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CONTENTS

VOLUME 2 ISSUE 1 2018

ARTICLES

The European Role in the Normalization of Relations between Belgrade and Priština. Difficulties and Perspectives

MARCO SIRAGUSA 1

Fiscal Rules of Vat in Albania, the Analytical Methodology of the Factors Influencing its Efficiency in State Budget

ALBANA DEMI, EGLANTINA HYSA, and FATJON NANAJ 13

Albanian Citizen's Freedom and the Influence of the Main Ruling Power Actors over it

DORINA BERDUFİ 28

How Ethical is the Position of Albania in Israeli- Palestinian Conflict?

SADIJE MULLAYMERI and ISLAM JUSUFİ 40

An Overview of Local Democracy and Decentralization in Albania and Kosovo

TEA HODAJ and SALIH OZCAN 52

THE EUROPEAN ROLE IN THE NORMALIZATION OF RELATIONS BETWEEN BELGRADE AND PRISTINA. DIFFICULTIES AND PERSPECTIVES

MARCO SIRAGUSA

Abstract

Ten years after the Kosovo's unilateral declaration of independence, the relations between Belgrade and Priština remains rather tense. Although the EU has put the normalization of relations between these two countries on the top of its political agenda, as a precondition for future accession, and achievement of historic agreement in 2013 about autonomy of Serbs within Kosovo, the path continues to present numerous obstacles. In these years Brussels has acted with several economic and political instruments in order to prevent conflicts and to improve the economic performance of the countries. The role of mediator, played by EU, has made it the main actor in the region. But in the last year and half several episodes had threatened to blow up the dialogue limiting the EU's mediation capacity. A concrete step towards the resolution of conflicts will be achieved only when both countries will consider the distension of relations as a winning perspective to take advantages. Will the EU be able to guarantee a solution that satisfies both parties although the current distances? Will the EU be able to support, in the countries involved, the necessary economic and political reforms to promote a more cooperative behavior?

This work will analyze the weight of the EU in facilitating the relations, the instruments and aid it uses, the results obtained and the possible perspectives to achieve a real and definitive peace, also in the light of the new enlargement strategy which assumed Serbia's and Montenegro's accession in 2025.

Keywords: European Union, inter-state relations, Serbia, Kosovo, peace

Introduction

At this time the increasing tensions in Kosovo between Pristina and Belgrade represent the most destabilizing element for the peace in the Balkan region and, perhaps, of the whole of Europe. The region is a land of encounter and clash between different cultures, political aspirations and religions. Ten years after the Kosovo's unilateral declaration of independence, the relations between Belgrade and Priština remains rather tense. These tensions descend from issues never completely resolved for years. For the process of normalization of relations to make concrete progress it's necessary to understand what are the historical and current limits and try to solve them.

How has the European Union influenced the regional balances? What are the prospects and policies for the area in the future? To answer these questions it is necessary an historical reconstruction of choices made by the EU in the post-conflict period between Serbs and Kosovars. European attitudes and attention to the Kosovo issue and relations with Belgrade have become increasingly important, both at the political and the economic levels.

The 1990s Crisis

In the first half of 1990s the EU played a secondary role in front of the choices and policies adopted by the USA, the real protagonists of the Balkan events of those years. In this phase the focus was on the northern front where there was the war between serbs, croats and bosniacs. With the worsening of the political crisis the EU supported the claims for independence of the Republics. In this first phase therefore Europe stifled kosovar national aspirations. In the documents and opinions produced in the 1991 by the Badinter Arbitration Committee, established by Council of Foreign Ministers of EEC to support the Yugoslavia's dissolution, there was no reference to the possible independence of the autonomous region of Kosovo (Pellet, 1992). Therefore Europe stifled kosovar national aspirations as well as the possible aspirations to unification with Albania. The first real act of the european diplomacies in Kosovo was due to decisions taken by the Contact Group, formed by USA, UK, France, Germany, Italy and EU's representatives, in March 1998. These decisions included the treat of sanction, such as the limitation on VISAs and investments, as response to the violent repression carried out by Belgrade. The subsequent resolution of the ONU Council, Ris. 1160/1998, confirmed this address and established the embargo towards Yugoslavia.

European's attempt to play a mediation role between the parties was a failure, failing to impose its own strategy and guarantee peace in the region. At Rambouillet negotiations in 1998, strongly supported by EU, were invited Rugova and Thaci for the Kosovo. The recognition of UCK no longer terroristic organization but as part of the negotiations was one of the reasons for the non support of the agreements by Belgrade.

Failure to reach an agreement therefore led to the intervention of NATO, supported by all the major European countries. The NATO bombing has provoked deep divisions and a never real assumption of responsibility by all subjects involved. This military action had double consequence in Serbia: on the one hand it supported an increasing hostility towards western countries members of NATO, on the other hand it opened the way to downfall of Milosevic and discontent of local population.

A first important result obtained by EU in the management of the crisis was the approval of the document produced by the G8 of Petersberg, on 6 May 1999, which took up the points elaborated by the German Foreign Minister Fischer. Among the "general principles", as they were called, the deployment of an international civil and security force was planned, on the explicit mandate of the UN. The UN Security Council Resolution, 1244 of 10 June 1999, provided the presence of two missions under its control: a military one, KFOR, and a civil one, UNMIK. While the former had as objective the mantenance of peace through the withdrawal of serbian army and the disarmament of the UCK, the second one envisaged four "fundamental pillars": Humanitarian assistance and Police and Justice, Civil Administration, Democratization and institution building, Reconstruction

and economic development. The third and fourth pillars were respectively assigned to the OSCE and the EU. In this way EU was recognized as a leading player in the political, economic and financial choices about the Kosovo, increasing its weight in the management of post-crisis period. The decision to impose the German Marco, and not the Dollar, as official currency is perhaps the most striking example of this new role.

Although the formation of self-government institutions in the region was recognized, Kosovo continued to be considered “an entity under international administration” (UNMIK/REG/2001/9) so denying any form of independence and autonomy. In the first elections for the Kosovo Assembly in 2001 the results rewarded the moderate wing of Rugova, who however failed in 2004 to prevent the re-ignition of violent outbreaks between Albanians and Serbs. In that year the albanian population assaulted symbols of orthodoxy in Kosovo, with the destruction of several churches and brutalities against serbian minority. The violence forced the EU and the international community to negotiate a durable and clear solution on the definition of Kosovo's status.

A plan for the possible resolution peaceful was drafted only in 2006 by Martti Ahtisaari, as special envoy of the UN. The Comprehensive Proposal for Kosovo Status Settlement, the so-called Ahtisaari Plan, expressly provided for the issuance of a kosovar Constitution, a flag, a national anthem, the creation of six serbian municipalities, the protection of ethnic minorities and the end of

The management of post-conflict in Kosovo represented for the EU the best opportunity to carve out its own space and gain credibility in the international community.

the UNMIK mission whose tasks would have been taken directly by EU with the establishment of the International Civilian Representative for Kosovo (ICR). The plan satisfied of course the albanian kosovars convinced that they would see finally recognized a first form of independence thanks to the new Constitution. Belgrade, on

the other hand, considered the plan to be contrary to its national interests because it threatened its territorial integrity by giving Kosovo too much autonomy.

The negotiations around Ahtisaari Plan allowed EU to plan its own global strategy capable of guaranteeing the political hegemony in the area, especially compared to the other actors like USA and Russia. The first step in the implementation of this strategy was the issue of the Common Action 2006/304/PESC213 of April 10 2006, entitled *On the Establishment of an EU Planning Team regarding a possible EU crisis management operation in the field of rule of law and possible other areas in Kosovo*. The European Planning Team set as its goal the realization of the *rule of law* in the region, the direct management of public security, justice and customs. To achieve this goals the creation of a european mission was established. This mission, called EULEX, was the most important operation in the EU's Foreign and Security Policy, demonstrating its strong interest in the region. . The EU had two priorities. The first one was to avoid a new armed conflict. The second one to structure its capacity to act as an organization, overcoming national barriers and internal differences in terms of foreign and defense policy.

The EU understood that, in order to impose itself at regional level, it was necessary to implement a political strategy able to bring the region out of the economic backwardness and the deep crisis, offering benefits that exceeded the economic and political costs. The perspective of a future accession of both Serbia and Kosovo encouraged dialogue between the parties. The long accession

process has, as a necessary and priority condition, the normalization of relations between Belgrade and Pristina. Linking the future membership to the definitive resolution of the conflicts has imposed, above all in Serbia, a new approach to the issue.

Declaration of Independence

The unilateral declaration of independence in 2008 created a rift within the EU with five countries that didn't recognize Kosovo's independence (Spain, Greece, Cyprus, Slovakia, Romania), while the “big ones” like Italy, Germany, France gave their support. Serbia, aware of the impossibility of reacting with a showdown, presented the matter in front of International Court of Justice. In the 2010 it established that “the adoption of that declaration did not violate any applicable rule of international law” (International Court of Justice, 2010/25).

In the aftermath of the declaration of independence, the EU launched the EULEX mission (European Union Rule of Law Mission in Kosovo) which could have to change UNMIK making itself the main actor. In order to make the european involment in front of Belgrade more digestible, a coordination commettee was set up in the transport and infrastructure sector with the participation of the serbian government. This choise sought to involve Belgrade in the economic benefits of participating in the reconstruction and revitalization of the Kosovo's economy.

The unilateral declaration of independence in 2008 created a rift within the EU with five countries that didn't recognize Kosovo's independence (Spain, Greece, Cyprus, Slovakia, Romania), while the “big ones” like Italy, Germany, France gave their support

The integration process of the Western Balkans was supported through an ambitious project of economic aid, in the case of Kosovo “IPA I”, aimed at strengthening the rule of law, human rights, the implementation of administrative reforms, economic and social development, reconstruction, regional and corss-border cooperation. The total aid from 2007 to 2013 for the Kosovo amounted to over € 530 million (European Commission, 2013).

It is undeniable how the prospect of european integration has played the role of reference point for serbian citizens and politicians, in a period of deep economic crisis. The lack of real alternatives to accesion has pushed Belgrade's government to accept the conditions imposed by the EU. In this case the europeanisation process did not take the form of a diffusion and application of values, behaviors and standards according to its classical concept, but it was guided pragmatically by utilitarian considerations and economic convenience.

The victory of europeanist front and the formation of a government led by coalition “For a European Serbia”, in the Parliamentary elections in 2008, marked an important step forward towards the opening of a dialogue. It must be stressed how in Kosovo the election results rewarded the Democratic Party of Serbia, opposed to any negotiations on the status of the region.

To show the seriousness and intention to open a new course in the relations between Belgrade and Brussels, a few months before, the Stabilization and Association Agreement was signed, first real step towards membership.

The spread of the global economic crisis and the difficulties which affected Serbia, forced the government to adopt a new strategy against the Kosovo, in order not to compromise the fundamental european support. On one hand, the Cetkovic-Tadic government continued to oppose itself against the recognition of Kosovo in international organizations, on the other hand it accepted the presence of EULEX mission and the role of mediator of the EU in order to facilitate the dialogue process as a factor of peace, security and stability. It obtained in exchange, in 2009, the cancellation of visas for serbian citizens in the Schengen area and the official application of membership. 2010 is perhaps the turning point at the level of political approche. Belgrade accepted the UN General Assembly Resolution which recognized the role of mediator of EU in “order to facilitate the dialogue process as a peace's factor, security and stability [...] aimed to make progress on the path towards” (United Nations, 2010).

The dialogue, under european supervision, was launched in March 2011 and it was immediatly linked to the acceptance of Serbia's candidate country status. For the european institutions it wasn't enough to start the dialogue but it was necessary showing the achievement of concrete objectivies such as the abolition of parallel structures in the northen area under serbian control and the recognition of Kosovo as member of regional organizations. The concrete steps forward taken by Belgrade guaranteed the admission of accession application, thus officially making Serbia a candidate country the following year.

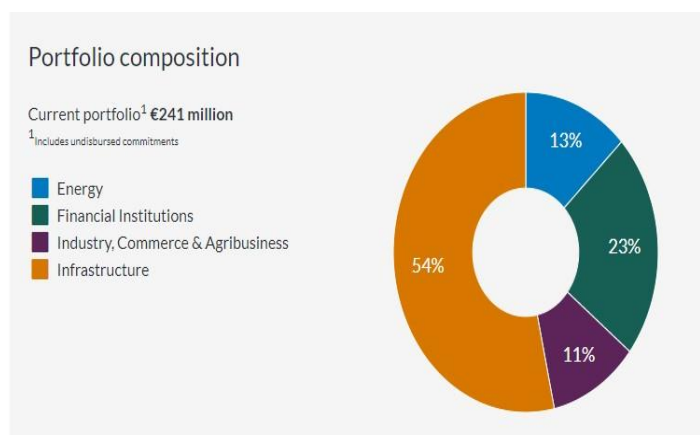
Table 1 - EBRD activity in Kosovo¹

EBRD activity in Kosovo to date	
57 Number of projects	31 Number of active portfolio projects
€322 million Cumulative EBRD investment	€241 million Current portfolio of projects
€144 million Cumulative disbursements	€69 million Operating assets
21% Private sector share of portfolio	4% Equity share of portfolio
Data valid as of: 28 February 2018	

In 2012 other two important events took place: the victory of Aleksander Vucic in the serbian parliamentary elections and the adhesion of Kosovo at EBRD (European Bank for Reconstruction and Development). Regarding the victory of Vucic, beyond the limits and ambiguos policies implemented in these years, he represents an important element of continuity in the path of stability of the region (BiEPAG, 2017).

¹ Source: Data on the EBRD's work in Kosovo, <http://www.ebrd.com>

Table 2 – EBRD portofolio composition in Kosovo²



The second event, the adhesion of Kosovo to EBRD, showed the EU's attention to the economic recovery in the region as a fundamental factor in order to guarantee the achievement of a definitive solution. Without an economic recovery, without the real improvement of the conditions of the citizens and the Kosovar economy thinking to eliminate internal and regional conflicts would be impossible. Political and diplomatic progress must always be accompanied by tangible economic development. According

to data provided by EBRD from 2012 to date, 57 projects in Kosovo have been financed for a total of €322 million.

The Normalization of Relations and the Last Events (2013-2018)

After the progress made in 2012 it was established that the subsequent meetings would take place no longer through the diplomatic corps and technical staff, but directly between the Heads of State with the mediation of the High Representative of the Union for the Foreign Affairs and Security Policy. The constant attention paid to the accession process of Western Balkans in recent years shows the considerable interest of the EU in the region. An interest that is understandable from many points of view. First, the need to monitor the actual progress of the candidate members and to avoid having to face the problem of the harmonization of these countries with the European model in the future. Secondly, to demonstrate to the international community the capacity for attraction and intervention of EU after the deep political and economic crisis of the last few years which has raised considerable doubts on the real status of European system. The difficult management of the Greek crisis, migration and even more the Brexit had shown a Europe unable to guarantee a certain level of stability internally. Being able to govern the process towards external partners, obtaining important political and diplomatic results could strengthen the Union also within it. Thirdly, the Balkan area is a resource for the European economy. The Western Balkans, with their 16 million of inhabitants, are a very important market for European goods. Their geographical position, between Europe and Central Asia, is essential for the development of infrastructural networks capable of increasing trade with the East, also with regard to energy supplies destined at Central Europe. In this context, stability in Kosovo and good relations with Belgrade are central for the European interests in the Balkan region.

The dialogue on the normalization of relations obtained the first concrete results only two years

² Source: Data on the EBRD's work in Kosovo, <http://www.ebrd.com>

later. In January 2013 a resolution by serbian government made explicit the strategy adopted by Belgrade. On one hand it stated that “the Republic of Serbia doesn't recognize and will never admit the unilateral declaration of indipendence”, on the other hand it admitted availability to “make further concessions in order to overcome the current state of relations” (Narodna Skupština Republike Srbije, 2013). A few months later, in April 19th, an “Agreement on Principles governing the normalization of relations” was reached in Brussels. This historical agreement was the most important result achieved by the EU throughout the post-war decade. The pact seemed to guarantee more benefits to the serbs, while the kosovar indipendentist claims didn't find space, even though they obtained a *de facto* recognition. To kosovar authorities the existence of an only police corp, called “Police of Kosovo”, was recognized with the integration within it of serbian component. The composition of Police of northern kosovo also had to reflect the ethnic composition of four Serbian majority municipalities (Kosovska Mitrovica, Zvecan, Zubin Potok e Leposavici). To the serbian component, the creation of a community of municipalities was recognized with supervisory tasks in the areas of economic development, education, healthcare, urban and rural planning and a delegation in the central authorities. Finally, both sides committed themselves not to slow down the progress of the other part on the road to membership.

In spite of the important steps taken in the political field in the previous decade, in recent years, thanks to the slowdown in the enlargment process, the costant postponement of the planned date for Serbia's accession and the complicated socio-economic characteristic of Kosovo, have dangerously raised the tension.

In line with the strategy *do ut des* applied by Brussels, also on this occasion the opening and the european support to both Belgrade and Pristina were not long in coming. In June 2013 the European Council gave the go-head for negotiations on the Stabilization and Association Agreement of Kosovo, and the beginning of negotiations for the serbian membership. Given the peculiarity of the status of Kosovo, the EU had to specify that the agreement isn't a recognition of

indipendence. In order to support the harmonization of the fragile kosovar sistem, in 2014, the IPA program was renewed for another six years. The total resource allocated to Pristina for the period 2014-2020 amount to over € 645 million (divided into four macro areas: reforms in preparation for EU approximation (236 million); socio-economic and regional development (235 million); employment, social policies, education, promotion of gender equality, and human resources development (94 million); agriculture and rural development (80 million).

In spite of the important steps taken in the political field in the previous decade, in recent years, thanks to the slowdown in the enlargment process, the costant postponement of the planned date for Serbia's accession and the complicated socio-economic characteristic of Kosovo, have dangerously raised the tension. Serbian opposition to Kosovo's application for membership in Unesco, in 2015, caused violent demonstration organized by opposition party in Pristina, like “Vetevendosje”, “Aleanca për Ardhmërinë e Kosovës ” and “Nisma për Kosovën”. High conflict showed in these demonstrations, with attacks towards serbian population, led the Kosovar Constitutional Court to suspend the implementation of the agreement with Belgrade. This didn't stop the demonstrations, reaching their peak during a violent action by opposition parliamentary groups with the use of tear gas inside the kosovar parliament.

The tension stayed high also after politically rilevant incidents in recent years, originated around the decision to nationalize the Trepca industrial complex by kosovar authorities in October 2016. The

control of the complex, one of the biggest in Europe in the mining sector, was divided on ethnic bases in 1999 between kosovar and serbian authorities. The unilateral decision of the Pristina government, which considers the complex to be of fundamental importance for its economy, has caused considerable resistance to Belgrade and serbian kosovars. The issue risked to create a deadlock in the dialogue, even if the Serbian authorities' scope for action remained rather limited.

In last January the risk of an armed clash reached its peak. After 18 years a train linking Belgrade with Kosovska Mitrovica attempted to cross the kosovar border with the slogan “Kosovo je Srbija” written on in huge letters. The Kosovo authorities regarded this as a serious provocation deciding the deployment of troops in an attempt to block the train. The decision to stop the convoy before it crossed the border was however taken by the Serbian Premier Vucic. He tried to manage the incident in his favor, denouncing that the kosovar troops were ready for armed intervention to blow up the train. The case of the train was undoubtedly one of the most conflictual moment between the parties. Unfortunately, the tensions have continued in recent months.

The freezing of the dialogue took place in March 2017 when the Pristina's Parliament issued a resolution on the suspension of the normalization process with Belgrade following the arrest of former Premier Ramush Haradinaj in France on Serbian request. Five months later the dialogue resumed thanks to the intervention of High Representative of the Union for Foreign Affairs and Security Policy, Federica Mogherini, with a meeting in Brussels between Vucic and Thaci. The resumption of dialogue didn't lower the tension.

The most serious events in recent months are the murder of Oliver Ivanovic and the violent arrest of the Director of the Serbian government's Kosovo Office, Marko Đurić, during a conference in Mitrovica. The Ivanovic's murder, one of the leading political leaders of Kosovo serbs, took place on January 16th 2018 while a meeting between Vucic and kosovar delegation was taking place in Brussels. Vucic decided to postpone the meeting in Brussels.

The arrest of Duric has unleashed the wrath of the serbian authorities pushing President Vucic to consider terrorist the Kosovo state and declare that “Serbia will never threat anyone, but will not allow anyone to destroy its people” (Stanković, 2018). Although the recent events are unlikely to lead to a radicalization of conflict that would result in armed clashes of a certain importance, it is clear how the dialogue is in moment of greatest difficulty since the unilateral declaration of independence.

It is clear how the dialogue is in moment of greatest difficulty since the unilateral declaration of independence. Following the arrest, the serbian list decided to remove support from Haradinahj government and to “proceed with the formation of ZSO (the association of Serbian municipalities in northern Kosovo)” (Petrović, 2018).

Since 2014, Germany has launched a new program known as the “Berlin Process”. This initiative brings together the leaders of the six Western Balkan countries (Albania, Bosnia-Herzegovina, Kosovo, Former Yugoslav Republic of Macedonia, Montenegro and Serbia) involved in the enlargement process and several member states (Austria, Croatia, France, Germany, Italy and Slovene). The Berlin Process doesn't stand in opposition to enlargement policy but represents a “political process complementary to european integration, for the purpose to provide a framework

for closer regional cooperation in order to achieve a sustainable economic growth, a market democracy and reconciliation” (European Parliament, 2016). The Trieste summit, held in July 2017, had achieved important results especially in the field of Connectivity. At the end of the summit was reached an agreement with an investment of over 500 million. The agreement “represents the beginning of a new era of cooperation between EU and WB” (Trieste Western Balkan Summit. Declaration by the Italian Chair, 2017). The objective is to support infrastructural investments in the region, probably as opposed to similar projects launched by China (One Belt One Road) and Turkey (reconstruction of Belgrade-Sarajevo highway).

Some Evaluations on the Results Achieved by the EU

It's clear how the conflict resolution can't ignore the EU's mediation role. If the years before the declaration of independence were characterized by USA strong action, in the following years the EU managed to carve out its own space and transform itself in the main actor thanks to the promise of future membership. This is the fertile ground for reaching an agreement between Serbia and Kosovo. The success achieved with the 2013 Agreement, which must be actuated yet and don't eliminate all conflicts, was possible for several reasons.

- First, the use of the force and the armies was abandoned. An armed conflict it's not definitively to be excluded but the chances that this happen are very low. The subjects involved have found more productive to adopt a cooperative behavior and dialogue, instead of continuing with an unsustainable armed conflict. The motivations for this change of attitude must be sought not only in the evaluation of possible benefits derived by the normalization and accession process, but also in the light of popular feeling on the “kosovar question” among serbian citizens. In this sense it can be useful to quote a survey conducted by the Institut za evropske poslove of Belgrade in the March 2018. This opinion poll shows a deep rift among serbian citizens, with the 43% of respondents who consider Kosovo already definitively lost (51% in the age range 30-44), against 45% of those who think that Kosovo isn't lost yet (53% in the age range over 60). The 56% of respondents would not support the division of Kosovo between serbs and albanians (68,6% in the age range 18-29), while the 55% thinks that Serbia will never recognize the independence of Pristina (43% in the age range 18-29, only 11% in the age range over 60). Finally, the 80% of respondents is adverse to recognize the Kosovo in exchange for total european membership. For another survey conducted by Belgrade Centre for Security Policy in February 2017, the 74% of citizens declare themselves totally adverse to an armed action in order to defend serbian territorial integrity through a “reconquest” of Kosovo. The analysis of these results give us a particularly complex framework. If on one hand the return to the use of force is largely refused by population, terrified of seeing the ghosts of the recent past resurface, on the other hand there is a strong opposition to the recognition of Kosovo independence even if this should support european membership process.
- Secondly, the benefits promised and expected from the future membership have ensured a fundamental integration perspective for a small, economically backward country and with an

uncertain legal Status such as Kosovo. We can use the same argument, even if with different premises, for Serbia. Despite differences in foreign policy compared to the EU's approach to Russia, almost all of the serbian political landscape sees in the accession process the only possible horizon in order to face the challenges imposed by changes at international level.

- Thirdly, the EU's credibility has been recognized thanks to the new course adopted in terms of conditionality policy. In the first enlargements the idea was that the harmonization of new member would have been easier if immediate accession was ensured, now with the Western Balkans the EU has given greater emphasis to the progress made in the phase of pre-adhesion. This change of paradigm has resulted in a more rigorous demand for reforms aimed at bringing national system closer to the EU with a greater focus on the more important sectors like Justice, economy and normalization of regional relations (Economides and Ker-Lindsay, 2015).
- Finally, it should be noted how the most important european concessions to Serbia were often made in periods before the parliamentary elections in order to influence the election's results showing the pro-european forces as the only ones able to guarantee benefits and perspectives of economic growth. All this had evident repercussions in the serbian political scene with a shift of many political forces towards openly pro-european positions.

Often in fact the tensions haven't been the result of an ideological or nationalist approach, but they have been used in a cynical and pragmatic way trying to get something more at the negotiations round. But if from a political point of view the improvement in relations between Belgrade and Pristina can be recognized clearly in the last ten years, the same discourse can't be made for the actual economic progress made by Kosovo.

The same European Commission traces, in its annual report on Kosovo (European Commission, 2018), a not entirely satisfactory picture. The most critical points of the country's development mainly concern the difficulties in political, administrative and economic fields. About the first aspect the Commission admits that “the continuing political fragmentation and polarisation have adversely affected the role of the Assembly and have impacted the effectiveness of the government”. The strong contrasts within the Kosovar Parliament show how the political democratization process isn't yet fully accomplished and how unlikely the country can be considered a mature democracy. Similar assessment is made on the functioning of the public administration, considered still too politicized, slow and inefficient. Another big problem in accordance with Commission is the high level of corruption. This is closely linked to the complicated economic situation of the country, the dependence by external aid and the social importance that still the informal economy has. On this the Commission states that “corruption and the informal economy are widespread and remains issues of concern [...]. With reference to the production capacity of the country, this remains rather weak as demonstrated by high commercial deficit. Finally, for the Commission Kosovo there are still large infrastructural shortcomings in the railway and energy sectors. Structural changes of economy are slow”.

The analysis shows that the EU played a fundamental role in achieving peace, in the stabilization process and in the normalization of relations between Serbia and Kosovo. The decisive steps

The analysis shows that the EU played a fundamental role in achieving peace, in the stabilization process and in the normalization of relations between Serbia and Kosovo.

forward in the political field did not however correspond to a clear and significant improvement in the living conditions of the Kosovars or in the general economic situation of the country.

The EU should also focus on eliminating the causes of widespread discontent beyond identities and ethnics affinity. The most important step towards achieving lasting peace can only be characterized by the fight

against corruption that is gripping the country, against the massive black market of arms and drugs or even the fight against religious radicalization that has involved some Muslim communities in Kosovo and a greater support for a real and profound process of self-determination and democratization of both Pristina and Belgrade. Continuing the process of joining the EU without resolving definitively the problem of the low quality of Kosovo's democratic institutions risks paradoxically supporting the anti-democratic and authoritarian pressures. The EU should also support a strong industrialization of Kosovo to ensure greater autonomy from foreign investment and aid in order to start its own path of economic development whose benefits will have to be democratically redistributed among the population.

Last but not least, the EU should pave the way for a re-reading of the country's recent and less recent history. In fact, this aspect greatly influences relations with Belgrade and with the rest of the countries of the area. A rereading of history without any particular ideological constraints would undoubtedly help the process of normalization. The search for a common history, the meeting between the historical claims of one and the other part would perhaps be the decisive and fundamental step forward to definitively overcome the so-called Kosovar issue. The history has often been used by political elites in order to claim an identity opposed to those of other people, considered inferior, not worthy of protection or enemies to eliminate. The attempts of the international community, such as the creation of The International Criminal Tribunal for the former Yugoslavia (ICTY), yearned for the truth about the crimes war made during the conflicts in the 1990s. Unfortunately these attempts revealed often unsuccessful both in pursuing the material executors and political instigators of these crimes, and in creating a climate of collaboration and overcoming identity conflicts. The ICTY is considered by many as a "political" court, far from equidistant and neutral. Its results have had the effect of fueling the distances and national antipathies. The convictions or, on the contrary, the lack of investigations on certain crimes have been instrumentally used in order to foment nationalism and ethnic hatred towards other peoples. The reconciliation and overcoming of conflicts between serbs and albanian kosovars can't engage the issue of a new interpretation of a history that highlights a common interest among peoples in opposition to national ideologies.

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FISCAL RULES OF VAT IN ALBANIA, THE ANALYTICAL METHODOLOGY OF THE FACTORS IN FLUENCING ITS EFFICIENCY IN STATE BUDGET

ALBANA DEMI, EGLANTINA HYSA, FATJON NANAJ

Abstract

The purpose of this paper is to provide information on the importance of VAT as one of the main sources of revenue for the Albanian state budgets and the factors influencing its efficiency.

To link up the goals and objectives of this work we have selected the method of meta-analysis. It is a combination of the analytical and comparative methodology. Basic concepts and analysis of tax legislation are at the centre of this work that aims to identify the most important problems and improving the existing legal framework and VAT efficiency in a stability perspective of the tax system. Since VAT accounts for more than 30% of total income in the Albanian state budget, assessing its efficiency by identifying advantages, but also drawback, is of utmost importance.

Results from VAT Revenue Ratio method used to measure VAT efficiency in Albania, show that Albania is amongst countries with low efficiency regarding the implementation of this tax. The coefficient resulting from our calculations is approximately 0.2, from 1 marking the ideal state of efficiency, even though it varies from year to year.

VAT issues in Albania are mainly related to the performance of tax administration and the instability of the system.

Keywords: value added tax, Albanian tax legislation, reimbursement of VAT, deductible VAT and VAT ratio of return.

Introduction

In today's global reality Value Added Tax is not just a tax, but primarily one of the main sources of revenue for national accounts. More than 160 countries implement it and around 4.5 billion people are affected by its implementation.

Since 1990, when a lot of countries started to implement this tax, coming to our days, there are more than 160 countries that implement VAT. It is a tax that affects around 4.5 billion people (end customers) in the world and in OECD countries it accounts for around 20% of total tax revenue (with personal income tax being the first with about 25% of the total tax income at global scale).

There are a number of advantages that explain its widespread application. For this reason it can be considered an effective instrument in the hand of the governments. Its neutrality that makes it a better alternative than other customs taxes is particularly observed in international trade. Assessing

VAT, as most researchers and experts agree, allows governments to raise revenue in a manner that is both neutral and transparent.

the worldwide expansion and the growing importance of VAT, IMF states as follows: “[The VAT has become] a key source of government revenue in over 120 countries. About 4 billion people, 70 percent of the world’s population, now live in countries with a VAT, and it raises about \$18 trillion in tax revenue—roughly one-quarter of all government revenue. Much of the spread of the VAT,

moreover, has taken place over the last ten years. From having been largely the preserve of more developed countries in Europe and Latin America, it has become a pivotal component of the tax systems of both developing and transition economies.” (Ebrill et al., 2001. p. xi.)

VAT, due to its features allows to raise revenue in a transparent, but also neutral manner, and is for this that a lot of researches and professionals agree that “VAT can be truly considered as one of the most effective instrument for government revenues” and that “raising funds for public purposes through VAT has a lower marginal cost than doing it with other taxes.”

Another contributing factor to its wide implementation is the neutrality that VAT poses toward international trade in particular. It is this feature that has made it the preferred or best alternative compared to custom duties, particularly with regards to trade liberalization. In most countries’ exports are exempted from VAT and allow the recovery of the input tax that corresponds to it. Whereas, imports are usually subject to VAT. Due to the fact that the input tax on exports is considered deductible, it is concluded that VAT, differently from other taxes doesn’t affect the domestic firms’ competitiveness in relation to export.

Methodology

The importance of VAT lies in its ability to generate revenue in an efficient manner. For this reason, starting from a comparative international overview, the main focus of this paper is to answer the question whether VAT in Albania is administered efficiently, using VAT Revenue Ratio (VRR) as a metrics to make this assessment. What are the main issues impacting its efficiency and what changes can be proposed to improve the existing framework?

To meet the goals and objectives of this work we have selected the method of meta-analysis. It is a combination of the analytical and comparative methodology. Basic concepts and analysis of tax legislation are at the centre of this work that aims to identify the most important problems and improving the existing legal framework and VAT efficiency in a stability perspective of the tax system. In the case of analysis and comparison of the Albanian VAT system as a comparative basis are employed directives of the European Union and the standards of international organizations in the field of tax income, including practices of developed and developing countries.

Other factors such as historical aspect, social and economic context are used as other external factors to help the process of analysis and the interpretation of the legislation. Simultaneously, doctrinal research has been crucial (collection and processing of literature). It has mainly consisting in reviewing literature related to the subject of study. The choice of literature is spread over a considerable number of foreign and local authors, as well as studies and observations made by international organizations and research centres.

Data mining and mapping is also part of the methodological process we followed rigorously in order to provide a proper overview (in figures) of the VAT collection and reimbursement trends in connection to other economic parameters. Especially data mapping is very helpful to observe the relationships between various sets of data in order to draw conclusions.

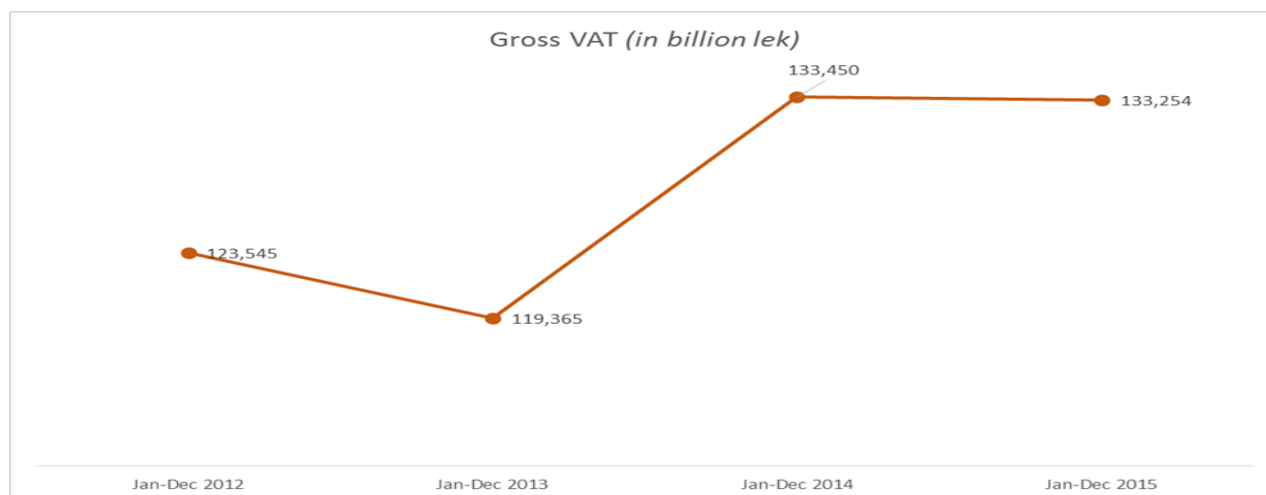
VAT in Albania

The taxable value of a taxable supply is the total amount in money or in nature to be paid for the supply by any person. Total amount includes all taxes and fees paid or payable for the supply or due to supply, with the exception of the tax itself. Practically, it is the value (tax base) on which applies the tax rate of VAT, whatever it is.

Table:1 Performance of VAT in gross and net terms

Performance of VAT in gross and net terms(in billion lek)				
	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2015
Gross VAT	123,545	119,365	133,450	133,254
From tax Authorities	31,767	31,335	36,059	37,907
From Customs	91,777	88,030	97,391	95,347
Reimbursement	7,012	7,418	9,601	7,692
From tax Authorities	7,008.3	7,397.0	9,600.8	7,692.0
From Customs	3.4	21.0	0.0	0.0
Reimbursement for KURUM*	0	3,473		
Net VAT	116,533	111,947	123,849	125,562
From tax Authorities	24,759	23,938	26,458	30,215
From Customs	91,774	88,009	97,391	95,347

Figure: 1 Gross VAT in billion ALL

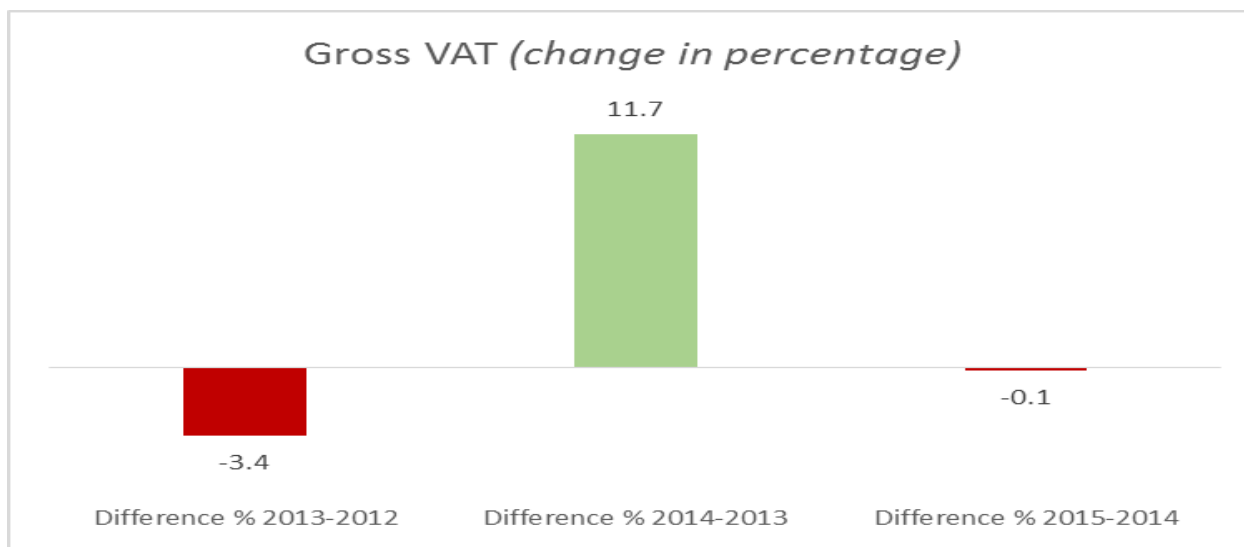


The taxable value (basis) of supplies of goods or services destined to private purposes or to third parties made in exchange of a reduced payment, is considered to be such that it provides a profit for the supply, or of a similar supply with it. The taxable value of imported goods is determined on the basis of the Customs Law, even if the imported goods are considered taxable or not under this law.

Table:2 Difference in % of gross and net VAT

	Difference % 2013-2012	Difference % 2014-2013	Difference % 2015-2014
Gross VAT	-3.4	11.7	-0.1
From tax Authorities	-1.4	14.6	5.1
From Customs	-4.1	10.6	-2.1
Reimbursement	5.8	28.8	-19.9
From tax Authorities	5.5	29.2	-19.9
From Customs	513.7		
Reimbursement for KURUM*			
Net VAT	-3.9	10.5	1.4
From tax Authorities	-3.3	10.0	14.2
From Customs	-4.1	10.7	-2.1

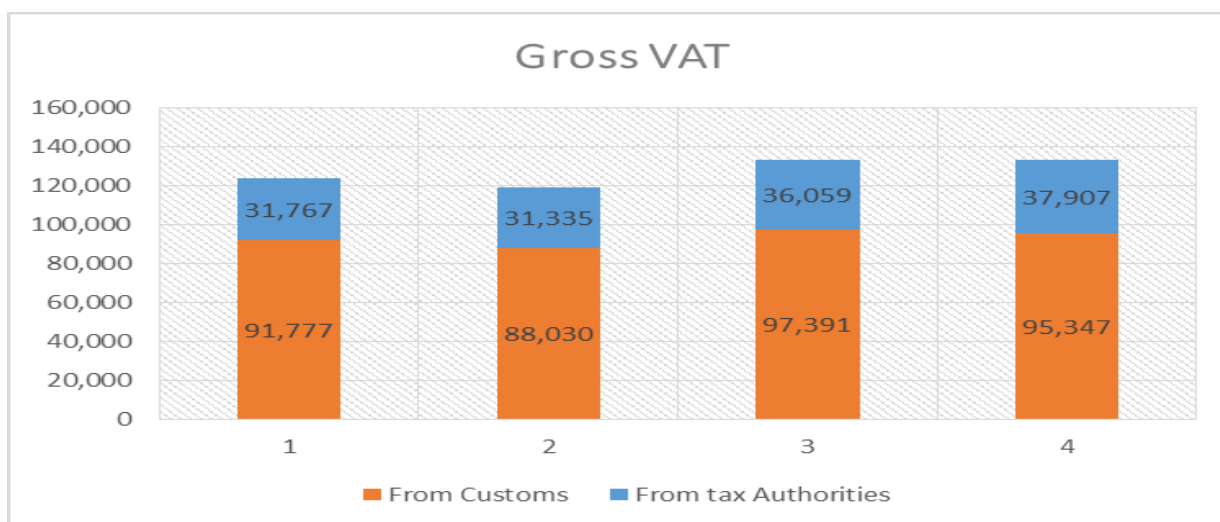
Figure: 2 Change in % change of gross VAT



IF not determined by the Customs Law it includes also:

- a) Costs of transport, insurance and other expenses involved in importing goods.
- b) Fees, taxes and current liabilities as a result of the export of these goods, imposed by the exporting countries, or payable due to their importation, except payable VAT that is not included in it.

Figure:3 Gross VAT revenue from customs and tax authorities

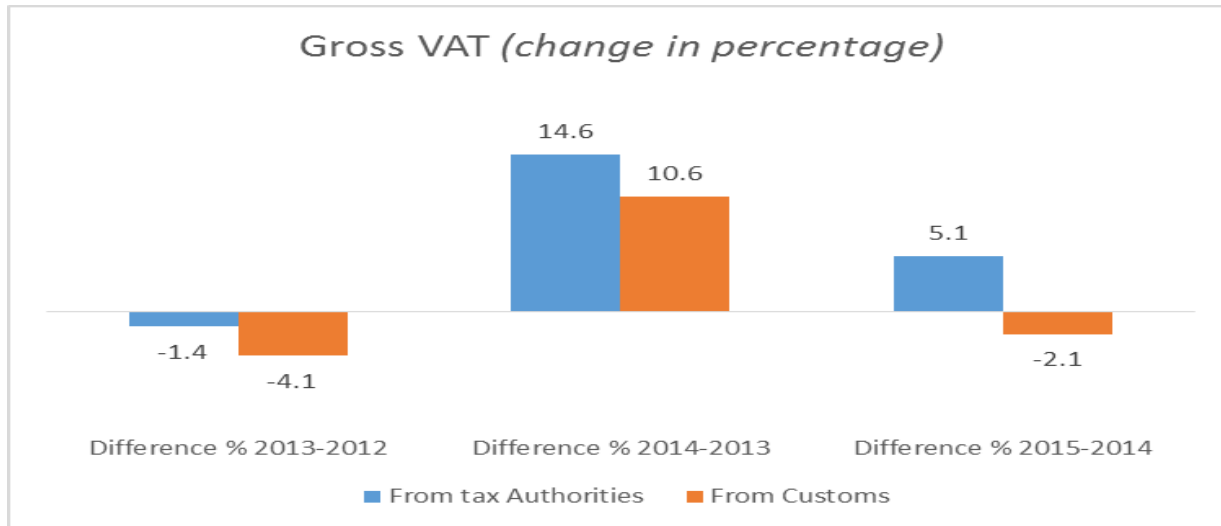


For the construction sector, the minimum allowable value (taxable basis) is determined by the Council of Ministers, an authorization delegated by the law.

The taxable value can change. It can increase or decrease. Every change has consequences to the supplier to the customer. It occurs when:

1. When there is an increase or decrease in the total payment for the supply, then it should be specified the accurate taxable value of the supply or of the service.
2. When the payment for a supply is reduced by a decrease in the price in the moment of the supply, also the taxable value (basis) of the supply is reduced accordingly.

Figure 4 Gross VAT change in %



According to the Albanian Tax law No. 92/2014, in order to establish the taxable value, we should refer to the market value of the supply that is defined as the full amount that the purchaser must pay to obtain goods or services at the same stage of production/distribution in which the supply is carried out, under the condition that the supplier acts on the grounds of equal competition and independently in the territory of the Republic of Albania, where the supply is subjected to taxation. If it is not possible to ensure comparable values for the supply of goods or services, then with the term "market value" are meant the following values:

- a) for goods, a value not less than the purchase price of the same goods or similar goods, or in the absence of the purchase price, the cost price as determined at the time of supply.
- b) as for services, a value not less than the full cost of performing the service to the taxable subject.

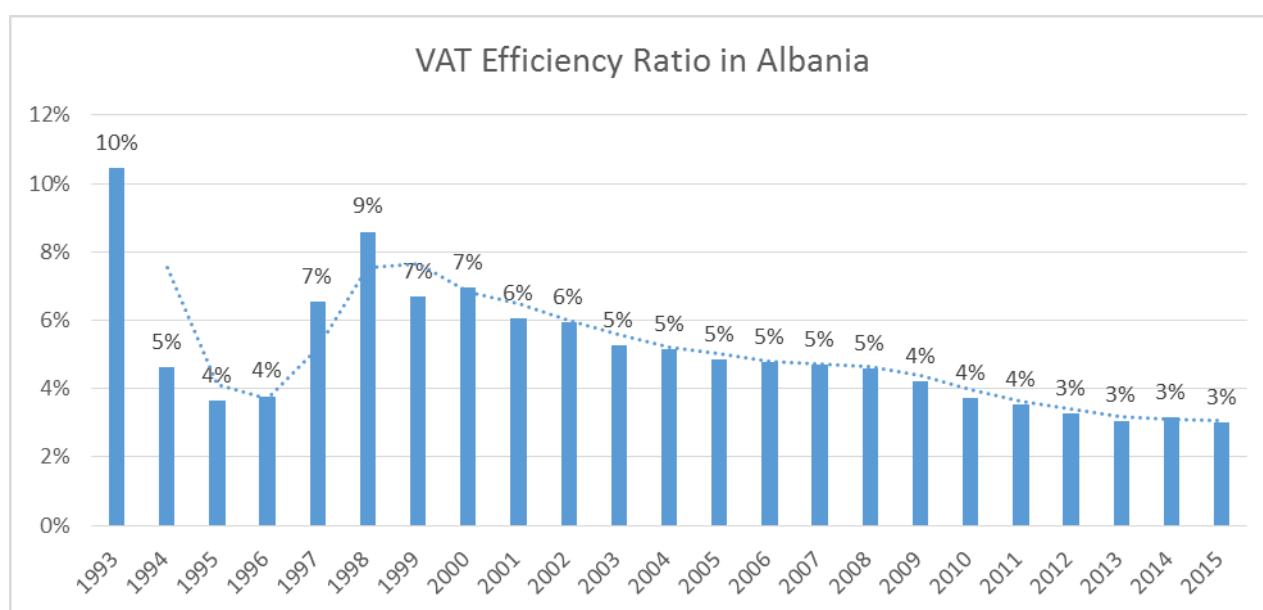
Evaluation of VAT Efficiency

It is really a challenge to quantify or measure VAT performance. Effective income together with implementation of VAT are difficult to examine directly, so we answer this question by observing indirectly the result of the question if countries applying VAT are inclined to have a higher average of total income taxes in relation to GDP. This is called the "efficiency ratio".

If as supposed, thanks to its efficiency VAT reduces costs of collecting revenues, governments applying VAT should collect more revenues. While keeping other data equal, including GDP and the openness level of the economy, they produced evidence that VAT is actually correlated with a higher ratio of total governmental revenues in relation to GDP.

The classic measure of VAT efficiency in raising revenues is the “efficiency ratio”– the ratio of VAT over GDP, divided by the standard rate of VAT and expressed as a percentage. But this measure has its flaws, because it is noted that it can be affected by errors in calculating the GDP. And most importantly, the most suitable "benchmark" should be the total consumption rather than GDP. Total consumption is considered as the ideal basis of VAT. The fact that the efficiency ratio is widely used as a diagnostic tool doesn't mean that it doesn't suffer from weaknesses. In fact, it has embedded a fundamental one, since the perfect efficiency ratio (100%) can be achieved only by the product –type VAT (explained above) imposed at a uniform rate. For this reason, it can be misleading, since the norm used today is a consumption type VAT (also explained above). This posed difficulty is addressed by considering final consumption as a reference for the tax base, rather than production.

Figure:5 VAT Efficiency Ratio in Albania

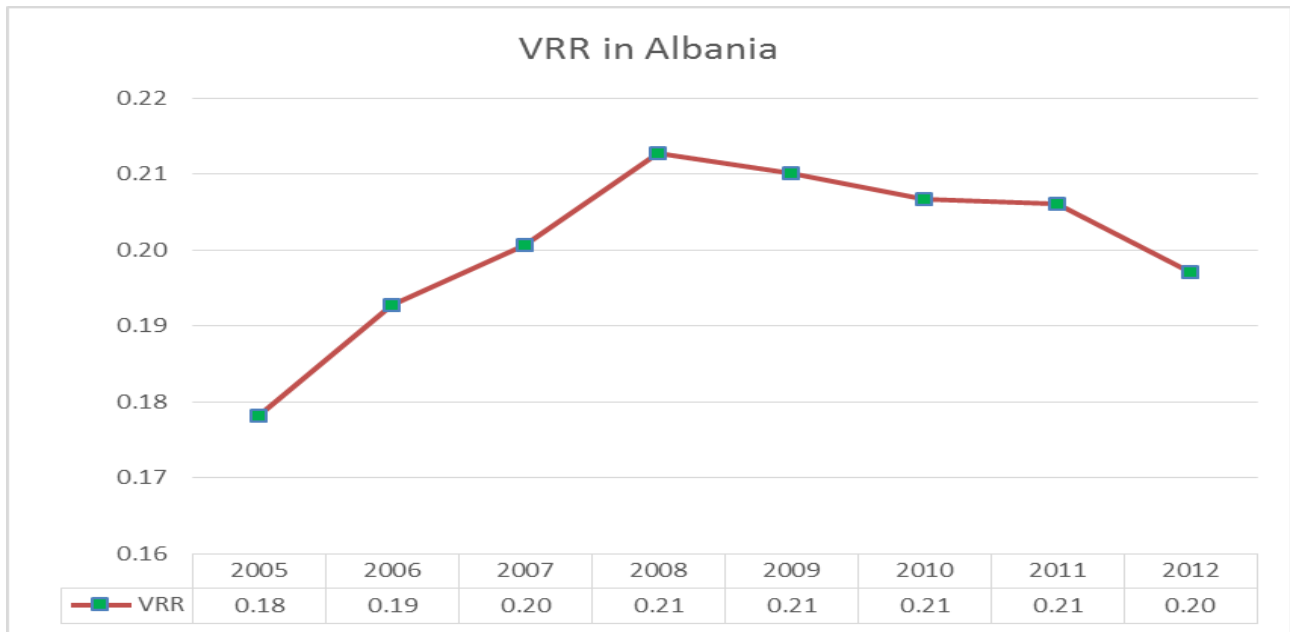


To avoid this error, it is used the "C-efficiency ratio" or VAT Revenue Ratio (ratio of revenue from consumption VAT, divided by the standard rate times the potential tax base or aggregate consumption). The standard rate is the rate to which the IMF usually tends to make its recommendations on VAT.

When measured by the ratio of revenue collected through the tax over the product of the overall or aggregated consumption and the standard VAT rate, a benchmark VAT that has a uniform rate for all the consumption would have a 100% C-Efficiency, with the prerequisite that all tax due has been collected by tax authorities.

The VAT Revenue Ratio serves as an indicator for the effect of loss of revenues because of exemptions, reduced rates, evasion and tax planning, or even fraud. Nevertheless, VRR results should be interpreted very carefully, since the decrease of the tax base might be the result of a variety of causes and factors, it is a metrics that can help decision-making entities to assess the performance of the VAT system in collecting revenues and to identify opportunities to have additional revenues by making improvements to the existing system.

Figure:6 VRR in Albania



As the graph shows, 2008 has been the year with the highest VRR value of over 0.21, and after a period of continual increase or performance improvement from 2005-2008, the coefficient has started to decrease (2008-2012), signalling a “dark” period in the performance of this tax.

What does VRR measure?

$$VRR = \frac{VR}{B \cdot r}$$

Equation 1: VRR formula

VRR offers a comparative measure of the country’s capacity to effectively collect the potential tax base of VAT. It measures the discrepancy between the collected VAT revenue and what can be raised theoretically if VAT was applied at standard rate for the whole potential tax base.

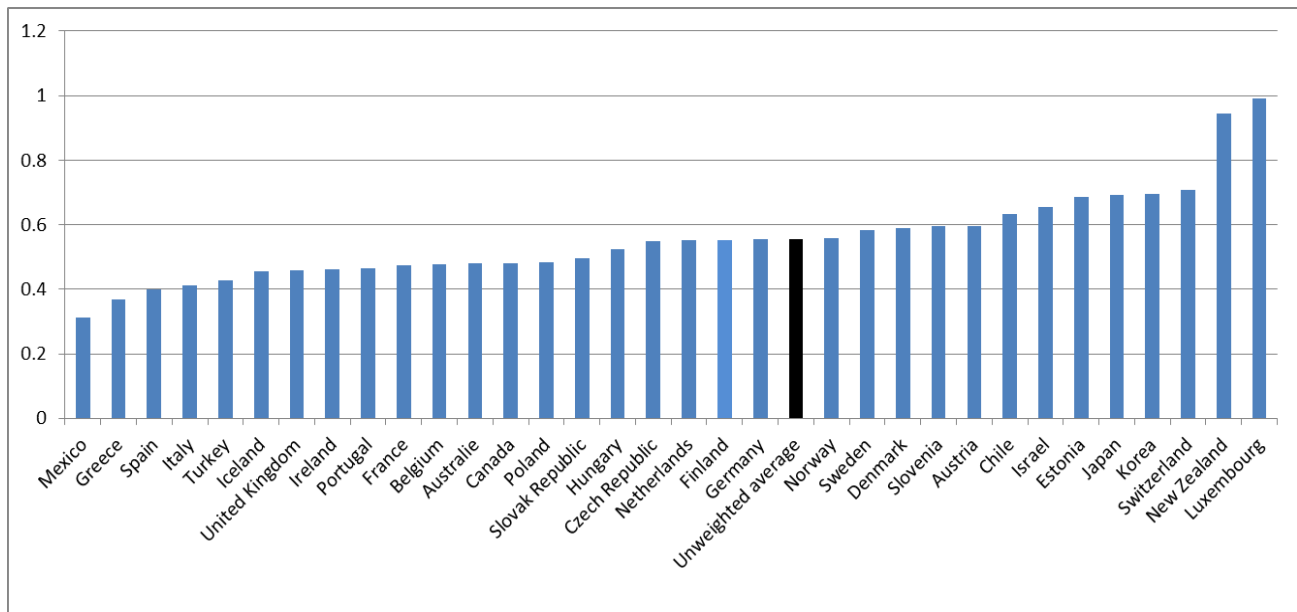
VR-actual Vat revenues

B – Potential tax base

R-standard VAT rate

With standard rate we will understand the default rate that is applied to the tax base. Different countries might decide on higher or lower rates of defined products, other than the standard one applied generally.

Figure: 7. VAT revenue ratio 2012



Factors Influencing VRR

The theory suggests that the closer the VAT system is to a “pure” VAT regime, the closer to 1 the VRR will be. If the value is gets lower it reflects factors such as exemptions, reduced rates or failure of state tax authorities to collect all tax due. Also, in theory a VRR above 1 is possible. This happens when all tax base is encompassed by a standard rate and a number of exemptions is applied, but without right to make any deduction. The effect created, a cascading one, provides additional revenues that can exceed the cost incurred by the exemption itself. Whereas a VAT close to 1, is widely used as an indicator of VAT expanded uniformly on a wide base and with an satisfying tax collection. As practice shows, VRR very rarely equals 1 and this can be influenced by a number of complex factors, acting alone or in combination with each other.

1. Applying lower VAT rates to a number of services or goods such that the lower rates reduce the revenue collected by the tax, impacting negatively the VRR.
2. The registration, level otherwise known as threshold collection under which small businesses are not considered as VAT subjects. Normally, these thresholds when applied reduce the amount of the collected VAT, even though it can be argued that the consequences of these thresholds are limited because the businesses under the threshold most probably will not be able to deduct any input VAT, so their value added can be expected to be modest.
3. Another factor is the scope of the applied exemptions. As expected, exemptions normally reduce tax revenue when applied to goods and services supplied directly to the final consumer or increase the revenue when applied in the early steps of the supply chain and the revenue collected from the cascading effect exceeds the potential tax that arises from taxation over standard rates after deducting the input tax. Depending on the structure of the

market and its features, exemptions might influence the VRR either upwards or downwards. Also, VAT exemption for financial services might have high impact on the VRR, taking into account the spread and importance of financial services output in a lot of countries.

4. Treatment of public sector activity in terms of VAT. Final consumption of governments is normally the second largest final use if we consider the national accounts after household consumption. From VAT perspective, government activities are exempted from VAT treatment, or are treated as out of the scope of VAT. This is the situation in most countries; however, there are exceptions, with New Zealand being the most notable one, since all government activities are treated as taxable. As a result, public entities cannot deduce the input VAT that has been paid for taxable expenditure. Nevertheless, a lot of countries have created special mechanisms for balancing adverse effects of such exemptions, of which we can mention targeted VAT refunds, partial or full right to deduct input VAT, budgetary compensations etc. Compensations that take place outside the VAT system like budgetary compensations, have no direct effect on the VRR because government activities are still fully input taxed, and as a consequence generating the corresponding VAT revenue.
5. Place of taxation rules in the case of international trade may vary from the destination principle by not always allowing the full taxation of the potential tax base in the destination country. Based on the position that the country has as a net exporter or net importer, VRR can be impacted downward or upward. Taxation rules, when inconsistent, may also cause double taxation of cross-border trade.
6. Another important factor is the capacity of tax administration or tax authorities to manage efficiently and smoothly the VAT system. The degree of compliance by taxpayers also is an influencing factor to the VRR. Low compliance has a negative impact on VAT revenues. Also, insolvencies and bankruptcies of taxpayers can influence downwards the VRR.
7. The failure of tax authorities to pay businesses refunds for VAT while there are entitled to tax credit, e.g. exporters can ask for tax credit on their inputs if their exports are made tax free. Basically, this contradicts the principle of VAT neutrality and may influence the VRR upwards.
8. Another factor that shouldn't be ignored is the various consumption patterns that affect tax revenue. For example, the VRR can decrease in value when the share of consumption of necessities that are taxed at lower rates goes up. Most commonly this can happen during economic crisis.
9. At the end, we should emphasize that also the possible impact of the difference between countries potential VAT base and the measurement of consumption expenditure should be considered when making various interpretation of VRR.

Evaluating the relative impact of various factors that impact VRR

VRR rarely depends on only one factor, isolated by other factors, but rather in the connection and interaction between them. As experience shows, a high standard rate might turn into an incentive for evasion. But on the other hand, use of various lower rates might cause revenue loss due to misclassifications issues. Exemption of certain sectors can create incentive to avoid payment of tax

or distortions. In order to compensate this, additional administrative capacities are needed. These factors, which can be potentially influencing, are divided into two categories:

- Factors resulting from policies mainly related to the tax base or coverage of standard rate;
- Factors related to the efficiency of tax collection and compliance levels

An important indicator to measure the impact of policy decisions on the country VAT, is the ratio that some authors call “Policy Efficiency Ratio”. This ratio can be found by comparing the theoretical VAT revenue taking into account the actual tax base and rates (in a condition of perfect compliance) with that under a uniform tax for all types of consumption.

Policy Efficiency Ratio = Theoretical VAT revenue from actual tax law / Final Consumption x Standard Vat Rate

Also, another indicator used to measure compliance is the so called “Compliance Efficiency Ratio” which allows comparing actual revenue with the theoretical revenue from VAT as per the tax base and rates stipulated in the law.

Compliance Efficiency Ratio = Vat Revenue / Theoretical VAT revenue from actual tax law

VRR can be considered and in fact it is widely considered as a combination of the “Compliance Efficiency Ratio” with the abovementioned “Policy Efficiency Ratio”. As one might think, we can develop different methods to produce breakdowns of the composition of the VRR.

One of this methods is to use the tax expenditure (i.e. revenue cost of going from the application of the standard rate to the entire tax base) in order to make the calculation of the policy efficiency ratio. The difference that remains between 1 and VRR provides the compliance efficiency ratio by deduction.

But there’s also another method, to calculate the “tax gap”. It is the difference between the tax that has been collected by authorities and the tax that should be collected if all consumers and businesses alike would comply fully the requirements of the law. In the United Kingdom, tax

It is the difference between the tax that has been collected by authorities and the tax that should be collected if all consumers and businesses alike would comply fully the requirements of the law.

administration has designed a methodology to estimate the VAT gap. This method exploits national accounts data to calculate the total VAT liability in the country, the theoretical one. Theoretical VAT is defined as the figure that would be collected if there was no debt, avoidance, fraud or other losses. The variance between actual cash receipts and this theoretical figure, is considered as the VAT gap. The gross theoretical VAT liability is

composed of five expenditure components: households’ consumption, government expenditure, housing and capital expenditure, expenditure for charity activities, and expenditure of businesses that are partially exempt from the tax liability. The measure takes into consideration the applied rates of VAT on that expenditure based on the breakdown of commodities; legitimate refunds known as deductions and exemptions foreseen by schemes and reliefs. A method, similar to this has been implemented to calculate the VAT gap in the European Union countries (Reckon, 2009; and CASE, 2013). In terms of methodology, the VAT gap measure is close to the way VRR is calculated, even though the theoretical liability of VAT is bound to reflect actual tax rates, thresholds or exemption applied to a narrower base than total final consumption as declared in the national accounts.

But there are also other publication on this issue. A recent one, by the IMF (Keen, 2013) offers an estimate for the decomposition of VRR based on the combination of VAT gap forecast performed for the EU Commission in 2006 (Reckon, 2009), and the VRR estimates from the OECD (2012). The paper we are referring to, shows that in 2006, the estimated policy gap was greater than the estimated compliance gap in the 16 monitored countries.

Conclusions

Value added tax is the most popular tax in the world, implemented in more than 160 countries. VAT has established itself in every continent as a major innovation in the sales tax. The method of reimbursement offered by VAT is the most effective one. It has the advantage of using the systems of differentiated VAT tariffs. The need to provide a special VAT treatment for small businesses is much more important and crucial in developing countries than in developed or industrialized ones.

In Albania, VAT is the one of the main sources of income for the state budget with around 120 billion ALL during the last two financial years

All European Union countries apply a VAT system with several rates. The only exception is Denmark, which applies a system with a single rate of 25%. The threshold issue is very important in practical terms, given that the initial low threshold in many countries has been cited as one of the main weaknesses of VAT. Reimbursement is

one of the benefits and advantages that VAT has to offer. However, the reimbursement process is problematic and not effective in a lot of countries. It is often used by fictional business for fraud. Compared with turnover tax, VAT is a neutral and non-distortionary tax. Removal of VAT on imports would be a "bold experiment" that has not been tested so far. It is impossible to exempt from VAT certain entities and to leave others, as long as they are performing economic taxable activity. . It also accounts 10% of the GDP. Value Added Tax is the most important item on the income of the state budget in Albania and in other countries also, although so far never been realized 100%.

Recommendations

Given the experience of international VAT implementation during these years, the specific conditions of Albania and the remarks and suggestions of various international organizations (IMF) we think these changes should be made:

Organisation and management of VAT sector in the Albanian tax administration

- Set up an appropriate and efficient system for managing information, including setting targets and milestones for all areas of work, identification of Key Performance Indicators, reporting and measurement of objective fulfilment.

- Creating a performance management unit in headquarter, in order to map, implement and monitor the VAT system.
- Focusing on human capacity building to ensure that employees properly understand and perform their routine duties according to the functional structure of tax administration institutions.
- Tax administration should put more effort to increase human capacities because of the frequent changes and amendments in the regulatory framework. Also, top level managers and qualified staff shouldn't be changed frequently because this creates gaps and problems during the work of these institutions.
- There is still a lot of room for improvements regarding the update/upgrade of the information not only through the internet. Closer cooperation with media outlets is needed in order to disseminate qualitative and relevant information.

Reimbursement of VAT

Targets for tax revenue (revenue plans) and reimbursement plans at central and regional levels should be developed separately and quality assessment procedures should be implemented

- Tax authorities should take concrete steps to improve the procedures, especially for clarifying them to the businesses and for avoiding some unnecessary bureaucracies.
- Performance measurement instrument and other technicalities should be improved further, such as VAT reimbursement period, audits, speeding up and easing procedures for claiming VAT, reducing cost for tax administration and taxpayers.
- Adaption of proper IT solutions and means to make possible the automatic compensation of the Value Added Tax credit in relation to or against other taxes that businesses pay. These IT solutions should be based on a macro perspective taking into consideration tax and custom authorities.
- Enforcement of tax legislation should be unbiased and equal in every region in order to reduce discrimination and imbalances in VAT reimbursement claims.
- .
- Offering online filing and follow up of VAT reimbursement procedures, since official websites and platforms are the main hub of information on tax issues and checking of tax accounts.

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ALBANIAN CITIZEN'S FREEDOM AND THE INFLUENCE OF THE MAIN RULING POWER ACTORS OVER IT

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Abstract

One of the frequent questions concerning researchers of political science is: "How free is the citizen in developing his freedom?" This concept has a close link to the consolidation and sustainable development of today's societies, to create a citizen responsible for his position in society and the most comprehensive policies affecting all areas of life. The perspective under which this article sees this freedom relates to Sen and his concept of freedom. The analysis focuses on the largest power actors in Albania in the period 2003 - 2012. Based on Sen's view, the freedom of Albanian citizens is more likely to be considered as a rigid, unnatural force by the citizenship itself. It is influenced from outer actors such as executive, political, foreign and Albanian non – governmental organizations, business, legislature, judicial, IMF economic institutions, BB etc. It can be considered as a formatted / conditioned freedom (intergovernmental, governmental, political, etc.) and not a natural birth from the Albanian / citizen voters.

Keywords: citizen, freedom, welfare, ruling power actors

Introduction

Over the past few years, governments of the Republic of Albania begun to apply a set of policies focused on the country's sustainable development. The level of living is not only calculated through the economic but also through the social indicators of the citizens. In the policy line of developed countries, even in Albania, the essence of these policies should not be the economic growth of the citizen but its human development, well living "(Sustainable Development Goals), otherwise known as Global Aims. They are a universal call for action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity" (UNDP, 2018). Human well – being is achieved by enhancing fundamental freedoms which we enjoy as a result of the growing economic opportunities. One of the most appropriate frameworks for understanding sustainable development is the concept of Amartya Sen "development as freedom", that is, human development, establishing the well – being in which the citizen is the center. The citizen is both the object and subject of this development, shifting it from an unprofitable being and not very active, in formatting its development. Sen understands individual freedom as a skill in which a person decides and takes on

the respective responsibilities of life. He calls this view of individual freedom, individual agency. An agent is judged by someone acting and bringing about changes and achievements that can be judged in terms of their own values and objectives, regardless of whether they value them in terms of some external criteria (Sen 1999, 19). According to Sen: Expansion of freedom is seen as (1) the main end and (2) the main means of development (Sen 1999, 36). Thus, individual freedom becomes the means and ends of development (Sen 1999, xii). Hence, “the success of a society should be assessed, in this respect, mainly by the substantial freedoms passed by members of society” (Sen 1999, 18). (Maria Eugenia Yupanqui A., 41 – 42). The idea in Sen's analysis is to put more variables of different kinds into the analysis of a larger context in which they can be judged in the direction of what they can do for human life and freedom (Sen 1999, 20, 87). Positive freedom is related to the notions of self – realization, self – perfection, self – governance, independence, justice as harmony in its total (Berlin 2002, 179). The highest level of individual identification. This expansion of individual freedoms at the same time brings about and strengthens the influence of the social responsibility (of Rawls), which as a result will increase individual freedom, as it serves not only as a response to the social needs of individuals but also as a core for the conceptualization of economic needs in itself. The premise on ‘Development as Freedom’ consists in the fact that human freedom is not just the end of development, but it is also its primary purpose (Sen 1999, 36).

After 1991 in the Republic of Albania, all fields of life, economic, political, social, etc., have undergone a radical transformation from the system of communism to the democratic one; from a philosophy of isolation to the free market of the individual's welfare.

At a global level, citing especially those states which have reached a strong base of democracy, the views of all actors involved in the game of power have been centered on the Development of Individual Freedom, as a key foundation for good governance and sustainable development. While during the period of 2003 – 2012, there is a concentration of political and economic power of all levels of development in the policies undertaken by them including the

instruments they operate. The policies undertaken did not focus only on capital, the free market and technological progress as a development formula but also the development of human capital. Experience at the global level, as an etalon for the developments in Albania, shows an increasing trend that economic development must be accompanied by the increase of the quality of the functioning of public and non – public institutions, both domestic and foreign, by investing in the growth of trust to all active actors of society.

Following the above logic, the question that arises naturally is “to what extent have the most influential actors in the political, economic, social, legal, etc. influence on the level (increase or decrease) of the development of the freedom of Albanian citizens?” and “how well the Albanians are aware that they have the right to form their freedom internally?”. Thus, its content frame is built by the individual himself and not by other actors. Given the influential power of the most powerful actors in Albania, it becomes necessary to carry out an analysis of their relationship with the main individual / citizen indicators. Therefore, the problem considered in this paper is the level of development of the freedom of the Albanian citizen. We will also deepen the analysis by seeking to identify the source of this freedom (if any) and whether it is imposed from the outside or internally shaping.

The period taken into analysis 2003 – 2012 has been considered for two reasons: 1) Access to the analysis of the ruling Nobel laureate in Economy, Amartya Sen, in his book published in 1999

"Development as Freedom" (Knopf, 1999); data which was applied around these years in the governance of more developed countries. 2) The fact that the empirical data for the Republic of Albania measured according to the social welfare criteria, beyond the economic ones, are more complete in these years. Depending on the freedoms set by Sen, the instrumentalization of freedom can be accomplished by actors such as central government, local government, administration, market, business, judicial system, legislature, political parties, media, civil society, public interest groups NGO, community, public discussion forums, etc. These actors are perceived as active and non – passive agents in the realization of change are analyzed in terms of the level of their contribution to guaranteeing the substantial freedoms of individuals. It is not supposed to have been given a final answer to the thesis of this article, given the fact that only a part of the influential actors and factors in shaping the freedom of the citizen were taken into consideration.

Results and Analysis

In the analysis of the data and figures obtained for the period 2003 – 2012, some of the most important stakeholders in power in the Republic of Albania, in Sen's logic point of view, have showed up with some interesting facts.

Central / local executive and state administration Executive is one of the actors who can successfully apply (if engaged) the theory of development of the freedom of Albanian citizens. However, in the years 2003 - 2012, in the governance initiative almost lacked policies of the perspective of stimulating the subjective well – being of Albanians in primes. One of the biggest problems is politicization of governance, especially the local one. “One of the key issues related to local democracy is that relations between elected local authorities in Albania are politicized environments. Often, the central government agenda overlaps the local government and vice versa. Especially the municipal council, otherwise known as the city parliament, instead of reflecting and protecting the interests of citizens, protects and represents the interests of the respective political parties”. (Lami, 2016). Another issue to be discussed is often the accompaniment of government rotation with changes in public administration at both levels. “The Bertelsman Transformation Report on Albania suggests that ‘the Albanian administration remains highly politicized and lacks bureaucratic skills and expertise’ (Arolda Elbasani / Oli Xhillaga, 2012). This behavior focuses more on utilitarianism and clientelism, presenting itself as a vision approaching the fulfillment of short or medium-term interests. The results of the 2014 Eurobarometer Survey conducted in Albania, although out of the period under review, showed that most of the respondents did not believe in their national government (46% ‘do not trust’, compared to 41%) and their national parliament (51% versus 35%). Without major changes in this political culture, as well as in the legal and regulatory environment that structures the election and political life, it is unlikely that Albania's political climate will improve (Edward Atkinson et al., 2017, 2). Also, according to a survey in the city of Tirana, even on a perception level, citizens state about the politicization of civil administration and corruption opportunities as a consequence (Bërdufi & Koçani, 2011). However, there are initiatives that can be considered as contributing to the development of the Albanian citizen's freedom, such as some local policies for helping groups in need from a special center, exempting or lowering the level of taxation. Mostly, these initiatives have been developed under EU

consultancy. We can also add the initiation of drafting and implementation of poverty reduction policies, gender policies, housing, environmental issues, protection of marginalized groups, etc. The above can be considered as a contribution to the development of the freedom of the Albanian individual. At this moment we would have an uncertainty: whether these programs help to develop the freedom of the citizen or to correct the already – born problem?

During the period under analysis in this article, the party system apparently is shown as a pluralistic one with 114 parties of which over 60 of them are active in the elections.

Political parties. During the period under analysis in this article, the party system apparently is shown as a pluralistic one with 114 parties of which over 60 of them are active in the elections. However, without the need of a much deeper analysis, it is observed that there are two (main) parties which control and power (with rotation) of the Albanian political arena.

These are the Democratic Party and the Socialist Party. Other parties have a secondary role and most of them are almost irrelevant (Edward Atkinson et al., 2017, 2). Most of all, their goal is to create coalitions with the two most dominant parties in the political field to have the opportunity to exercise a small part of the political power. Consequently, the behavior of political parties refers to the use of their power for utilitarian and selfish purposes, and less focused on the development of the Albanian individual / citizen's freedom, also emphasizing the argument that “Albania's political system is clearly non – ideological. There is no really politics driven by the issues, so the quality of political debate is low and according to some interlocutors, election competition has become a race to buy more votes and increase long – standing loyalties” (Edward Atkinson et al, 2017, pg.5). Several scholars of post – communist countries link this party’s behavior with the still high level of democratic development as one of the main factors. In this context, as one of the post – communist countries, even in the Albanian case, political parties are still financially tied to the state (Kopecký, 2006). It is worth noting that in the case a party is in the leadership of the country, in some form it equates to the state. Thus, the dividing line between the state as an institution and the party as a political actor is considerably minimized. This type of behavior of these actors is not unique in the Albanian case, but almost throughout the Balkans (Gallagher, 2007). Moreover, according to Ceka “the lack of memory with liberal democracy, the lack of an articulated opposition within the system, social confusion stemming from the 1990s, creates a kind of precondition for reading and political identities after the 90s. It is this prerequisite that explains why new identities difficulty had in articulating themselves internally by making the design of these identities from above naturally from political groupings” (Blendi Ceka, 2013, 251-252). However, in this analysis, the role of the political parties’ aspiration to the European integration must be added resulting in increasing their focus policies and decision – making of their European counterparts. As these European parties are more focused on the citizen and its development, the Albanian parties have taken steps in this direction, especially in the last years of the period under review. Policy production, however, often does not fit more with the freedom of individuals, but essentially with the economic and political utilitarian interests of political parties. A such example is the 2009 Democratic Party and Socialist Party for Integration coalition, under a three and a half years’ joint government, two parties with opposite ideological wings, resulting in lowering opportunities of developing pro – freedom development policies of Albanian citizens.

Free market. In the context of European integration, the transition towards the European markets and greater economic and political inclusion in the region, Albania has also perceived this impact on economic development to affect the improvement of social, health, employment, growth of the number of employed in the tax system, etc., women's participation in society and politics. The most influential agreement strengthening relations with other states was in signed in 2006 'Stabilization and Association Agreement' (Assembly of the Republic of Albania, Law No. 9590, dated 27.7.2006). Consequently, in April 2009, the EU and Albania removed trade barriers for goods exported and imported in their direction, especially with Italy, Greece, Germany, etc. One of the reasons for applying these economic policies is the obligation to enforce the rules set by the World Bank, the Council of Europe on economy and other agreements set up within the region. Indirectly, these foreign and domestic businesses influence the growth of Albanian human capital contributing to society. However, it is worth to note that the foreign economic actors operating in Albania can influence the Albanian government in the context of meeting their economic interests, according to which citizens are often not beneficial actors. Mostly, their economically -conditioned contribution might focus on citizens' demand for increasing individual and family economic well – being. Compared to Sen's point of view, this development, although small, starts from economic development and not from that of individual freedom. Consequently, it sets ground in the opposite direction, resulting from outer conditions / factors. Therefore, we can assume that there is no freedom that can be timely stable and efficient in terms of individual and social development or even in general of the contribution of citizens to the society well – being.

Civil society (organized assemblies of citizens). Citizens are the foundation of building a healthy civil society. To be free and to develop it, it is necessary that the spirit of groups on various issues or problematic should start from the citizen himself. Countries such as the USA, Scandinavian countries, France, Germany and other countries, have a developed culture of offered space and policies undertaken by government that come from the demands of united citizens and free will. These countries, as well as economically developed, are also advanced in terms of interaction of individuals with different social, economic, political fields. Therefore, cooperation with the state is strong and in the interest of citizens. Their activities, especially in the last period, are focused on general issues such as the environment, global warming, but also towards the protection of the fundamental rights of the individual. The governments of these countries, on the other hand, play a positive role in making state – level decisions on the real interests of citizens and their involvement in policy making. Consequently, they offer and respect their social responsibility towards their citizens and beyond internationally, for example the European. Citizens of developed countries have resulted in high awareness of common issues, subjective well – being and post – materialist values (World Value Survey). In the region, too, according to cross – sectional analysis and models (FOA, R. S. and EKIERT, G. 2017), many former communist countries have a living sphere of civil society versus societal problems from the transition to consolidated democracies. The Albanian reality in these years does not stand in the same line as mentioned above. The civil society in Albania in 2003 – 2012 is almost non – existent. Albanian citizens have shown almost total lack of interest in grouping to solve their problems, both at national and local level. "Citizens are skeptical and see civil society organizations primarily as sources of financial gain. The sore transition period has led to individualist attitudes and apathy to volunteering" (CIVICUS according

to Dedej, 2016, 72). A further argument supporting such statement is the perception by citizens of lack of accountability by local (municipal) or national (government) institutions. The lack of confidence and perception that citizens themselves can decide and seek to solve their individual, family or even wider problems, is an indicator of a still unmanaged democratic society. As a fact, we can mention the absence of family meetings for the maintenance of common services, places, issues of local units, children playgrounds, and up to national level meetings / protests on various issues. As another example, we can mention the lack of awareness in protecting the interests of marginalized groups, citizens' rights violating, environment pollution etc. There are also cases in which citizens do group, such as protests, or meetings organized mainly by members of the political

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field. Therefore, organizations born not from below – civil level, but from up above. Cases of politicization of civil movements (as perceived by citizens) are examples such as 'Mjaft!' and 'The Red and Black Alliance'. Albanian citizens perceive that the representatives of other countries, in Albanian society, play the role of the defender of their rights and freedoms

(National Democratic Institute, December 27, 2012). Lack of trust in local institutions, as well as in national or local organizations, is an element that points to the uncertainty of the development of individual freedom of Albanian citizens and their dependence on international actors (Bërdufi, 2017, 69). These are indicators of a still unconsolidated democracy. Correspondingly, in this case, it is confirmed once again that the development of the Albanian citizen in this context is lacking. Consequently, in most cases, it is derived from other actors and not from themselves. This shows that civil society, as part of the Albanian society with materialistic values, has not yet reached the stage of self – awareness of activity acting in common interest side.

Local and foreign public interest groups (organizations). Close to the assemblies of individuals for the protection and resolution of their social, political, economic problems, especially in countries that are in a transitional phase of democracy, have been involved a number of foreign and domestic organizations. These third parties, being more professionally and financially organized (compared to individual groupings for only one case), have greater chances to influence the development of the Albanian individual's freedom. Their projects have made it possible to set an important step towards the individual's awareness and role in society. Despite non – political international institutions which with their programs have financed social projects such as USAID, UNDP (<http://www.undp.org/content/undp/en/home/mdgoverview/>) etc., with the focus on the development of the freedom of individuals, there are also various Albanian organizations have been also internationally funded. This fact is basically a positive step for Albanian citizens. Foreign donors have helped Albanian institutes work towards drafting legal strategies, programs development, thus substantially improving the situation of some social groups. It can be considered that this whole investment is a step, however small, towards the development of the freedom of the Albanian society.

The most important international economic institutions. The influence of international economic institutions is divided into two phases, from 2003 to 2006 and from 2006 to 2012. In the first period, institutions such as the IMF, WB, OCDE, G7, etc., were present in Albania through their consultations of policies, programs development focusing mainly on economic and political stability, increasing human capital, raising the level of education, poverty reducing, and so on. The focus in this period is mainly within the economic development and not the one of the subjective well – being of Albanian individuals. In the second period, these large institutions were not present in a direct form, leaving more room to domestic political and economic actors. In this period, the focus of economic policies has been higher in the direction of individual development. The Albanian economy in 2005 – 2011 had a positive growth in business and governance. Given that the influence of the most powerful economic institutions has been reduced in the second half of the period under analysis, this automatically (also based on the analysis of other elements) can bring about a reduction in the level of demand of local actors, especially politics (executive, political parties, etc.) in the development in primis of the subjective well – being of the Albanians, rather that of the economic one; thus remaining more in the context of economic homos and utilitarian approach. In both cases, the main actors in the construction and formation of the citizen, rather than the international economic organizations, remain the Albanian actors, the executive, the political parties, etc. However, there has also been criticism of potential misuse of these funds. Consequently, we would have in this case not strengthened contribution to the new investment philosophy alongside the development of the freedom of citizens. However, the role of the international actor remains important in the shaping of the Albanian society and the financial and programmatic budget of the Republic of Albania, and for the fact that the European Union has in its policy this new form of development (European Commission, International Cooperation and Development).

Legislative and Judicial System. A strong judicial system is fundamental for a democratic state. As an actor, it influences the development of the freedom of Albanian individuals but as a necessary condition is for the judiciary to be independent. In the case of the Republic of Albania, its independence is often contested. A true administration of justice is the main pillar of a good governance (Dvorani, 2013). These facts may call into question its role as a controlling and punitive body in Albanian society. In this respect, it is worth mentioning also the legislative system, as it has one of the most basic and influential functions in forming society, proposing, discussing and adopting laws. The possibility of its ownership from political parties remains in the Republic of Albania one of the most discussed issues. However, it should be mentioned that at this time in the Albanian parliament are adopted laws of great importance for European Integration, such as social strategy, health, education, etc. An independent and strong judicial and legislative system is an essential element for a healthy democracy based on the freedoms and rights of a free citizen. In this regard, we can talk about advancements, though not at the same magnitude as in Western countries, in terms of developing the citizen's freedom.

Media. Media as an intermediate actor between politics, other state institutions and citizens. It plays a very important role, especially in the form of news broadcasting and increasing general awareness on different ongoing issues. Freedom and media independence is essential to the problems this article refer to. Studies emphasize the informative, educational and influential role of

the media towards the citizen. Nowadays, the ruling power actors themselves use the media as a contact tool with their voters and citizens in general. The influential media power nowadays has grown much further with its expansion into news technology in interests, social networks, and so on. At this point there are some basic questions: How much is the news controlled? How true is he? How manipulated can it be? So, both aspects must be considered: the great opportunity to get the news in real time and in many information networks and, on the other hand, the credibility of the news! In Albania as also in the region and broadly in the world, this phenomenon is widespread (Zguro, 2017, 58). In terms of Sen's freedom, where the citizen should think and decide from the bottom/base (himself), the question is what information and at what level is the audience informed and thus the conditions the public decides? As Sandra B. Hrvatin and Brankica Petkovic say "today it seems impossible to stay in power/rule without the support of the media" (Sandra B. Hrvatin, et al 2004, 10). In Albanian legislation, unlike the European countries with consolidated democracy, there are reservations about banning party investors in the media. There is often a politicized media. This clientelistic use of media is noticed especially during electoral campaigns, not only in Albania but also in neighbor countries like Montenegro, Kosovo, Macedonia, etc. Hence, in essence, we can confidently assert that in the context of an expanding mass media in various forms, the Albanian citizen has the opportunity to develop his freedom.

Perceptions of the Albanian citizen. In this last part of the article, we will devote space to the citizen itself, to the other side of the development as freedom framework, where according to Sen liberty must arise and develop. Rather, the focus will be on the perception level of the citizen himself on this issue. Since perception is a concept that requires time to be formed, it is necessary to emphasize in advance that "the albanian in its social dimension comes in the early 90's as a confused being about what he/she is, what does it represents professionally, culturally, economically; it derives without a clear social – economic identity. Within 45 years, radical transformations in the life of the Albanian family have certainly left a deep mark on what these families represent in the early 1990s. Fast and hard urbanization, mass education, concentration attack on inherited religious and family values, the ideological framing of the individual seems to have made possible this kind of confusion." (Blendi Ceka, 2013, 250). Succeeding this argument comes the measurement of Freedom House's Democracy Level Indicators. The low possibilities for internal awareness of the Albanian citizen emerge in the data of the period under analysis 2003 – 2012, according to this institution. The actors and factors considered are: Independence of Media, Level of Democracy of Central and Local Government, Civil Society Level, Judicial Independence, Corruption Level and Electoral Process Level. These seven indicators, in essence, are the largest influencers in the opportunity they offer to the citizen to increase his subjective freedom. Bearing in mind the above arguments, more democratic these institutions are the more citizens will have the opportunity to develop their internal freedom. These conditions make the citizen a contributor to the society as a whole and not just within its narrow circle of pragmatic families. FH data show that in 2003 – 2012 (Freedom House data, 2003 – 2012) the rating for these actors is low or average, meaning that the conditions for the development of subjective welfare and Freedom according to Sen remain in low levels but with a chance to rise.

Another indirect measure of development as the freedom of Albanian citizens is also the values profile (Kocani, 2014) of Albanian individuals. The viewpoint of the Albanians' system of values can help us to fill the image of the freedom format, therefore to understand the position and

contribution of citizens towards the development of their freedom. In the period under analysis, the profile of Albanian values has always been on the line of the profile of survival values, which poses a risk to a country's democracy. This decline in the values of self – affirmation makes Albanians increasingly differentiate negatively from citizens and other countries, especially with economically, politically and socially developed countries. From this point of view, the impact of

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the Albanian citizen on democracy is more likely to be at low levels, consequently at low level of freedom development. Based on the above arguments and Sen's theory, if these data were presented in the form of a curve over the years studied in the same graph along with the profile curve of developed countries, there would be a tendency to opposite the two curves. Albanians,

on the basis of the value profile, are on the contrary path of freedom development which shows that justice, freedom, social responsibility, elements that in themselves affect the social welfare of the country, in view of the significant materialistic values of the citizens themselves, are almost irrelevant to them in this period in the Republic of Albania. Human capital in the country, in this viewpoint of not forming some solid foundations of social relations, is more likely not to pursue the development of its freedom.

The third indicator on the level of perception by citizens is the Subjective Welfare Indicator. This indicator can be considered almost directly related to development as Sen's freedom, because it measures the level of citizens' perception of happiness and the enjoyment of their life. The higher this indicator (and the positive) the more the electorate (since the values that will be presented below are realized for the electorate) and the citizens in general will develop their freedom and become participants in its development. According to surveys conducted by researcher Aleksander Kocani, for IMS data, “this indicator shows a low rating given by the electorate to the institutions. From the realized measurements of the IMS values for the period 1998 – 2012 it has been observed that there are levels of values significant negative for 5 cases in question. In 2012 it is – 18.4% and in 2013 it is – 2.4%.” (Kocani, 2018). These data show that the Tirana city's electorate has more tendencies to not a good prosperity. Accordingly, we can say that even in this case the voter and the citizen in general are not free. Consequently, apart from objective barriers (external forming factors), the citizens themselves (potential internal factors) show low values of subjective perception of themselves as ‘being well and as a consequence most likely indicators of non – developing their own freedom. It turns out that, given the factors analyzed in this article and the most likely not possibility of internal creation of a social democratic identity in its own, the Albanian citizen in Sen's view might be not even a possessor of his freedom; moreover, we can assert that he may not be self – architect of this freedom.

Conclusions

The analysis shows that the development of the freedom of the Albanian individuals if they will start from the development of economic, political, social indicators etc, is not likely to result in the development of their freedom. On the other hand, starting from the development of freedom is more

likely to result in positive growth in economic terms, just as social and political. Therefore, the second form would be more effective and more resistant than the first form of development.

On the basis of Sen's view, this integration of individuals and good governance can be considered to be strained, not natural. The influential forces of the governing powers, the executive, the political parties, the administration, foreign and Albanian non – governmental organizations, media, business, legislature, judiciary, economic institutions IMF, WB, etc. have not yet reached the point of cooperation for real democracy and sustainable governance. In this unclear situation, the most important actor, the Albanian citizen, has an ineffective role in the society and shows that he might not be the owner of his freedom. Consequently, the individual is not the base of all the spheres of development, because of the power that most important actors' rule over them (especially the political arena) and the unclear position of himself – as a human and social member of society.

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HOW ETHICAL IS THE POSITION OF ALBANIA IN ISRAELI-PALESTINIAN CONFLICT

SADIJE MULLAYMERI & ISLAM JUSUFI

Abstract

Israeli –Palestinian conflict indirectly have had the power to draw the geopolitical divisions in the world, with countries supporting either Israel or Palestine. The latest the recognition of Jerusalem as the capital of Israel seems to new geopolitical implications in today's world politics. This study attempts to show the position of Albania in this case and how ethical was the decision taken by Albania to vote in December 2017 in favor of the UN General Assembly resolution that condemned the US recognition of Jerusalem as the capital of Israel. The topic will be researched through the examination of the ethics in front of a main approach of international affairs: Realist approach. It would provide us a broader understanding on the decision taken and a clear view on the consequences and challenges that might be in Albanian future politics.

Keywords: Albania, Israel, Palestine, conflict, UN

Introduction

In international domain the role of ethical discussion for resolving the international conflicts is vital. When it exists, a limited ethical discussion guiding in the solution of international conflicts there is but a limited morality and there is not a lot to draw on when seeking for the solving the urgent conflicts. The case of rivalry among of Jewish encountering the Arabs in the Middle East is this view that little can be achieved from an ethical argument since they intend to impose their values over each other. Jewish have their sight on what is an ethical behavior by giving their circumstances on the other hand Arabs have a radically divergent view on what is political ethics. One so simply could compose a schedule with analogous examples of what sound to be intractable rival interpretations in what is counting as right or wrong action that seem doomed to be played out in power politics. So, we just have to write down the contradictions and differences amongst those parties to the conflict and carrying out how the things are resolving themselves on the ground of playing politics and struggling for power.

Israel and Palestinian have been fighting each other for over 60 years their roots of conflict are very earlier where an important role paly the historical and religious elements. Each war, death and act of terrorism, only deepens the hatred and the reluctance to give in to the other side. It appears to be simple in understanding and deeply so complex. Core of the conflict is the belief of both sides. They are sharing the same land by calling it in different name: The Israelis suppose that are entitled to the land now known as Israel while Palestinians consider the land know as Palestine. Since it is a battle ground with multiple actors it becomes so difficult to interfere in order to protect or save one group and give the right punishment for the ones who infringe the principles of human rights. The truth of the previous assertion leads to the further one that in international affairs we ought to accept that the role of power is likely to be more important than it is in spheres of activity where there is something of an ethical consensus constraining the behavior of key actors, such as is to be found in the domain of domestic politics within sovereign states.

Actors that pursue power in international relations are actors who are socially constituted and are, as such, ethically constrained. As actors of a certain kind they are required to seek power subject to the ethical constraints embedded in the practice. So, sovereign states, within the practice of sovereign states, are free (ethically authorized) to decide with one another in order to advance what they consider their interests to be. Analyzing from this statement there is the interest of Albania as a sovereign state to vote against the USA, to not recognize Jerusalem as capital of Israel. The last event, recognition of Jerusalem from USA as Israel's capital city was the new turn out in the world politics. Which would be the consequences and the challenges in the future politics? With the resolution from the UN, Kosovo gained the independence would it be the voting of Albania against the USA a fatal turn for the Kosovo? Which would be the position of Albania on these new geopolitical divisions? How ethical was the decision taken and based in what principles? Albania aspire to be part of EU and it is in an ongoing process to fulfill the Copenhagen's criteria, was in the interest of Albania to stand by side of EU? The study evaluates all the possible factors that guide Albanian's voting.

Social Practices, Actors and Ethics vs. International Affairs Govern by Power

Relations

To engage in international relations as an international actor means to be a participant in a global practice.

An actor in social practice is a participant in international affairs and has to grasp what are the terms of ethical debate in practice(s) in order to justify the courses of action of certain policies done as well as evaluating the performances in front of international audience based on

terms of an ethical aspect. Consequently, a participant as a matter of course has to evaluate what is appropriate to do from an ethical perspective. This analysis compels the participants to understand in a general sense the relationship between actions, participation, social practices and ethics. This understanding as well is applicable across all social forms from micro ones, such as families, meso ones, such as multinational corporations and beyond these to macro ones, such as global civil

society and the system of sovereign states. The participant has to acquire what the constitutive rules, norms and maxims of the practice are and from here is to get who to count as a legitimate participant and what is counting as appropriate conduct within the practice.

Appropriate conduct intends to determine position of an actor in the practice. When seeking to understand a practice it is important to ascertain from what people say about it what the underlying ethic of that practice is. For in all practices the participants hold to some underlying ethic which justifies the 'rules of the game' seen in the round. It is this internal ethic which enables them to make sense of what they do within the practice. Are there any international practices that involve most people in most places? By paying attention to the claims and counterclaims that we make upon one another in the global context, it is abundantly clear that there are at least two international practices: *"the one we might call global civil society (GCS) and the other the society of sovereign states (SOSS). Their existence is pointed out from the fact that for each we acknowledge a body of settled rules, norms and maxims, which together establish who is to count as a participant, what array of permissible actions are available to participants, what actions are prohibited, what countermeasures are appropriate in the face of transgressions, how new rules may come into being and so on"*. (M. Frost: *Constituting Human Rights*).

It becomes quietly visible here that in order for actors to criticize wrong action on the part of other actors and to defend themselves from the light of the criticism of others, to justify their actions in well-known terms and acting in certain permitted ways have to use the settled norms to grant one another valued standing as actors of a certain kind worldwide. As citizens of global civil society, people in a way are participants and, in some measure, they learn and understand the values that implicitly underpin overall the set of settled norms. They criticize those who seek to undermine these. They show themselves to be vulnerable to such criticism coming from other actors in the practice. These actors who pursue power in international relations are socially constituted and from here, ethically constrained. Actors as a certain kind are required to seek power subject to the ethical constraints embedded in the practice. Inside the practice of sovereign states, states to reach their goals and protecting what they consider their state interest to be are ethically authorized with one another to make arrangements. Within all social practices it is possible to use the menu of ethical options available to one to pursue political ends. Most social practices offer ways of conducting politics to not flout the ethical conditions of possibility of the actors doing the politics. As it is the case of UN, within the existing international practices ought to provide a forum for conducting politics within the ethical constraints imposed by these practices. International law specifies a number of ways in which new international law may be made and old law changed. It is, of course, possible that in pursuing political goals actors may well infringe the ethical constraints imposed on them.

Obviously, this will undermine their standing within the relevant practice. All actors in international affairs seek to have their actions interpreted in ethical terms. Israel has to justify in international audience and in its own domestic audience the actions undertaken toward Palestinian. It has to argue its words and deeds that what is doing is ethically acceptable otherwise if it fails have to deal with the consequences of a widespread international condemnation. This is not a rhetorical condemnation, but it will affect in its influence that has on social, political, economic and military position in the world. On the sight of other states, it will move towards pariah status. The

international domain lacks this kind of a widely accepted public philosophy underpinning its legal and institutional framework. Alternatively, if it does have such a philosophy it is a minimal one. So when ethical disputes arise about how the system might be changed or developed there is no widely acknowledged, and an intellectually rich of public philosophy on which to call. From this perspective where Islam is confronted with Zionism secular ideas or vice versa of it, there is nothing to do but acknowledge that this is a pure power struggle.

The international domain appears to be one condemned to the repetition of power struggles and clashes between rival ethical positions. The main disciplines focused on the analysis of the international domain focus on just these power struggles. We view the international sphere as one that is minimally organized on ethical principles but is rather characterized by ongoing struggles of power. We appear to be living a contradiction. It would seem that our regular use of ethical language is deeply hypocritical and a mere disguise for the pursuit of self-interest. The realist view would argue that International Law is a result of will and practice of the states which are rational actors that attempt to achieve survival through power and wise statecraft. State sovereignty gives them freedom to do whatever is necessary to advance state's interests and survival this lead to often make bad decisions without taking into considerations the ethical principles. It emphasizes the egocentricity of human beings, especially when they act in groups. It sees conflict as a never-ending feature of the human condition, which can be mitigated in particular settings but never overcome. It sees moral exhortation as something that is easily swept aside or distorted when it is in the interest of political communities to do so Realists typically argue *that "universal moral principles cannot be applied to the actions of states"* (Morgenthau, 1954, 9). Because of the absence of international government (anarchy), each state must provide for its own protection through "self-help"; that is, by marshaling its own power or drawing on the power of friends and allies. But such power, even if it is intended entirely for defensive purposes, will appear as threatening to other states. They too must defend themselves, through self-help means. The power they are forced to acquire, however, will appear threatening to other states, who will respond. Realists define that good in terms of interest rather than morality. A realist ethic of the national interest is therefore typically both statist and amoral. This section focusses on the special place accorded to the state and its interests. Politics is governed by the demands and restrictions imposed by the national interest rather than by morality. Most realists do allow an instrumental political role for morality. Justice, fairness, and tolerance can be used instrumentally amoral justification for the power quest, but they must be discarded the moment their application brings weakness. War both the initial resort to war and conduct in war requires justification. For the typical realist, however, that justification is a matter of interest, not justice.

Ethical Principles on Israeli-Palestinian Conflict

Israel/Palestine has never been a friendly environment. Jews and Arabs have been locked together geographically, economically, politically, not in trust but in suspicion and hate, endlessly terrorizing one another. They are bound to get it wrong, morally and politically, and that is a very bad thing to do, for the stakes are high. There isn't one war going on in the Middle East, and there isn't a single opposition of right and wrong, just and unjust. Despite the developments that may have in the UN and the Security Council the conflict between Israel and Palestine remains always a routine issue. Both sides are suspicious about the UN as a forum where their alternatives will take into consideration in order to reach a mutually acceptable solution, but they are looking the UN as a forum where each party have to do the next show addressing the media and their respective public. Even both sides in their declaration are supporting the idea of the "solution of two states", in practice, they have chosen a third option: to not agree. In such a context, addressing the solution that enables the establishment of two states, Palestine and Israel, has become demagogic. Furthermore, non-implementation of UN resolutions from Israel but also from Palestine side in other forms has led to sterilization of addressing real issues that may threaten the peace between

The lack of real regional actors in the Security Council does not contribute to addressing the Security Council on hot topics of conflict such as Israel's Security and Borders, the Status of Jerusalem or the return of Palestinian refugees.

two states and the commitment of the parties to use the UN as a forum in finding ways of cooperation in the benefit of peace in the Middle East. The exception is the question of Jewish settlements in the Conquered Palestinian Territories in the West Bank, particularly after the adoption of Resolution 2334 (2016) on December 23. However, in principle, the Security Council's narrative for conflict resolution aims at

establishing two states (the two-state solution) through an agreement between the two parties ending the Israeli invasion of Palestinian territories since 1967, and offers Israel all the guarantees that it requires his safety. This narrative is supported by the United States and the EU, and Albania's stance is in the same line. The option of a single state is not considered realistic (demographic growth figures indicate that by 2050 the Arabs would constitute the majority of the population), nor in accordance with Israel's democratic aspirations. Of course, beyond the settlement of the Israel-Palestine conflict, the peace process intends to reach the peace between the Jewish people and the Arab population and Arab states. In concrete terms, Israel-Palestine peace, according to the current context of development of events, provides and has an international agreement on:

- i. Arrangement of an agreement envisaging boundaries based on the borderline of June 4, 1967, with equivalent land swaps under the provisions of resolutions of the SC: 242, 338, 1397, 1402 and 1515, so that these boundaries would be recognize by the parties and internationally.
- ii. The general principle asserts that security issues should not obstruct the progress towards peace. Israel's right to protect its population from any kind of attack is undeniable in this context, but rather than being asymmetric it must be in line with international law.

- iii. Israel's international contribution to the fight against terrorism, terrorist financing and money laundering, particularly in the region, is the main pillar of Israeli supremacy in achieving its goals, but not enough to address the real threat to Israel in the region.
- iv. On the other hand, the international community supports the reforms and development of Palestinian defense structures and police, but not to that point of expressing their full creation. This is directly related to the existence of terrorist and cell structures extremists in Palestine.
- v. A realistic, fair and agreed solution to the issue of refugees.
- vi. The fulfillment of both sides' aspirations for the future status of Jerusalem as the future capital of both sides.
- vii. An internationally addressed issue is Palestine's long-term state-building effort based on rule of law, respect for human rights and inter-Palestinian reconciliation, and the holding and development of democratic elections. The international principle of building the state of Palestine is based on the principles of the PLO and the extent of this influence on the Gaza Strip, which in other words means the separation of Gaza from the influence of Iran, the Wahhabi spirit and Hezbollah and the assumption of responsibilities from PLO in the field of security, civil administration and its participation (PLO representatives) at the crossing points.

The extent of Israeli settlements in Israel's Conquered Territories, mainly in the West Bank and East Jerusalem, is a major concern and an obstacle to the peace process. This policy and activities of Israeli authorities undermine the final status of peace talks and it threatens the functionality of a solution in favor of the creation of two states. If the natural growth of the Palestinian population is the risk of changing demographic balances in the territory of Israel, the Israeli expansion in Palestinian territories brings about changes in the borders, fragmentation of Palestinian territorial territory, and the demographic and cultural balances in these territories. The adoption of Resolution 2334 (2016) by the Security Council was an unusual development in because such a resolution was not approved by the Council since 1980. The Resolution reconfirms that Israelis located in Palestinian territories outside the 1967 borders including East Jerusalem, constitute a violation of international law. The resolution states that no violent restraint is altered will not be recognized internationally, including the so-called "natural growth". Finally, the resolution requires the Secretary General to report regularly every three months on the state of deployment of Palestinian settlements.

Position of Albania on Israeli-Palestinian Conflict

During the years of dictatorship in Albania, whose leader Enver Hoxha has been regularly voted on the UN General Assembly for the anti-Israel resolutions. More specifically, the resolution 252 of 1968, the resolution of 476 of 1980 and the resolution of 478 of 1980. UN General Assembly in that time was adopted by the combined numbers of Warsaw Pact members, pro-Soviet, Marxist former colonies in Africa, Asia and especially the countries of the Non-Aligned Movement, leaving the members of NATO and their allies in minority. Palestine liberation organization (PLO) was

unconditionally supported with “all means” by communist Albania besides the military training in 1970 for the terror prone PLO militants. “Free Albania” brought the balanced position in the last quarter of the century which comes associated with establishment of diplomatic relations with Israel and exchanging high-level visits with all parties. As it was the attendance of Israeli Foreign Minister, Shimon Perez, at 28 November official National Day as well as the visit of Palestinian leader Yasser Arafat. At the UN, Albania’s vote has been general pro the resolutions seeking the advancement of the peace process and a proper solution to the Palestinian issue. But within initiatives carrying extreme language or exclusionary content which were also strongly opposed by Washington, our vote would turn into an abstention as was the case of Obama administration in 2012. (In the resolution of 2012, Albania abstained by aligned itself with the EU position).

On 6 December 2017, US President Donald Trump announced the decision to implement the US Congressional Act "Jerusalem Embassy Act of 1995" (Public Law 104-45) for the recognition of Jerusalem as the capital of Israel and the resettlement of the US Embassy by Tel Aviv in Jerusalem. Since the early 1990s, all presidential candidates have made such a promise during the electoral campaign, but so far none of them have put in place. In response to this decision, 8 December 2017, the Security Council (SC) held an urgent meeting at the request of several member states, expressing concern over the matter. On December 18, the SC has come together to review a draft resolution on the status of Jerusalem presented by Egypt. The poll results were 14 votes in favor and 1 against, USA. As a result of the US veto, the resolution was not adopted. EU member countries in the CIS (France, United Kingdom, Italy and Sweden) together with Germany came out with a joint statement stating, among other things, the EU's position on the matter, as follows:

- i. Indecision was expressed with the US decision to recognize Jerusalem as the capital of Israel and to relocate their Embassy from Tel Aviv to Jerusalem. This decision was considered in violation of the SC's resolutions, not for the benefit of the peace prospect in the region.
- ii. The constant stance of EU member states is that Jerusalem should be the future capital of both the Israeli and Palestinian state otherwise they will not recognize any sovereignty over Jerusalem. They stressed out that the final status of Jerusalem should be established through negotiations between Israelis and Palestinians.
- iii. EU reiterated their unchanged position that they will not recognize any change of borders after June 1967, and that based on the UN Resolutions, in particular Resolutions 476, 478 and 2334, East Jerusalem is recognized as part of the “Convicted Territories of Palestinian”

Resolution A / ES-10 / L.22, adopted at General Assembly of UN 72 on 21 December

As the draft resolution on “The Status of Jerusalem “failed to be approved in the Security Council (SC), based on UNSCR 377, adopted on 3 November 1950 by the UN General Assembly, which among other things emphasizes: *“If the Security Council, owing to the lack of unanimity of permanent members, does not exercise its primary responsibility for maintaining international peace and security in any case where it appears to pose a threat to peace, a violation of peace or an act of aggression, The General Assembly will consider the matter immediately, in order to make appropriate recommendations to members for collective measures ... ”*, two UN countries, Yemen and Turkey, took the initiative to submit for approval, 21 December 2017, at an urgent meeting of the United Nations General Assembly a resolution with the same text as that which was not

approved by the Security Council. The draft resolution was proposed under the item: *"Israel's illegal actions in East Jerusalem and the rest of the Palestinian Conquered Territories"*. The UN General Assembly Resolution on the *"Status of Jerusalem"* (A / ES-10 / L.22) was adopted with 128 votes in favor and 9 votes in opposition, 35 abstentions and 21 countries did not participate in the voting process. It is important to note that the text of the resolution is based entirely on the text of

For more than a decade, Albania votes annually in favor, along with all EU countries and countries in the region, while the United States regularly votes against.

the annual resolution reviewed at the General Assembly, titled "Jerusalem", which reaffirms the neutral status of Jerusalem every year. For more than a decade, Albania votes annually in favor, along with all EU countries and countries in the region, while the United States regularly votes against. The final vote of this resolution (A / RES / 72/15) took place on 30

November 2017. The polls were: 151 pros (including Albania, the EU, the region), 6 against (US, Israel, Nauru, Marshall Islands, Micronesia, Canada), and 9 abstentions. 27 countries did not vote. The "Jerusalem Status" resolution is also based on the four Security Council resolutions on this issue, which are binding and now part of the international law corps.

It is worth to point out the Resolution 478 (1980), inter alia, *"requires states to accept the decision and withdraw their representations from Jerusalem"* - OP 5 (a) (b). This resolution emphasizes that any change in the character and status of the Holy City of Jerusalem poses a serious obstacle to achieving an inherent, just and sustainable peace in the Middle East (OP4). Resolution A / ES-10 / L.22, adopted in General Assembly on 21 December, reiterates and reaffirms the same commitments and stresses exactly the same thing: *"any decision or action intended to change the character, status and demographic composition of Jerusalem is invalid and unlawful"*, as provided for in the respective Security Council resolutions. Also, Resolution L.22:

- i. Calls on member states not to establish their diplomatic missions in Jerusalem, pursuant to Security Council Resolution 478 (1980);
- ii. Calls on member states to act in accordance with the Security Council resolutions on Jerusalem and not recognize any action that contradicts these resolutions;
- iii. Reiterates the call not to incite negative action on the ground, which endangers the solution with the creation of two states, and the call for intensification of international and regional efforts to achieve a lasting, just and long-term peace in the Middle East as soon as possible, based on the relevant United Nations resolutions, in the terms of reference of Madrid, the Arab Peace Initiative and the Quartet's Guide.

Albania voted in favor of the Resolution on the "Status of Jerusalem", in accordance with: its already confirmed position in previous cases, in respect of UN Security Council resolutions that are mandatory, in compliance with International Law, as well as in its respect for aligned position that have with European Union on all issues of the EU's Common Foreign and Security Policy related on this case through all the complexity and delicacy that may contain the specific situation.

Likewise, shortly after the vote, Albania joined a statement for explanation of votes, read by the current EU Presidency, Estonia, on behalf of a wide group of EU member states or EU candidates voting, highlighting clear the reasons for the vote pro the familiar lines of the EU stand. Albania has

no a direct role or influence on the Middle East peace process. But as a member of the international community, joining the European Union position, traditionally and principally Albania has supported the settlement of the Israeli-Palestinian conflict on a peaceful path and based on the establishment of two states through Israeli-Palestinian talks, including status determination of Jerusalem, which must be finally resolved with the agreement of both parties. These are basic principles, internationally accepted in four UNSC Resolutions, binding on all UN member states, creating what is known as "international consensus" over the Middle East peace process. The same attitude Albania held and presented at the OIB Summit on December 13, 2017, for which the Presidency is already aware. As a conclusion, Albania's position on Jerusalem's status has been constant over the last decade, aligned with the united EU position and faithful to the principles of international law. To have a cut-clear on all the possible alternatives that lead Albanian to undertake that decision in the December 2017 resolution, let it examine through a prism of four principles:

The humanitarian principle; Twentieth century has apparently seen abundantly displacement of populations and waves of refugees as a result of inter-state or civil wars and violence by government or other factors. The Armenians during the First World War, the Chams after the First and Second World War, the Bosnians in 1990s and up to this day the Syrians who fled the horrors of home and the Rohingya driven away by Burmese army, are examples of a long and tragic list. But it is hard to find any other case which got more attention from the world opinion, more efforts by international actors and more humanitarian aid than the Palestinians since 1948. These migrants are not just moving bodies to be stopped, steered or destroyed, but are humans with whom we know ourselves to be in some kind of ethical relationship. If the events in Israel/Palestine are examined from the point of view of the values implicit in civil society, then, it is apparent that by denying people their civil liberties Israel is posing a threat to that portion of global civil society – it is threatening human rights: the treatment of illegal combatants, the use of torture in the interrogation of prisoners, the killing of civilians in the conduct of military operations and the wholesale destruction of private civilian property. All strengthen the ethical case of PLO and its allied groups to be conducting a just war. The case it is now able to make does not depend on appeals to Islamic values but it rests on values implicit in the global practices within which we are all constituted as civilians and citizens. It is human to feel empathy for human suffering and mentioning the Palestinian people's suffering in the refugee camps will raise the awareness of the people. In the light of subsequent reactions by the USA and its allies, there are now many people worldwide who, in their capacities as civilians and citizens, are prepared to either tacitly support the action against USA occupation or actively to become involved in opposing it.

The Copenhagen principle; Democracies love and support one another. They are based on the same values that they promote all-over the world. Therefore, mutual support and close cooperation are also self-evident. The features of democracy like free vote, rule of law, human rights and market economy in the Middle East are met only by Israel. The other Arab states are autocratic and theocratic regimes where leaders change when they die or are violently removed. The 10% Arab minority in Israel may want or not to live in the Palestinian state. But their current political and civic rights are far better accomplished than anywhere else in the region. So if we believe in

democracy then perhaps we should reconsider our position in the Middle East based in Copenhagen principle.

Principle of state interest; Albanian a small Balkan country 1800 km away from Jerusalem cannot have essential interest there. Economic and trade exchanges with Palestinian businesses are minimal if not zero; with Israel something more but still insignificant. We can add here a small but vivid community of Albanian Jewish who emigrated in Israel in the 1991, the honoring in Yad Vashem of Albanians who saved the Jewish after WW2, but still the principle under consideration would advise prudent neutrality. But if Kosovo is brought into question things change. Tirana has considered helping the international recognition of Kosovo as a national obligation and a contribution to peace and stability in the Balkans; it tried to help as much as it could. With not much to show with Palestine and Israel since none of them has recognized it. But there is a difference: The Non-Recognition of Israel is of an inertial nature without any clear motivation and therefore can change. From Palestinian officials when they speak in Belgrade, ambassador or president, we hear oaths that they will never recognize Kosovo as a state and that they will ever recognize Serbia in its pre- war borders; obviously a gift by the Yugoslav Non-Aligned nostalgia. In this perspective the principle of state interest speaks for itself.

The religious principle; In understanding a practice it is quite important to ascertain from what people say about it what the underlying ethic of that practice is. It would not be worth it if the decision makers would ask for the opinions of their citizens? No one took the trouble to ask our citizens, the Muslim believers and others also, what they think or feel about this matter. But, on the other hand, if the religious principle is considered as valid then it must also be reciprocal. What about Kosovo with its higher component of Muslim population. How can it be explained that from 57 members' states of the OIC only around half have recognized Kosovo? Is this because of nostalgic love for Tito's Yugoslavia and today's Belgrade? Is this a snub to American and Europe? This it would be the first attempt to confessionalize the foreign policy of our secular multi- religious state and most probably will foster religious radicalism. To conclude it we cannot count the Religious principle as valid. Political liberalism makes the distinction between a self-standing political conception of justice and a comprehensive doctrine. There is, or need be, no war between religion and democracy. The conflicts between democracy and reasonable religious doctrines and among reasonable religious doctrines themselves are greatly mitigated and contained within the bounds of reasonable principles of justice in a constitutional democratic society. A calm judgment on our official position on Israel -Palestine case and the hottest topic in the Middle East would not lead us into to the Palestinian trench. Normally it may tilt us a bit towards Israel or still, with some strain, keep us neutral and equidistant.

Conclusion

There are some people who simply put forward their sets of beliefs in direct confrontation with those of others with different belief systems. But in these encounters, there is no argument, there is no claim met by counterclaim and so on. There is no argument about wrongdoing, injustice, lack of

equality and so on. There is straight confrontation between groups that do not comprehend one another. Such encounters would be based on pure force, that's the case of Jewish and Arabs or Israel- Palestine. We view the international sphere as one that is minimally organized on ethical principles but is rather characterized by ongoing struggles of power. The role of Albania it would be to not align itself in no one of this group in order to protect the state interest and to continue its good relationship with both sides USA and EU. Realists would emphasize that Because of the absence of international government (anarchy), each state must provide for its own protection through "self-help"; that is, by marshaling its own power or drawing on the power of friends and allies, Balance of Power system. As it mentioned in this statement the goal of foreign policy of Albania was to pretend itself by being coherent in the same line with EU goals of foreign policy. Albania's position on Jerusalem's status has been constant over the last decade, aligned with the united EU position and faithful to the principles of international law. Albania's vote has not been, is not and should not be interpreted either as a pros or cons of conflicting parties. Albania voted in favor of the Resolution on the "Status of Jerusalem", in accordance with: its already confirmed position in previous cases, in respect of UN Security Council resolutions that are mandatory, in compliance with International Law, as well as in its respect for aligned position that have with European Union on all issues of the EU's Common Foreign and Security Policy related on this case through all the complexity and delicacy that may contain the specific situation. Likewise, shortly after the vote, Albania joined a statement for explanation of votes, read by the current EU Presidency, Estonia, on behalf of a wide group of EU member states or EU candidates voting, highlighting clear the reasons for the vote pro the familiar lines of the EU stand.

Our Vote it was not a vote against US but again it would influence a lot in our relationship with it. Without the support of our essential partnership in our way to consolidate our democracy then the Albania forecasting of future politics seems to be in trouble including here our brotherhood country Kosovo that Tirana has considered helping the international recognition of Kosovo as a national obligation and a contribution to peace and stability in the Balkans. A calm judgment on our official position on Israel -Palestine case would not lead us into to the Palestinian trench. Normally it may tilt us a bit towards Israel or still, with some strain, keep us neutral and equidistant the same as the case of 2012 of Obama presidential period. The abstention would be the solution of voting on resolution of December 2017.

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AN OVERVIEW OF LOCAL DEMOCRACY AND DECENTRALIZATION IN ALBANIA AND KOSOVO

TEA HODAJ & SALIH OZCAN

Abstract

The present shape of the Albanian political system, including subnational government institutions, has its roots since the beginning of transition from communism in the early 90s and it has been modified throughout the years in accordance with the EU requirements and people's perceived expectations. In 2015, Albania went through a Decentralization Reform aiming a better sustainability and local democracy. The Constitution of 2008 in Kosovo includes all of the provisions regulating local government and autonomy in Kosovo. Prior to that and after 1990, accordingly the UNMIK Regulation No. 2000/45 on Self-Government of Municipalities in Kosovo was the basic document of local government regulations. This paper will give a broad picture of how institutions, political parties and the citizens' participation will express local democracy. At the same time, the paper will further analyze the traditional administrative culture in local offices and the obstacles stem from the slow transition in middle-level management. The data gathering method will be focused on constitutional prefaces, recommendations and reports coming from the European Commission and materials made available from respective municipalities. In this light, the paper will be concluded with recommendations regarding specific and general cases. Europeanization of the Albanian and Kosovar subnational governments is not in compliance with the theoretical criteria of the European regional policy. In line with the EU regulations, administrative and legal reforms should further strengthen and institutionalize the democracy at local and regional levels in Albania and Kosovo.

Keywords: Albania, Kosovo, local government, local democracy, decentralization, municipality, governance.

Introduction

Starting from 1980 up to 1990, decentralization rose as a major program in relation to local power and local democracy. Decentralization refers to a number of rather different phenomena involving either or both the transfer of managerial or political authority from the local authority to sub-local units variously described as "areas", "patches", "neighborhoods" and "community bases" (Lowndes, 1992: 53). Decentralization is widely contested as "loss of control" but Wilbur L. Creech argues that it actually strengthens authority at national and local level. At the same time, Hambleton and Hoggett create a ranking of four steps towards decentralization: localization of services

(moving services out of the town hall into local offices), integration of services (providing a range of different services from a single locally based office), delegation of management authority (moving responsibility closer to the front line) and democratization of local government (devolving political power to local committees) (Hambleton and Hoggett, 1988, 1993).

USAID defines local democracy as ‘inclusive governing’ with high dialogue between the populace and local authority. Great emphasis is provided in matters of effective governance, fostered local economy, good service delivery, higher civil participation and trust in the government. On the other hand, the European Union focuses more on development and defines local governance as follows: ...a process of decision making on matters of local/municipal development and the implementation and management of development plans and the provision of basic services through allocation of available resources in order to achieve agreed development goals and targets (Binder et al., 2008).

Conceptual and Historical Framework of Decentralization in Albania (1999-2015)

Albania has started progressing steadily towards a more efficient decentralization plan since 2015, which marks the presentation of the Decentralization Reform. Although this Reform poses one of the main topics regarding the democratization of the country, Albania has undertaken smaller

In 2000, Albania went through a better organized reform which was based on a newly approved law (Law no. 8652).

initiatives through-out the years. Starting from 1999-2000, based on the Constitution of 1998 and the ratification of the European Charter for Local-Self Government, the government of that time concluded to a General Decentralization Strategy. Its main concern was the organization and the functioning of the previous local

government. This step adaptation brought regulations of all of the activities of the localities.

Going into further details, two of the main achievements regarding local government were concerned with fiscal decentralization and sewage/water supply services. Albania adopted the concept of unconditional fiscal transfer to municipalities in 2001 as part of the previous State Budget Law. In 2002, municipalities were more autonomous in determining their own revenues. In addition to that, the taxation system was changed by the Parliament for municipalities to profit more from their local businesses, the vehicle registration tax and immovable property transaction tax.

The decentralization reform gave prosperity to local structures by opting a law (2008) which allowed the above mentioned local infrastructures use external loans. In this way, all of the infrastructures could remedy or develop themselves through many more opportunities. This gave prosperity to municipalities and the projects they could undertake to better develop or fulfill the needs of the respective citizens.

Another achievement is the transfer of water supply and sewage service and its related financial issues to the responsibility and budget of LGUs. The State Budget Law on 2003 and 2004 sanctioned the formal delegation on the pre-university education and primary health care that provide municipalities with full authority and responsibility for the maintenance and operation of pre-university education facilities located in the jurisdiction. During 2003-2005 important policy and legislative reforms were undertaken in the area of pre-university education, primary health care,

economic assistance and social services. The most significant changes involve greater involvement of local governments in implementing investments for pre-university education infrastructure and primary healthcare facilities, authority to hire custodial personnel and guards for these facilities, ownership of the existing pre-university education and primary healthcare facilities and full authority in administering the economic assistance funds and community work programs.

Under United Nations Interim Administration Mission in Kosovo (2000-2008)

As the war between Kosovo and Serbia ended up with The North Atlantic Treaty Organization (NATO) bombing Yugoslavia, United Nations came in aid of peace restoration. Although Serbia continued to consider Kosovo part of its own territory, Kosovo people and territory were administered by the UN Interim Administrative Mission in Kosovo. During the years of the UN supervision up until 2008, the administrate and people were presented with the structures of a functional democracy. After the declaration of independence (2008), the EU mission took charge of creating and maintaining a fruitful division between the legislature, the executive, the judiciary and armed forces. The UNMIK independently provided a new administrative division of seven new districts (added to the five previous ones) and thirty municipalities (two added from the previous one).

It was not until February 2008 that the Republic of Kosovo declared independence. The Brussels Agreement of 2013 was finalized by eradicating all of the local Serbian institutions. After the independence recognition by 113 United Nation member states, Serbian authorities declared that the assemblies of the Serb Minority in the Northern Kosovo were to be dissolved. Therefore, the ethnic minority could be properly integrated in the population. Yet, 2004 is marked as the last violent unrest against the Serbian minority in Kosovo overwhelmed in big numbers of killings.

The Institutional Expression of Subnational Democracy: Local Electoral System in Albania

All of the citizens vote accordingly at their residing Municipality. Individuals vote directly for the Head of the Municipality and the Municipal Council. Members of the Municipal Council are chosen based on the list proposed by political parties, coalitions or candidates proposed by the people (5000 signatures at least). Coalitions can propose only one candidate. In 2015, twenty-three independent candidatures were deposit at the Central Election Commission (CEC) prior to local elections. The majority wining candidate wins the title for a four years' mandate. In addition, members of the Municipal Councils are selected based on closed lists proposed by parties, coalitions or independent candidatures. The main governing instruments are the Constitution, Electoral Code and the regulations of the Central Election Commission (CEC). In addition, the process is also regulated by the Law on Local Government, Demonstrations, Political parties and the Penal Code, accompanied by the regulations of the Administrates procedures.

Mayoral elections hold special importance to political parties and they try to strategically plan their

candidates accordingly to the Municipalities. Tirana remains the most important among the others. During the last elections of 2015, Mayors and their campaign did not address issues related to the local units. Similarly to central elections, the whole campaigns had a nationalistic and personalist nature. The candidates should have highlighted and projected their visions about the newly formed Municipalities. The challenges of implementing and progressing the new Territorial Reform are widely accepted to be crucial to the Mayors performances.

Local governance's democracy has progressively consolidated as a result of the 2015's reform on Territory and Administration. As a result, 373 Municipalities and Communes were transformed in only 61 Municipalities. The Center for the Issues of Public Information has stated that the system necessary to inform citizens at the local level grew at 50% in 2017. This is marked as a great improvement in local governance's democracy. Local websites have aided a lot by declaring Municipal Council's decisions and providing one on one online consoling. Local elections of June 2015 gave the opportunity to citizens to choose their Mayor (61) and members of the Local Councils. The day of the elections was noted to be quite and productive, same way as the counting process. Still, the aftermath was collocated with parties accusing one another of vote manipulation but no instance of such case was found by the CEC. As a result, 45 out of 61 Municipalities was going to be leaded from the left coalition and the remaining from the right one.

The legal framework ensured a democratic process with no turbulences, but the will of the political parties to properly implement it through the election administrate was no sufficient. Therefore, shortcomings occurred because of extensive politicization. In addition, regulations of the electoral code could have been addressed prior to the electoral day. The Central Election Commission suffered from politicization as well, although its open operations were recognized. Deadlines of the processes were not fully respected, therefore impinging electoral rights of the citizens. In contrary to the general elections, educational programs for specific target groups were provided and held efficiently. As previously mentioned, the voter's registration and addresses are not implemented efficiently and citizens of rural areas especially were confused and not properly directed on where they should go to vote. Only 10% of the candidates were women but women's participation enjoyed great attention by media, still lower than men's.

Campaigning went peaceful under proper supervision. Small incidents were marked without great concern. Electoral and democratic rights were guaranteed and provided equally to all citizens. Still, campaigning and communication in the rural areas were visibly lower than urban ones. On their direct communications, candidates had slightly improved their traditional tone of accusation and offenses. Most importantly, OSCE presence in Albania expressed its dissatisfaction with the voter's pressure and tendencies of vote-buying. Smaller, rural areas suffer from extensive pressure which hinders their ability to vote freely. In addition, parties were accused of not being transparent about their campaign funds and finances. Media coverage and political opinions provided are condemned by OSCE/ODIHR and the European Commission to be biased and controlled by political parties themselves.

As explained in the previous chapter, the rights of the ethnic minorities were properly guaranteed with specific issues in regard to Roma and Egyptian minorities. Still, educational campaigns and mother language ballots were provided during the election day. The vote counting process is

believed to have been positive but specific instances needed further investigation. The secrecy of voters was not provided because of the format of the ballot and the possibility to correlate ballots with specific individuals. Small parties were not content with the final results and their accessibility to observe the vote counting process. The process was finalized after the expected and prescribed time.

The Institutional Expression of Subnational Democracy: Local Electoral System in Kosovo

The local elections in Kosovo were held in October and November as well. Citizens had to select the Municipal Assemblies and Mayors by a two rounded process. The Electoral Law envisages the need for candidates to achieve an absolute majority of over 50% threshold and that was not reached in nineteen of the municipalities. Different from Albania, the voting is made by proportional representation open list system and seats are allocated to national minorities. The President of Kosovo invited on April of 2017 the European Union's Election Observation Mission (EOM). The elections are conducted as prescribed in the Constitution, the Local Election and CEC regulations. Kosovo's government has not signed any Human Rights treaty but instruments/agreements of elections are applicable during election period. That Includes the European Convention for the Protection of Human Rights and the International Covenant on Civil and Political Rights. They gain superiority to the national Constitution in times of crisis.

The Central Election Commission was set to adopt the lessons learned from the National Elections, by providing extensive training to the local staff and voter's information sessions. The Freedom House judged the process as good and democratic with highly noticeable managerial skills. Elections of 2017 mark the first time criminal records were requested as provided by law. Another factor noticed in appreciation is the mechanism of complaints. Generally, it was reinforced and improved in terms of responding to a great number of complaints timely. Responses were provided at the Municipal and Assembly level of governance.

Disbelief and lack of accuracy continue to be a major problem in voter's list and registration, resembling the national elections

Disbelief and lack of accuracy continue to be a major problem in voter's list and registration, resembling the national elections. Contrary to Albania, the media provided a broad variety of political messages and analyses by different formats or channels. The process

was believed to be balanced. Political debates characterized only the Albanian majority cities and villages. Still, these factors did not seem to hinder the democratic level of the operations through every level of administration.

The improvement was hindered by the conflictual areas of Serbian majority population, same as in the national elections. Candidates of the Serbian party (Srpska Lista) were noticed to extensively pursue pressure and other mechanism to other candidates. Therefore, competitiveness was almost absent, but that only on the northern part of Kosovo. The Serbian party complained of vote buying as well and elections had to be repeated. Unexplainably, before the election day, the number of Srpska Lista rose in number as shown in the campaign. The elections of October gave prosperity to

opposing parties and shook the traditional “safe” seats allocation. That is believed to be the influence of new political parties, movements and their ability to limit the main parties influence over local administration. OSCE provided assistance to the voting stations in the Northern localities.

Cooperation between Local and Central Government: Case of Albania

The January of 2017 marked an important step for the dual cooperation because of the establishment of the Central and Local Government Consultative Council. Its aim is to facilitate communication and cooperation in the light of the Reform of 2015. The focus of its main meetings has been the budgetary decentralization. Because of the Consultative Council, the government will have to consult local units by exchanging, discussing or initiating policies. The Minister of State for Local Affairs Mr. Cuci was the first to highlight the importance of the Council on reforming and creating bridges between the two powers. In addition, international presence in Albania, such as the Swiss Ambassador Mr. Graf, have congratulated the mechanism as a mean of dialogue reaching. USAID Albania Director Cate Johnson and the Secretary General of the Congress of Local and Regional Authorities of the Council of Europe Andreas Kiefer shared their positive expectations as well. As a result, Albania becomes joins the small number of Council of Europe’s members to cherish the institution (The European Charter for Local Self-Government).

The operations of the council have an important impact on local capacity building, better management and performance. The improvement of the policy and legislative framework have strengthened the dialogue and communication between local and central. Another issue covered by the Council is political culture and participation, as main pillars of good governance. That is expected to strengthen as well Inter-Municipal cooperation in all of the Albanian units (LGUs) and provide over all criteria for the Human Resources Departments (HRM). The support of the Council of Europe will continue until the proper implementation of the reform. The European Charter of Local Self-Government will guide the whole process and it is expected to propose a new program in aid of Municipal Councils.

As it will be furtherly explained in the continuing chapters, the STAR2 Project on the Consolidation of the 2015 Reform also began in 2017. The project also aims to raise the collaboration between different units of both powers (local and central). The government has shared efforts with USAID, UNDP, EU and international cooperation offices. The Minister of State for Local Issues, Mr. Eduard Shalsi recently (July 2017) the 12 responsible coordinators (equivalent to 12 counties) and their continuous meetings are highlighting the needs and weaknesses of the Decentralization Strategy. This communication has brought up an urgent need of empowering the service delivery and facilities at the local level. At the same time, a sustainable local expertise for the STAR2 project is required.

The Ministry of Health and Social Welfare’s Department of Social Service poses another strong link of local and national cooperation. As one of their employees concerned with the national financial strategy (Elida Muho, personal contact, May 10 2018) explains, the overall mission of the Department is to provide social welfare to everyone in need. Therefore, a strong cooperation with local units is needed for the financial assistance policy and legislation to be implemented. Regional

Departments (12) and Local Units (61). She evaluates the schemes to be very productive and local units to be effective in delivering service. The Reform of 2015 has brought a new system of financial distribution which seems to be more fair to the individuals concerned and the local units have provided good communication and cooperation with the central department.

Cooperation between Local and Central Government: Case of Kosovo

The Law for Pristina was firstly presented in 2017 and it gained great support by Vetëvendosje, one of the most influential political parties. The aim of the Law is to give special status to Pristina, the capital and remove it from the list of Municipalities that function based on the Law of Self-Government. Therefore, the capital will cherish extensive taxes share and a bigger administrative capacity. A wider autonomy will make possible for Pristina to expand public investments without government consent, extend health care capacity, strengthen the local security system by implementing a Directorate for Municipal Police and enjoy share in policy formulation and execution. For two decades, the above mentioned constituted challenges for the Municipality. Generally, it is foreseen for the capital to function better.

Still, it can be argued that the law will not be sufficient to tackle the challenges if other laws, such as the Law for Public Enterprises, the Fiscal Decentralization will not be modified and adapted to the one for Pristina as well. As envisaged, Pristina will be represented by two deputy mayors and the annual budget will be risen by 6 million euros (4%). The additional budget will be used only for capital investments. Added to that, the Municipality will be able to conduct activities that were previously covered by the private sector. One good example is “Pristina Parking” on public space management. Still, the public lightning system and the kindergarten one will be regulated by a municipal established enterprise and they are criticized about their quality. In addition, the law gives the opportunity for the municipality to establish a hospital, but the absence of a hospital in the capital continue. At least 12 million euros are estimated to be needed, a great staff and medical experts. All of them are not foreseen to be provided.

The Association of Kosovo’s Municipalities (AKM) is one of the most fruitful institutions of Mayoral communications. Still, the Association has been put down by municipal delegates and other actors as not focusing on representing local interests and having a merely superficial role. The high potential of the institution to advocate for local interests has peaked in reaching for governmental interest of local governance. It is widely argued that the formal potential is not being used at its full capacity. In addition, the late 2004 brought the establishment of the Ministry for Local Government Administration (MLGA) expressed the central vision of local guidance. The role of MLGA is much contested as not aiding the local reform or self-initiating them, but simply administratively implementing what was guided from the central government. Anyhow, the policies were pre-given to the central government by the donors of the concerned policy. The exclusion of the Municipalities from the processes of the new legislation shattered the MLGA potential to improve central and local cooperation. Although monthly meetings of the Minister with the Mayors are held respectively, no track of improvement has been found.

The central government has proven to inefficiently guide and supervise the local, especially because

of the contrasting and irrelevant legal framework (European Commission Report of 2018). The relationship has been found to be covered by fear and lack of trust in each-other because of party politics. The cooperation of the central government with the Northern part remains an on-going issue and the Belgrade's influence over the new Municipalities is internationally condemned.

Financing Municipalities in Albania

In the light of the Reform of 2015, Albania approved Law 68/2017 on Local Government Finances. The main aim of the law is to increase local autonomy by consolidating it and giving unconditional resources by the central authority to the municipalities. Therefore, 2% of the personal income tax is allocated to local government. Still, critics and experts have argued that the raise deriving from the law does not match the new scope of competences and services covered by the local units. So, the law on Local Government Finances does not necessarily bring a more autonomous local government and a greater budget. The Association of the Municipalities considers the step as positive but not sufficient as well. Governmental statistics result in a 43% raise in 2017 of local budget from the previous year. On the other hand, the total expenditure of the local rose by 70%. The 'deficit' is argued to derive from operational and Human Management expenditures (52% +).

The general framework allows Municipalities to decide upon local taxes (taxes on mobile property, immobile property, transactions, small businesses, personal income) or fees (usage of public property and space, licenses) and to benefit from them in accordance with the law.

Therefore, all of the local units cherish their own, independent budget. Added to that, governmental funds are allocated from the central level. The law on Local Government Finances prescribes unconditional funds to the local level. This means that the financial transfers are not given in the light of a national project or specific request, contrary to a conditional system. The funds expanded by 2.5 milliard lek in 2017 from the previous year. The main aim is to raise public investments and clear the debt of the local level. In 2016, the fund

allocated to Municipalities was 13 milliards and in 2017 it rose to 15.5 milliard lek in unconditionally.

The legal framework highlights the need to raise local capacity in employees. More than 7330 workers have been provided from the Ministry of Education to local units and 267 employees have been provided at the water supply mechanism. Forest administration has gained 933 new local employees and 425 million lek have been generally provided since 2017 to strengthen the local capacity. It was calculated that the local debt until 2016 was 90 million euros and in one-year time, the municipalities have removed 20 million from that debt.

One good case study is the capital, the Municipality of Tirana. In 2017, the peak of the municipal budget is marked by 16.7 milliard lek, surpassing the planned value of 14.7 milliard lek. Because of the new reform, the revenues of the capital have risen by 77%. All in all, 63% of the whole budget comes from local taxes, especially the Infrastructure Tax (50% of the local tax). Because of new constructions, the value of this tax has surpassed 155% of the previous years (43 milliard lek). The second most important is the green and cleaning tax which has risen with 8.5% (1.73 milliard lek).

Taxes on immovable property have been expanded by 12% as well (1.72 milliard lek) and administrative taxes by 50% (1.25 milliard lek). During this time, Municipal expenditures have not surpassed 6.3 million lek, still grown by 28% from the previous years.

As it was published in the beginning of 2018, the government has presented a new project named “100 Villages”. The main aim is to integrate local development guided by European principles and standards. The selected 100 villages will gain aid from the Ministry of Agriculture, Environment, Infrastructure, Energy, Tourism and Culture to facilitate self-financial growth and improvement in service delivery. Building new economies and strengthening all of the tourism elements are the main pillars of the models. The infrastructure and environmental issues are also expected to be improved. Another key element is the empowerment of local products and farming to reach international markets. At the same time NALAS, part of the US Aid’s Planning and Local Governance Project have strongly collaborated with the Albanian Association of Municipalities in sharing and promoting the best financial practices to be implemented. Municipal finance experts have addressed on-going issues of that time regarding the own-revenue potential, tax sharing from central government, grants system to Municipalities, local debt issues etc. PLGP, as it will be better explained in the following chapters has been a great aid during these years in local finance.

The 2019-2021 Financial Strategy approved by the Council of Ministers prescribes that the leaders of the local units should prepare and propose in the Municipal Councils the financial plan spending in the short term. At the same time, the leader should highlight the financial sources to cover the planned spending. The new laws enhance the autonomy and unconditional funds given by the central government: 16.9 million lek in 2019 up to 19.6 million lek in 2021. The allocations have been made in accordance to population density, young population and the educational system. The unconditional transfer should not be smaller than 1% of the total governmental income of that specific year. Conditional transfers will be provided as well and Municipalities will add to the money value to properly implement the aim of it.

Financing Municipalities in Kosovo

In 2018, the Freedom House marked the Municipalities to be too dependent from the central government. Most of the funding for the everyday activities of local units derive from the central as grants. Self-gathered resources marked 20% of the overall local budget by 99 million dollars out of 522 million dollars. The constant aid from UNDP Kosovo has achieved in 2018 for 270 people to find jobs in their respective local residences. That is a good step in stimulating local development and foster local economy. The territorial Employment Pacts provide an opportunity to create more jobs and integrate local areas. Therefore, in 2018 Kosovo cherishes 51 new small and rural business, which are expected to help in creating even more job opportunities. The Law on Local Government has provided space for numerous development activities to the Municipalities, increasing the pro-active role of them. Still, little progress is marked in self-growth and international competitiveness.

The legal framework of financial decentralization dates back in 2008, hand in hand with the start of the decentralization process. In 2008, experts considered the framework to be very practical and

efficient, but 10 years later, the laws need further modification to achieve the best practices. Because municipalities now have wider autonomy, the non-coherent fund allocation hinders their daily activities. It is important to highlight that no more than 20% of the local budget derives from local revenues. Saying that, the autonomy from the government remains low. Weak mechanisms of capital investments come as a result of the little opportunity given to Municipalities by the annual budget of the central. Short-term decision-making, the procurement procedures, no applicability of the law and no revision of local budget have brought tensions and inefficiency. The financial management at local level remains low. The finance sector suffers from extreme fragmentation and policy repetition.

Huge debates occur at grant allocation sessions especially after the rise up to 60% of the whole local budget by salaries and wages. All of this said, it can be argued that the Municipalities have more of an administrative role rather than leadership. In addition, it is not clear yet whether the local units can provide all of the services prescribed to them and if the criteria of governmental grants is efficient. The fiscal mechanism here lacks transparency and good communication. Municipalities heavily rely on what is provided as transfers or grants and the Law on Local Finance does not properly address the issue. The national budget of 2017 peaked 1.6 milliard euros and the local budget of the same year peaked 440 million euros. Most of the local budget goes to wages, salaries and capital investments.

The Kosovo Local Government Institute recommends for an increase in fiscal autonomy in accordance with the allocated competencies. Regional development gaps should be fought with a better implementation of the Law and new ways of Municipal financing should be found. In addition, the on-going system discourages the local revenue collection and that is recommended to be fought by capacity building, efficient revenue collection and management. By increasing the funds on capital investment, or probably changing the whole mechanism, local revenues can be expanded. That will cover the investment needs of municipalities themselves. A system of loans and technical assistance could be beneficiary as well. Local units function on great pressure from the citizens, agencies and all of the other voices which make policies overlap and informality arise.

Challenges of Decentralization 1999-2015 in Albania

Despite the progress the Albanian government has made during these years, the challenges were considerably concerning and they are envisaged to be fixed by the new Reform of 2015. Albania has lacked a national policy development framework and by that, all of the structures of that matter were disorganized and had no clear objective on performing their duties. The funding that was previously set by law was not sufficient for the localities to perform their functions. At the same time, Albania lacked a clear legal regulatory package. Therefore, citizens were facing weak authorities and incapable local institutions.

At this point, the financial allocations going to municipalities and other institutions do not ensure financial autonomy. Local revenues consist 50% of the whole revenues, leading to assistance from the government up to 50%. This assistance is yet questionable and has been severely unpredictable. As a result, many institutions failed into fulfilling their tasks and many areas were left unfairly

forgotten. The small business tax (later to be removed) and the property tax were not properly collected. At this point, Albania lacks a national share taxation system for decentralized authority.

Back then but even today, one of the most evident problems of the Albanian governmental structures remains partisanship and lack of cooperation. This is envisaged in the Parliament, central institutions and severely in local ones. Those who have been elected clearly refused to cooperate and achieve a consensual approach. This way, local governance was poorly represented in the central one and all of the services were either delayed or inexistent. This also brought disorder in local elections and electorate. Because people of the specific region or area were familiar with the partisanship inside the local institution, they behaved on the fixed pattern of the local representatives. At the same time, all of the reforms envisaged by law or coming from the government were delayed or shattered as they went through local structures. All of the functions of deconcentrated institutions were so vague and they shaped the local culture of the people.

At last, another problem which rose the new reform on territorial administration is the great number of local numbers. Albania had a so-analyzed unnecessary wide branch of local governmental units and that is believed to have increased governmental costs and lack efficiency in delivering services. So, in 2014 the government had to undertake such reform mostly because people had more democratic expectations regarding their local representatives. Although late in comparison with other European countries, the Albanian population showed a greater interest in local democracy and they started raising their voice using western-like democratic tools, such as: small protests, media coverage, NGO's support etc.

Challenges of Decentralization 2008-2018 in Kosovo.

The Nations in Transit Report of 2018 criticizes Kosovo for the mal implementation of the Brussels Agreement. The aim was to ameliorate the situation in the North but the suspension of communication with the Serbian representatives blocked the Agreement. The Brussels suggested an Association of the Serb Municipalities but Kosovo ignored the request because of the national election day(s) of 2017 (As explained in the National Election System in Kosovo). Serbia is also accused of financing four Municipalities in order to stop their integration in Kosovo's Local Framework. The situation remains conflictual and no concrete steps by both sides have remedied. Another legal issue concerning Municipal elections lies in the unfinished mandates of mayors. After the new elections being held, the newly selected candidate is still linked with the mandate of the Municipal Assembly. Therefore, it is advised for both mayoral and assembly elections to be held at the same time,

The Law on Local Self Government (Article 17) provides the independence and autonomy of the municipalities. All of their competences and powers are prescribed accordingly. But, 10 years later, local units have been found to have no exclusive independence. The latter is argued to be divided among ministries, public enterprises, agencies and factors of informality. For example, the Central Agency for Public Procurement took the responsibility to announce tenders for fuel, gas or other materials that are used in institutions, such as schools. Until 2016, the tender announcement and contract making belonged to Municipalities, but now the latter can simply give the money. Because of that, let's say that the institution from Dragash would have to travel to the capital to get the supplies, because no distance calculations are made from the Central Agency.

Another similar issue has occurred with the Ministry of Justice wanting to appoint local lawyers that represent the Municipality in cases involved. With the proposal of 2017, it is possible for the Municipalities to find themselves represented by a lawyer who does not fully recognize the issues of the unit, the historical perspective and the cultural one. In addition, the fire brigade management was partially removed as a responsibility of the Municipality in 2014 and it was delegated to the Agency for Emergency Management. This removal has left both parties unclear on what their competences are, although it is clear that the Municipality has to pay every bill apart from wages. The equipment and services bill is much higher than the one of the wages, often leaving them unpaid because of insufficiency.

One of the main challenges of Kosovo is the illegal scope of dominance given to leaders with low check and balance systems.

Generally, institutional accountability and matters of transparency call for an immediate intervention. It can be argued that the trajectory of national governance derives from the local level (Besnik Tahiri, 2012). Therefore, it is believed that resources are not properly managed and services provided do not fulfill the needs of citizens.

Although elections are held democratically, the post governing is executed dominantly and with little sanction from the will of the people. This comes as a result of a dependent local government and a deficient one. In addition, there are not any de-politicizing mechanisms to the appointment of local leaders and mechanisms to ensure their accountability. All of this is aggravated by the local political culture and lack of information on participatory processes.

Local leaders themselves do not highlight consultation, public debates or people's participation. It is necessary to mention that Mayors provide the necessary funds to the local civil society. The Municipal Assemblies tend to be passive with little horizontal accountability and little influence over the total budget. Even worse, members of the Assembly tend to lack offices, email addresses or other basic facilities, hindering their political power. Most importantly, the whole decentralization of power runs through party politics and little care for the needs of the people.

Responding to Challenges of Decentralization in Albania

Albania has faced a dynamic ever – changing environment since 2015. Therefore, revision on the Administrative and Territorial Reform has been required in 2014. At the same time, 2015 and 2016 have been also important in key modifications of the law. There have been two main difficulties envisaged during these years: allocation of human and financial resources and directive of political will. Human resources are collocated with staff capabilities and efficient services. Financial resources derive from the national budget and the discussion is based on the allocation of sub-national financial budget and fiscal system.

Another obstacle rose by the restructuring of national institutions and their competences. Currently, there are two national agencies working on national planning, both based on different institutions and both facing greatly challenging administrative procedures. Therefore, their cooperation is slow in progress although their cooperation has been fruitful. Respectful to the administrative burdens Albania has traditionally faced, the institutional rearrangement delayed procedures and blocked financial flow of budget. Directives coming from respective offices have been absent for a short period of time and ministerial offices have been inefficient in their everyday work.

The Government of Albania has constantly provided financial and financial advice to the

municipalities. The 61 municipalities have gained considerable support from foreign experts during their creation and implementation of Local Government Program (GLTP). Each municipality had a time line of only eighteen months to draft and submit its own program. Time insufficiency parallelized technicalities of the general process. The quality during the procedures did not meet the expectations and the administrate did not create a well-functioning and comprehensive plan. Another challenge while evaluating the national progress is the lack of valuable and real data coming from the local level or even the national one.

Regarding the USAID's Foreign Aid Explorer the most focused activity is the Planning and Local Governance Program. This program's main goal is to promote better cooperation of central and local government and to improve services and accountability at the local level. Albania's obligations in this project are \$4,614,943. The project has started on 2012-01-03 and it has officially ended on 2017-01-02. Regarding the final report of 2016, we can easily track the improvement and the milestones faced during the implementation. This project successfully explains the cohesion of the system with the newly adopted legislation of 2015, policies and reforms. The project is focused on four main components: effective decentralization policies and legislature; efficient, accountable, transparent local government; EU standardization of public utilities and management; provide a good climate for local level to foster regional and urban growth.

The Municipality of Tirana has faced many challenges as a result of the New Territorial Reform of 2015. A larger territory is collocated with a larger number of citizens and competences. The Vice-Chairman of this municipality, Arbjan Mazniku (Personal Communication, May 30 2018) recognized the need to shift focus into local politics. He claimed that local politics and strategies are to a certain extent conducted through foreign experts and that should change by raising national capabilities.

In regard to local democracy, Mazniku said that Private-Public Partnerships (PPP) function as a strengthening mechanism. To add to that, he congratulated two of the partnerships that brought new schools in rural areas and the one that will help manage the waste system. Still, waste system remains chaotic and people living in rural areas seem to suffer the consequences. On the other hand, five new schools will be built as recently presented by the Head of the Municipality in Tirana. The buildings are mostly focused in Tirana's peripheral areas to face the outgrowing population and villages are left out of concern for now. At the same time, Mazniku claimed that the newly implemented project of residential buildings administrators will enhance local democracy. Still, the project remains fruitful only to some. He constantly highlighted the need for an improvement in political culture and citizenship. By that, he meant that people are not always willing to participate, taking the example of Parental Boards in schools or citizens hearings, in which people are not taking part properly.

While presented to the statistical data from the survey conducted, Mazniku remained skeptical. To the almost absolute majority of people believing in the informality and low capabilities of the local administrate employees, he delegated the possible faults to the nature of human beings and their imperfections. Again, he mentioned that all of the employees are hired through a mechanism of meritocracy. One example of that is the Internship Program at the Municipality of Tirana and all of the criteria of acceptance. There was no other comment to the implementation of the criteria de facto. Focusing in local democracy, he considered the term as an "empty definer". Mazniku was

also presented to a great majority of people believing in lack of local democracy or not being familiar with the term. To that, he responded by mentioning local elections, referendums, the Municipal Council and the above mentioned project of residential buildings administrators.

The Municipality of Durres has a good past history of projects that strengthen local democracy. Back in 2011, “Strengthening the Identity of Minority People Leads to Equality” was implemented as a project of IPA (Pre-Accession Assistance). The aim of the project was to raise awareness about multiculturalism, strengthen the minorities human rights and social dignity. In a general picture, the project involved countries of the Western Balkans but in a national level, the local level of administration in Durres faced rapid changes in capabilities and competencies. The project was properly implemented in this Municipality and it was awarded by the Directorate General as the “Best Case”. Yet, these changes occurred prior to the Reform of 2015, which brought Mamez, Sukth, Ishem, Katund I Ri and Rashbull under the competencies of the Municipality of Durres. Florian Tahiri, the Vice-Chairman of this Municipality (personally contacted, 02 June 2018) claimed that the ongoing project ‘React’, although is focusing mostly on migration issues has brought a voice to people living in all of the administrative units (11) under their competencies. Therefore, attributes of local democracy have been strengthened.

Tahiri also mentioned that Non-governmental organizations have been a great aid in promoting local democracy values. Still, he recognized the Municipal Council as the main pillar of citizen’s participation. He said that the Council functions as a mechanism of transparency, equal participation and decision-making for cases such as budget planning both in the long run and short run. The Municipal practice invites people in regard to where they live so the Municipality can have a clear coverage of people’s opinion. Tahiri highlighted the importance of investment discussions which produces a utilitarian solution based on the needs of the targeted population. On the other hand, another practice which seems fruitful to Municipalities, in this case to the one of Durres, is the one on one meetings with citizens. But the Vice-Chairman condemns territorial distances as a negative factor to the whole territorial process and local democracy. Therefore, he proposes the creation of a “one-stop shop”, a term used to describe an office placed in the local unit. The office would provide access to materials or other services without citizens having to go to Durres. Therefore, the efficiency would be higher and bureaucracy lower. Still, Tahiri congratulates the work of the Municipality of Durres, especially after the new competencies that the new Reform of 2015 brought: nursery homes, kindergartens, firefighters, Farming Directorates etc. By recognizing all of the difficulties that every newly implemented reform brings, Florian Tahiri expresses his belief in the good work done by the Municipalities.

Ylli Muho has been the Vice-Chairman of the Municipality of Gjirokaster for less than two mandates until 2017. At the same time, he is the directing the Office for Coordination, Monitoring and Services of the Agency of Regional Development. In regard to the changes that the Reform of 2015 brought to the Municipality of Gjirokaster (personal communication, June 02 2018), he condemns the 61 municipalities platform as a merely political act lacking expertise. Still he explains that the division is made considering geographical features, cultural similarities, tradition and channels of communication and therefore Albania operates through Municipalities which are run through the same competencies and laws. In addition, this platform allows the budget to be centralized and efficient through the Municipal Council. In this way, development projects can be decided upon and implemented as a whole, eradicating the fragmentation and losses of the previous

years. At the same time, almost identical local politics and strategies in education, medical service, infrastructure, environment and culture impact positively cohesion between administrative units.

The Municipality of Gjirokaster has been challenged with six more administrative units: Lunxheri, Antigone, Lazarat, Odrie, Picar and Cepo. Muho claims that the immediate proclamation of such competencies brought disturbances to the normal functioning of the Municipality. Local Administration had to immediately supervise the territory, agriculture, kindergartens, all of the public services, the firefighting system and life development as a whole. In addition to the extended competences, the local administrate was lacking capabilities and good quality in delivering services as a harmonized whole. In his opinion, still the local administrate lacks the proper harmony and cohesion. On the other hand, he claims that the local units of the Municipality of Gjirokaster are not functioning properly in regard to the legal framework (decision no. 8652 on Local Government). Therefore, people of the local units are deprived of service or consultation in the respective unit, directing them towards the central Municipality.

Responding to Challenges of Decentralization in Kosovo

Kosovo is also benefiting from UNDP's Regional Program on Local Democracy in the Western Balkans (RELOAD). The main aim of the program (36 months) is to strengthen local democracy, participation and EU integration process. The main focus lies on civil society, decision-making processes and financial opportunities. The whole program is funded by the European Union (891,096 euro) and it has commenced in February of 2017 at five municipalities. In total, 20 projects are envisaged to be implemented, reaching up to 3800 benefiting units. RELOAD comes as a mechanism to tackle lack of transparency in financial decentralization and grants distribution system. At the same time, the project aims to raise the local capability in providing services and provide local strategies or programs. It is also highlighted the need for local units to provide grant schemes and arrange good local projects. All of the above mentioned function under the umbrella of regional cooperation and dialogue.

Another successfully developed program of UNDP is the one of Local-level Response for Employment Generation and Integrated Territorial Development. This project worked on building institutional capacities for the Municipalities of Dragash, Shterpce and the one of Suhareke. Mostly, the operations were focused on economic empowerment and strategic jobs creation for people at risk. As a result, the municipal staff involved in rural economic development is strengthened and they are now abler to provide services more self-sustainably. These areas also created new jobs and strengthened their capabilities in national market by small enterprises and farms. In addition, women entrepreneurship rose as a socio-economical factor and most of the support is given to farmers who have been previously restricted by market regulations. For more than 3 years, local capacities have fostered self-growth.

Shortly after 2008, Kosovo was determined into fulfilling the European Integration criteria. Therefore, the government implemented the "European Partnership Action Plan" (EPAP) with the aim guiding local and central level. It serves as a document to address issues of progress and action needed. Severely updated due to Progress Reports, the document responds to issues of planning

and implementation, as well as actions in accordance to EU Acquis Communautaire. Therefore, Municipalities share most part of the focus and duties of EPAP fulfillment. During the first years of EPAP implementation, Kosovo was still struggling with the Ahitisaari Settlement and local units were overshadowed by central issues. The program has tackled issues of democratization, economic development, social progress and rule of law. It must be noted that EPAP does not serve as a detailed document guiding daily activities of local units but it has pushed Municipalities to provide continuous reports on its prescribed activities.

The Ministry of Administration of Local Government has been continuously monitoring the on-going performance of the Municipalities. In addition, all of the concerned institutions have undergone the Feasibility Study Questionnaire and the recommendations of the European Commission suggest that Kosovo's good progress is widely recognized. Municipalities annually report on Human Rights protection, but it remains questionable if the approach remains merely formal. In addition, decentralization has been aided widely by international agencies, but unsystematically. The main aid has been focused on management and efficiency rather than real local empowerment (Hajnal & Péteri, 2010). Action on issues such as garbage collection system have facilitated state's credibility in service improvement and all of the agencies' help on socio-economic development has been merely focused on state level, considering the local as a factor of political stability. When addressed, the local has been tackled and evaluated on the principles of democracy, such as rule of law, checks and balances, separation of powers, representation, and respect of human rights.

The EU Office in Kosovo has been focused on work allocation and direct partnership of Municipalities with the central Ministries: "...when it comes to EU, local and central governments will accept anything but EUOK does not know what is best for Kosovo. There is a lack of a strong counterpart for our work with regards to guiding donors and their funds where the government needs them most" (EUOK interview 2012). In addition, the Progress Reports of the European Commission state that local units do not receive the government's attention and deliberation that It declared in 2008, accompanied by weak administration, cooperation, service delivery and problems in the Northern part.

The OSCE Mission in Kosovo has been working both in the local and central level at the same time, focused on capacity building and extensive training. The main aim of the Program is to facilitate the cooperation between all of the central and local actors. Still, it is noted that OSCE presence in Kosovo has started to fade after the Independence of 2008. On the other hand, the European Union project on Regional Economic Development (EURED) aided on regional cooperation of local units and further development in the light of EU Integration. A budget of 12.4 million euros build Regional Development Agencies in five regions to foster economic development. The latter is aimed at carefully investigated cooperation between Municipalities and private actors. Another key factor of EURED is the preparedness provided in funding applications. Still, the existence of RDAs is perplexed as a result of their NGO status and their signatory authority in agreements across municipalities of the Northern parts.

A decision of 15 September 2009 brought new municipalities based on ethnic lines. The main aim here is to give more voice and power to populaces within specific areas. Gracanica, Ranilug, Klllokot, North Mitrovica and Partes have been created based on Serbian ethnicity. At the same time,

two new municipalities of an Albanian populace were created, respectively Junik and Hani I Elezit. At the same time, a small populace of Kosovo Turks, Mamusha gained its own municipal unit. Being marked as the most problematic, the Serbian run municipalities have provided their own Municipal Assemblies and separate local strategies, heavily influenced by Belgrade. The capacities and power transfer is being made gradually. Still, the populaces are requiring extensive services by these Municipalities. This marks a great success, especially for the Serbian populaces by tracking the Kosovar integration process and the coexistence of a multi-ethnic unitary state.

Findings and Conclusions

The phenomenon remains the same in almost all of the Municipalities of Albania: territorial distance and bad infrastructure, although improved through the years, negatively impact the quality in services and consultation. Added to that, rural areas or administrative units are left with little allocation from the municipal's budget since bigger investments in the bigger cities are translated into a bigger amount of votes. Therefore, services such as cleaning, water supply, electric system etc. are hindered in quality. Still, governmental funds have doubled these past years. So, the financial supply seems to be efficient but the management through the administrate lacks efficiency.

Rural areas are sacrificing local democracy with reflections of the past both as an authoritative perspective and informal favors

There seems to be an equation in territorial distance starting from the Municipality further towards administrative unions where local democracy hinders. . These people coming from these units find themselves most of the time facing facts, not opportunities and

choices in decision making. The government or local government are not consulting people in regard to their local taxes, projects that have a societal impact or investments.

Municipal Councils are turned into arenas of debate: party and provincial based. That is because the new Administrative Reform has gathered people from all of the Administrative Unions into the Council. Citizens are being represented but they are denied their right to take part in candidate selection. This is the first step into proper representation and citizens are being excluded. Local leaders and a small circle of people have the right to formulate the lists of the representatives. This would have strengthened local democracy in a way that people would have chosen based on what would have been fruitful to the community. Every political party would present their platform and they would be selected based on the needs and interests of the people.

A good improvement is recognized in various institutions in regard to local democracy and the models implemented have served as the purpose prescribed. What hinders the process of implementation lays in the low capabilities of the people involved. Architects, environmental engineers, social workers, urban planners etc., they all lack a voice in the dynamic process of reforming a country's territorial administration.

The rapid and concrete improvements by the Kosovar government have been widely recognized and the foreign assistance allocated to local democracy and decentralization is marked as a dominant factor of improvement. Still, the proper functioning of the system is hindered by existing factors of various levels and institutions. To begin bottom-up, the Mayors seem to dominate the governance of

the respective local unit and the legislative framework of local self government has not provided the mechanisms or facilities to tackle the problem. Even if presented, they remain incoherent in preventing power abuse and mal-management. Political culture and other societal factors seem to aggravate the situation. At the same time, members of Municipal Assemblies are not properly financially motivated to operate in problem solving.

The legal framework needs proper modifications in ensuring balance in the relationship between the Mayor and the Municipal Assembly, by dividing their powers. In addition, Mayors are not held accountable to the Assemblies and the citizens. To achieve that, all level institutions should provide greater and strict funds to the civil society based on meritocracy. It is required from the Kosovar government to tackle the problems or low capabilities of re-integration, territorial management, sustainable order and security, document credibility and safety and migration policies. The European Union reports require a better implementation of the rule of law, electoral reform, local reform, the judiciary, public service and administration.

Similarly to Albania, Kosovo's progress on decentralization is strongly linked to professional human resources, in order for the implementation and service delivery to be efficient. Therefore, decentralization can get closer to the European Agenda, by improving the inter-institutional coordination, implementation and action programs. The last report on local governance has marked progress on central-local relations, highlighting the Northern Municipalities. Cases of conflicts of interest have been lowered in number. In this light, the problem remains the same both in Albania and Kosovo: insufficient human resources and financial budget. That being accompanied with low transparency in national and local budget.

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