>
<td>1.4</td>
<td>2.5</td>
</tr>
<tr>
<td>MNE</td>
<td>0.2</td>
<td>-0.6</td>
<td>-0.9</td>
<td>-0.2</td>
<td>1.2</td>
<td>1.5</td>
</tr>
<tr>
<td>SRB</td>
<td>-2</td>
<td>-1.7</td>
<td>-1.5</td>
<td>-1.9</td>
<td>2</td>
<td>2.7</td>
</tr>
<tr>
<td>Weighted av.</td>
<td>-0.5</td>
<td>-0.6</td>
<td>-0.5</td>
<td>-0.7</td>
<td>1.7</td>
<td>2.5</td>
</tr>
</tbody>
</table>

The progress reports on the Western Balkans 2012-2013 point to the fact that despite the rather unfavorable environment in the Eurozone, the EU is still willing to maintain its role as a driver for transformation in the region. This was evident in the Commission’s changing methodology diversifying the instruments at its disposal to address the specific challenges in each country. The World Bank suggest to the region: What SEE6 countries now need to do is to sustain the fragile recovery and push for job creation. This will require aggressive job-oriented policies.

Table 4: World GDP growth and growth prospects, 2007-2013

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>5.2</td>
<td>3.0</td>
<td>-0.6</td>
<td>5.3</td>
<td>3.9</td>
<td>3.5</td>
<td>3.9</td>
</tr>
<tr>
<td>EU-10</td>
<td>6.3</td>
<td>4.2</td>
<td>-3.6</td>
<td>2.2</td>
<td>3.4</td>
<td>2.4</td>
<td>2.2</td>
</tr>
<tr>
<td>Western Balkans</td>
<td>7.1</td>
<td>6.4</td>
<td>-1.1</td>
<td>2.2</td>
<td>2.7</td>
<td>0.8</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Source: IMF, World Economic Outlook, October 2010, April 2012 and July 2012, and WIIW July 2012

The Balkan countries may study and choose to introduce the best proposals for economic governance, even if they are not mandatory. In that way, they’ll not only have guarantees of financial stability and safeguards against domestic populist...
temptations (e.g. in case such rules are enshrined into the constitution), but also convince their EU counterparts that they are serious in pursuing prudent policies (Lessenski, 2010: 10).

4. The New European Agenda on Western Balkans

Western Balkan countries have achieved significant progress in the last years. Croatia achieved the best results in the region in all indicators. (Škufić, 2010). Actually, the EU is strengthening its conditionality, control, and pressure on the Western Balkans during the earlier stages of the pre-association and pre-candidacy process (Othon Anastasakis, 2012). Within this long journey, the various steps of the SAP acquire a special significance as both targets and rewards for the applicants; from the feasibility study of the SAP to the start of negotiations for a Stabilisation and Association Agreement (SAA), the conclusion of SAA negotiations, the initialling of the SAA, the signing of the SAA, the ratification process, the EU candidacy, and the start of accession talks; all these stages are being used to maximize the potential leverage of the EU on applicant states. Progress from one step to the next is linked closely with the fulfillment of criteria and a well-endowed political conditionality (Ibid). “The degree to which democracy is internalized, however, depends on the domestic factors within a country that shape, and circumscribe democratic norms.” (Elbasani 2009: 25). Analysts like Archick and Morelli, 2014 argue that the carefully managed process of enlargement is one of the EU’s most powerful policy tools (Archick and Morelli, 2014:1-17). In the Enlargement Strategy and Main Challenges 2013-2014 declared by the European Commission we see this situation of the countries in the region:

Albania and the EU completed a Stabilization and Association Agreement in June 2006. In April 2009, the SAA entered into force and Albania formally applied to join the EU. In October 2012, the European Commission asserted that Albania was making good progress toward meeting the political criteria for membership, and recommended that Albania be granted candidate status, subject to the completion of reforms in the areas of the judiciary, public administration, and parliamentary rules of procedure. In October 2013, the Commission stated that Albania had met the reform requirements; the Commission affirmed that Albania should now be granted candidate status. In December 2013, however, EU leaders were unable to reach agreement on naming Albania as an EU candidate country. EU leaders granted Albania candidate status in 24 June 2014. In addition to corruption and organized crime, other areas of EU concern in Albania include rule of law issues, and the protection of property rights.

Macedonia: Within a decade of gaining independence, Macedonia concluded a Stabilization and Association Agreement (SAA) with the EU in 2001 to govern relations. It applied for EU membership in March 2004. The EU named Macedonia as an official EU candidate in December 2005. The European Commission has recommended opening membership talks with Macedonia since 2009. According to the Commission, Macedonia is sufficiently fulfilling the political and economic criteria for membership, although EU officials have expressed some concerns about the country’s democratic progress. The EU continues to urge Macedonia to complete necessary reforms aimed at improving the rule of law, protecting freedom of expression, promoting the independence of the judiciary, and strengthening anti-corruption efforts. Macedonia has not yet secured a start date for accession negotiations.

Montenegro: Montenegro and the EU began talks on a Stabilization and Association Agreement. The SAA was signed in October 2007. Macedonia applied for EU membership in December 2008 and was granted candidate status in December 2010. The EU opened accession negotiations with Montenegro in June 2012. As of December 2013, seven negotiating chapters had been opened, and two of these provisionally closed. EU officials acknowledge Montenegro’s solid progress toward meeting EU standards, but they also assert that more work is needed. Key challenges facing Montenegro include improving the rule of law, fighting corruption and organized crime, enhancing the independence of the judiciary, guaranteeing freedom of expression, strengthening administrative capacity, and improving the business environment.

Serbia: Serbian-EU relations were difficult and Serbia’s path toward eventual EU membership faced several obstacles. As part of EU efforts to boost pro-Western political forces in the country, the EU concluded a Stabilization and Association Agreement with Serbia in April 2008. In December 2009, Serbia submitted its formal application for EU obstacles. As part of EU efforts to boost pro-Western political forces in the country, the EU concluded a Stabilization and Association Agreement in April 2008. In December 2009, Serbia submitted its formal application for EU membership. Serbia and the EU signed a Stabilization and
Association Agreement in June 2008, which was ratified in 2011. However, as Bosnia has not met the remaining requirements, the SAA has not entered into force and EU relations are still governed by an interim agreement. The EU has established a High Level Dialogue on the Accession Process (HLDAP) with Bosnian political representatives to encourage reforms and to facilitate coordination between the various levels of Bosnia’s government so that the country can speak with one voice on EU matters, but the Commission reports that no progress has been achieved to date. The EU continues to maintain a small peacekeeping force in Bosnia.

Kosovo declared its independence from Serbia in February 2008. Kosovo participates in the Stabilization and Association Process and receives pre-accession financial assistance from the EU, but efforts to forge an SAA have been complicated by the lack of full EU diplomatic recognition. In October 2012, the European Commission announced the results of a feasibility study, which found that the EU could conclude an SAA with Kosovo. EU leaders agreed to begin negotiations on an SAA with Kosovo; these negotiations began in October 2013 and the Commission hopes to conclude them in 2014. Key EU concerns in Kosovo include the rule of law, protection of minorities, corruption, and organized crime.

The only way in which the Balkan integration can be fully successful is by creating a policy climate that would encourage a change in the perception of the region as related to the Europeanization process, in the sense of mutually reinforcing realities that need to complement rather than exclude each other (Gligor, 2008:1-11). Elda Nasho, an Albanian researcher, argues in 2011 that at the national level Albania is under pressure to satisfy the imposed conditionality issues. This contribution focuses on the influence of the EU and the domestic actors on the democratization process in Albania. It's important for the EU to continue using its leverage through the mechanism of conditionality and through the accession prospect in order to lead the Western Balkan countries to further consolidate their democracy and carry out their reforms. The other two Albanian researchers, Vasjari and Shtupi, argue the importance not only of the accession regarding the acquis communautaire for national legislation, but for the effective application through appropriate administrative and judicial structures" (Vasjari, Shtupi, 2013). Although the EU’s role in the Western Balkans remains crucial as an “anchor” of stability, as a one-way path to prosperity and as a goal to be aspired to may be losing its appeal for some of these countries (Panagiotou, 2012).

According to Dominik Tolksdorf in 2013 “the membership perspective of the Western Balkan states does not only depend on progress in the region itself, but also on developments within the EU. Citizens in the region are aware that new enlargement rounds are not on the top of the EU leaders’ agenda”. While the latter will for the next two to three years focus on tackling economic and financial issues, it is difficult to predict in which direction European integration leads. (Ibid).

5. Conclusions

The struggle conducted by Croatia demonstrates that all applicant countries will be “scanned” thoroughly by the European Commission. Since the beginning of the membership negotiations in October 2005, it took Croatia eight years to finally join the Union. Given these circumstances, it can be assumed that it will take at least five to ten years until another state of the region will become an EU member – under the condition that the Union has acquired a new “absorption capacity”. The public opinion in the Balkans are aware that their country’s membership is in a rather distant future.

The Balkans will follow a similar curve to recovery, but this depends both on their main partners’ recovery and on their capacity to capitalize on the positive trends; The Balkans have to catch up with their Western counterparts and they need much higher and more high-quality growth.

The EU is strengthening its conditionality, control, and pressure on the Western Balkans during the earlier stages of the pre-association and pre-candidacy process. Within this long journey, the various steps of the SAP acquire a special significance as both targets and rewards for the applicants; from the feasibility study of the SAP to the start of negotiations for a Stabilization and Association Agreement (SAA), the conclusion of SAA negotiations, the initialing of the SAA, the signing of the SAA, the ratification process, the EU candidacy, and the start of accession talks; all these stages are being used to maximize the potential leverage of the EU on applicant states. Progress from one step to the next is linked closely with the fulfillment of criteria and a well-endowed political conditionality.
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~ 522 ~
Creating and Organizing a New Field Decision-Making in the Albanian Legal Framework and European Integration

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Abstract

Reforming the justice system has been the promoter of change and sanctioned way of their regulating. The aim of this paper is the study of the creation and operation of a new field of decision-making, such as the Administrative Court as a court of independent and impartial, established under the law and able to meet the requirements of the development of a fair trial. Challenges facing the court as a young and newly created. Also studying in comparative plan the models of this court that are apply to other European countries. The study aims to highlight the best sides that can be implemented for the model that is selected and approximation with the acquis communautaire in the context of integration. Contributing to the creation of theoretical conditions and more efficient ways to achieve the adoption of European law in general and administrative Europeans in particular that in the Albanian interior. Functioning of the Administrative Court will have an impact on public administration, improved the quality of its services and consequently increase citizen confidence in state institutions.

Keywords: Human rights, justice reform, the challenges of administrative decision-making, administrative tribunal, EU Criteria

1. Introduction

The existence of the rule of law means recognizing and respecting the rights and freedoms of every individual. In this aspect the commitment that the state has taken to its citizens, is helped by the legal framework. Reforming the legal framework is imposed by the frequently changes occurring, which require disciplined by the new rate. The right should regulate relations and not create problems.1 The purpose of this paper is the study of general reform of the legal administrative framework under the framework of justice reform. The state function as an organization and a special role is played by the public administration and not only. Reforms undertaken in particular are focused on public administration, in that are materializes the state policies. To determine its functioning, is sufficient to ask questions about the quality of services offered and how social policies are undertaken. Since it is a very important subject of administrative relations, as the consequence is necessary that the judgment of disputes created during its activity, to be judged by a judicial body that is independent from the administration. Establishment of Administrative Court aims to reduce trial time and disputes procedure by making the process more efficient and increasing the confidence of citizens to the rule of law and justice.

1.1 Albanian legal framework and European integration

The Albanian state has faced a number of challenges since the changes of 1990. For this reason has undertaken a series of reforms, from time to time in a rapid way and from time to time in a passive way, having the sole purpose of joining the European family. But was not enough drafting of laws to do so, much more is needed. Its necessary political will and civic awareness. It is first necessary change of mentality and the rebirth of a new leadership, capable of contributing his energy and accountability in law enforcement. The first reformation is closely linked to the legal approximation.

The Stabilization and Association Agreement between Albania and the EU entered into force in April 2009. Albania presented its application for membership of the European Union on 28 April 2009. Following a request by the Council, the

1 Ardian Nuni topics: "Right, justice and us, in these 20 years: Reflections" Conference "Judicial reform causes as a challenge among 12 priorities that the EU integration of Albania" in Tirana, July 2012
Commission submitted its Opinion on Albania’s application in November 2010. Liability for approximation of legislation with the EU acquis set out in Articles 6 and 70 of the SAA. Approximation of legislation is a complex process and very demanding. It requires to Albania, not only to build its regulatory framework in line with the European standards, but also seeks to provide administrative structures and other conditions necessary for the implementation of the acquis. Pursuant to article 70, paragraph 2, has approximation starting from the date of signing of the SAA, 12 June 2006 and finish at the end of the transitional period until 2016 divided into two phases with 5 years each.

From this perspective, reforming requires an extension in time, in order to achieve the desired results. Reform of the justice has been a promoter of change, such is the creation of Administrative Court. The need to have a new field administrative decision-making was born as a result of gaps that were noted in the review of various administrative disputes, to lengthy delays and unjustified. And this particular was made concrete, with the establishment and functioning of the Administrative Court in order to create appropriate conditions for an effective review by restoring the violated rights of action and / or administrative acts issued by public bodies. The need for the creation of the administrative court has not only been a requirement as a condition to be fulfilled in the context of integration, but has been asked repeatedly by interest groups. Beginning of its operation since 04 November 2013 marks a new stage in administrative disputes and also in the administrative decision-making.

1.1.1 The steps that are followed to the functioning of the Administrative Court

The existence and functioning of the rule of law is based on an important principle which is of the supremacy of law, the principle of separation and balance of powers. Legal review of administrative decisions by independent courts is an accepted democratic principle, present in major European practices and an important contribution to ensure order, particularly to protect individual rights from the administration. The necessity of creation of a new administrative court, begat as the need of deficiencies, delays and crawling that occur for administrative disputes at the relevant sections, near the district courts.

Table 1: Reasons for postponing the hearings

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Judge absent (for health reasons, family, seminars)</td>
<td>16.5%</td>
</tr>
<tr>
<td>To obtain other evidence</td>
<td>11.9%</td>
</tr>
<tr>
<td>Lawyer Absent (for health reasons, family, seminars)</td>
<td>11.9%</td>
</tr>
<tr>
<td>Absent plaintiff or respondent although informed</td>
<td>10.1%</td>
</tr>
<tr>
<td>Absent plaintiff or respondent because they had become aware</td>
<td>8.3%</td>
</tr>
<tr>
<td>Moving from one phase to the other (or she completed preparatory sessions court)</td>
<td>7.3%</td>
</tr>
<tr>
<td>Procedural actions related experts (drafting the act, consultation parties act)</td>
<td>7.3%</td>
</tr>
<tr>
<td>For notice or expert witness</td>
<td>5.5%</td>
</tr>
<tr>
<td>For completion of the flaws we claim</td>
<td>4.6%</td>
</tr>
<tr>
<td>And other</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

From the birth of the opinion to reform the justice system by creating a new court until its creation has passed a relatively long time. Time that was required for the amendment of the law, his discussion from the groups of interest and the establishment of infrastructure necessary for the implementation of the law. The necessity of this change is imposed mostly by interest groups, who were having lobbied for the creation as the first administrative court. In this way was given more importance to reach an agreement on approving the law rather than the quality that this law should have, so that at the moment that law would enter into force will be possible an effective implementation. For this reason the law No.49/2012 “On the organization and functioning of Administrative Courts and administrative disputes” sets binding rules for administrative adjudication entities, state bodies, legal entities and citizens regarding administrative disputes, enforcement of administrative judgments, as well as the organization of the administrative courts.

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2 Erion Fejzullah and Aida Gugu Implementation Plan SAA and its importance in the process of European integration of Albania, Bulletin No. 2, March 2012
3 Article 7 of the Constitution of the Republic of Albania
4 Drejtë drejtesise Aananlize e procesit civil ne gjykata e retheve gjyqesore, Botuar nga Organizata për Siguri dhe Bashkëpunim në Evropë 2013, faqe 15

~ 524 ~
2. Literature Review and Hypotheses

2.1 Administrative justice systems at the global level

In certain jurisdictions, primarily those of common law protection against public administration is delegated, in principle, at the same court that has jurisdiction to judge upon the disputes between the parties (the so-called common system), while in other jurisdictions refers to special courts (administrative courts, which characterize the so-called two level system). There is another model, as is the case of Spain that implements an intermediate solution, leaving the protection of specialized sections to ordinary courts. In a summary, putting forward the characteristics of different models that states implement in their practice of judicial review of administrative acts by a Administrative court and features that each model represents.

2.2 System of only ordinary jurisdiction

According to this system, the activity of public administration is subject of the review by the ordinary jurisdiction. This system is characteristic of Anglo-Saxon countries (common law), but is implemented and in other countries like Norway, Israel and some countries of the former Soviet Union. Review of this activity is subject to certain restrictions: reviews issues that are associated with overcoming of competence and the legitimacy (ultra vires), but no power of cancel, suspend or modify an administrative act, the administrative activity and limited only to rendering decisions on reinstatement consequences caused by administrative activities, for example. “Paid the damages” Does not constitute part of judicial jurisdiction, issues that entered in jurisdiction of the administrative settlement, and usually have these attribute special committees with administrative character.

2.3 System of dual jurisdiction (of ordinary and administrative)

According to this system, review of administrative activity remains under the jurisdiction of the ordinary courts as to the judgment of administrative disputes while jurisdiction for the annulment of illegal administrative acts is reserved to the organs who exercise administrative jurisdiction, formally part of the public administration, but at the same time independent, because they enjoy the status of a judge. It is the system adopted in most of Europe (Italy, France, Belgium, Austria, Germany, Switzerland, Denmark, Greece, etc.) as well as in Latin America (Uruguay, Colombia, and Panama). Bodies of administrative jurisdiction are usually central, with power lying in of entire state territory, for example. “Consilio di stato in Italy, the Conseil d'Etat in France and Belgium, Bundesverwaltungsgericht in Germany” But there may be peripheral bodies of the administrative jurisdiction, eg. “Tribunal's administratifs regions in France”

2.4 Specialized jurisdiction system

According to this system, there are at every level of the ordinary courts, specialized sections for administrative dispute resolution. An intermediate system between the two systems mentioned above is implemented in Spain. Such sections are formed by 1/3 of ordinary judges, 1/3 of administrative judges and 1/3 of public administration specialist. These sections are included in the judicial system.

\[ H1: \text{There are a number of problems that arise and that may arise in the practice of administrative courts. Among the most significant is the problem of delay of the procedures and so citizens lose faith in the courts.} \]

Given that in the law that establishing the administrative court were no transitional provisions then in the unifying decision No.3 dated 12.06.2013 the Supreme Court unified the case law by deciding that all issues that were examined by an ordinary court will be review due to lack of jurisdiction by the administrative tribunal. So number of cases that defined by law were added issues that were transferred from district court and court of appeal. One of Principal problems currently facing the new administrative court is the sheer volume of issues you should judge because once these issues have been dismissed by the ordinary courts, due to lack of jurisdiction. Thereby the work of these courts is increased sharply, while the administrative staff is not completed properly consolidated, creating an unfavorable situation for the citizens, who have addressed their administrative dispute to this court for an efficient solution.

\[ H2: \text{Another problem relates to the inability to appeal the decisions of the administrative courts} \]

Under the provisions of Article 45 and 46 of Law nr.49/2012 has classified a set of issues that due to the small value of the object of the claim cannot be appealed to a higher degree. If this value is smaller twenty times the national minimum wage, the Administrative Court of Appeal did not accept the case for review. In the same way also operates
College Administrative High Court in relation to matters in which the value of the research or of the right is less than forty times the national minimum wage.

This new regulation is restrictive in nature compared with the previous regulation of the Code of Civil Procedure\(^5\) to allow the right of appeal or recourse, regardless of the value of research or law that was subject to review before the court. The right of appeal and to access to the court and are not absolute and unlimited. They may be subject to restrictions by the legislature, only by respecting the principle of proportionality. Setting this threshold in the value of the claim, as a condition to exercising the right of appeal, was to avoid the overload of administrative disputes trials with small value and ending them in the first instance.

H 3: No institutional regulation of administrative conflict, there isn’t a full definition of administrative conflict and not expanding enough of supervision of legality in all individual acts of state government and public.

These courts are responsible for administrative issues which, claim, appeal or recourse is deposited before 11/04/2013, respectively in the courts of first instance, on appeal or to the Supreme Court and by this date, the review did not finished\(^6\). What problems might arise in the practice of administrative courts? Should be reviewed when is excluded the appeal of the decision of administrative court, although recent practices are favorable and, in principle, provide for appeal of decisions of administrative courts. It may also be mentioned that some countries in efforts to harmonize their legislation with the provisions of the Convention for the Protection of Human Rights and Fundamental Freedoms. In these efforts, faces an insufficient degree of harmonization of administrative conflicts with the overall document. In connection with administrative conflicts themselves, appear and may show different problems. In a summary encountered these problems: No institutional regulation of administrative conflict, no decentralization, no leadership up to bottom.

2.5 Indirect protection system, the protection and individual rights

The law No.49/2012 is published in the Official Journal No. 53 of 2012 and entered into force on 30 May 2012, ie 15 days after publication in the Official Journal, as predicted in its Article 73. In application of Article 70/5 of Law 49/2012, based on the proposal of the Minister of Justice, the President of the Republic has issued the Decree no. 8349, dated 10.14.2013, which has set the date 04/11/2013 as the starting day functioning of the administrative courts. This date marked the beginning of full effects of legal and law enforcement in general nr.49/2012 regarding jurisdiction and procedure of trial of issues subject to administrative disputes mentioned in Article 7.

The problem is that the law of Administrative Court had not explicitly define that which is the competent court for review of administrative disputes that the lawsuit, the appeal or the recourse is deposited before the date 04/11/2013 in the first instance court, in the Appeals or at the High Court. So the Supreme Court took over to unify the judicial practice. According to unifying decision of the High Court dated 06.12.2013 No. 3 who has decided that: “Administrative Courts of First Instance, the Administrative Court of Appeals and the Administrative Panel of the Supreme Court, established by Law No. 49, dated 03.05.2012 "On the organization and functioning of administrative courts and administrative disputes ", are responsible for review of all issues, which under Article 7 of this law constitute administrative dispute, despite the situation, phase or stage of the trial.

But according to Vlora District Court, the High Court has overcome the powers given by law in the interpretation that has been made in unifying decision.

By Vlora District Court was suspended the control of legality of an administrative act, and wasn’t declared non-competence according to the unifying decision of the Supreme Court. For this reason was asked the Constitutional Court to rule on the constitutionality of unifying decision No.3 dated 12.13.2013 of the High Court because touch the Article 6 and 42 of the constitution. With the argument that this decision violates the principle of legal security by giving retroactive effect to the law of Administrative Court as the effect of the action extends also to those issues that were pending before the date 11/04/2013.

2.6 The best model to be implemented

There may be an ideal solution, an effective judicial system with broad jurisdiction over each circle and at the same time more special judges.

The best solution possible might be a fair compromise in balancing the interests of the opposite, and also considering the possibility of achieving in practice.

Administrative judiciary is widespread in European Union countries. According to the state in 2007, the 16

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\(^5\) The Unifying decision dated 06.12.2013 No.3 High Court
countries of the European Union, from a total of 27 members, as in Germany, Austria, Belgium, Finland, France, Greece, Italy, Latvia, Luxembourg, Netherlands, Poland, Portugal, Czech Republic, Sweden, Romania and Bulgaria, the administrative courts operate as specialized courts. In 11 other states member of the European Union, as Estonia, Denmark, Ireland, Lithuania, Hungary, Malta, Spain, Slovenia, Slovakia and the UK, operating subsidiaries or specialized rooms for administrative law, in the framework of high courts (supreme).

Perhaps there is no a perfect model because if a model is successfully in one place he cannot be efficient in another country as conditions doesn't allow to well-functioning. Albanian legislator has chosen as the best models the ordinary court to judgment the administrative disputes, after testing it for a period of 17 years; the time testified that change was needed. As an alternative of improvement and reformation were found the creation of special administrative courts. If this was the right solution or the right model that should be adopted, the time will prove.

2.7 Research Goal

In this survey we aim to identify the mediating effect of Albanian practice of law progress, autonomous administrative jurisdiction and decision making under EU considerations. In this line is the situation presented with the establishment of administrative courts. Administrative tribunals were created to resolve disputes between legal entities, individuals and state administration within a shortest time, setting the deadlines for each degree of judgment.

Referring unifying decision of the Supreme Court should be kept in consideration some important principles. Main principles governing the justice system are the principle tribunal established by law, principle of trial within a reasonable time and the principle of legal certainty. The right of each party to be heard at a hearing before a court of competent jurisdiction requires that the court has jurisdiction to hear the case and that the powers is given to her by law.


Continuation of trial by the same panel constitutes a guarantee for the respect of the principle of due process, that of the "tribunal established by law." Legal certainty, which is derived from the Constitution and by the general principles of law. Legal certainty is one of the essential elements of the rule of law and it certainly presupposes, among other things, public confidence in the state and the immutability of the law regulated relations. Principles which should guide the work of the new court established that administrative.

Court which was in its beginnings faces a series of problems to be solved, therefore required the creation of a legal practice which will consolidate the function mode and will better orient parties in administrative disputes. Seen in the light of the above principles the Constitutional Court must change the unifying decision after trial recently by administrative courts will cause the change of rules of procedure under the provisions of the new Law 49/2012. This brings up another psychological condition of the parties, which infringed on their legitimate expectations and their faith in the state and effective justice.
2.8 What will be expected of judicial control in Albania?

Nothing more and nothing, less than: what it offers, in fact, judicial control. Perhaps it would be better to ask, what judicial review is looking from Albania judiciary? 1) Judicial control in Albania requires a decision (judgment) at the optimal time and not only wide volume control. 2) Effective measures in judicial protection. 3) Sufficient degree of intensity in control of public decisions, including the full review of the facts and full respect of fundamental principles.

But now with the entry into force of the law has not any hesitation that the model that is chosen by the Albanian legislatures is that of an autonomous administrative jurisdiction which is not integrated into the ordinary judicial system, as previously functioned. Although passed a long time, from the moment that filed the necessity of establishing administrative courts until entry into force of this law the first problems occur again. Often happens in Albanian practice that with the only intention to be part of the European Union, we should approve as many laws, without aimed that this legislation should be sustainable, long-term and respond to requests for development.

3. Conclusions and Recommendation

Creating of administrative court brought a new field in the framework decision on judicial reform aiming a trial within a reasonable time. Now with the adoption and entry into force of the Law on Administrative Courts have an innovative new field in the justice system. The administrative tribunals were created to resolve disputes between legal entities, individuals and state administration within a shortest time, setting the deadlines for each degree of judgment. One of Principal problems currently facing the new administrative court is the sheer volume of issues that should be judge because once these issues have been dismissed by the ordinary courts, due to lack of jurisdiction.

The new regulation is restrictive in nature compared with the previous regulation of the Code of Civil Procedure to allow the right of appeal or recourse, regardless of the value of research or law that was subject to review before the court. Another issue is the impact of the international legislation in the approval of the Administrative Court Law, especially in determining the minimum standards for judicial control of the administration. Still more needs to be done, other challenges facing the Albanian justice system such as guaranteeing the independence, credibility and access to court.

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The Prevalence of Illegal Drug Use

Doc. Dr. Fiona Todhri

Abstract

The prevalence of the use of only one type of illicit drug, except marijuana or hashish, ranging from 0.4% to 14.3% for different substances. Psychoactive drugs used by participants aged 13-34 years in our study, are sedatives and tranquilizers without a prescription. Lifetime prevalence of consumption of sedatives without prescription resulted 14.3% of boys and girls reported similar prevalence (14.1% respectively 14.6% boys versus girls). For all other psychoactive substances illegal, the prevalence was significantly higher among men than among women. The aim of this study has been to undertake an in depth analysis of the prevalence, tendencies, and factors related to the use of psychoactive substances among youth in Albania and evaluation of social services offered in the country. The objective of the study is the Determination of the prevalence and frequency of consumption of illegal drugs and their relation to socio-demographic and economic factors. This study is transversal (cross-sectional), the only type of study which allows interest phenomenon prevalence evaluation. In this study are included two subject groups: one group consists of subjects currently present at education system and interviewed at school settings, i.e secondary schools, high schools and university. The other group consists of youngsters being interviewed not at schools settings.

Keywords. Prevalence, Illegal drug use, Young people

1. Illegal Psychoactive Substances use at Young People in Albania

In this section results related to illegal drugs use are presented: over the counter sedatives, ecstasy, amphetamines, LSD, cocaine and heroine.

16.2% of the participants knew people who used ecstasy, 6.7% knew people who used amphetamines, 19.2% know people who use cocaine, 16.6% know people who use heroine and 2.4% of the participants knew closely people who used LSD.

2. Prevalence of Illegal Drugs use

Prevalence of only one type of illegal drug use, apart from marijuana or hashish, varies from 0.4% to 14.3% for different substances. (Relevine is control variable) (Graph1). Psychoactive drugs used by participants of the age group 13-34 years old in our study, are sedatives and over-the-counter sedatives. Lifetime prevalence of over-the-counter sedatives use has been 14.3% and girls and boys have reported similar prevalence (respectively, 14.1% girls versus 14.6% boys). For all other illegal psychoactive substances, prevalence is significantly higher among males than females (Graph 2).

Graph 1. Lifetime prevalence of illegal drugs use
Graph 2. Lifetime prevalence of sedatives use at girls and boys

Graph 3. Lifetime prevalence illegal drug use during the last year

Graph 4. Lifetime prevalence illegal drug use during the last month

Related to the number of illegal substances used by the participants in the study, following Graph 5 and Table 18 provide some detailed information. Here, only illegal drug users have been shown: marijuana, over the counter sedatives, ecstasy, amphetamines, cocaine, heroine and LSD, thus, in total seven types of illegal psychoactive substances.

The data show that 13.1% of the participants used only one type of illegal drug, 1.9% used two types of illegal drugs, whereas prevalence of three or more drugs by the same person varied from 0.4% to 0.1% (Graph 5).
3. Subject Distribution According to the Number of Illegal Drugs that are Used

The completed study showed that there are no significant differences between the use of only one or more types of illegal drugs according to the gender, age group and monthly incomes, even though the trends are clearly in favor of males, older age group and those with higher monthly incomes. While the prevalence of one or more types of illegal drug use is significantly higher among large urban areas residents (Table 1).

Tabela 1: Subjects spread by number of drugs use during the lifetime

<table>
<thead>
<tr>
<th>Variable</th>
<th>How illegal drug do you have used during lifetime?</th>
<th>P&gt;0.05 sipas testit statistikor hi katro.</th>
<th>P=0.016 sipas testit statistikor hi katro.</th>
<th>P&lt;0.001 sipas testit statistikor hi katro.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No illegal drug use</td>
<td>≥1kind of illegal drug</td>
<td>Sex A</td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>Pecent</td>
<td>Number</td>
<td>Pecent</td>
</tr>
<tr>
<td>Sex A</td>
<td>442</td>
<td>83.6</td>
<td>87</td>
<td>16.4</td>
</tr>
<tr>
<td>Male</td>
<td>428</td>
<td>85.8</td>
<td>71</td>
<td>14.2</td>
</tr>
<tr>
<td>Female</td>
<td>87</td>
<td>16.4</td>
<td>157</td>
<td>15.6</td>
</tr>
<tr>
<td>Total</td>
<td>428</td>
<td>85.8</td>
<td>71</td>
<td>14.2</td>
</tr>
<tr>
<td>Grup-age A</td>
<td>275</td>
<td>79.7</td>
<td>70</td>
<td>20.3</td>
</tr>
<tr>
<td>Urban centre area</td>
<td>275</td>
<td>79.7</td>
<td>70</td>
<td>20.3</td>
</tr>
<tr>
<td>Urban periferic centre area</td>
<td>121</td>
<td>86.4</td>
<td>19</td>
<td>13.6</td>
</tr>
<tr>
<td>Small city</td>
<td>122</td>
<td>83.6</td>
<td>24</td>
<td>16.4</td>
</tr>
<tr>
<td>Rural Area</td>
<td>329</td>
<td>88.2</td>
<td>44</td>
<td>11.8</td>
</tr>
<tr>
<td>Type of education C</td>
<td>98</td>
<td>89.1</td>
<td>12</td>
<td>10.9</td>
</tr>
<tr>
<td>Primary education</td>
<td>98</td>
<td>89.1</td>
<td>12</td>
<td>10.9</td>
</tr>
<tr>
<td>Hight School</td>
<td>96</td>
<td>71.1</td>
<td>39</td>
<td>28.9</td>
</tr>
<tr>
<td>University</td>
<td>305</td>
<td>87.4</td>
<td>44</td>
<td>12.6</td>
</tr>
<tr>
<td>Not education</td>
<td>305</td>
<td>87.4</td>
<td>44</td>
<td>12.6</td>
</tr>
<tr>
<td>Month income A</td>
<td>89</td>
<td>90.8</td>
<td>9</td>
<td>9.2</td>
</tr>
<tr>
<td>&lt;10,000 lekë</td>
<td>89</td>
<td>90.8</td>
<td>9</td>
<td>9.2</td>
</tr>
<tr>
<td>10,000-20,000 lekë</td>
<td>161</td>
<td>86.6</td>
<td>25</td>
<td>13.4</td>
</tr>
<tr>
<td>20,001-40,000 lekë</td>
<td>224</td>
<td>83.9</td>
<td>43</td>
<td>16.1</td>
</tr>
<tr>
<td>&gt;40,000 lekë</td>
<td>373</td>
<td>82.3</td>
<td>80</td>
<td>17.7</td>
</tr>
</tbody>
</table>

Përëqindja sipas rreshtave

A P>0.05 sipas testit statistikor hi katro.
B P=0.016 sipas testit statistikor hi katro.
C P<0.001 sipas testit statistikor hi katro.

About one in twenty participants (4.8%) claimed that they had had sexual intercourse under drug effects.
4. Age at the Onset of Illegal Drug Use

Regarding the average age at the onset of illegal drug use it is seen that, LSD use includes younger ages (15.5 years old ± 3.0 years), whereas for the ecstasy a higher average group age is reported (20.6 years old ± 4.5 years).

Average age at the onset of other illegal drug use is shown in Graph 5.

Graph 5. Average age of illegal drug use for the first time

5. Places Where Illegal Drugs are Usually Used

Participants who claimed to have used ecstasy, cocaine or heroin during their lifetime, were asked about the common places where they used these substances. Like other ADDT-s, it has resulted that these substances are used in more than one place. For instance, 42.1% of the ecstasy users claimed that they usually use cannabis in cafes or clubs. According to the data, none uses ecstasy at home (0.0%), while 5.3% of the subjects claimed that they use it in the streets, 10.5% at the parks and the same is true for school environment. Subject distribution according to the place where other illegal drugs are used, is shown in Graph 6.

Graph 6. Prevalence of illegal drug related to the places

6. Conclusions

- Alcohol use, smoking and illegal drugs prevalence in Albania in general is comparable to other regional countries, but lower compared to EU countries.
- Despite the existence of a complete legal frame related to smoking and alcohol use limitation and banning of illegal drugs, again teenagers and youth are able to find these products.
- High-risk groups for alcohol use, smoking and illegal drugs are males, aged 19-34, living in large urban areas and those with high monthly incomes. Relation to education is non-coexistent: high education is a risk factor for smoking, sedatives, but not for alcohol, cannabis or other types of illegal drugs.
- In Albania, in years a low prevalence (compared to European countries) of psychoactive substances among teenagers has dominated and continues to dominate, fluctuating slightly from 2005 to 2011.
• On the other hand, prevalence of psychoactive substances’ use among adults has been increasing over a 10-year period of time in Albania. Lifetime smoking prevalence has increased over 30% in 2011 compared to 2001, while data on smoking prevalence trends are very few. Also, assessment of illegal drugs use trends is difficult because of few official reliable resources. Compared to 2010, it has been noticed a slight increase in the prevalence of illegal drugs use among the youth in our country.
• Alcohol, smoking and cannabis use prevalence monitoring is very important, because smoking and alcohol onset is usually followed by cannabis use, which then could lead to experimentation with other “heavy” illegal drugs such as amphetamines, heroine and cocaine, as suggested by “pathway” theory. In this context, taking measures to strengthen the law, regarding teenagers’ access to alcohol and smoking products is an imperative duty of public authorities. On the other hand, one in ten teenagers aged 13-34 have used cannabis at least one. This level of prevalence is translated into thousands individuals, exposing those to increased risks to experimentation with other illegal drugs according to pathway theory. Thus, monitoring and keeping under control of this narcotic substance should be a center of attention for corresponding authorities.
• A considerable percentage of individuals aged 13-34 started experimentation with alcohol at the age of 12 or younger. Since starting alcohol and smoking at a younger age implies a greater likelihood to continue using them, their abuse and starting other illegal drugs is more likely. According to pathway theory, it is necessary to regulate preventive programs at schools so that average age at the onset of these substances increases.
• Main places where alcohol, smoking, ecstasy, cocaine and heroine are used are undoubtedly cafes or different clubs in the country. Since alcohol should not be served to individuals under 18 and smoking is not allowed to be used by all ages in public places, it is implied that law is not in its highest level. Since studies showed that strict law can lead to the reduction of these substances, then this represents a relatively simple and effective way in this direction.

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The Reform Strategy of the Local Government in Albania

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Abstract

"In Albania, the local ′s government operation and organization has historically been a responsibility and achieved by the will and physiognomy of the political class that had driven the social life. This process has been influenced even by the social characteristics, economic level, reflecting the impact of external political environment of the times in which is done the construction of local government as well as reform. Despite the government's project and efforts in Vlore, to make an administrative territorial division according to the model of Western countries France, until the year 92 that remained as the only attempt for a democratic process in the implementation of the local self-government. The political changes after the 90's brought for the first time the local government organization according to the western concepts and practices as a result of the external political environment changes as well as the necessity of adaption the state of social and economic conditions in the Albanian society. Today the local government is organized and operates under the legislation of the Albanian Republic and "European Card of local autonomy", but the weakness shown during work as well as the social and economically changes, necessitate its reform. The practices followed in the developed countries and those former communist, are an aid to be taken in consideration in compliance with the conditions of our country. This study aims to bring debate in the way that the Local Government must be reformed and specifically what would like citizens according to a poll conducted in District of Gjirokaster."

Keywords: Strategy, Government, Local, Administration, Reform.
Units of Synonymy and Lexical Relations

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Abstract

This paper focuses on a number of lexical relations such as synonymy, antonymy, polysemy and homonymy, with special attention paid to the relationship between synonymy and the other lexical relations. Firstly, the problem of synonymy units is discussed, followed by an analysis of how different lexical relations help study and understand each of them. Moreover, a better understanding of synonymy in such a web of relations, makes language users realize the complexity of synonym use, especially in terms of context. This paper aims to show that a thorough analysis of synonymy requires the analysis of the interrelationship between this lexical relation and the other ones mentioned above.

Keywords: synonymy, unit, polysemy, antonymy, homonymy.

Whenever we discuss the linguistic phenomenon of synonymy, a highly controversial question emerges, that of the linguistic units between which the synonymy relation is established. The traditional approach considers words as units of synonymy between the members of a synonymous pair or group. There is even a more “radical” view of synonyms, restricting them to words of the same part of speech. For example, there are a number of definitions by various authors who consider the word as the synonymy unit. Here are some of them:

“synonyms are words of identical or nearly identical meaning” (French, 2004:146)

“near-synonyms are words which share a salient common core of meaning, but differ in relatively minor respects.” (Aronoff, 2002:9)

“two or more words with very closely related meanings are called synonyms” (Yule, 2006:104)

Such definitions seem to stem from the definition provided by the “inventor” of synonymy, Aristotle in his “Rhetoric” (synonumon “with the same name; syn-onuma –name). As a result, dictionaries of synonyms prepared over the years have used the word as the basis of the synonymy relation. Nevertheless, this sounds justifiable and reasonable given the practical function of the matter. Moreover, dictionaries generally reflect the existing theoretical basis and take it to a practical level for general use. Thus, as the greatest number of studies have focused on the word as the unit of synonymy, it is then expected from dictionary compilers, who may have sometimes been authors of the studies on synonymy themselves, to use the word as the basic unit of a dictionary of synonyms.

However, it must be pointed out that there has been a growing tendency to extend the scope of synonymy relations both below and above the word. For example, such a tendency is evident in two monolingual dictionaries in both English and Albanian, where units other than the word have also been included in the definition of synonyms:

“synonym – a word or expression that has the same or nearly the same meaning as another in the same language” (OALD, 2000:1319)

“synonym- a word, expression or construction with identical or very similar meaning with the meaning of another word, expression or construction” (AKSH, 2002:1182)

Roy Harris (1973), who has written a book on synonymy, has made it clear in the introduction of his book “Synonymy and Linguistic Analysis” that the traditional definition of synonyms has been replaced by a wider and more inclusive notion of synonymy, including units below and above the word. According to him, synonymous expressions (this is the term he frequently employs to refer to synonyms) include words, morphemes, phrases, clauses, sentences and sequences of sentences.
Other scholars have modified the traditional conception of synonymy by including units below the level of the word, such as morphemes. For example, the ending -en in oxen is viewed by some as a synonym of the standard ending -s in the word cows (Lonngren). However, confusion emerges in terms of terminology as some prefer the term “grammatical doublets” or “grammatical parallels” instead of synonyms. Others have gone even further and have identified examples of synonymy beyond semantic units. It is the case of syntactic units. For example, a synonymy relation is observed in the sentence below:

*She knows (that) you are…*

It is argued that in this case synonymy is established between the sentence with a conjunction and the case without the conjunction.

Mansaku (1985), by bringing an example of syntactic synonymy, helps the discussion about synonymy beyond the word. The three sentences below are considered synonymous by him:

a) Gjuha e shkrimtarëve të mëdhenj është e thjeshtë dhe e pasur.

b) Gjuha e shkrimtarëve të mëdhenj karakterizohet nga thjeshtësia dhe pasuria.

c) Karakteristika të gjuhës së shkrimtarëve të mëdhenj janë thjeshtësia dhe pasuria.

If we stick to the belief that synonymy holds solely between words, is it then possible to deny the existence of synonymy between words and other constructions, such as pregnant - in the family way, vdiq - na la shëndenë, etc. As a result, a more comprehensive view of synonymy would encompass not only words as units of synonymy, but even more complex linguistic constructions.

Nevertheless, synonymy is better analyzed when viewed in connection with other lexical relations such as antonymy, polysemy or homonymy. For example, knowledge of the polysemantic structure of words is essential for analyzing synonymy relations. Polysemous words can establish relations of synonymy in one or several of their senses but not all of them.

Antonymy and synonymy are also highly important when it comes to discussing synonymy. According to Samara (1985) a number of types of relations between synonymous chains are established on the basis of opposite meanings of polysemous words and their proximity with other Albanian words. The size of these chains varies from language to language. Here is such an example from Albanian: *i martuar (married) – i pamartuar (unmarried), beqar (single).*

Synonymy can also be identified in what is known as “stylistic antonymy”, which is a special type of antonymy in Albanian. Samara (1985) has provided the following classification of stylistic antonyms:

a) stylistic antonyms (*mësesës – dhaskell*) formed by the opposition between the stylistically neutral word and its obsolete synonym which has gained emotional associations. English language is also rich in pairs of stylistic antonyms (*enemy – foe*).

b) stylistic antonyms (*litar – fortomë* or *helmohet – farmakoset*) formed by the opposition between the general word of common use and the respective regional or foreign word, with restricted contexts of use and stylistically marked. Here is a pair of such stylistic antonyms in English: *brotherly – fraternal*.

c) functional stylistic antonyms (*gazetë – lëpushkë, atdhe – mëmëdhe, bëj – kryej, e vrau – e palosi*), formed by the opposition between synonyms pertaining to different levels of discourse or different functional styles of the language. The pair *die – pass away* constitutes an example of functional stylistic antonyms in English.

d) stylistic antonyms formed by the opposition between two meanings of the semantic pattern of the same word: the positive or neutral meaning and the pejorative meaning which is generally put in inverted commas or accompanied by such determiners as “gjoja”, “i ashtuqajtur”. Here is an example of such a type of stylistic antonymy: *trim (real) – “trim” (not real).*

The classification made above once again emphasizes the overall complexity of lexical relations, with the same pair or set of words being included in two different lexical relations. Nevertheless, such an interconnection gives a better insight into the essence of the lexical relations discussed so far because discussing them in isolation does not help us carry out a thorough and comprehensive treatment of such linguistic phenomena.

Moreover, compound antonyms can enter into a relation of synonymy with each other. For example, the Albanian compound word *fjalëpakë* can enter into a relation of synonymy with *fjalëkurser*, while *fjalëshumë* can enter into a relation of synonymy with *fjalëmadh* or *fjalëgjatë*; *shpiritmirë* is synonymous with *shpiritbutë*, *zemërmirë* and *zemërbutë*; on the other hand, the antonym *shpiritqë* is synonymous with *shpiritlig*, *shiptegër* and *shpiritashpër*, *zemërkeq* and *zemérilig*. The Dictionary of Albanian Language (2002) contains a great number of compound synonymous words with the first
member zemër or shpirt, which can establish a relation of antonymy with a longer chain of respective words of opposite meaning.

Antonyms and synonyms are frequently grouped together when it comes to “semantic relations between words of no common origin both in terms of formation and meaning, i.e. between different words of no common derivation, but they share a common semantic axis” (Thomai, 2005:129). These kinds of relations are known as semantic unconditional relations, thus contrasting with semantic conditional relations such as derived and non-derived words.

The interrelation between synonymy and antonymy has also been analyzed by Cruse (1986), who states that the difference between synonyms and antonyms is that in synonyms their common traits are more important than the differences between them.

Palmer (1981:92) admits the importance of antonyms in the discrimination of synonyms. Just like the substitution test, he considers antonymy a means for testing synonymy. Thus, superficial is opposed both to deep and profound, whereas shallow is opposed only to deep. The fact that two words seem to have the same antonyms may be a reason for considering them synonyms, but the examples given above show that there are words interchangeable in certain contexts and it is in the context that deep and profound are interchangeable that their common antonym is superficial.

Synonymy can be of help when it comes to distinguishing homonyms from polysemy. One of the ways to make this differentiation is as follows: there are homonyms when two words can correspond to different synonyms. For example, çoj “dërgoj” / çoj “ngre lart”; bie “rrëzohem” / bieu “sjell” / bieu “godit” etc. There is polysemy when two senses correspond to a common synonym: gjëmon (moti) and gjëmon (lufta) “buçet, kërcet, uturin” etc. (Thomai, 2009:153)

The development of polysemy can be regarded as an abundant source of synonymy relations. With the passing of time words of different etymology meet in some of their senses. Let us focus on the English words courage and bravery. Despite their etymological difference, these two words now share one of their senses.

\begin{itemize}
  \item \textit{Bravery}
  \begin{itemize}
    \item The quality of being brave; courage; valor.
    \item Fine appearance, show, or dress; showiness.
    \item Etyymology – French, braverie, glantery, splendor
  \end{itemize}

  \item \textit{Courage}
  \begin{itemize}
    \item The attitude of facing and dealing with anything recognized as dangerous, difficult or painful, instead of withdrawing from it; Quality of being fearless or brave; valor.
    \item Mind; purpose; spirit.
    \item Etyymology - ME & OFr, corage, heart, spirit (Gove, 1984)
  \end{itemize}
\end{itemize}

On the other hand, a great number of Albanian words are synonymous with each other in or more senses of their semantic structure. For example, the verb çoj is synonymous with the verb ngre in the sense “lëviz diçka nga poshtë lart” (çoj dorën - ngre dorën), whereas in the sense “ia nis dikujt diçka” the verb çoj is synonymous with the verb dërgoj (i çoi një letër, i çoi fjalë dikujt - i dërgoi letër, i dërgoi fjalë dikujt). As a result, the very same word may have different synonyms in different senses.

Synonymy relations between word senses are also observed between words deriving from different dialects of Albanian. For example, the verb këndoj in the Southern dialect is synonymous in one of its senses with the verb lexqi.

As the majority of words in a language are polysemous, the same word may belong to various synonym sets. This is the case with the word fresh:

\begin{itemize}
  \item A fresh metaphor – fresh; original; novel; striking.
  \item To begin a fresh paragraph – fresh; another; different; new.
  \item Fresh air – fresh; pure; invigorating.
  \item A freshman – fresh; inexperienced; green; raw.
  \item To be fresh with somebody – fresh; impertinent; rude.
\end{itemize}

Rodman (1993) has also paid attention to this linguistic phenomenon. According to him, a word may consist of a number of senses which are similar and at the same time slightly different. This polyseous word may share one of its senses with another word, resulting in a kind of partial synonymy. For example, mature and ripe as polyseous words are synonymous when referring to fruits but not when referring to animals. He also takes the example of deep and profound (mentioned above) as a pair of synonyms, with both members used with reference to thoughts, but only deep is
used when referring to water.

It must be also highlighted that “the size of the synonym set of a word is usually in direct proportion to the size of its semantic pattern. Words of a broad semantic pattern create the largest groups of synonyms in Albanian. For example, the verb zë, with 30 senses, creates a group of over 120 synonyms; the verb bëj has approximately 90 synonyms.” (Thomai, 2005:7)

To conclude, synonymy must be analyzed both in terms of inner and outer relationships. Being a lexical relation, synonymy cannot avoid interrelating with other lexical relations such as antonymy, polysemy or even homonymy. Studying them in terms of interconnection and interdependence may help language users better manage the use of the appropriate word in a given context.

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Confiscation as a preventive measure against criminality in Albania: The legal framework, its achievements and expectations.

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Abstract:

Due to its geographical position between east and west, as well as due to the fact of being a country still in its efforts toward legal and institutional progress, Albania has to face with organized crime, trafficking and corruption. In this context, the state policies for preventing these criminal activities are of great importance. This study aims to present the legal framework of prevention measures which consist in confiscating assets derived from criminal activities in Albania. The confiscation of crime derived assets is treated only as a preventive measure against criminal activities and not as an additional punishment after the defendant is found guilty as the Albanian Criminal Code provides. The study highlights the persons who can be subjected to this proceeding, analyzes the development of institutional innovations and the facilitation of procedures. While it emphasizes the big importance of law accomplishment (recently in 2014), the study gives highest priority to the law execution and mainly toward the Albanian high state officials. This study is based on legal analysis, statistics, annual reports and observation of judicial cases.

Keywords: intervention, confiscation, seizure, law implementation, organized crime, legal amendment.

1. Introduction

In order to fulfill the justice reform, Albania has to effectively fight organized crime and corruption. The measures and strategies are concentrated on punishment and prevention. Until 2010 the only legal basis of confiscation of criminal assets was the Criminal Code and Criminal Procedural Code of Albania, but since these laws provide seizing and confiscating only as an addition of the main punishment, there was a need to regulate the preventive property measures by a specific law which would not follow the usual way against the income and assets derived from crime. The new regulation would follow the civil procedure conform the Code of Civil Procedure. This study is concentrated in the legal conditions which should be fulfilled by the prosecutor and the court, the guarantee of the right of third parties in this process, the constitutionality of the process, the effectiveness and necessary changes referring the law and its implementation. To arrive at the conclusion about the positive and negative aspects of the legal framework for preventing criminal activity through seizure and confiscation, the study is based on legal analysis, statistics and annual reports of European Commission.

2. Seizure and confiscation as punishment and prevention.


Traditionally, confiscation is related with a criminal offense. Albanian Criminal Code provides in article 36 the definition of confiscation as an obligatory court decision and the transfer into the state budget or ownership of the tools and criminal proceeds. The confiscation is given after the criminal proceeding has finished and the person is found guilty, beyond the reasonable doubt and based on proofs. This kind of confiscation is realized only within the criminal process, and according to the Code of Criminal Procedure, confiscation means:

- The seizure of material proof (which is a tool to look for proofs);
- The conservative seizure (which means keeping the wealth and using it in the end of trial to fulfill the financial obligations of the defendant);
- Preventive seizure (which purpose is the prevention and stopping the further criminal activity).

But beside the seizure and confiscation within the criminal process, it was necessary to confiscate and prevent the further criminal activity without waiting for a final court verdict of guilt. This new procedure is the seizure and confiscation of assets through a civil procedure in a criminal court, which is the First Instance Court for Serious Crimes in Albania.

2.2. The new Anti-mafia law.

Anti-Mafia Law was approved in order to ensure confiscation of property achieved by the commission of criminal activities but this procedure is proved to be difficult due to intimidation of witnesses or other reasons which may affect the efficient results of the justice system. The law describes in detail the responsibility in the appointment of judges and monitoring the work of asset administrators. One single judge of the first level of serious crime court decides on the request of the prosecution regarding the seizure of assets, while a judicial body composed of three judges decides to confiscate the assets. The hearing of the verdict is provided in accordance with the Albanian Code of Civil Procedure. The law describes in detail the cases in which confiscation can be enforced, and provides the period of seizure for more than one year. It is worth mentioning that the Albanian Helsinki Committee has initiated a case in the Constitutional Court of Albania claiming that the Anti-mafia law is inconsistent with the European Constitution and Convention of Human Rights (ECHR). The Constitutional Court claimed that the law does not violate the human rights. (Instituti Kosovar per kerkime dhe zhvillime te politikave, 2011).

The Albanian Anti-mafia law or Law no. 10 192, dated 03.12.2009 "On prevention and fight against organized crime and trafficking through preventive measures against property" is based on the international conventions such as the UN Convention against the Transnational Organized Crime which entered into force in 2003 and which provides a narrowed confiscation; and the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism or the Warsaw Convention which entered into force in 2009 and which has provided an extended confiscation. Based on these conventions, Albania adopted its anti-mafia law which focuses its attention on preventive measures against criminal profits. Albanian legal provision regarding preventive confiscation consists in a narrowed but obligatory confiscation for some criminal offenses (only for a limited number of criminal offenses) which are serious ones. These offenses are: participating in organized crime, participating in a structured criminal group, participating in armed bands, trafficking of human being, women, children and weapons, offenses against property etc (Anti-mafia Law, art. 3). Albanian legislator chose the narrowed confiscation for two main reasons:

1. The law purpose to fight organized crime and corruption;
2. The legislator has taken into account the informal economy and fiscal invasion phenomenon which is present in Albania.

Seizure and confiscation of assets derived from illicit activities in Albania constitutes the preventive policy against organized crime, trafficking and corruption. Law no. 10 192, dated 03.12.2009 "On prevention and fight against organized crime and trafficking through preventive measures against property", which aims the criminality prevention through some new and more effective ways. Regarding the "Anti-mafia law", we have to mention some important details:

1. The law nature which is against serious crimes such as participating in criminal organizations or criminal structured groups; participating in terrorist organizations or armed bands; exploitation of prostitution; women trafficking and narcotic trafficking; laundering of criminal derived assets and corruption.
2. The seizure and confiscation process is grounded on sufficient data, not necessarily on proofs.
3. The burden of proof is transferred from the prosecutor to the suspect
4. The subjects of investigation, seizure and confiscation under this law are not only the suspects but even their relatives.

State officials of the highest levels are also subjects of this law. Preventive measure is considered any preventive measure applied to the property, which the court decides in a judicial proceeding through seizure and confiscation of assets; economic, trade and professional activity. This law has no aim to punish the persons who used to commit criminal offenses, but only to prevent (Court of Appeal, 2013).

2.3. Anti-mafia law and corruption.

The measures against corruption through years have not brought the desirable results in investigating and punishing corruption, taking in consideration that corruption is one of the very problematic issues Albania and Albanian citizens have to
With the changes in 2014, the Anti-mafia law finally provided corruption (active and passive) in private and public sector and in local and high state level officials, included here the President, Prime Minister etc. the offenses included are:

- **Art. 164/a “Corruption in private sector”**;
- **Art. 244 “Active corruption of public functionaries”**;
- **Art. 245 “Active corruption of high state functionaries or local representative”**;
- **Art. 260, “Passive corruption of state functionaries or local representative”**;
- **Art. 319 “Active corruption of the Judge, Prosecutor and other justice functionaries”**;
- **Art. 319 ç/ “Passive corruption of the Judge, Prosecutor and other justice functionaries”**.

3. **The difference between the civil confiscation and the criminal confiscation.**

The preventive measures according to the Anti-mafia law are being applied after the beginning of the criminal proceeding or after its termination. This is a procedure which is requested by the prosecutor in emergency cases and in which the suspect does not participate. In preventive seizure according the criminal law, the defendant should be found guilty in order to confiscate the assets related to crime. If the defendant is not found guilty then the seizure falls and confiscation cannot take place even if it is not legally justified. This happens because the defendant is presumed innocent (Albanian Criminal Code, art. 4) and as result his assets are also presumed legal. Otherwise, the preventive seizure and confiscation according the civil procedure does not respect such principles like the innocence presumption, or the decision beyond the reasonable doubt based on proofs. The Albanian Anti-mafia law is not a material or a procedure criminal law, it does not respect criminal principles such as the presumption of innocence, but it presumes guilt. Proofs are not really essential in these proceedings, what is needed is the evidences that the income are not legal. The suspect is charged with the burden of proof. He has the obligation to prove the legal source of income. If he does not, then the court decides the seizure and confiscation of income and other assets. This is another specific element of this law which increases the effectiveness of the fight against criminality. In this way the prosecutor finds it easier to prove the illicit wealth in the court.

"In the third paragraph of Article 21 of this Law is stipulated that: "The burden of proof to prove that the assets are legally acquired belongs to the person who is a suspect". In this sense, the real value of this law is that it will not be the prosecutor who will prove the illegality of setting the property, but will be individual, who must prove otherwise before the court with evidence and facts about how the property has been seized and impounded in cases of corruption".

The competent authority for these proceedings is the Court of Serious Crimes of First Instance and the Appeal of Serious Crimes. In the case of confiscation in a criminal proceeding, the competent authority is any criminal court of the Republic of Albania.

4. **Some general statistics.**

During the 2013, verifications are carried out for 2056 persons (and their relatives) involved in criminal activities for the criminal offenses that are object of the Anti-mafia law. During the 2013 the confiscated assets are approximately 571,355 Euro (without involving here the confiscations of some not valuated real estate) (Drejtori i Pergjithshem i Policise se Shtetit, 2013).

The Anti-mafia law increased the value of assets seized in 2011 by 2.1 times more than in 2010 (VKM no. 663, 2003).

5. **Conclusions**

As a conclusion to this study, Albania has now a developed legal framework for preventing organised crime, terrorism and corruption by seizing and confiscating illicit inome and assets through a civil and very fast procedure. In 2010 entered into
force the Anti-mafia law which focused against criminal assets by seizing and confiscating. The purpose of the Anti-mafia law is to hit the organized crime in its wealth, to decentralize the economy and to decrease informality in the economy.

In 2014 it has been amended with the purpose to be a more effective tool against criminality through the seizure and confiscation. Because of these law changes, there are more and more assets seized and confiscated. The highest priority is given to law implementation, especially referring to the subjects that represent high levels of the Albanian state officials. Based on the investigation of the criminal assets, it results that the number of subjects referred in the Serious Crimes Prosecution has increased. The undertaken measures before passing the Anti-mafia law have not brought the desired consequences in investigating and punishing the corruptive practices, since corruption is highly present. A highly important factor is the duly implementation of the law especially referring to judges, politicians and other high level state officials. The limited number of the prosecutors in Serious Crime Prosecution involved in financial investigations raises serious barriers progress in this sector. Some main issues refer to the proper implementation of the Anti-mafia law, mainly in confiscating the seized assets. Also the number of proactive investigations toward assets derived from crimes should be increased, especially relating the assets derived from crimes committed outside Albania and which are reinvested inside the country (EC Report 16.10/2013).

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