Albania in Europe: Perspectives and Challenges

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Abstract

This paper will discuss the prospects of Albanian integration into the European Union. The question of Albanian integration is viewed as being affected by three concerns that reflect upon the issues of identity, security and economics. These concerns will be discussed at three levels of analysis: European, regional and national. Discussing the integration in this way will enable us to understand the stakes involved in Albanian integration. The paper will conclude observing that these stakes differ in nature and are not only related to the country's progress in terms of the consolidation of democracy, rule of law and market economy.

Keywords: Albania, European Union, European Identity, Enlargement, Western Balkans.,

AVRUPA'DAKİ ARNAVUTLUK: PERSPEKTİFLER VE GÜÇLÜKLER

Öz

Bu makale Arnavutluk'un Avrupa Birliği'yle bütünleşme süreciyle ilgili beklentileri tartışmaktadır. Arnavutluk'un üyelik sorunsalının kimlik, güvenlik ve ekonomiye yansıyan üç faktör tarafından etkilendiği gözönünde bulundurulmuştur. Bunlar üç analiz düzeyinde incelenmiştir: Avrupa geneli, bölgesel ve ulusal. Birleşmeyi bu şekilde tartışmak Arnavutluk'un üyeliğinin taşıdığı riskleri anlamamıza yardım edecektir. Makale, bu risklerin içeriklerinin farklı olduğu ve sadece ülkedeki demokrasinin pekişmesine, hukukun üstünlüğüne ve piyasa ekonomisine bağlı olmadığı sonucuna ulaşmaktadır.

Anahtar Kelimeler: Arnavutluk, Avrupa Birliği, Avrupa Kimliği, Genişleme, Batı Balkanlar.

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Introduction

The question of the future shape of Europe is influenced by the concept of European identity, the importance of which has been discussed since the end of the Cold War. Managing this issue is by no means an easy task, especially since the accession of new states to the European Union has livened up the question of European identity, becoming even more complex, diverse and irretrievably affected.

Defining European identity resembles entering a long, dark labyrinth, in that it does not offer details or particulars. Consequently, it seems very difficult and perhaps even impossible to provide a definitive answer to the future of a common European identity and how it would affect the enlargement process. The very definition of the term is somewhat complex, because European identity can be analysed on different levels: psychological, ideological, institutional, and functional, in addition to analysis from the perspective of prosperity, external security and the like. Since the inclusion of all the aspects of identity would be an enormous task that would exceed the scope of this paper, major attention will be given to identity as an important factor in shaping enlargement and EU integration.

How can we define European identity? Europe in itself is defined as a system of nation-state. Here two concepts are of relevance: European identity and national identity. In order to reach an understanding of European identity it is important to begin with the understanding of its component: national identity. For most of us, national identity conveys a "named human population sharing a historical territory, common memories and myths of origin, a mass, standardised public culture, a common economy and territorial mobility, and common legal rights and duties for all members of the collective".[1] European identity, for the purpose of this paper, is the outcome of the process of sharing common values within a market economy and a democratic system with a wide base for political participation, that through dissemination and hybridisation leads to the

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1   Anthony D. Smith, "National Identity and the Idea European Unity", *International Affairs*, Vol. 68, No. 1, January 1992, p. 60.

convergence of attitudes and beliefs and a willingness to share common governing institutions.

This paper will discuss the prospects of and challenges to European identity shaped by the dynamics of integration and the enlargement process, emphasising its affect on the integration of the Western Balkans in general and Albania in particular. The first part of the paper will discuss the challenges and prospects of gaining EU membership with regards to European identity, underlining points of convergence and divergence. The second part focuses on issues of European identity and how it affects the integration of the Western Balkans with the EU. The third part calls attention to the case of Albania's integration with the EU. Regarding the challenges and perspectives of the Western Balkans, and Albania in particular, in catching up to the rest of the continent, the goal of integration and promise of stabilisation, accession and membership will be discussed.[2]

European Identity: Prospects and Challenges of Enlargement

In order to discuss the role of European identity in the EU enlargement process one should begin with the definition of Europe and Europeans. Europeans share the same ancestry and their languages derive from a single origin, proto-Indo-European. Short distances, together with navigable rivers and coastlines, have facilitated trade and cultural contact, encouraging the emergence of common styles and ideas that have spread throughout the European continent. During the Roman period, the Empire's influence reached far beyond its frontiers and Roman engineering, law and civic culture were incorporated into Europe as a common set of ideas. The spread of Christianity not only brought on the Middle Ages, but also became the basis for later social and cultural movements: the Renaissance, the Scientific Revolution, the Enlightenment and the Industrial Revolution. Experienced throughout Europe, these movements largely determined its development. Moreover, Christianity led to development of the Church – the first universal institution in European society that set a precedent of common values and experiences shared on a continental level.

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2   This discussion does not enter into the debate over how much the Western Balkans and Albania are considered a part of Europe based on the fact that all Western Balkan countries share common roots, historical experiences and cultural affinities with the rest of Europe.

Some scholars claim that "historically, Europe has always been a divided continent, but one with shared experiences and shared roots."[3] Such a thesis, although controversial, is still used by politicians when issues of strategic importance are to be decided or when the issue of enlargement comes to the fore. Recent divisions over the war in Iraq reminded politicians of Europe's split into "New" and "Old", as did debates over Turkey's EU membership, bringing about discussions of identity and religious linkage.

Historically, Europe has experienced splits and divisions that have created its unique and shared history and culture. The partition of the Roman Empire produced the first symbolic frontier between Western and Eastern Europe, which was reflected in the schism of Christianity into Eastern Christianity and Catholicism. Another division appeared in South-Eastern Europe with the Ottoman conquest. Historical developments in different European regions have influenced other divisions. Still, the most important divisions are held to be the ones between Western and Eastern Europe. Both experienced serfdom followed by the rise of an independent entrepreneurial class of merchants and financiers. However, only Eastern Europe experienced the existence of the so-called second serfdom, which persisted for a considerable period. Moreover, various invasions and conquests continuously disrupted societies in Eastern Europe. The rise of the Ottoman, Habsburg and Russian Empires interrupted the development of indigenous states and prevented development of dynamic urban trading cultures, similar to those developed in the West. These effects have a role in the discussion of recent developments with regards to the recent series of enlargement and capacity of different countries to adopt EU values.

After the Second World War, a clear division again split Europe into two clear blocs. The Western Bloc enhanced integration through the consolidation of a market economy, and rule of law based upon a democratic system with a wide social base for political participation. The Eastern Bloc followed a path of integration based on an artificially planned and centralised economy supported by the totalitarian political regime of the Communist parties. The end of the Cold War created a very challenging environment,

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3   Hugh Miall, *Shaping the New Europe*, London, Pinter, 1993, p. 5.

not only in Europe but also internationally. All matters in the sphere of international relations went through a process of repositioning and redefinition. In order to determine its identity, as an integral part of this environment Europe needs first to be positioned and shaped.

The future of an integrated Europe and its identity face two challenges: the future of the EU (its institutions and functioning), and the issue of enlargement towards the South East. Various challenges lie within this framework. The most important, alongside the future of the EU, is the future of Germany. Having been united politically, Germany seems to have overcome social and economic gaps, and with its independent status is committed to pursuing its interests. Another important challenge is the accommodation of Central and Eastern Europe into the EU. Whereas Poland, the Czech Republic, Slovenia, Hungary, Slovakia, Lithuania, Latvia, Estonia, Romania and Bulgaria have successfully joined the EU, the struggle to reform and reshape their identity in relation to "Old" and "New" Europe is ongoing. Other Western Balkan countries such as Albania, Croatia, Macedonia, and Montenegro are in the process of transforming themselves to meet the requirements of full EU membership. Byelorussia and Ukraine have postponed difficult decisions, while the political future of Russia and the Commonwealth of Independent States (CIS) still remains an open question.

As to Western Europe, it is evident that the process of integration that was initiated in economic terms, found its political momentum after 1989 with the unification of Germany, the dismantling of the Warsaw Pact and the dissolution of the Soviet Union in the early 1990s. The integration that extended eastwards is evident not only in figures but also in political terms. The shape of the European Community has been gradually changing, from six members in 1952, nine in 1973, ten in 1981, twelve in 1986, fifteen in 1994, twenty-five in 2004 and twenty-seven in 2007. The single European market, with plans to incorporate the remaining European Free Trade Association (EFTA) countries and others, will create a common market that exceeds 500 million residents, distinguished by the free flow of people, goods, capital and services. It is a process that would enhance the convergence of member countries' economies, politics, social systems, rule of law and respect of human rights, into the sharing of common institutions and

norms, strengthening European civic identity in a large geographical area.

In political terms, the existence of further political integration among the EU countries is evident. Since the 1970s, and the creation of European Political Cooperation (EPC), a framework was created that aimed, particularly in terms of foreign policy, for increased political cooperation between Western European states. It gained impetus throughout the 1980s, strengthening inter-governmental political cooperation, and succeeded with the signature of the Single European Act in 1986. The efforts to create a common foreign policy and common foreign policy positions saw further developments with the signature of the Maastricht Treaty in 1992. As well as the institutionalisation of common foreign and security policies, elements of state sovereignty have been pooled into leading European Union institutions, including the implementation of Community legislation into the national law of member states. Since the end of the Cold War, despite internal tensions, the EU has become a major international player, affecting and influencing international politics and decision- making.

The European Union has grown as a club of prosperous states in Europe, which in Ian Hoffman's analysis "tends to become an end in itself."[4] As such, Europe holds a dominant position, accounting for over 80 percent of GNP in the area up to the borders of the former Soviet Union. Economic benefits can be considered one of the major reasons for common European activity. The experience of many years' "peace, prosperity and free movement between societies has also brought about a degree of convergence in political system and social attitudes among West European societies. Parties such as Christian Democrats, Social Democrats and Liberals have sustained common ideologies and patterns of conflict over many years".[5] Common goals in projecting common European identity, involve economic prosperity, politics and security that are further consolidated to face the post-Cold War environment and globalisation.

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4   Stanley Hoffman, "Europe's Identity Crisis: Between the Past and America", Stanley Hoffman (ed.), *The European Sisyphus: Essays on Europe, 1964-1994*, Boulder, Westview Press, 1995, p. 9.

5   Stanley Hoffman, "Europe's Identity Crisis…" , p. 9.

Firstly, as emphasised by Ian Gambles, European integration contributes to "the preservation and the expansion of the European security-community". The creation of a security community involves a wide range of factors such as consolidation of liberal democracies, the development of a large network of cooperation and interdependence among the region states and building a solid base of trust and confidence in the continent.[6] This community creates effective and efficient protection and promotion "of the vital national interests of European States in international relations" and "the construction of a federal Europe". European security integration "will be an essential anchor for the continent in the absence of direct superpower hegemony".[7] Enlargement of the EU in Central and Eastern Europe was an important move that promoted the idea of a free, unified and peaceful Europe, since EU membership implies important requirements involving democratic and human values and a market economy regime, factors which will hopefully lead to the creation of a Kantian 'pacific union' of liberal republics in Europe.

From a historical perspective the integration of other European countries is not simply an extension of the Union towards the East and the addition of new members. "It represents the application on a continental scale of a European model of peaceful and voluntary integration among free peoples. In fact, it is the realisation of a dream of the founders of European integration: the reunification of the European Continent, divided in the aftermath of the Second World War".[8]

On a world scale, general international developments are also influencing the shape and identity of Europe. There exist trends towards a more global-oriented economy and communication, which shape new realities, beyond the order based on nation-states. International and regional affairs are increasingly managed and arranged through collective institutions and regimes. Encouraging integration of world and local economies, these

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6   The security community concept considers a region not as a community of states, but an area where war is no longer the method of conflict resolution. See Karl W. Deutsch, *Political Community and the North Atlantic Area*, Princeton, NJ, Princeton University Press, 1957.

7   Ian Gambles, *European Security Integration in the 1990s*, Paris, EU-ISS Chaillot Paper 3, November 1991.

8   European Commission, *Continuing Enlargement, Strategy Paper and Report of the European Commission on the Progress towards the Accession by Bulgaria, Romania and Turkey*, Brussels, 2003, p.3.

trends have largely enhanced the process of European integration. On the other hand, the rise of new phenomena, such as worldwide terrorism and anti-globalisation movements, has also had an important impact on the future prospects of European integration and trans-Atlantic cooperation.

Since the end of the Cold War, the existence of a division between the Christian and Muslim world has been emphasised – a division previously obscured by the existence of the Iron Curtain. Historical clashes between the two civilisations and poor inter-civilisation dialogue, accompanied by anti-Western reactions in the form of radical fundamentalism in Iran and the fundamental terrorism of Algeria, which in turn have provoked anti-Muslim reactions in Europe, have only served to strengthen the division and reservations about the EU membership of states like Turkey with Muslim populations.

However, despite these divisions and schisms, European identity has made progress, designating its social and cultural patterns to a single geographical area in "contrast to the accretive and synthesising preferences of other cultures"⁹. Therefore, excluding any country on the grounds of religion would contravene the EU's fundamental values of tolerance and pluralism. The EU embraces all countries which espouse the values of democracy, human rights, freedom of expression, secularism in matters of state, religious tolerance, protection of minorities, the rule of law, a free market economy, and all the other essential social and political values that are at the core of European common culture and civic identity. Europe is defined mainly in cultural terms, rather than religious ones. A sense of community is usually created among states that share a common culture. Cultural differences are significant in Europe; however 'uniting in diversity' is what makes Europe and the Western Balkans part of a *sui generis* way of thinking.

The European Union, Europe and the Western Balkans

Today the Western Balkan region constitutes an inseparable part of the 'new' European space under formation. The Western Balkans include Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia

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9   Ian Gambles, *European Security Integration….*

and Kosovo. In fact, the Balkans, and more specifically what the EU calls "Western Balkans", remains the least integrated and most unstable region of the continent. Throughout the Cold War period, the Balkan Peninsula constituted the area of division between the East and the West. Following the collapse of the communist regimes in Eastern Europe, and within the broader unification euphoria that followed the Maastricht Treaty, the prospect of a common Balkan future in a democratic and prosperous Europe seemed feasible.

The incorporation of the Western Balkans into the EU remains distant, and this perspective could be attributed to two serious problems for the Western Balkans envisaged at the end of the Cold War. The first problem relates to the economic crisis, which starting with the process of modernisation at the beginning of the 1980s exuberated the revival of neighbour-blaming and ethnic nationalism. Modernisation related to reforms aiming for the decentralisation of the economy, changes to the political culture that aimed for the introduction of pluralism in political life, society values that focused on individual freedom of choice, and military traditions. The new democratic perspective on human and minority rights inspired separatist feelings among different ethnic groups on a quest for a better standard of living, creating in this way a great threat to the security and stability of existing states.[10] These developments resulted in the fierce wars that devastated the region until mid-1999.

The second problem, related to internal security, is affected by the question of political legitimacy. The past has shown that legitimacy is based mainly on the charismatic personality of a leader. On one hand, this legacy may lead to authoritarianism. On the other hand the correlation between economic and ethnic problems and charismatic leader did violently affect negatively the legitimacy of the regimes and the processes of democratisation in the region.[11]

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10   For more on this issue see Susan L. Woodwards, *Balkan Tragedy: Chaos and Dissolution After the Cold War*, Washington DC, The Brookings Institute, 1995.

11   John R Lampe, "Southeastern Europe and the Legacy of Insecurity", Paul S. Shoup & George W. Hoffman (eds.), *Problems of Balkan Security, Southeastern Europe in the 1990s,* Washington DC, The Wilson Center Press, 1990.

There is no doubt that the past decade has been exceptionally difficult for the Western Balkan countries. Constant hostilities created deep-seated resentments and led to the emergence of a polarized patchwork of nation-states. In most of the countries, struggle, lack of reform consensus, limited democratic experience and weak institutions impeded politico-economic progress; delayed and unimplemented reform programs derailed the countries from the path of fully functioning market economies leading to inferior economic performance, declining living standards, rising unemployment and increased poverty.[12] Further developments in the region and references to the past strengthened these images that had no place in a stable, peaceful, Europeanized and prosperous continent, making "Western Balkans" and "European integration" incompatible and seriously doubting the Europeanization capacity of the countries concerned. The integrating policy of the EU toward the Western Balkans is the answer that will tie the countries of the region to Western values. The integration is expected to offer the stable framework necessary for new democracies to develop and prosper.

The EU's main strategy of enlargement is based on conditionality. In 1993, the Copenhagen European Council customised the Copenhagen criteria, meeting the conditions of which determine the success of all countries aspiring to EU membership. The criteria stand for the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union; the ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union. In 1995, the Madrid European Council added two other conditions: adjustment of administrative structures and transposition and implementation of EU legislation into national legislation.

Beside these general conditions, the EU has agreed to offer a 'regional approach', with political and economic conditions for the Western Balkans

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12   World Bank, *The Road to Stability and Prosperity in South Eastern Europe*, A Regional Strategy Paper, March 2000.

as the basis for a coherent and transparent policy towards the development of bilateral relations in the field of trade, financial assistance and economic cooperation as well as contractual relations allowing for the necessary degree of flexibility. This EU strategy is supposed to serve as an incentive, and not an obstacle, to the countries put under these conditions. This process is needed as a crucial ingredient of stability; a catalyst for reconciliation, good-neighbourliness and good political relations, a help in overcoming nationalism and intolerance and promoting mutual understanding and political dialogue in the region. While the exact level of relations with each of the countries varies, certain general conditions apply to all of them as part of a pre-settled regional policy.[13]

In May 1999, the EU launched the Stabilization and Association Process (SAP) for the five countries of the Western Balkans, in a new effort to drag the region into regional cooperation and the EU perspective. Taking into consideration the experience of Western Europe after the Second World War, in overcoming the consequences of war and states nationalist policies through cooperation and gradual integration of the economy, the EU adopted the SAP not only as an instrument to support the efforts of countries rebuilding their economies and reforming their political systems with the aim of meeting EU standards, but also to express the willingness to accept these countries as possible EU candidates. The EU is the largest donor to the Western Balkans. Since 1991, through cooperation the EU has provided over 7 billion Euros to assist reconstruction and infrastructure and to promote democracy, economic and social development and regional cooperation in the Western Balkans. The aim of the European Union is to ensure peace, stability, freedom and economic prosperity in the Western Balkans.

The SAP is the key policy framework for the EU's relationship with the Western Balkans. The Stabilisation and Association Agreement (SAA), trade preferences and technical and financial assistance are the three main instruments enabling the EU to stabilize the Western Balkan countries

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13 The European Council, *Council Conclusions on the Application of Conditionality with a View to Developing a Coherent EU-Strategy for the Relations with Countries in the South-East Region*, 2003rd Council Meeting, Luxembourg, April 1997.

and progressively bring them into line with its own economic and legal system. The EU policy acts on three levels: bilateral, regional and multi-lateral. These co-operations are complementary within the framework of the SAP.

Today the EU is more constructively involved with the region of the Western Balkans and more committed to their European integration. The Thessalonica Summit in June 2003 offered assistance to enhance regional co-operation and strengthen the stabilization and association process in the Western Balkans. The development of regional cooperation is encouraging regional free trade, the creation of regional markets for electricity and gas, the development of transport, energy and telecommunication infrastructures, the environment, research technology and development, cross-border and parliamentary cooperation. To support the SAP process, the CARDS program was established (2000-2006), replacing PHARE, with a financial envelope of 5 billion Euros to support institution building, justice and home affairs, cross-border cooperation and private sector and infrastructure development, enhancing the integration process of the region.

To date, the EU has promoted an approach that aims to keep the Western Balkans within Europe but outside the EU institutional core. Regional cooperation has been promoted as an alternative that could bring about minimum stability, facilitate trade and create the broader conditions necessary for democracy, a market economy and normal relations, thus opening the way to economic prosperity.

Within this context, and following the current practice of transformation prior to accession that characterizes the eastern enlargement, Europeanization of the region according to the EU normative model has automatically become a necessity. With the initial enthusiasm of EU-orientation having given way to disappointment and frustration, the double offer of institutionalization and eventual accession is made as a strong incentive to keep the Western Balkan states in the EU orbit.

The interests of the European Union include reinforcing its relationships with its close neighbours in all areas. The capacity of the Union to guar-

antee to its citizens safety, stability and sustainable development is mainly connected to its aim of closer cooperation with its neighbours. Accordingly, in the interest of politics and security, the EU cannot neglect the Western Balkans. Recent war and conflict in the Western Balkans "has brought the Balkans back on the mental map of most west Europeans."[14] Due to the geographic proximity, the security of the Western Balkans is an important issue for the security of the EU as a whole, and for some particular states of the Union explicitly. Nowadays, with no fear of invasion coming from the south, the main concern relates to the 'invasion' of economic refugees. This issue has become a challenge to the Union's social cohesion and is consequently considered an issue with implications to security.[15] Meanwhile, abandonment of the Western Balkans would create a division in Europe between prosperous and poor countries. The balance of the existing alignment might be destroyed, increasing animosity within Europe and seriously challenging the continuation of the European project.

The EU is extending cohesion policies that address countries' structural economic problems, prevent the creation of new lines of division within the region and strengthen reform processes and governance capacity in the region. To accomplishment the cohesion policy, the SAP is broadened by including additional forms of pre-accession assistance. Besides improvements in the area of intervention, these policies send strong signals to the countries of the Western Balkans that the EU is seriously engaged in helping them reach their European destination. In 2007 the Instrument for Pre-Accession Assistance (IPA) was established for the Western Balkans. The IPA offers transition and institution building assistance together with cross-border cooperation, regional and human resources, and rural development.

At the regional level, in 2001 the EU encouraged the signing of a "Memorandum of Understanding on Trade facilitation and liberalisation" between the countries of the region including Romania and Bulgaria, with

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14 Loukas Tsoukalis, "The European Union and the Balkans", F. Stephen Larrabee (ed.), *The Volatile Powder Keg, Balkan Security After the Cold War*, Washington, The American University Press, 1994, pp. 220–223.

15 Barry Buzan, Ole Waver, and Jaap de Wilde, *Security: A New Framework for Analysis*, Boulder, Colorado, Lynne Rienner Pub., 1998.

Moldova having joined unilaterally under the auspices of the Stability Pact for South Eastern Europe. In this Memorandum, the countries involved committed themselves to concluding before the end of 2002, a network of bilateral free trade agreements. This network of more than 30 bilateral free trade agreements was transformed in late 2006 into one regional trade arrangement called CEFTA 2006. The CEFTA agreement was signed on 19 December 2006 in Bucharest (by all Balkan countries and Moldova) and came into force in mid-2007. Even though it is not a party to CEFTA, the EU has strongly supported this process, which it sees as very much complementary to the SAP. The official establishment of the Regional Co-operation Council (RCC) on 27 February 2008 in Sofia, on the other hand, marked the formal handover from the Stability Pact to the RCC. The establishment of the RCC is proof of substantial progress in regional co-operation on democratic, economic and security issues. The EU pre-membership agreement with Serbia on 29 April 2008 was a strong demonstration of the EU's commitment to the Western Balkans.

However, to increase its effectiveness the EU should pay greater attention to Europeanization mechanisms. The EU should set a better example by proceeding rapidly with the internal reforms necessary to safeguard the prosperity of its population and its democratic character. In relation to consent, the EU should generate more contacts with Balkan domestic groups, allow their participation in a variety of programs, committees and meetings, and in short, create the networks that will facilitate the required learning and adaptation. Concerning control, the EU should maintain a strong international presence and create the necessary appropriate monitoring mechanisms and tools. Finally, in regards to conditionality, the EU should set realistic conditions that can be fulfilled, link them to visible inclusion and allow countries to proceed without being blocked by the delays of others. The EU should provide support to the Western Balkans to eliminate confining conditions through broader processes that will create a more stable basis for convergence and accommodation. On the other side, the Western Balkans should increase internal cooperation for the sake of their common interest – to finally be a part of the great European family.

Albania and Europe: Catching the Train

The future of Albania appears to be linked to its integration into Euro-Atlantic institutions. Albania shares common ancestry and language origin with other European nations. At the same time, Albania is a Balkan country, sharing history and fate with the other countries of the region. The major divisions in Europe and borderlines of different civilisations crossed the Balkans and were first of all experienced there. Albania encountered and was a subject of these civilizations, and like most of the Balkan countries, was affected by them. Albania has been part of the Roman Empire and after the Christian church schism between East and West, part of the Byzantine Empire, to follow as a territory of the Ottoman Empire and later part of the Socialist Bloc. All these events affected its identity and today "Albania, like most of the Balkan states, is still unprepared for European freedom".[16] However, as Ismail Kadare writes, "George Kastriot together with his sensational rebellion against the Ottoman state avowed a new idea and a new ideal: the division from the East, alliance with the West".[17] Albanians have decided to be part of the 'European freedom' without doubting their European identity. "Albanian freedom is a normal, natural development of the Albanians within the harmony and spirit of United Europe. Finding ways to allow this development, unfortunately interrupted, is in fact the solution to the cardinal problem of the Albanians in the Peninsula."[18] The way towards this desired development is integration with the EU. The process of integration would promise stabilisation and reconstruction as well as sustainable development, and economic and social cohesion with the EU. The integration is not only a political aspiration of all Albanian political parties, in societal terms it is welcomed and desired by 93.8 percent of the Albanians.[19]

Since 1992, Albania has adopted a clear pro-Western foreign policy and aims to upgrade its links with the EU. This policy constantly remains the

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16   Ismail Kadare, "Ne Kerkim te Nje Fati Te Ri", *Forum: Shqiptaret ne Balkan*, Tirane, 2001, p. 19.

17   Ismail Kadare, "Ne Kerkim te…", p. 6.

18   Ismail Kadare, "Ne Kerkim te…", p. 20.

19   Blendi Kajsiu, "Albanian Integration, Perceptions and Realities", *Albanian Institute for International Studies*, Tirana, 2002.

key concern of the whole political spectrum in Albania. Thus, all Albanian politicians have included the request for EU membership as part of their political platforms.[20] In this respect "the primary strategy that Albania has adopted for integration in the global arena has been that of orienting its internal developments and external relations towards the EU".[21]

Political organisation, economics and specific historical legacies that majorly affected Albanian development could negatively determine its fate, alienating and excluding the country from the great European family. In 1978, Albania implemented a policy of "autarchy" and so-called "self-sufficiency". The economic system was totally isolated with fixed domestic prices and salaries, and a very low standard of living. In the 1990s, total trade remained a fairly small percentage of GDP, with exports and imports equalling respectively 14 percent and 22 percent of GDP.[22] Albania could be considered both a relatively closed economy and an exporter of mainly primary commodities.

In recent years Albania's external position has deteriorated, as its terms of trade weakened considerably in 1990. The economic mismanagement of the country was accompanied by a severe drought. There were many other negative factors, such as production-related problems in domestic supply, reduced exports and increased imports. Access to export markets in Eastern Europe was disrupted. This was reflected in the large trade deficit in non-convertible currencies that developed in 1990. During 1988-90, lack of control over the management of external reserves resulted in losses from foreign exchange speculation amounting to 10 percent of GDP. The overall balance of payments deficit was financed by the near exhaustion of foreign reserves, external borrowing, arrears on external trade payments, inter-bank borrowing, and defaults on foreign exchange transactions. Total external debt, including debt associated with the financing of the current account deficit in non-convertible currencies, increased to about 500 million USD or 30 percent of GDP by June 1991.[23] This amount is equal to Albania's gross

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20   James Pettifer and Miranda Vickers, *Albania: From Anarchy to a Balkan Identity,* London, Hurst and Company, 1997.

21   Alish M. Johnson, "Albania's Relations with the EU: On the Road to Europe," *Journal of Southern Europe and the Balkans* Vol. 3, No. 2, 2001, pp. 171–192.

22   Ministry of Trade and Foreign Economic Relations, *Annual Bulletin,* Tirana, Albania, 1999.

23   Albanian Central Bank, *Annual Bulletin,* Tirana, 1991.

export revenues for one year to eighteen months during the peak export period of the 1980s.

There are many tasks that need to be addressed before Albania is ready for integration into EU structures. Albania is following reforms in the transformation of a centralised economical and political system to a decentralised market economy and pluralistic society that offers equal opportunities to every one and a liberal democracy based on individual rights, constitutionalism and rule of law. The aim of these transformations is clear: compliance with EU requirements for a future membership within the EU. The EU is supporting Albania's commitment to the above principles in line with the EU regional approach.[24] The first act laying the path for cooperation between the EU and Albania has been the "Agreement on Trade and Economic Cooperation", in force since December 1992, with a perspective of association between the EU and Albania foreseen in its preamble. However, this agreement does not have a preferential nature. A joint Declaration followed the signature of the Agreement on Political Dialogue. An agreement on trade preferences was signed with the EU. This agreement was an extension of the 1993 sectoral "Agreement on Trade in Textile Products" between the EC and Albania. The agreements create space in the European market for Albanian textile exports, supporting the development of the textile industry and related investments.

In the context of a regional approach, in 1998 the EU granted to Albania and the other countries of Western Balkans asymmetric preferential tariffs favouring closer economic cooperation with the Member States of the EU.[25] The new agreement offered generalised tariff preferences for imports coming from Albania for a period of three years.[26] With the aim of increasing the access of goods coming from the Western Balkan countries, another arrangement was extended to Albania allowing for the abolishment of remaining ceilings for certain industrial products coming to the EU from Albania.[27] In

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24   "Council Conclusions on Albania", *Bulletin EU*, Vol. 7, No. 8, 1997.

25   EC Regulation No. 2820/1998.

26   Council of the European Union, *European Community Council Regulation Concerning Agreements Applicable to Albanian Imports into the EC and the Extension of Generalised Tariff Preferences 1 July 1999–31 December 2001*, COM. (1999) 304 final, 18 June 1999.

27   European Commission, *Commission Proposes Increased Marked Access for Products from the Western Balkans*, IP/00/586, 7 June, 2000.

September 2000 the European Commission approved duty-free access to the entire EU market for Albanian industrial and textiles products.[28]

Associated with the Albanian Question in the Balkans, recent developments in Kosova have led to a new approach to Albania and its integration into Euro-Atlantic structures. The integration of Albania in the Euro-Atlantic structures is considered as an important element in the context of the Stability Pact for South-Eastern Europe[29]. "In order to draw Albania closer to this goal, every effort will be made to implement and actively use all existing assistance and cooperation instruments and to examine all possibilities of further enhancement."[30] The SAA, an arrangement offered especially to the Western Balkans countries including Albania, underlined the intention of the Union to "draw the region closer to the perspective of full integration into EU structures".[31] The negotiation for the association process of Albania began on 31 January 2003 and was finalised with the signing of the SAA with the EU, on 12 June 2006. The Agreement is yet to come into force since the ratification process by the member states is not yet finalised.

As well as various signed agreements between Albania and the EU, there exists extended economic and financial assistance given in the form of aids and grants. The aim is to help Albania's transition and cohesion process within the EU standards. Within this framework, PHARE[32] was established as an important instrument of assistance aiming "to promote socio-economic development and support the reform process in Central European Countries (CECs); to increase the effectiveness of the cooperation process; and to promote EU-CES partnership".[33] PHARE provided and supported a range of

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28   European Commission, *The European Union and South Eastern Europe: Building a Brighter Future*, November 2000.

29   European Commission, *The European Union....*

30   "Joint Statement following the Political Dialogue Meeting at Ministerial Level Between the European Union Troika and Albania", *Press/99/121*, Luxembourg, 27 April 1999.

31   European Commission, *Stabilisation and Association Process for Countries of South-East Europe*, (COM. 99: 235), 26 May, 1999.

32   PHARE originally stood for 'Poland and Hungary Aid for the Reconstruction of the Economy', and later extended tao other Central-Eastern European countries. The number of countries included in this program currently stands at 14: Albania, Bosnia and Herzegovina, Bulgaria, the Czech Republic, Estonia, Macedonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia and Croatia.

33   European Commission, *The Report on the Evaluation of PHARE Partnership Programme*, DGIA, December 1998.

different instruments to aid the reform process in non-candidate countries such as Albania. The aid consisted mostly of know-how, investment support, and investment in infrastructure.

In support of civil society PHARE developed the PHARE Partnership Programme (PPP). The idea behind this Programme was the development of civil society in ex-communist countries as an important part of consolidated democracy. Within this framework, the empowerment of citizens' influence on the political life of the country, the decision-making process and generally on the conditions in which they live, is considered an important step toward a consolidated democratic political culture. In this regard NGO development is considered an essential indicator that can make a significant contribution to the creation of a democratic political culture. The PPP, in helping to build up EU-Balkan partnerships and networks between decentralised NGO's, is an important mechanism for the transfer of EU know-how and experience that helps both the reform and integration process. The philosophy behind this effort is that financial assistance has to build moral support and legitimacy, and the learning processes gleaned from Western experience help in this matter.

In early 1992, Albania became a PHARE partner country. Between 1991 and 1997, Albania received ECU 450.6 million in PHARE support, including ECU 130.3 million for infrastructure development and ECU 74.5 million in critical aid. PHARE resources were channelled into four main areas: public administration and institutional reform, local community development, large-scale infrastructure development, and agriculture. In 1997 alone, PHARE committed ECU 34 million to national and ECU 20 million to cross-border cooperation programs. In addition, special assistance worth ECU 14.9 million was delivered as budgetary support to public administration reform. Support was also given to the OSCE for organising the June-July 1997 elections, amounting to ECU 1.5 million.[34]

During the 1997 crisis in Albania, caused by the collapse of pyramid investment schemes, PHARE support was interrupted. Nevertheless, humanitar-

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34   Council of Ministers of Albania: Department of Economic Development and Aid Coordination, *Annual Bulletin,* Tirana, 1997.

ian aid continued through The European Commission's Directorate-General for Humanitarian Aid (DG ECHO) in order to cover the most urgent needs of the poorest sections of the population. This aid amounted to ECU 17 million and consisted of food and medical supplies. The European Commission also continued to finance some activities promoting democracy, security and economic stability, including support to the OSCE for organising elections.

The Tempus program, which Albania joined in 1992, is another form of financial assistance that supports the education system and favours the upgrade of the academic performance of Albanian academicians and students to that of the EU. In 2000 the European Commission, within the framework of simplifying and accelerating the assistance to Western Balkan Countries, proposed the CARDS program that unified into one legal format, with a single set of uniform procedures, the assistance addressed to the Balkan countries. In the course of the process the recipient countries (Albania, Bosnia and Herzegovina, Croatia, Macedonia and the Federal Republic of Yugoslavia) will have to redirect their political, economic and institutional development to align them on the European Union's values and models".[35] In 2006 alone, Albanian received € 45.5 million within the framework of Pre-Accession Assistance.

The IPA replaces CARDS with a clear pre-accession aim for Albania. IPA is comprised of five components that provide for targeted and effective assistance according to Albania's needs and evolution. 2007–2009 Pre-Accession assistance under the Multi-annual Institutional Financial Framework will be granting to Albania € 221.9 million.

Kosovo's independence offers Albania a new perspective in terms of hastening integration into regional and European schemes. Integration remains the only solution capable of putting an end to the region's rivalries and historical hostilities. The signature of a SAA with the EU has opened the way for swift integration, allowing Albania to catch up with its neighbors. Integration into Euro-Atlantic institutions is an attractive, albeit difficult, process. Attractive, because the integration process increases team spirit while enhancing the role and status of Albania in international relations. Difficult, because the sharing of common values is a learning process. The integration process encour-

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35   European Commission, *Commission Proposes to Simplify and Accelerate Assistance to the Western Balkans,* (IP/00/456) Brussels, 10 May 2000.

ages solidarity in such a way that diversity is projected as an enrichment of the commonly built value system. Moreover, integration provides positive results that are reflected in Albania's economic and social indicators and the marginalization of those who are unable to keep up with the dynamics of integration.

Conclusions

Having presented all possible obstacles and perspectives, one may doubt whether common European identity can really be achieved or whether Albania will catch the European train. Despite the existence of numerous obstacles, the future looks optimistic. The accession of new countries into the European Union in 2004 opened a new division of common European ideas. The new countries will change the perspective of both sides and may emphasise the need for common anti-terrorist cooperation. Even if the development of a common Europe continues over several generations, the most important decisions have been made, and hopefully in the foreseeable future countries like Albania will find their place in a democratic and united Europe.

The EU approach to building a united Europe is largely based on the promotion and encouragement of democracy within a sustainable market economy and well-developed democratic and civil society. Albania faces many challenges on its European journey. Potential upheaval is a phenomenon to be expected of such countries in transition. Economic transition is linked to transitions in politics and society. The transition from dictatorship to democracy provides opportunities for all kind of ideas, but when the democratic tradition is missing, as it is in the case of Albania, it leaves an ideological void.[36] The abolition of communist values does not automatically bring about new civil values. For this reason, political decision-making is suffering from uncertainty, conflictuality and hesitation, and is at times short-sighted. Altogether these attitudes affect the depth and speed of reforms, creating serious difficulties after the first wave of reforms and restraining the newborn capitalism.[37] Albania, as part of this transitional picture, shares many commonalities with other Central and Eastern European countries.

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36   Alan Smith, "The Implications of Change in East Central Europe for the Balkan Socialist Economies", Sjoberg & Wyzan (eds.), *Economic changes in the Balkan States,* London, Pinter, 1991.

37   J. Sachs, "Building a Market Economy in Poland", *Scientific American,* 266, 3 March, 1992, pp. 20–26; J. Kornai, *The Road to a Free Economy,* New York, Norton, 1990.

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