REGIONAL AND INSTITUTIONAL PERSPECTIVES ON SECURITY IN THE BALKANS: THE CASE OF ALBANIA

The Institute of Economics and Social Sciences of Bilkent University

by

ENIKA ABAZI

In Partial Fulfilment of the Requirements for the Degree of MASTER OF INTERNATIONAL RELATIONS

THE DEPARTMENT OF INTERNATIONAL RELATIONS BILKENT UNIVERSITY ANKARA

AUGUST 1999
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AUGUST 1999
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Abstract

The end of the Cold War was followed by a tense and conflictual environment in the Balkans. The present study provides a contribution to the understanding of the Balkan security from a regional and institutional perspective illustrated by the case of Albania. The approach is based on a wider understanding of the concept of security. Through a theoretical exercise related to security issues it makes clear the necessity of involving other spheres beyond the military and political ones, such as economic and social ones in dealing with the security concept. Considering indispensable the role of institutions in dealing with the complex and interdependent security issues, an accurate place is given to the role and involvement of Euro-Atlantic institutions in the Balkans, without ignoring the regional initiatives and institutions as important assets with a role to play. Albania is perceived as an integral part of the Balkans both as derivative and participant, with a role to play but meanwhile affected by regional legacies and developments.
Özet

Acknowledgments

This dissertation owes its greatest debt to Assist. Prof Gülnur Aybet. In addition to her encouragement, guidance and patience as my supervisor throughout the entire work, through which, I was able to gather thoughts and incorporate them into this thesis, I would like to express my deep and sincere gratitude to her for all she has done. Thank you!

I also owe special thanks to the academic staff of the Department of International Relations for sharing their knowledge, through personal discussions and the advice given to me during my two years of study in Bilkent University.

Last but not least, I am in deep gratitude to my parents, I am sure that I could not accomplish this work without their encouragement, support and patience. I owe a special gratitude to my mother who has guided me in life and so much desired to see me succeed in my career. In her memory, I would like to dedicate this work to her.
List of Abbreviations

BSECZ - Black Sea Economic Cooperation Zone
C31 - Command, Control, Communication and Information
CEC - Central European Countries
CEEC - Central Eastern European Countries
CHA - Cleaning House in Albania
CIS - Commonwealth of Independent States (ex-USSR)
CPC - Conflict Prevention Center
CSBM - Confidence and Security Building Measures
CSCE - Conference on Security and Cooperation in Europe
EAPC - Euro-Atlantic Partnership Council
ESAF - Enhanced Structural Adjustment Facility
EU - European Union
HCNM - High Commissioner on National Minorities
IMF - International Monetary Fund
INTERREG - Initiative concerning cross-border Cooperation and energy networks
KFOR - Kosovo Force
MAPE - Multinational Advisory Police Force
MFP - Multinational Protection Force
MPFSEE - Multinational Peace Force South-East Europe
NACC - North Atlantic Cooperation Council
NATO - North Atlantic Treaty Organisation
NGO - Non-Governmental Organisation
ODHIR - Office for Democratic Institutions on National Minorities
OSCE - Organisation on Security and Cooperation in Europe
PARP - Planing and Review Process
PfP - Partnership for Peace
PHARE - Poland and Hungary Aid for the Restructuring of Economies (later extended to the other CEEs)
PPP - PHARE Partnership Programme
SECI - Southeast European Cooperative Initiative
SHIK - Sherbimi Informativ Kombetar (Albanian National Informative Service)
TACIS - Technical Assistance (of the EU)
WB - World Bank
WEU - Western European Union
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INTRODUCTION

This thesis is an assessment of the security problems in the Balkans from a regional and institutional perspective with a specific focus on Albania. In the conceptualisation of the core issue the present work seeks to involve an interlinked perspective on the institutions active in the region, the region itself, specific countries such as Albania, all enveloped in a theoretical prospective.

According to Barry Buzan security is an issue that affects individual, national and global humanity. Of these levels, national security is the most important as it affects security in the other levels as well. Insecurity is a common denominator that characterises all nation states in the international arena. The insecurity is caused by different determinants which vary over time in terms of intensity, moving between confrontation and cooperation. Understanding national security necessitates the development of security as concept. In its broader sense security can be defined as the "relative freedom from harmful threats". Meanwhile, national security can be defined as the "preservation of a way of life acceptable to the ... people and compatible with the needs and legitimate aspirations of others. It includes freedom from military attack or coercion, freedom from internal subversion and freedom from the erosion of political, economic and social values which are essential to the quality of life." This conceptualisation broadens the understanding of national security. The concept encapsulates not only military threats to security but other factors related to threats of an economic and social nature. The present study is organised around this conceptualisation of security.

At this level it is important to have a well-developed understanding of security as a concept limited by the level of analysis. For the purpose of this thesis the level of

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analysis will focus on the national level involving the other levels, the individual and international ones, in terms of how they affect national security. This approach is pursued on the grounds that no phenomenon can be developed in isolation. Meanwhile this approach helps in better understanding the core issue by focusing on it.

Chapter 1 provides a theoretical understanding of security from different schools of international relations. In traditional terms security has been developed from two perspectives: war and peace. This consideration has shaped the main philosophical traditions in International Relations. Meanwhile, according to Booth and Wheeler, the traditional theory of international relations remains focused on the state as the main rational actor in the international system of states and its policies aiming at the protection of national interest and the preservation of the status quo in the system. In light of both of these considerations, we can establish that three main concepts address the security issues: power, order and emancipation. Each of these concepts builds upon a philosophical tradition, namely the Hobbesian, Grotian and Kantian traditions.

In the Hobbesian tradition war and power are the turning concepts. Security is a derivative of power accumulation and of balance of power preservation in an anarchical system of states. The Balkans reality has reflected in one way or another such consideration. War and power have shaped the map of the states and affected their behaviour.

In the Grotian tradition peace and order are the basis of the whole philosophical approach. Order implies in Bull’s terms a “pattern of activity” or otherwise international society which preserves the national interest in the system of states by settling norms and patterns of behaviour which become accepted and customising in time. This increases the predictability and trust in the state system and as such creates a pride in peace. The quest for order has guided the efforts of elites and decision makers. In this context we can mention for a start the Congress of Vienna System and finish with the Post Cold War Era, dominated by the interlocked

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4 Barry Buzan, op. Cit note 1, p. 2
7 See, Hugh Miall, 1993, Shaping the New Europe, London, Royal Institute of International Affairs
institutions’ activities. The Balkans have experienced these orders, but the results have been controversial since they have not always produced a peaceful region. Nevertheless this is not pessimistic: there is a continuous quest for settling order in the present times based on democratic values that almost all Balkan countries have shown the readiness to share.

In its emphasis on emancipation the Kantian tradition has grounded its expectations for peace and thus security. Emancipation is a stage in the human development that realises human freedom and lifts all the constraints. These developments lead to agreement, mutual understanding, respect and morality among states in the international arena. Liberal democracies are considered to be the model that embodies and practices these values, grounding the Wilsonian belief that democracies do not fight each other, and meanwhile they have an emancipatory mission in the society of states until the stage of Kantian perpetual peace is achieved. The recent democratic transformations in most of the Balkans are feeding the expectations for a pacified Balkan region grounded on emancipation.

The emergence of global governance as “a process that embodies a transformation in the social organisation of social relations and transactions, generating transcontinental and interregional flows and networks of activity, interaction and power” brought a new impetus to the understanding of security issues. This stage in world affairs “raised the profile of economic, environmental and societal issues in the international system, as against the narrower, and often nationalist, agenda of power politics”. This new understanding of the security issues posits a diminishing role of the state as guardian of national interests, meanwhile involving the role of institutional and regional players as partners in this regard.

If we approach “security as a consequence of peace, a long lasting peace will provide security for all”. Integration is conceived as an asset that will provide for a long lasting peace. In Karl Deutsch’s terms, integration leads to community formation and when this integration goes beyond the national borders it creates an international

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11 Barry Buzan, op. cit note 1, p.12
12 ibid., p.2

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community. The community formation is perceived as learning and emancipatory process that makes people interact, help and understand each other. This is regarded as a contribution to the building of trust, respect, and confidence that in a given stage of the development of the integration process will lead to a merging of states called “amalgamation” which represents an authority beyond the nation state.\textsuperscript{13} The existence of governance in international relations as a process that goes beyond the nation state’s control, is considered by Mitrany\textsuperscript{14} to be an asset which will lead to lasting peace. The idea of organising the relations beyond the state influence is manifested in different ways. The federalism approach, implies the creation of supranational institutions in governing inter-state relations. Functionalism implies supranational agencies in addressing a “function” in the interest of human interests rather then in the interest of citizens of a nation state. Neo-functionalism implies the “spill over” effect which extends the role of supranational agencies from one given function to another.

The emergence of globalisation created the potential of building a long lasting peace. In Keohane and Nye’s terms, the multiplicity of the relations among states compels the state to not use coercion in one field of activity because this will disturb the mutually profitable relations in the other fields\textsuperscript{15}. In Haas and Young’s\textsuperscript{16} terms, globalisation and interdependence in international relations are characterised by the emergence of regimes that are perceived as settled and commonly agreed rules and norms which regulate an issue area. The emergence of such regimes encourages a sense of community, trust and confidence with a pacifying effect on the state behaviour.

The emergence of globalisation has increased the importance of institutions and regimes in dealing with security issues, diminishing the role of the state in domestic and international affairs. At the same time state behaviour is more influenced by collective decision making\textsuperscript{17}.

These developments have great implications for the conceptualisation of national security issues, involving international and regional institutions. In our understanding of the Balkans' security issues the theoretical review clarifies the importance of regional and institutional perspectives in approaching the core issue.

Most of the Balkan countries, Albania being a typical example, are small in size. In this regard they face insecurities of a small country perspective and thus imply peculiarities such as limited independence of actions and alliance building tendencies as an effort to increase the range of independent actions and thus security.

Chapter 2, provides a regional and country approach to security. The historical review of the Balkans, and Albania in particular, allocates an important role to the belief that human behaviour is myth-driven. History perpetrates and perpetuates mythhistories that in most of the cases drive state attitudes, perceptions and actions toward the others18.

Religion and major powers interests in the Balkans are considered to be a source of division that has fuelled nationalism in the region and a sense of alienation from the other neighbour states19. This trend is perpetuated over time, affecting the cooperation and inter-relations among the Balkan countries that still remain at low levels. The Balkan countries still fight each other based on religion affiliations and hatred nourished by historical myths, which was the justification for the war in Bosnia and Kosovo. Albania is part and product of this environment. At the same time in the Balkans context, Albania reveals distinct particularities. These particularities have to do with the division of the ethnic Albanian territories among different states, the backwardness inherited from being under foreign domination and the existence of authoritarian regimes over time. These facts are important in the sense that they provide insights for our understanding of security dilemmas and patterns of behaviour of states in the international arena. In this context the security dilemma is conceived as "a structural notion in which the self-help attempts of states to look after their security needs tend, regardless of intentions, to lead rising

insecurity for others as each interprets its own measures as defensive, and the measures of others as potentially threatening. Furthermore, the patterns of behaviour are conceived as the reaction of states in coping with the threats to their security.

Believing that there is potential for cooperation in the Balkans, a broad account is provided from historical, analytical and contemporary perspectives on the Balkans cooperation, based on Nye's pre-conditions for integration.

I will narrow the level of analysis from region to state, with a view to understanding how Albania copes with security its dilemmas and how its behaviour is shaped in this regard toward the neighbours.

Chapter 3 introduces an institutional perspective on security issues. Institutions in the Post Cold War era are considered as assets that play an important role in managing the inter-relations beyond state level. As such they are considered to be peace providers that guarantee the security for all. In Keohane's terms, this belief is based on the institutions' functions, principles and the role they have in the international arena, which with the appearance of global governance in world affairs, have assumed new importance. The role and intervention of institutions in world affairs is not seen without controversy. Some scholars see the present international institutions as having an European face or they are considered "Eurocentrist", representing a source of tensions for those regions of the world which do not share the same values as Europe. In other words it is considered a clash of civilisations on a world scale. For the purpose of this thesis the level of analysis is focused at state level and from a regional and European perspective. The controversy of 'eurocentrism' does not apply since in the context of the Balkans this controversy is

20 Barry Buzan, op. cit note 1, p 4
21 Joseph S.Nye, 1971, Peace in Parts: Integration and Conflict in Regional Organisation , Boston: Little Brown
not important since the Balkans’ are considered part of Europe and the regional states share this belief.

In the understanding that an interlocked institutional approach is the most important for dealing with security issues, a great deal of attention is given to the role of the main European Institutions, such as NATO, the EU, the OSCE and the WEU, in building European security architecture with a focus on the Balkans and Albania in particular.

The particular reliance of Albania on institutions is related to the size, the peculiarities that have shaped the country’s security dilemmas, the region itself, and the conviction that this complexity can be dealt with beyond the state level. The institutions can use "the stick and carrot" as an incentive which can pull states in the direction of liberal democracies, market economies and rule of law-important tools and presumed conditions which build trust and understanding as the basis for cooperation and the obsolescence of war.

Chapter 4 is an account of social and economic threats to security. These threats are considered internal issues that remain within the social and the economic sphere. They become a source of threat to national security when they go beyond the sector lines, reaching politics and military spheres. At this stage political stability can be undermined by disturbances in the economic and social system. At the same time social and economic problems are now considered an important source for instability that in an interdependent international environment may easily cause a domino effect on a regional level with high repercussions on a broader scale.

The social crises are due to the extreme sensitivity of society to any fluctuation in political, economic or cultural conditions and the acceleration of the social changes beyond the ability of society to control their direction and intensity. Social issues constitute a threat when social values and relationships within communities have been altered for the worse and they enter a period of violent confrontation.24 The transition period from socialist to democratic regimes implies profound changes within society in most of the cases followed by crises that can threaten the political stability and involve military structures.

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It is important to consider civil society and democratisation process in this analysis as the main factors which are involved in such a change. Both concepts are assessed using a multidimensional perspective that involves regional and country perspective, and the international context. Factors such as historical legacies, the influence of the preceding regimes and the developments in the international arena are considered during this analysis.

In understanding the democratic perspectives in the Balkans and in Albania, a theoretical perspective is developed focused on the distinction between formal and substantial democracy. In Diamond's terms formal democracy implies free elections based on a set of democratic rules, free and equitable competition, constitutionalism and rule of law. Meanwhile we reach the stage of a substantial democracy when there exists the belief that democracy is the best possible alternative and democratic values and principles are customised. Meanwhile, in understanding civil society, Gramsci considers civil society role's as important in sustaining capitalist development and leading transformations.

Under such conceptualisation, an account is provided of Albanian democratic transition, civil society's development and tensions and controversies generated during the process of transition. At the same time the role of international institutions is not neglected in such developments. The main attention is given to the transformations in civil society, institution building, political transition, election and free media, considering them important in both civil society and democratic developments.

In the second part of the Chapter 4 economic problems are considered to be a source of instability and a threat to security issues. The economic problems can become a source of instability when the deterioration of the macroeconomic indicators has reached a level that has considerably deteriorated the standard of living of the main part of the population, and diminished opportunities and possibilities for a decent life, provoking as a consequence popular discontent that may constitute a threat to the political power. Due to the interdependence process this situation can go beyond the state level, constituting a source of instability for the region and some time going even further. Given the wide-ranging consequences of such situations and the complexity

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of the issue, it has become evident that a national approach into the solution of the problem may not be sufficient. In this context an important space is given in the present study to the role of the European Union in Balkan and Albanian developments. The role of the EU is considered important in developing sustainable security for the region. This consideration is based on the fact that the role of the EU in the region implies more than economic considerations and market economy development. It also involves the development of democratic values and obeisance toward the rule of law-important preconditions for developing a consolidated democracy that is the base for a sustainable peace. This context has been used for giving an account of Albanian economical transition and its peculiarities, thereby fulfilling the objectives of this study.
CHAPTER 1 : A Short Theoretical Review of Security and Integration Theories

1. Traditional Security Concept

Security is an important issue that has attracted the attention of academic and policy elite's since ancient times. There is no precise definition of security, but some insights from different schools of international relations theory can be summarised.

According to Ken Booth and Nicholas Wheeler, the traditional idea about security is based on three assumptions: first, the concept of security is related to the state; second, the security policy of the state aims to preserve the status quo in the system of states; third, the main threat to state security is a military threat and accordingly the need for effective military defence is of primary importance to the state.

Looking at security from the state perspective we can say that, first of all the state is looking to provide for its own security, second it is looking to free itself from the fear of war in an anarchical world system, and finally it is concerned with the preservation of its ‘core values’ and the pursuit of ‘national interests’ and acquisition of safety against potential aggressors.26

There is a consensus among scholars of international relations concerning the importance of the three philosophical traditions that deal with security problems in the sphere of international relations, namely: the Hobbesian tradition, the Grotian tradition and the Kantian tradition. According to Andrew Linklater, these traditions turn around three competing principles: power, order and emancipation respectively.27

1.1 Hobbesian tradition

For the Hobbesian tradition or classical realism, power is the key word that explains the security dilemma in the international arena. States are driven to seek power because there is no central authority in the international system to settle

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26 Ken Booth and Nicholas Wheeler, op cit note 5, p.4
disputes peacefully and enforce judgements. “States have no one but themselves to rely on for protection, or to obtain what they believe, they are entitled to by right”.

The threat to security is the anarchical nature of the international system, which is caused by the distribution and the character of military power among states. At the same time, the military instruments gain importance because the ultima ratio of power in international relations is war. “The most serious wars are fought in order to make one’s country militarily stronger or, more often, to prevent another country from becoming militarily stronger, so that there is much justification for the epigram that the principal cause of war is war itself”. All states will seek to maximise power for the sake of their security; as a result, stability in an anarchical system of states will result only from the maintenance of a balance of power in the system. Evidently this approach is intrinsically pessimistic. Peace lasts only as long the established balance of power among states remain unchanged.

The insights of the Hobbesian tradition have characterised the Balkan states’ behaviour over time. Animosities and systemic hatred based on ethnic and territorial claims have been a common denominator that have defined an isolated and self-seeking behaviour. These facts have prevented the Balkan countries from establishing a cooperative and interdependent relationship. Unable to maximise their power, Balkan countries established alliances with external powers interested in the region. The balance of power in the Balkans has been mainly a virtual projection of the balance of power dictated out of the region by the self-seeking interests of imperial powers over time. Consequently, the Balkan “states were encouraged and manipulated by the powers in the hope of gaining influence. Their size, shape, stage of growth and even existence were in the final analysis regulated by power consideration.” The Cold War period did not bring about any difference in this regard; the Balkan region ended up by falling under the two superpowers’ influence and their game of power raising and balancing. Being consistent over time, these

28 Richard K. Betts, 1994, Conflict After the Cold War, Boston, Allyn and Bacon, p.63
29 See, John J. Mearsheimer, "Why We Will Soon Miss the Cold War", The Atlantic, Vol. 266, No., 2 August 1990
30 Edward Hallett Carr, 1994, The Twenty Years Crisis, 1919-1939, Boston, Allyn and Bacon eds., p.77
31 ibid., Carr, p.78
considerations have shaped Balkan countries' security dilemmas and their foreign policy, both of which will be considered in the second chapter, with a particular focus on the Albanian case.

1.2. Grotian Tradition

For the Grotian tradition or rationalist approach, the key word is order. ..."Order, therefore security, can be achieved not simply through the manipulation of power but through the growth of a society of states"34. Such a view posits international law and morality besides war and balance of power as important agents in creating order in international affairs.

According to Bull international order is a “pattern of activity” that settles and keeps under control the “primary goals” of states and the international system of states, implying as such, the preservation of the system of states, of the sovereignty and independence of individual states, and of the balance of power among states. International society is the only means to cope with anarchy within the international system. After defining the aims of this international society, as a second stage it is important to provide the “patterns of activity” that will bring about order within international society. These patterns imply consciousness, obeisance toward international law and international institutions. After providing aims and patterns of international society, we can define when and how the international society will emerge. The international society will be consolidated when a group of states become conscious of the commonality of interests and values, and conceive themselves to be bound by a common set of rules in their relations with another, and share in the workings of common institutions.35 The stronger the international society, the more disciplined and predictable are the international relations. Accordingly, the confidence of states in respect of security concerns is increased.

The units within a system or society, (these units can be individuals, states or other social entities), are concerned with three important elementary goals: security against violence, assurance that agreements will be maintained, and stability of property. Meeting such goals may bring about order within a social system. States

34 Ken Booth and Nicholas Wheeler, op. cit note 5, Pg.7
35 See, Hedley Bull, op. cit note 6
seeking order create norms and rules which are internationally recognised. In this way the international law is settled, facilitating and satisfying states' needs through its communications and management functions. By clarifying rights, settling responsibilities and competencies, international law assists the state in its coordination and cooperation activities, fulfilling both state and collective interests within an anarchical system. In return, international law and the commitment of states to be bound by it will increase the degree of certainty and will diminish unpredictability in the system.36

Nevertheless, the Grotian tradition recognises that in international society, there exist problems due to “pervasive tensions between justice, power and order”,37 which make the achievement of a sustainable order among states difficult.

The importance of order has driven the Europeans toward a continuous quest for stability. In time, state security concerns, in one way or another, have been affected by the established orders. Still there is a quest for a perfect order that will provide a settled peaceful world. According to Miall we can start listing the political orders in Europe since 1815 as follows:

1815 to 1854 - Congress of Vienna System
1854 to 1871 - Bismarck’s wars
1871 to 1914 - From the Concert of Europe to alliances
1914 to 1918 - First World war
1918 to 1939 - League of Nations
1939 to 1945 - Second World War
1945 to 1989 - Cold War
1989 - - Post-Cold War Era

Evidently, besides the continuing existence of anarchic order, there has been an important and strengthening trend toward regulating and modifying this anarchy through the creation of international institutions and international norms38 that still have yet to reach the stage of offering a long-lasting pacified world.

37 Ken Booth and Nicholas Wheeler, op. cit note5, p.8
38 See, Hugh Miall, op. cit note 7, p. 8
In the Balkans, the dialectics of the international order have had a prolonged and controversial impact, reflecting the self-seeking interests of the main European powers and the balance of power situation. At the beginning of the 20th century, with the dissolution of the empires and the principle of self-determination becoming a predominant principle in shaping the nation-building, the Balkan countries belatedly entered the European family with a plethora of problems. Within a short time Hitler’s Germany and Stalin’s Soviet Union filled the power vacuum undermining all the principles and norms that international community tried to establish through the Congress of Vienna and the Treaty of Versailles. The war between the two ruined the whole Balkan edifice. The defeat of the Third Reich and the establishment of the communist regime in the Balkans after 1945 left the region once more under the shadow and dominance of an other imperial power and alien ideology.39

The dynamic processes that have been under way in Europe since 1989 have not clarified the patterns of the new order. Will Europe move toward further integration and consolidation of existing institutions or toward fragmentation? Efforts are under way to settle rules and norms, defining the role of institutions. Institutions are indeed emerging as key players to an unprecedented extent for addressing the Balkan countries’ security problems. Their role is indispensable, given the large range of problems inherited from the past, the complexity of the international context and the inability of the Balkan countries to deal with them due to the lack of heritage and experience. The recent events in the Balkans and the intervention of NATO in resolving them speaks for itself.

1.3. Kantian Tradition

For the Kantian tradition the key word for security is emancipation. The accumulation of power is threatening and generates fear, the tightening of order encourages despotism and justifies injustice. Order and power, are ‘inherently unstable’. According to this logic, a sustainable security can be perceived only as a result of the emancipation of society. Emancipation is perceived as a stage when human beings feel free from the constraints that impede them from doing what they

39 See, Stevan K Pavlowitch, op. cit note 8
are willing to do. Such a goal implies the lifting of constrains that may be of legal, economic, moral, political or physical nature.\footnote{Ken Booth and Nicholas Wheeler, op. cit note 5, p 8}

Emancipation is a long process that grows through building a state of justice and a feeling of community that guarantees respect and morality among states, and embodies an integrative dynamic. On the other hand, "as culture grows and men gradually move toward greater agreement over their principles, they lead to mutual understanding and peace"\footnote{Michael W. Doyle, op. cit note 9, p.99}

One could argue that historically, the emancipation of world society is observable. This society has developed from being primitive, inquisitorial, isolationist, towards being a more cosmopolitan, modern and efficient society. The consciousness of the public has changed also. The Balkan states are part of this historical development, their consciousness having grown over the course of history. Nowadays, initiatives testifying for cooperation and integration are part of the political agenda of the Balkan states. Different factors have influenced this process such as the establishment of: liberal democracies that imply free elections, free markets that offer equal opportunities, constitutionalism based on the rule of law. Accordingly, human behaviour is influenced by the needs of efficient cooperation and interrelations to prevail over the follies of the past. The moral of democratic societies is considered an important tool against the immorality of war. According to the Kantian tradition, democratic civil society is defined as the revolutionary force that emancipates and directs the society toward a new democratic social order that will be the basis for a peaceful world.

1.4. The New Security Concept

Through the 1980s and in particular in the 1990s, the concept of security received a new impetus. The three approaches have been updated in compliance with the new developments in the international arena. The concept of security is no longer concentrated only on the state, as "individuals and world community as a whole" are included as fully fledged participants and the new concept "is not status quo oriented, but future oriented and seeks progressive changes". Military threat is not the only
threat to security. The new concept considers the fact that every thing that "prevents people and groups living full and free lives" constitutes a threat to security. What is more, economic, environmental and human rights problems are considered as threats to security, as they can constitute factors of instability which present one of the most pronounced security threats in the Post Cold War Era.

Evidently, the security concept has broadened to include political, ideological, legal and economic considerations, making it more complex and more difficult to achieve.

2. Concepts of Integration and Theories

From an early stage, concepts of integration and security were considered by most international relations scholars as interrelated and inter-influencing. Integration is considered an asset which, "will bring about a self conscious abstinence from the use of force". As such it will provide the foundations for a long lasting peace. In the context of this thesis, the integration concept will be developed as part of the security approach. This assumption will limit the analysis of integration within the requirements of this study.

2.1. Concepts of Integration

Different scholars of international relations have perceived the integration process from different perspectives. Ernest Haas sees integration as a process that will spill over at some stages to a political integration. In Karl Deutsch's opinion, integration can be considered a process that may lead to a sense of community in a defined territory that will make integration a matter of fact for the peoples living in it. Accordingly, "integration is the condition whereby a sense of community is attained, through institutions and practices which bring about expectations of peaceful change".

According to Nye, integration works upon the existence of some given pre-conditions that carry potential for integration. These pre-conditions include:

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42 See, Ken Booth and Nicholas Wheeler, op. cit note 5, p.4
45 Karl W Deutsch, op. cit note 13, pp. 5-6
46 Gulnur Aybet, op. cit note 43, p.10
- symmetry or economic equality of units
- elite value complementarity
- existence of pluralism
- capacity of member states to adapt and to respond.\textsuperscript{47}

These pre-needed conditions will be applied to the analysis of integration possibilities in the Balkans.

Building a community that will provide for security through integration is not perceived as a single path process. According to the dynamics of the integration process, different theories have been built upon. The most significant theories on integration, such as federalism, functionalism and neo-functionalism, and regime theory, will be elaborated below.

\section*{2.2 Integration theories}

\subsection*{2.2.1. Federalism}

Especially after the devastating periods of war in Europe, federalism gained a strong ideological prominence. It is presented by its advocates as an important mean to provide for peace among states within a federation. What does federalism intrinsically imply? "...Federalism implies the creation of supranational institutions including military and police forces and a common legal system as the best method for uniting people who already share some common features such as language or culture or geographic proximity, but who live in separate states."\textsuperscript{48} The creation of the federation of states includes the elaboration of a common constitution and supranational institutions aiming at the last stage of integration, the creation of a political union that will be the first step leading to a closer integration in other fields. The supporters of federalism since the early times have foreseen this kind of integration as an important step towards a peaceful Europe; the supranational institutions will ideally put order into the anarchical system. Federalism is an attempt to provide a solution to the security dilemma, that will bring about lasting peace. Looking at the experience of Europe, federations or confederations as an other alternative option, have not succeeded. The most recent example is the Yugoslav

\textsuperscript{47} Joseph S. Nye, op. cit note 21, pp. 56-66.
\textsuperscript{48} Aybet Gulnur, op. cit note 43, p.12 (the italic word is added)
confederation that collapsed, defying the efforts of international community to maintain it in one piece.

2.2.2. Functionalism and the ‘spillover’ effect

According to the most important scholars of this approach, the positive results achieved in one technical field will necessarily lead to cooperation in other fields. The deepening of this process will encompass unconsciously more and more of the political sector. This new configuration will contribute to security on the world scale. From Mitrany’s point of view, “economic unification would build up the foundation for political agreement even if it did not make it superfluous”.49

In functionalism, the role of international institutions is of great importance. They represent the body that in a transnational base manages the cooperation in a given technical function. The states transfers “slices of sovereignty” related to this given function, to these organisations. In this way the international organisations build a culture of a community that will lay down the path for further cooperation and the gradual shrinking of sovereignty, through an unintended process.50

According to Haas, the integration process depends on the interest calculations of major political elite groups within the states to be integrated. Integration is adopted as a policy objective by the state based on well designed national interests. The success of cooperation in a technical field will serve as a lesson that will be applied in other fields, and furthermore will ‘spillover’ to the field of political integration. What is important here is the result of this integration process: the conscious creation of a political community as a guarantee for security and stability. This logic of integration behind neo-functionalism is illustrated with the EU model.51

Functionalism has limited results on a global level. The spill over effect has not had the expected impact. The successful cooperation in one field has not extended to other fields even to a limited degree except for the case of the EU. As a result nationalism has not become obsolete52. On the contrary it has gained momentum after

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50 Aybet Gulnur, op. cit note 43, p.17
51 See, Ernst Haas, 1964, Beyond the Nation State, Stanford: Stanford University Press
the end of the Cold War. Even the EU, despite its success in economic integration, is still far from being a well integrated political community today. The Balkans are facing the reverse of the process, starting integration with security integration. Programmes, such as PfP and NACC are established by NATO to encourage and enhance the cooperation in the security issues and build confidence and security among the Balkan countries. This will create hopefully the environment for developing cooperation in other fields and will lay the path for integration first at regional level and later into the EU.

2.2.3. Globalization, Regimes and Complex Interdependence

The 20th century has been unique in the development of technology. The pace of advancement in technology has become faster and faster. The rapid process of industrialisation and technological advancement has increased man’s control over nature, improved communication and transportation possibilities and increased mass consumption. There is no reason to suppose that technological change in products and processes driven by profit will not continue in the future. The deepening of the world economic cooperation, favoured by the rapid changes in technology, has increased the possibilities and the opportunities for mutual gain. This fact is important because it predicts an irreversible increase in the relations between different regions and participants due to interest in profit and the elimination of logistical barriers. Especially after the 1970s, the world economy saw a high degree of trade and economic interactions among states and other actors which gave to international economic relations the shape of a “cobweb”53. This system of relations has created an economic interdependence that has highlighted the fact “that the territorial boundaries of states no longer coincide with the extent or the limits of political authority over economy and society”54. This state of affairs has led to a globalisation of economic relations on a world scale.

Globalisation has made war obsolete. This idea is supported by the fact that an independent state is supposed to have a variety of relations and employing force in one area is supposed to cause a rupture in mutually profitable relations in other areas. These facts show a clear reduction of the utility of force in interrelations among

54 Susan Strange, op. cit not 17, p. 3
states. Accordingly, an internal arrangement among nations is in the interest of everyone.

This new situation in the world affairs was considered by Keohane and Nye and defined as “interdependence”. In order to explain the status of affairs of the international system a model was designed. The model is said to work when some given conditions are fulfilled. First, multiple channels of communication ought to be sent; second, multiple issues should not have a clear complex and consistent hierarchy, which in other words means that security is not consistently on the top of the international agenda; third, as a result the use of force ought to be obsolete when ‘complex interdependence’ prevails.55

The globalisation of the world economy has caused a homogenisation of the world society with important consequences for international relations. In Miall’s terms these consequences can be summed as:

(i) The new situation gave a priority to the multilateral approach in dealing with problems of interdependence, involving institutions and regimes.
(ii) The role of the state in decision making and bargaining was highly influenced by collective decision making and in such circumstances the institutions and regimes took advantage of this situation.
(iii) A new kind of layer of governance emerged over the states, narrowing the role of the state over domestic society and increasing its influencing through international institutions.56

Accordingly, the existence of interdependence implies the gradual emergence of order “with its own rules and principles”, which will constitute in itself the emergence of a regime or “a final order brought by integration”. The existence of such regimes will bring “self restraint” in the actions of states and a “customary” obeisance toward the international law, encouraged by state self interests.57

A definition of the concept of regime will be important to better understand this cooperation. Oran Young characterises regimes as “social institutions governing the actions of those interested in specifiable activities” (or meaningful sets of activities).58 In Ernst Haas terms regimes are considered as “norms, rules and

56 Hugh Miall, op. cit note 17, p. 20
57 Aybet Gulnar, 1997, op. cit note 43, pp.27-28
58 Oran R. Young, op. cit note 16, p.332
procedures agreed to in order to regulate an issue area”. According to both definitions, the emphasis is on the creation of norms of conduct, rules, procedures and governing collaboration patterns relevant to security. A security regime can be formed if the states are in a condition of interdependence and judge that the costs and benefits of undertaking a war based on self-interests of the state are too costly. In order to have a sustainable regime, a sense of community, common values and trust must have evolved out of the condition of interdependence: in this way a regime can have a pacifying impact on the state behaviour.

3. The level of integration

According to the level of inter-state relations and their interests upon these relations, integration can exist on different levels. There are different levels of integration such as: pluralist security community, regional integration, alliances.

3.1. Pluralist security community

According to Deutsch, the first level of integration can be considered the pluralist security community. This community has three characteristics:

- compatibility of values among decision makers;
- predictability of behaviour of the decision makers
- mutual responsiveness toward the actions and communications of other units without recourse to war and other violent means.

This is the lowest level of integration that implies the basic security needs, sovereignty and independence. This level of integration can be achieved in the long run in the Balkans since there is a trend in the international arena after the end of the Cold War toward building democratic regimes which provide the necessary credibility and trust in the actions and behaviour of others and the Balkans are part of this process. These values are important in creating a sustainable security community in the Balkans, since it is grounded in the Wilsonian belief that democracies do not fight each other.

60 Karl W. Deutsch, op. cit note 13, p. 199
3.2. Regional integration

Regional integration is a process that includes an intense cooperation among the countries of a defined geographic region in different fields such as economy, culture, education, law, defence. This cooperation creates a kind of interdependence that can provide a framework for security in the region by tying up the states into a network of relations of a different kind that in return will create a sense of community in which insecurities emanating from neighbouring countries will diminish.

Looking at the Balkan region, a limited amount of progress has occurred in respect of the postal problems, scientific exchanges and some aspects of tourism. In the other fields little has been done and the level of trade and economic exchanges remain at very low levels.

In addition, there is no historical background that leads to the sense of common community in the Balkan region. The region is split between the Muslim religion and different forms of Christianity. There is no language or cultural communality. Nevertheless, the new era of democratic changes has created a positive background for increasing the cooperation based on democratic values that are always in compliance with the national interests. In this framework an important role is played by international institutions. These organisations represent poles of attraction of prosperity and security for the region's countries. On the other hand, the membership of them involves a set of values and practices that imply democratic norms, free market and the rule of law. More then that, these organisations are involved in the Balkan region providing assistance and support for the transition process. Meanwhile they constitute a forum for discussion and information exchange as a mean for building security and confidence for regional cooperation.

3.3. Alliances

An alliance “is a formal agreement between two or more nations to collaborate on national security issues”.61 According to Osgood: an alliance reflects “a latent war community, based on general cooperation that goes beyond formal

provisions and that the signatories must continually cultivate in order to preserve mutual confidence in each other's fidelity to specific obligations.  

Alliances are formed to attain policy goals related to security. The effective functioning of an alliance may bring about or enhance a sense of community. Alliances are temporary instruments of policy that provide security only in some areas but they cannot resolve all security concerns.

Often the alliance of small states is established in order to prevent intervention of powers in the region or control and limit the pressure extended by the great power. Militarily this alliance can also act to restrain certain aggressive activities among its members. In the Balkan history this has been the case of the Little Entente or Balkan League thanks to which, the member countries managed to keep France and Italy distant from the region in the 1920s and 1930s.

The alliances of small states can provide a limited enhancement of security for the small states. However, it is wrong to assume that a combination of small powers is equivalent to a great power.

4. Small States Security Concept

In the Balkans most of the states of the region are considered small, from the point of view of the population, territory surface, economic importance, military capabilities and power projecting force. It is important for the aim of this thesis to perceive the size of a state from the perspective of the security function, avoiding any long debate over the definition of small in other contexts. Accordingly, “a small state may be described as one which tends to constitute no more than a dispensable and non-decisive increment to a primary state’s total array of political and military resources and which tends to believe in its inability to rely on its own means and this is then recognised by the other states involved in international politics.” This definition is important for understanding the perception and behaviour of small states in security issues and foreign policies related to it.
4.1. Patterns of Behaviour

The small state is continuously under the pressure of security dilemmas due to its limited capabilities which are insufficient to provide for its own security, in confrontation with bigger powers. In such circumstances they look towards building alliances with major powers. "Small states do not have realistic options of independent actions so they try within an alliance to commit their larger partners to intimate consultations in future emergencies".66

In their quest for alliances, the small states try to be attractive by presenting a deterrent fact (pollution might be the case) that may attract the big powers' interest or may be a cause of concern for their security as a result of the domino effect. On the other hand the small states can play with their strategic importance in order to gain the attention of big powers and use it as a bargaining asset. In their quest to find a solution for their security dilemma, the small states in most cases choose non-alignment or neutrality, followed by limited relations among themselves and extended relations with the big powers. They can also pursue integration within international organisations aiming to achieve at least formally an equal status with the other states and to claim protection from the international structures. Integration into pluralistic societies and international organisations is perceived as an asset that provides a convenient security for the small states. 67 This make the membership of these organisations attractive. However, it involves actions on behalf of the common interests that not always fully match the small states' interests. In such a case the small states find themselves compelled to obey. The KFOR operation in Kosovo and the controversies on the part of certain Balkan states to participate in it, is a good example. Compelled by the necessity of membership into NATO, all the Balkan countries that aspire to such membership gave their consensus to the operation, despite the internal controversies.68

68 In the beginning of operations in Kosova, Bulgaria was not in favour of giving to the NATO the right to use Bulgarian territory for NATO military actions. This attitude later was moderated.
Small States can join an alliance for a variety of reasons to augment their power and importance, to increase protection in their favour, to have input to policy making, to involve the mediation of important actors on issues of interest, contain enmities.69

5. Security Debates After the End of the Cold War

Security issues are related to two interlinked concepts: security and sovereignty. This relationship has been going on since the Peace of Westphalia of 1648. The birth of the modern state implied the concept of sovereignty in national and international security issues. Sovereignty in domestic terms is the institution that governs citizens of a given state. At the international level it consists of a series of rights through which the state can pursue its aims and meanwhile maintain its political independence and territorial integrity.

Following the logic provided by the schools of international relations, security issues have been addressed from two approaches.

The first approach, is the balance of power, which involves Clausewitz’s theory of subordination of war to politics.

The second approach, is multilateralism, the assignment of some sovereign rights of states to international institutions with autonomous organs and interests that are different from the mere sum of those pertaining to individual member states.

The Cold War built a culture of its own based on security issues. This was reflected in the way of thinking, military instruments and diplomacy. Beside a continuous search for a balance of power among the two super powers, multilateralism expressed by the settlement of international institutions contributed a great deal the management of security problems. The international institutions of this period dealt with a plethora of problems related with the global geopolitical reorganisation of post World War II, the containment of the Soviet threat, the danger of the resurgence of Germany, the consolidation of a special relationship between France and Britain, the mitigation of various aspects of a conflictual East-West relationship, the problems of economic integration. The institution building process did not produce a united and free Europe. Meanwhile, multilateralization of security

69 See, Aurel Braun, op. cit note 63
policies seems to be the most appropriate means of managing contemporary problems. The international institutions have been the appropriate instruments for dealing with the challenges of the post Cold War era. They managed the transformation from the confrontation of the Cold War to a new era in a peaceful manner.\textsuperscript{70} In the post Cold War era, security is affected by economic, political and social factors, beyond purely military considerations, and the individual states are likely not to be prepared to address the complex solutions single-handedly.\textsuperscript{71} More than ever the multidimensional nature of contemporary problems requires a multilateral approach.

On the other hand, the end of the Cold War illustrated the trend of reinforcing the national outlook over security issues and foreign policy. This is due to many factors. The US, as the only remaining superpower has increased its involvement in international security affairs. Its role in obliging others to follow “a policy of political democracy, free market economy, and respect for the rule of law and human rights”, is perceived by some actors as a compelling factor. The disappearance of the USSR's threat in Europe has decreased the importance of collective difference. Eastern Europe is no longer a potential enemy, but a security cooperation partner to be integrated into western security institutions. The biggest countries in many cases approach security issues based on their national interest. Accordingly, the effectiveness of international institutions in security issues has to be questioned.\textsuperscript{72}

Evidently in the post Cold War era, the existing order does not present clear patterns on addressing security issues. There are arguments that both contradict and support the approaches of the balance of power and multilateralism. In this context a short review of challenges to fundamental security interests of the state at the end of the Cold War, will provide notable insights into the appropriate manner to approach them. In Cucchi’s terms, the physical and political safety and territorial integration of nation states in Europe is still existent. Threats are external and internal. The revitalisation of Russia, her efforts to enter as a security partner on security issues and the proliferation of the weapons of mass destruction in South Europe constitute an important external threat to European security in the present time. The question of


\textsuperscript{71} See, Pierre Hassner, “Beyond Nationalism and Internationalism”, \textit{Survival}, Vol.35, No.2, Summer 1993

\textsuperscript{72} Marco Carnovale, op. cit note 70, p.4
minority rights, accompanied by confrontations and tensions has become a serious internal threat to the integrity of the state.

Economic and social problems constitute an important threat to security and have entered the primary interest of states. The maintenance of a minimum standard of living and economic development is considered a milestone not only for the internal stability but for the unity of the state also. In the framework of a globalised economy this implies the preservation of a free-market economy, a liberal international regime and free access to international markets.

The protection of a Western way of life which is translated into a pluralistic democracy, means not only freedom of movement for people and information but also support for the social order within a civil society. This represents an important challenge for the old democracies that on one hand constitute models of democracy but on the other hand are threatened by those who do not share such values.73

It is clear that "security can no longer be reduced to positioning the vectors of billiard-ball states and counting tanks. The new order is being remade by social and economic changes, no less then by shifts in the international configuration of power. Strategies to maintain international security must, in the new world comprehend all these facets of social life"74 and this will also be the guideline for my analytical approach of the security issues in the Balkans, with its special focus on Albania.

CHAPTER 2 - The Regional and Country Approach to Security

Albanian concerns over security issues are symbiotically related with the volatile Balkan picture. In the Balkan context, Albania is not an isolated phenomenon; evidently it can not play solitaire. Accordingly, it will be of primary importance to first understand the historical background that shaped the Balkan map and the inherited historical legacies that have imprinted on a Balkan scale more or less the same psychological set up and which, have affected the security dilemma of the regional states.

Being part of Europe, Albania cannot settle its security agendas without taking into consideration the European and international context and the role of institutions in world affairs. A global-regional perspective that embodies the domestic concerns over political, economical and social challenges to security of a country will be also considered approaching security issues in the Balkans at the end of this century.

The whole approach to security will be developed in the next three chapters, starting with the regional country approach to security, then progressing to an institutional perspective on security issues and social and economic issues during a transition period.

1. Historical Background to the Balkans and Albanian Political History

The Balkans are presented as “the land bridge between Europe and Asia, a colourful region where East meets West, and an area where three of the world’s major religions, Christianity, Judaism and Islam in particular, have coexisted, albeit uneasily at times over the course of centuries.”

The most important division in Balkan history can be considered the division in two parts of the Roman Empire that drew the line between the West and the East and marked the establishment in the Balkans of Catholicism in the North-West and Orthodoxy in the South-East. A sharp division was established between Orthodoxy

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and Catholicism in the Balkans. Barbara Jelavich defines this thus: for Orthodoxy, “Catholicism was the real enemy; it was both crusading and intolerant of other beliefs.” Orthodox with its decentralisation and national autocephalous church led to “ethnicization or nationalisation of Orthodoxy.” National churches played an important role in transforming ethnic groups into national communities. In some areas the church has played the primary role in building ethnic identity, preserving culture heritage, and introducing “a virtual surrogate quasi-governmental authority vis-a-vis the occupying powers.”

Religious affiliations served both as an integrative and divisive factor in the Balkans, since they reinforced national unity and fomented inter-national conflicts. Religion was used as a source of legitimacy for nationalism and “ethnic-idiiosyncrasies”. The autocephalous churches, by supporting the rights of ethnic minorities for political emancipation and self-determination, fostered separatist and irredentist tendencies, undermining the stability within the multi-ethnic Balkans.

The Ottoman occupation marked the third religious division in the Balkans, reinforcing the previous attitudes and practices. The millet system established by the empire was based on religious division, which divided the empire into national groups. The Ottoman “tolerance” gave to the Balkan ethno-linguistic groups the possibility to survive and, through a slow but continuous elaboration of language and religion, to affirm a form of para nationalism that first emerged in the 18th century. The previous attitudes and practices were reinforced by the national movements for independence from the Ottoman Empire in the Nineteenth and Twentieth century. Religion has arguably never been important in the Balkan population’s esteem; regardless of the level of religious commitment, it was used as a tool to define cultural and ethnic identity among the inhabitants of the peninsula and fuel nationalism.

The state formation process in the Balkan peninsula was a result of both the enlivening of internal nationalism effected by nationalist movements current in Europe in the mid-nineteen century and the interference of the big powers of the time. “As a result, patterns of interaction have developed between regional tensions, conflicts on

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76 Barbara Jelavich, op. cit note 19, p.53
78 Janusz Bugajsky, op. cit note 19, p.xiii
the peninsula, and great-power rivalries. The European powers' interaction and intervention in the Balkans relate more to the perceived positions of major players in the European security game than directly to the specific requirements of regional settlements. The Balkan countries perceiving the drawing of borders in the peace treaties as arbitrary, sought protection, thus becoming clients of different foreign powers. The support of the big powers was important in two directions: first, to maintain the status quo; second, to secure promises that the treaties would be revised in favour of the client country.

In 1912, with the independence of Albania, the process of independence temporarily ended in the Balkan Peninsula. Most Balkan countries, composed of different ethnic groups of different origin, language, religion, education and customs, constitute the source of numerous conflicts. These internal conflicts prevented a balanced social development and national integration and strained the relations with the neighbours. These internal and external threats become a prominent source of economic problems. As a matter of fact, these states, although formally independent, remained economically and politically weak and competed against each other for state preservation, expansion and international support. This was also the reason for the division of the Balkan countries into opposing power blocs in both World Wars.

Division continued even after the Second World War, perpetuating past attitudes and practices in the Balkans. The division of Europe during the Cold War was reflected in the Balkans in two ways: isolation as was the cases in Albania and Yugoslavia, and alignment on pacts, respectively on the Warsaw Pact and NATO, for the rest of Balkan countries. This division did not change the "state system on the Balkan Peninsula" that dated from the controversial arrangements following the First World War. Most of the states "retained their statehood and most of their territories" until 1991, due to the commitment of European Powers to preserve their puppets.

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The divisions within Europe, more than elsewhere, were reflected in the interpenetrations and alignments within Balkan peninsula prior to 1991.83

Balkan communist regimes tried to keep ethnicity under control, following the Soviet model of dealing with nationality problems, which emphasised the right of self-determination, inter-ethnic equalisation, territorial autonomy, federalism and the use of severe tactics. The demise of the communist regimes and the arrival of democracy in the Balkans blew up the cover that kept 'simmering dissatisfaction' and nationalist agitations under control.84

The new post Cold World era has changed many things in the Balkan peninsula. The system of states established since the First World War has started to change. For the first time Balkan countries with the exception of Serbia have common aspirations and would like to share the same values of democracy, market economy, and the rule of law. These attitudes and practices may provide for a peaceful region but on the other hand democratic procedures of public participation provide a window of opportunity for ethnic groups and thus exacerbate "the likelihood that conflict will emerge either as a result of, or in spite of, democratisation". The chance of conflict increases when "one or more groups in a given state are members of an ethnic group that governs a neighbouring state".85 Communist rule had constrained the ethnic conflict but it had not managed to resolve or settle it. The erosion of communist ideology and policy from the Balkans has led to the resurgence of nationalism and has created the ground for a re-nationalisation of national policies.

This tendency also resulted from the need of the semi-democratic regimes of the Balkans to legitimise their power by obtaining popular support through appeals to nationalism. The re-nationalisation of foreign policies in a number of countries in the Balkan region may increase the tensions over the unresolved regional and ethnic conflicts. An intensification of the disputes can have a 'domino effect' throughout the region, exacerbating other conflicts.86

84 Costandine F. Danopoulos and Kostas G. Messas, op. cit note 19, p.11.
Evidently, there is a prevailing re-nationalising and fragmenting environment in the Balkans that is a trend diametrically opposed to the integrating and cooperative environment in Western Europe. This trend in European affairs has diminished the possibility of war in the rest of Europe in case a Balkan conflict might break out, because none of the European powers is interested in exploiting the conflict for its own purposes. Nevertheless, a destabilised Balkans is a threat to the creation of a stable security order in Europe in the post Cold War era. Indeed, the patterns of this environment affect the security concerns of Balkan countries and their efforts to provide for security.\(^\text{87}\)

Summing up, the historical picture does not provide any premise for a cooperative and integrated Balkans. The war in Yugoslavia is a living example of dormant unresolved ethnic conflicts that exploded in the federal Yugoslavian state. This crisis has deep repercussions over state security issues within the Balkans. Fuelled by Yugoslavian secession movements, irredentist movements may awaken unresolved regional conflicts and involve an inter-state confrontation.

This historical context is important in providing a general outlook over the security concerns of the Balkan states. Meanwhile, while remembering that the main focus of this thesis will be on Albania, it is necessary to see where Albania's history fits within the region.

Albanians are “one of the oldest-established populations in Europe. No people could be less ‘alien’ to the history of the Balkans”. The Albanian language is indeed the only surviving representative (apart from Greek) of an ancient Balkan language: it belongs to the Indo-European family of languages, but exists in a sub-section of its own, with no immediate relatives.\(^\text{88}\) Nevertheless, since the Middle Ages, Albania has not constituted a geo-political entity.

From the 1470s until the early twentieth century, Albania remained under Ottoman administration. Under the Ottoman empire the land populated by ethnic Albanians was divided into several Ottoman administrative units. In the period from 1881-1912, which constitute the last period before the establishment of the first Albanian state, the ethnic Albanians were split into the vilayet of Kosovo, Shkodra,


Monastir, Ioannina, including within them other ethnic groups such as Vlachs, Gipsies and Turks. This administrative approach of dividing ethnic groups into different and mixed administrative units was preferred by Ottomans as a way of reducing any risk of national state-formation within the Empire.89

This practice retarded the Albanian national movement. The movement attained its political shape only after the Congress of Berlin in 1878, which handed out territories inhabited by Albanians to Montenegro and Serbia. The national movement started as a military self-defence movement incorporated into the League of Prizren. At the beginning, the League did not seek the establishment of an Albanian state; its priority was to prevent foreign powers from infringing on Albanian inhabited land by creating an autonomous entity under the Ottoman Empire. In time, the movement attained other political and social objectives such as the recognition of Albanian language, followed by the opening of schools in Albanian language, self-rule and military organisation. The movement moved toward the demand for independence as it was made clear by the Ottoman Government that it was not protecting the rights of Albanians, and was ready to gave up parts of Albania under the pressure of the European powers. This movement, and others that followed, did not succeed in establishing an independent Albanian state until 1912. They suffered from deep internal division90.

In 1912, on the brink of Ottoman Empire's dissolution, the Albanians looked to gain their state independence. The 1912 London Conference on the Balkans created an Albanian state, but without the Albanian inhabited areas of Cameria in the south and Kosovo in the north. The new independent state was created under the auspices of the big powers as a “product of geopolitics and not ethnic considerations”91; as a result half of the ethnic Albanian population was left outside the new state internationally recognised borders.

The Albanian state won its real independence on the eve of the First World War. Concerned by Serbia's intentions to expand by seizing former Ottoman territories, Austria lent its support to the nascent Albanian state.

89 ibid.,
90 Barbara Jelavich, op. cit note 19, p 366
Having been under foreign occupation for a long period, the new born Albanian state inherited a burden of economic, social and political problems. The country went through a state of anarchy as a result of the confrontation between conservative feudal forces and the left-wing forces, which ended with the establishment in 1924 of a central authoritarian regime led by Ahmet Zog, who later declared himself King Zog. The difficult economic situation in the country pushed Zog to strengthen ties with Italy. Beginning in the mid-1920s, the Italian Government signed economic and foreign relations treaties with Albania and provided large financial subsidies to the Zog regime. “By the end of the 1920s, Albania had become an Italian satellite”\textsuperscript{92}; efforts to escape from the Italian orbit in the 1930’s failed, and as a result Zog fled Albania. In the spring of 1939, Albania was occupied by Italy. Additional agreements were signed surrendering the Albanian crown to Italy’s King Victor Emmanuel III. In 1943, the Nazis succeeded the Italians.

Prior to the liberation in November 1944, Albanian society was characterised by foreign domination, social and political fragmentation.\textsuperscript{93} At the end of the Second World War, Albania remained the same poor and small mountainous country, with limited economic and work power resources, unable to provide for its own security. These patterns continued even after the establishment of a communist regime in Albania, led by Enver Hoxha. The weak regime and the precarious conditions of the country forced Enver Hoxha to look for alliances and compromises.

Between 1945 and 1948, in order to consolidate his power, Hoxha tightened relations with Yugoslavia. In exchange of this support, Hoxha shelved the Kosovo question.\textsuperscript{94} Albania turned virtually into a province of Yugoslavia, having common customs and currency. This situation threatened Hoxha’s power. The Tito-Stalin dispute gave the opportunity to break down this subordinate relationship and strengthen relations with the Soviet Union as a counterbalance against the Yugoslav threat and other security concerns in the region on the one hand, and the need for economic and technical support on the other hand.

Interference in domestic politics and ideological contradictions increased Albanian-Soviet tensions. After the invasion of Czechoslovakia in 1968, Albania

\textsuperscript{92} Nicholas Pano, 1968, \textit{The People’s Republic of Albania”}, Baltimore: The Johns Hopkins University Press, p.17

\textsuperscript{93} See, Costantine P. Danopoulos and Adem Chopani, op. cit note 90

\textsuperscript{94} ibid.
considered the Soviet Union its bigger enemy and the main threat to its own security. This led to the break up relations with the Soviet Union and withdrawal from the Warsaw Pact. After the Soviet domination, Albania established relations with China, which replaced the USSR’s place as mentor. Ideological controversies over Marxism-Leninism led to a series of conflicts between Albania and China. The final dispute arose from China’s overtures toward the United States and Yugoslavia. In 1978, diplomatic relations between the two countries were severed. After the demise of the Yugoslav, Soviet, and Chinese alliances, Albania’s isolation from both East and West exacerbated its stagnation and poverty. The developments in the international arena favoured Albania in security terms. The East-West disarmament and the Helsinki accord on the inviolability of international borders and confidence-building measures created a less hostile security environment for Albania. The break down of relationship with China did not create any major concern for Albania in security terms, so Hoxha’s regime did not look to establish new alliances. After the 1970s, Albanian foreign policy was based on isolation until the beginning of the 1990s.95

In 1992, a democratic government took power after the first free elections in the country since the Second World War. The country started the difficult period of transition toward the establishment of market economy and of integration into the international community and organisations.

2. Background and Prospects for Balkan Cooperation and Security

The Background to Balkan cooperation commences with the Little Entente or Balkan League, soon after the First World War. The Little Entente was founded in order to prevent the restoration of the Hapsburg dynasty in Hungary, Czechoslovakia and Yugoslavia. Later in the 1920s, it was joined by Romania and Bulgaria. Therefore, three Balkan states, Yugoslavia, Romania and Bulgaria, were linked up by a certain degree of political cooperation. The treaty guaranteed the existing frontiers and offered support in case of external intervention. On the side of the big powers,

France was looking to preserve the provisions of the Peace of Versailles and balance the growing German and Italian ambitions in the region, and therefore encouraged the Pact.\textsuperscript{96}

In 1929-30, for the first time, the idea of a Balkan Confederation was issued by the Greek Papanastasiu, coinciding in time with the agrarian crisis. The first Conference was held in Athens, followed by three other Conferences in Istanbul, Bucharest and Thessaloniki. A range of commissions for economic, intellectual, health cooperation and coordination were created. The contradiction, implicit in the political issues led to the failure of the idea of a Balkan Confederation.\textsuperscript{97}

In 1934, aiming to face the growing influence of Germany and Italy in the Balkans and as a counterbalance of fascist forces, a Pact of Balkan Entente was signed by Yugoslavia, Turkey, Greece and Romania. The Pact provided for the preservation of the existing borders and consultations in the case of conflict. The Pact was also open to other Balkan states and was put into a legal framework. A statute was compiled laying the ground for the creation of a permanent council of foreign ministers, a Balkan bank and a centre for the harmonisation of legislation. The Entente was created too late and it could not prevent the crumbling of the Versailles regime.\textsuperscript{98}

During the second World War, Balkan countries were divided within the two blocks in compliance with their nationalistic interests: Bulgaria and Romania entered the fascist forces' orbit after being promised a larger Bulgaria and Romania at the end of the War; and the rest -Yugoslavia, Albania and Greece- on the side of anti-fascist forces; Turkey kept its neutrality.

After the Second World War, the Balkan countries emerged with different characteristics. The division that took place in Europe was also reflected in the division of the Balkans. The idea of a Balkan Federation was gaining ground among the countries of the so called people's democracies. The Federation aimed for stronger political, military, and economic cooperation and close ties with Soviet Union. After the turn of Yugoslavia and its exclusion from Cominform the idea of a Balkan Federation died.

On February 28, 1953 the Treaty of Friendship and Cooperation was signed between Greece and Turkey. The treaty pledged to strengthen defence and security

\textsuperscript{96} Georges Castellan, op. cit note 80, p.455
\textsuperscript{97} ibid., p.456
measures and, beside the security provisions, placed an importance on the strengthening of economic, technical and cultural ties. Later, the Treaty on Political Cooperation and Mutual International Aid between Yugoslavia, Greece and Turkey was signed on August 9, 1954 in Bled, opening the way for the new Balkan Pact. The treaty pledged support in case of aggression upon one of the signatories and stressed the peaceful solution of disputes and banned the use of force among the signatories. This was a unique agreement among signatories that were parts of different camps, so it can be perceived as a moment of coexistence between two systems. The Treaty on Political Cooperation and Mutual International Aid and the Treaty of Friendship and Cooperation and the founding of the Balkan Consultative Assembly laid down the foundation for cooperation between the three Balkan countries. Just when the structure was completed the whole issue was shelved. After the death of Stalin, Yugoslavia was looking to improve the relations with the USSR. Later Yugoslavia positioned itself in the non-aligned countries thus changing its interest in the Treaty. After the Cyprus crisis, even Greece and Turkey were no longer interested in the Treaty.

In 1957, the Romanian prime minister launched a plan for transforming the Balkans into a Nuclear-Free-Zone. This initiative was inspired by the negotiations of the super powers for withdrawal of American nuclear weapons from Greece and Turkey. After Romania, Bulgaria was also interested in the issue and later on the 1980s Greece tried to push forward the idea. In the end, the idea did not produce any concrete result, due to the incompatibility of national interests. Nevertheless this effort can be considered as a step toward cooperation among the Balkan states.

The détente process in Europe and the Helsinki spirit of 1975 encouraged the first meeting of Balkan experts, except Albania, which took place in Athens in 1976. The meeting discussed the problems of economic and technical cooperation in the Balkans. The meeting did not produce any results but was important given the time it took place. The existence of the two blocs was still very much in evidence, but the Balkan countries showed that they could talk about cooperation and perhaps use regional cooperation as a deterrent against Soviet designs.

98 ibid., p.456
99 Aurel Braun, op cit note 63, p. 148
100 See, Christian Science Monitor, 8 April 1969, in Braun Aurel, 1983, p.39
101 Roland Schonfeld, op. cit note 82, p 136
In the late 1980s, relations among Balkan countries started to improve. The first conference of Foreign Ministers of the Balkan countries took place in Belgrade in 1988. The participation of the Albanian Foreign minister was considered a historical event. This meeting was the first at such a level and marked an important step towards Pan-Balkan cooperation, and was followed by other meetings at expert and ministerial level. Beside the little progress achieved, it showed the interest of Balkan countries in Pan-Balkan cooperation and can be considered as a means to cope with the new developments in the rest of Europe.

The ministerial meeting of Belgrade was the result of the new era that has reached the Balkan Countries. The second meeting was held in Tirana in 1990, but the climate had changed and all the Balkan countries except Albania were immersed in the transition process toward democratisation and market economies. At the meeting it was proposed to institutionalise Balkan cooperation and in this framework it was agreed that the ministerial meetings would be held regularly. The meeting did not deal on the problems that divided Balkan countries. However, it was recognised that the new spirit prevailing in Europe should be transplanted to the Balkans. Therefore, measures were taken to prevent the resurgence of territorial, ethnic, minority, cultural and religious problems.

An important fact is that the minority rights protected by the UN charter and the Helsinki Act were recognised by Balkan countries who acknowledged that minority rights had to be separated from territorial issues and that existing borders had to be maintained. The Yugoslav crisis created a new situation in the Balkans, which altered these optimistic developments at the end of the Cold War.

Meanwhile a theoretical perspective will help on understanding the real possibilities of cooperation in the Balkans. First, it is important to remember Nye’s pre-conditions for integration potential, as an important tool that will direct the analysis and provide the necessary insights. These pre-conditions include:

- symmetry or economic equality of units
- value compatibility between élites
- the existence of pluralism
- the capacity of member states to adapt and respond.

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\(^{102}\) Joseph S. Nye, op. cit note 21, pp. 56-66.
Balkan countries represent a variety of configurations in their economic level of development. Greece is a member of the EU, Turkey has had an association agreement with EU since 1960 and Yugoslavia with its mixed economy has split into different countries that represent different economic levels and approaches towards integration within EU. The rest of the countries, including Albania, have moved from the centralised economy to a market economy, and the level of development is far from being compatible with EU standards.

For the elites, there is a variety that cannot be seen in any other region. Besides Turkey and Greece which have settled on the side of the Western values, the rest of the Balkan countries have been in one way or another on the side of communist values, totalitarian and autocratic regimes. The elites of these countries do not possess a democratic political culture, also they have different cultural backgrounds. The Balkan Region represents furthermore a colourful picture according to the variety of religious values (Catholic, Muslim and Orthodox) and language diversities.

Concerning pluralism, Balkan countries now are on the way to meeting pluralistic values, with the exception of the Former Federal Republic of Yugoslavia. It is important to stress that all of them are far from being perfect examples of pluralistic values, given that they very recently came out of totalitarian and autocratic regimes.

Looking at the capacities to adapt and respond, there are some improvements. There are efforts to find a common language in problems of security and cooperation. Many initiatives and meetings at different levels— even at the level of heads of state— are taking place more frequent.

The general picture offered in the light of Nye’s pre-conditions does not provide for enthusiasm for a peaceful and cooperative environment in the Balkans. Nevertheless, the great variation among international regimes as social institutions and the broadness of the definitions at least allows for one of these variations to be applied to the Balkan region. The creation of regional regimes enhances cooperation and security.103

Nationalism, minority problems, different economic-political systems, incompatible economies, the smallness of the regional markets, the underdevelopment

103 Aurel Braun, op. cit note 63, p.253.
of the economies and the paucity of energy resources all make regional integration difficult and have limited cooperation in the Balkans. Nevertheless cooperation could be developed in other forms as:
- emphasising and nurturing war-avoidance tendencies in the settlement of the disputes;
- enhancing their bilateral and multilateral economic and political links;
- ensuring that their participation in alliances and other international organisations does not affect the regional environment and cooperation.

3. Present Cooperation and Integration in the Balkans

Regional integration is perceived as an important means to promote stability, security and prosperity. Moreover, regional cooperation is considered an important development that will facilitate the cooperation and integration of Balkan countries into other European structures, including the European Union and NATO, and will build a clear commitment that will lead toward common undertakings.

Accordingly, there are many ongoing initiatives for cooperation and integration since all the Balkan countries, except rump Yugoslavia, are developing democratic regimes. Accordingly some of the initiatives are: the Balkan Conference on Stability, Security and Cooperation in South East Europe, The Process for Stability and Good Neighbourliness in South East Europe (the Royaumont process) and the South-East European Cooperative Initiative (SECI).

3.1. The Southeast European Cooperative Initiative (SECI)

The Southeast European Cooperative Initiative was set up in Geneva, in December 1996 to foster economic relations among Balkan states and help them integrate into the European Union structures; the initiative has economic aims. This initiative includes Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Hungary, The Former Yugoslav Republic of Macedonia, Romania, Slovenia, Greece and Turkey.

\[^{104}\text{ibid., p.252.}\]
\[^{105}\text{All Balkan countries except Greece that is member of both EU and NATO and Turkey that is also NATO member, are aiming membership into European institutions.}\]
\[^{106}\text{EU Press Release, IP/97/1104, December 11,1997}\]
invitation was extended to Serbia under the condition of implementing the recommendations of the “Gonzales Report” prepared for the OSCE.107

The initiative was launched by the United States. The aim was to develop a free market in the region and cooperation in the sectors of transportation, communications, energy and environment; to create free movements of goods and peoples across borders through the region; to attract foreign investment because “the only way in which these [Balkan] countries have a chance of really progressing is by ultimately making themselves far more attractive to private investments than they are now”108. This initiative came as a reaction to the American hesitation to send ground troops in Bosnia, believing that the problems in the Balkans can be settled not on a case by case basis but at the regional level.

The initiative is focused on facilitating cooperation in the Balkans by sorting out the bottlenecks and working on them. Projects will be financed by different international institutions, such as the UN, through the agency of Economic Cooperation for Europe which provides expertise on transportation bottleneck problems in the region109. The World Bank will co-finance the project on the standardisation in forms and procedures at border crossings110. The European Union will also extend its cooperation with the existing regional cooperation and its assistance will be provided through existing programs- notably PHARE, TACIS, MEDA and INTERREG and Sector-Specific EU programs, while at the same time developing the full potential of possible synergies among them.111 The initiative is also institutionalised with the creation of a Business Support Council, and a SECI regional Cooperation Centre. Furthermore working groups are created on facilitating transport across borders, on eliminating transportation bottlenecks, on coordinating the placement of natural gas pipelines in the region, on providing loans for the small and medium enterprises in the region, on conserving energy and on restoring the Danube river. The consolidation of the initiative is maintained through regular meetings at

107 ibid.,
108 Richard Shifter -Special assistant to President Bill Clinton and counsellor on the National Security Council- 1997 M2 Communications Ltd., TELECOMWORLDWIRE 26/3/97, the italic world is added.
109 ibid.,
111 EU Press Release, IP/97/1104, December 11, 1997
different levels-working groups meetings, Foreign Ministers meetings, and heads of state meetings.

This is a well meaning initiative aiming to create a cooperative and interdependent regime in the Balkan region, that will lead to the harmonisation of expectations and interests of the Balkan States, and which can enhance their economic development and ease the efforts for integration into European institutions.

3.2. Multinational Peace Force South-East Europe (MPFSEE)

As part of the efforts to create a peaceful and cooperative Balkans, a peacekeeping force Multinational Peace Force South-East Europe (MPFSEE)- a brigade of 4000- was established with headquarters in Plovdiv, Bulgaria. The Pact was signed in Athens on January 1999, by eight countries in Southeast Europe, NATO members such as the United States, Italy, Greece and Turkey and participants in the Partnership for Peace (PfP) Initiative, such as Albania, Bulgaria, Former Yugoslav Republic of Macedonia, Romania and Slovenia.

The aim of this multilateral peace force is the prevention of conflicts and peace support operations including peace-keeping, peace-making, peace-building and humanitarian operations in/or outside the Balkans under the mandate of the United Nations, the OSCE or other international bodies.

The Pact was a follow up of an initiative started by the Defence ministers of the Balkan countries at a meeting in Sofia, October 1997, under the auspices of the United States. In this meeting, the South-East countries decided to increase the efforts to reduce regional tensions and prepare their armies for NATO membership.

This initiative encourages the cooperation in the security field, pulling Balkan countries toward a more relaxed and trustful climate that could make cooperation in other fields possible and will ease the way for further European integration.

3.3. The Black Sea Economic Cooperation Zone (BSECZ)

The Black Sea Economic Cooperation (BSECZ) was founded on 25 June 1992 as an intergovernmental and economic organisation, aiming to create a region of

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112 Reuter, January 13, 1999, "MPFSEE headquarters in Plovdiv"
peace and stability based on shared values such as pluralistic democracy, social justice, human rights, rule of law, fundamental freedoms, free market and economic prosperity. 113 Albania is part of this initiative as well as Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and Ukraine. Besides Greece and Turkey, all the rest of the countries are going through a very difficult period of transformation from centralised to market economies. The initiative aims to provide the necessary framework that will facilitate this transformation and enhance the cooperation and integration among the member states as a tool for promoting mutual understanding and furthering stability and prosperity in the region. The organisation has created a large institutional foundation with a Secretariat in Istanbul, the BSCEZ council, the parliamentary assembly of the BSCEZ, The Black Sea Trade and Development Bank in Thessaloniki and the BSCEZ coordination centre for the exchange of statistical data and economic information in Ankara all of which are important instruments for an efficient functioning and attainment of the settled objectives and for developing proposals, programs and projects in various fields of cooperation. The Meeting of the Ministers of Foreign Affairs (MMFA) is the regular decision-making organ of the BSECZ. Working groups constitute another organ that works out the proposals and recommendations for the MMFA.

In compliance with regime theories, BSCE is aiming to be a forum for the introduction or expansion of common activities in the region that will stimulate bilateral and multilateral cooperation in the fields of economics, technology, environment, health protection and promote trade relations. It is believed that all these will lay the groundwork for prosperity, stability and security in the region.

Accordingly, contacts among enterprises, companies and firms of participating states are encouraged, supported and facilitated. The forum is trying to improve conditions for investments, capital flow and various forms of industrial cooperation, notably by encouraging and providing the legal framework for agreements on the avoidance of double taxation, on promotion and protection of investments, on encouraging cooperation in free economic zones and facilitating the exchange of information on international tenders organised in the participating states.

113 Summit Declaration on Black Sea Economic Cooperation, Istanbul, 25 June 1992
3.4. Other initiatives

3.4.1. The Summit of Crete and the "Marshall Plan" for the Balkans

The Summit of heads of state of the Balkan countries was held in Crete, on November 1997. The summit brought together leaders and officials from Albania, Bulgaria, Bosnia-Herzegovina, Former Yugoslav Republic of Macedonia, Greece, Romania, Turkey, and rump Yugoslavia after a very long period of divisions, tensions and hatred. For the first time, Balkan countries appealed to put their blood-stained history behind them and replace the past with a new era of peace and stability. In the declaration of the Summit, Balkan leaders agreed to create conditions for the prosperity of Balkan nations in a framework of peace, security, good-neighbourliness and stability. Accordingly, importance was given to the respect of territorial integrity, the protection of human rights, national minority and individual freedom in the region and the creation of an amicable free market economy environment for the development of business. The summit showed a strong European orientation of Balkan policies. Regional cooperation and integration in all areas were considered as a stepping stone toward the full integration within the EU and Atlantic structures that would mean the achievement of economic and political goals of the Balkan countries.

The necessity of a follow up in the future led to the agreement of participants for holding permanent meetings at the heads of state level. The follow up of such an initiative materialised at the meeting of Antalya in October 1998 after the meeting of foreign ministers in June 1998 in Istanbul.

The idea of a peaceful and stable Balkans is nowadays the first priority of Balkan politicians; accordingly the Greek Government has been advancing an action plan for a peaceful and stable Balkans by favouring a "Marshall Plan" for the Balkan region, after the solution of the Kosovo crisis.

The objectives of this Greek initiative, according to the Greek Prime Minister, are: the peaceful solution of the crisis as soon as possible; stabilisation and integration of the Balkans into the European security architecture, and coping with the humanitarian problems emerging from the crisis. This initiative so far has had the support of the EU and NATO.

Greece maintains that it is necessary, immediately after the end of the military operations in Kosovo, to evolve a "Global Plan for Balkan Stabilisation and Development"; this contains the following key points:

- The economic development of the Balkan region through a package of measures and initiatives which will constitute a kind of "Marshall Plan" for the region.
- Democratisation of the region with measures for the construction and strengthening of the democratic institutions and of a "Stability Pact", which will guarantee the inviolability of borders.
- Progress, intensification and institutionalisation of interregional cooperation with the participation of all the countries of the regions, as a step toward the full integration of the region into the European architecture and the European institutional system.
- Recognition of the requests made by all countries for membership in the European Union, if they meet the required political and economic premises.

This plan to be presented to the EU and, in combination with the "Stability Pact" proposed by Germany for the region, constitute a new regional initiative supported by the EU.

4. Current Albanian Foreign Policy

Being small not only in size but also in economic importance, Albania has always faced problems with its bigger neighbours constituting a threat towards Albanian integrity. Accordingly, its policy toward the Albanian ethnic population outside its border takes an important leading role in the direction of unifying the whole Albanian population under the roof of a proper state. This is due to the isolation that Albania reserved to itself for 50 years. Besides bequeathing the backwardness, the communists presided over a state building process in an effort to create a distinct entity that neglected the Albanian ethnic population outside the given borders.

The fall of the communist regime and the establishment of a democratic government opened a new era for Albania. One of the important foreign policy objectives of the new government was to re-position Albania in the Balkans in relation to its neighbours and integrating it into the international community. The eagerness for membership in the structures of the North Atlantic alliances (Albania was the first
country from Central and Eastern Europe which applied for full NATO membership\textsuperscript{116} and the European Union), marked its Western orientation. On the other hand, the other opportunities for cooperation were not neglected as a tool for stabilising its weak position in the agitated Balkan environment. Relations with Turkey and the Islamic countries were included in the principal agenda of Albanian foreign policy. In the framework of the Balkans, Albania emerged as an area of relative stability. Surrounded by many ethnic Albanians, about 3 million outside its borders, in Serbia, Montenegro, Macedonia and Greece, its stability could have great repercussions in the region.

As a result, two attitudes toward Kosovo have been manifested. One attitude was in concert with Western Europe and the US policy that the problem of Kosovo had to be resolved within the framework of Yugoslavia. The other one, stated by Berisha\textsuperscript{117}, is that:

"If a change of international borders by force is accepted in Bosnia, there will be no peace in the region. We are also very much concerned about the issue of Kosovo, which is the key question to the Balkan crisis. The Contact Group (Russia, the UK, France, Germany and the US) is not dealing with this very important issue in the region; they are even ignoring it. I am convinced that the Balkan conflict will be a multi-act tragedy. A conflict in Kosovo will get the entire Albanian nation involved"\textsuperscript{118}

Concerning Macedonia, Albania was the second state after Bulgaria to recognise the Macedonian independent state without asking for trade-offs on the treatment of the Albanian community living there. In any case, Albanian leaders understood later the importance of taking into account the rights of the Albanian population in Macedonia (which does not represent a minority\textsuperscript{119}), by later blocking the membership of Macedonia in the OSCE.

The relations with Greece have been characterised by ups and downs. Contentious issues like the Albanian emigrant problems in Greece and the efforts from

\textsuperscript{117} Sali Berisha was the President of Albania, 1992-1997
\textsuperscript{118} Kevin Done, "Caution remains the keynote", Financial Times, October 2, 1995, p.32
\textsuperscript{119} The Albanian population in FYROM represent 23\% of the population according to the census internationally observed on 1994. Nevertheless Albanians claim to constitute up to 35\% of the population justifying it with the fact that most of the Albanian population did not take part in the census due to the absence of census papers in Albanian.
the Greek side to support its “Megaly idea”\textsuperscript{120} in Albania which would affect the territorial integrity of Albania have been the main characteristics of these relations.

After the elections that Albania held in June 1997, a new socialist government came to power. The new Government, made by a coalition among the centre left parties, also brought a new platform in the foreign policy of the country.

“In foreign policy, the government’s aim is to integrate Albania into Euro-Atlantic structures, while promoting measures toward regional collaboration and understanding within the Balkans\textsuperscript{121}.”

In domestic affairs, the policy of the government is indexed to foreign aid. Nano\textsuperscript{122} has tried to play the card of “a friend in need is a friend indeed”. This has increased the competition among the parties with interests in Albania, especially with Italy and Greece showing closeness to the present government by competing with each other in offering aid and assistance in credits and grants. On the other hand, this development makes the government dependent on foreign aid and assistance and obedient to the interests of the donors.

Looking at international affairs, Albania would like to be considered as an agent of stability. This role assumes the creation of an amicable environment in the region in the short term and in the long term, the integration into the European and North-Atlantic structures as an important tool for the resolution of the Balkan problems and for the guaranty of security in the region\textsuperscript{123}.

In order to relieve the tensions in the region, the formula is to create integration among the Balkan states by increasing all kind of exchanges: economic, political, cultural, juridical, financial.

“The objective of Government consists of its continuous efforts to establish a democratic Balkans, with open borders for the free movement of peoples, ideas, goods and capital, to create a civilised region to assert national cultures and respect for human rights on the basis of self-determination of the democratic government institutions, that is to build a region where cooperation and civilised coexistence and not disagreement reign, defrost relations and activate numerous agreements on aid and cooperation with

\textsuperscript{120} “Megaly idea” or otherwise the ideas for a Greater Greece including the ancient territories inhabited by the Hellenes, on the idea see: Volkan Vamik D. and Itzkowitz Norman, 1994, “Turks and Greeks Neighbours in Conflict”, Huntingdon: The Eothen Press

\textsuperscript{121} Final Report of Reform and Recovery of Albanian Government prepared for the Meeting of International Aid Donors held in Brussels on 22\textsuperscript{nd} October 1997

\textsuperscript{122} Nano Fatos, was the Albanian Prime Minister, after the elections of 29 June 1997 that followed the civil unrest of 1997.

\textsuperscript{123} The institutional perspective will be presented in the coming Chapter.
Greece, normalise relations with Macedonia, reaffirm very good relations with Turkey and have no problems with Bulgaria and Romania”.124

In fact, it looks as if Albania would like to be positioned in the Balkans as a normalising and initiating force for stability. This policy is also an expression of “good behaviour” in accordance with the policy demanded by the Europeans and the US on the Balkans. The obedience to the West is due mostly to the difficult domestic situation, specially the economic one; the state cannot survive without the economic and political support of Western Europe and the US. The present Government found itself “sandwiched between its utter dependence on the West for financial aid and its loyalty to the Kosovo Albanians”125.

In the domestic policies the importance of the IMF agreement, Enhanced Structural Adjustment Facility (ESAF) is evident. Since the beginning, the socialist Government has started the dialogue with the IMF board. The first accord of understanding was signed on 19 August 1997, which constituted the commitment of the Albanian Government to accept the IMF regime. The IMF approved ESAF for Albania at the end of May 1998, providing a loan of $47.6 million.126 (This agreement could not be supported by the IMF while Berisha remained in power). The test period was a hard one for the socialist government. It has been followed by a shortage in public administration of 33 percent, which in some cases was used for political ends. The increase of VAT has passed from 13 percent to 20 percent and there was an increase in the level of income taxes. All that has made the life of the Albanians harsher especially after the collapse of the pyramid-schemes and the profound crisis of 1997 with the consequent rapid increase in prices and the inflation rate. Nevertheless, there is a positive climate for the socialist government in Washington127. This is for two reasons: first the open opposition that the US showed towards Berisha during the crisis of 1997 still remains since there is no changes in the leadership of the Democratic Party; second the socialist government is not creating trouble in the Balkan with its policy towards Kosovo. The deputy secretary of state, Talbot has expressed praise on behalf of President Clinton and Secretary of State Albright saying that: “Albania is respected for its all-round support, for the efforts it is making in

124 Fatos Nano, Statement in the Albanian Parliament, 9 April 1998, Reuters

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unison with the international community and the contact group, in particular, to ensure that the criminal policy pursued, against the Kosovo people is condemned and denounced in the international arena, averting any act of provocation and re-establishing the Albanian government, institutions and national security in exemplary cooperation with the United States, the EU, NATO and the OSCE. The socialist government is trying to use the US positive climate to relieve the burden of the IMF Agreement for Albania; since late summer 1998 only the first delivery of $9.7 million of the loan of $47 million was delivered.

Looking more closely at the Balkans, the new government has started the dialogue with all neighbour countries. These dialogues are characterised by the highest level of participation.

4.1. Relations with Yugoslavia

Relations with Yugoslavia are closely related to the issue of Kosovo. With regard to the Kosovo issue, the dialogue started with the first meeting between Milo, the Albanian Foreign Minister, and Milutinovic, the Serbian Prime-Minister during a UN meeting on 23 September 1997, continuing with the meeting between Nano-Milosevic in Crete in November 1997. The idea behind this dialogue was to reduce the tensions by promoting the cross border trade through opening the frontiers, and by concluding a consular agreement for facilitating the movement of both countries' citizens, while increasing the exchanges in the field of education and judiciary affairs. This was considered as the first step in the relations between the two countries.

The dialogue was started bilaterally and without the presence of international mediation. The idea was to facilitate a solution to the problem of Kosovo under Yugoslavia, perhaps for self-determination of Kosovo but undefined in terms of time. Self-determination was perceived as coming as the result of the democratisation of Yugoslavia and good relations with Albania, so democratisation and good neighbourship will create the needed amicable environment for this development. In fact this was an initiative supported more by the Europeans than the Americans, led by the Greeks who pushed this idea at the Summit of Crete at the beginning of November 1997. This step marked a new era in the foreign policy of the Albanian

128 BBC Monitoring Summary of World Broadcasts, 7 April 1998, “Talbot statement on Kosovo”
129 Robert Lyle, op. cit note 126
Government. It showed that this policy was different from Berisha's favoured policy of international mediation for the resolution of the question of Kosovo. Furthermore it neglected the legitimate government of Kosovo. This policy led to confrontations with the Government of Kosovo, domestic public opinion and the opposition led by Berisha. In any case, it can be said that these factors did not greatly affect the position of the Nano government towards the Kosovo question at that time. This is due to the good will shown to this government in the international arena. As the time passed, the dynamic of the events in Kosovo altered the attitude of international diplomacy. This was followed by a new dynamism in the position of the Nano Government toward this problem.

The precipitation of the situation in Kosovo increased the attention of the international community, which came with other proposals for solutions. Supported by the Americans, the French and Germans presented an initiative, which became public in November 1998. The initiative aimed to bring the two parties in conflict into negotiations and supported the idea of substantial autonomy under the authority of Yugoslavia, whilst opposing any self-determination that will violate the territorial integrity of Yugoslavia. The Albanian Government has supported this initiative and further in time it supported every international initiative that will provide a solution to this issue. It is evident that the present Government does not have its own policy toward the problem of Kosovo. After the proposal made by Turkey and then by Bulgaria and Romania at the Balkan Conference on Kosovo on early 1998, which assumed that the solution of the crisis had to take into consideration the will of the Kosovo people, the Albanian government began to favour the independence of Kosovo. Some other factors have influenced this attitude of Albanian Foreign Policy on this issue. The opposition was gaining popularity with its consistent and serious stance on this problem. The public pressure has gained a new momentum by increasing the participation in demonstrations and acts of solidarity. Furthermore, the Serb government had undertaken harsh ethnic cleansing policies, thus signalling the failure of the idea of integration that nourished the aspirations of Nano's Government. All these recent developments led to the acceptance of the concept of the self-determination, the involvement of the Rugova Government and other political forces.

130 Milosevic is the actual president of Yugoslavia
in Kosovo in the dialogues and the necessity for international mediation, particularly US mediation, in the solution of the crisis.

4.2. Relations with Greece

Following the policy of integration and dialogue in the region, the Albanian Government has increased the level of understanding and cooperation with Greece. There are also some other factors influencing Albanian policy toward Greece. The composition of the Nano cabinet originates mostly from the South and has an orthodox affiliation. Greece also is the second most important partner of Albania in trade and foreign investments. Moreover, Greece represents the European Union to some extent in the Balkans and influences its policies towards the region.

The Nano Government has supported the Greek proposal raised at the Summit of Crete, for the Europeanisation of the Balkans, as a tool for the resolution of Balkan problems and contradictions, giving Greece the leading role.

Greece is influenced in its policies toward Albania by its competition with the other interested international players which look for influence in Albania, among whom the most interested is Italy. This competition is multi-dimensional; it includes not only the struggle for gaining dominance in the military, political and economic affairs of Albania, but also in matters of religion. Greece is seeking to establish a line of Orthodox influence throughout the Balkans from Serbia in the North, through part of Macedonia, to the south of the Balkans occupied by Greece itself.

Competing with Italy, Greece tries to hold the role of the initiator in respect of the initiatives toward Albania in the European institutions. Together with Italy, Greece proposed and played the role of the promoter and initiator firstly at a Conference of Donors held in Rome in July 1993 and then at a further Conference held, in Brussels in October 1997. Both meetings were organised by the European Union on behalf of Albania. Greece also has an important bilateral programme of military, financial and technical assistance. In this framework Greece has promised to offer aid of $71.44 million, of which $7 million are grants and $63 million are soft credits in different programs of assistance and projects.131

Considerable aid is provided for the logistic equipment of the military port of Durres, Sarande and the Airport of Rinas and the training of Albanian military staff in
Greece. Greece maintains in Albania a military guard of 205 soldiers and officials remain from the “Alba”\textsuperscript{132} multinational mission.

The facts show that the Greek aid is conditional, it seeks the increase of the Greek influence on Albania thus feeding the Greek “Megali idea” After the promised aid, requests follow on. The first request is related to the Albanian citizenship requested by the archbishop Janullatus, the head of the actual Orthodox Church in Albania. Giving Janullatus Albanian citizenship would prevent an archbishop of Albanian origin from rising on the top of the Albanian Autocephaly as it was foreseen in the founding statute of the Albanian Orthodox Autocephaly. The issue is of great importance, given that it was one of the contentions that brought about the failure of the Referendum organised by Berisha on the Constitution in November 1994\textsuperscript{133}. Included in the list of requests is an appeal for autonomy for the schools of the minority and a demand to open a Greek high school in Tirana. All these requests have not been considered with the same good will. The Greek authorities have rejected the request of the Albanian authorities for legalising Albanian teachers in Greece for the education of the children of emigrants.

4.3. Relations with the Former Yugoslavia Republic of Macedonia

Regarding Macedonia, the Albanian Government is continuing the policy of integration and dialogue for mutual understanding and cooperation, which will lead to the opening of the borders, free communication of people and cultures and to an economic integration. The leading philosophy on the Albanian side is the spirit of reconciliation that followed the example of France and Germany who left aside the old conflicts and were unified in Europe. Accordingly, the first high level meeting was held in October 1997 between Mejdani\textsuperscript{134} and Gligorov\textsuperscript{135} in Skopje. This meeting prepared the climate for the following meetings at the Prime Ministers and Foreign Ministers level, and the signing of a series of Agreements. Six Agreements were signed by the Foreign Ministers, which refer to the regime and inter-border

\textsuperscript{131} RFE-RL, Part II, 13 November 1998
\textsuperscript{132} “Alba” is a multinational military force mandated by the Resolution 1101 of United Nation Security Council to help prevent the escalation of conflict in Albania during the 1997 crisis.
\textsuperscript{133} See, Mero Base, 1997, “Realitete Shqiptaro- Amerikane”(Albanian-American relations), Tirana: Koha Press - The constitution provision sanctioned the importance of Albanian origin for the archbishop of the Albanian Orthodox Autocephaly.
\textsuperscript{134} Rexhep Mejdani is the Albanian President from July 1998
\textsuperscript{135} Kiro Gligorov is the President of FYROM
communications and economic cooperation in different areas of mutual interest. At the Prime Minister level eight agreements were signed on the judiciary, frontier regimes and economic matters, including the 8th Corridor and the gas pipeline that will come across Bulgaria.

The presence of an Albanian population in Macedonia is considered as an element of stability for the mutual relations between the two countries and it is therefore argued that the Albanian population there should be allowed to live in the country with dignity.

"Righteous requests of the Albanians in Macedonia are supported but these rights remain within the legal framework of the state, which they belong to, in this case Macedonia, the policy of Albania comply with the international documents. Albania does not support and does not request activities that are contrary to the final documents of Helsinki and the Paris Declaration or with other documents, which it has signed"136.

The policy toward the ethnic Albanians outside the borders is in total accordance with the US and European policy in the Balkans which favours the inviolability of the present Balkan borders. This was further evidence that the Albanian Government does not have a policy on the Balkans.

4.4. Relations with Turkey

One of the most important countries for the political but also economic interests of Albania is Turkey. There are traditional links that bond both countries; the long coexistence under the Ottoman Empire, the large presence of Albanians and Turks of Albanian origin in Turkey which in total exceeds the number of Albanians in Albania proper. Turkey is also the third commercial partner of Albania and, being an important member of NATO, can play an important role in the integration of Albania into NATO programmes.

After a period of close relations with Turkey especially in the military field, during the Berisha Government, the new socialist government experienced an estrangement of friendship. First this was due to the strong Western orientation of Nano's foreign policy. Second, this estrangement is related with the distant policy toward the Muslim world due to the pressure of the West on conditioning the aid and the Orthodox affiliation of the present Government. Accordingly, Albania has not

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participated in the high level meetings of the Islamic Conference. (Albania has been a member since the early stage of the Berisha Government). Third, there was a perception that Turkey was in favour of the Democratic Government and supported it during the 1997 crisis. Furthermore, Turkey was accused of providing shelter to some SHIK\textsuperscript{137} agents who ran away during the crisis. The new Government translated that as a hostile attitude toward itself.

Nevertheless, both countries have close common interests. The will for improvement that both countries showed after a short period of coolness displays the common ground shared by the two states. Recently, many Albanian high-level visits have been made, including the visit of President Mejdani, of the speaker of the Parliament, Gjinushi, of the Minister of Foreign Affairs, Milo, of the Minister of Defence, Brokaj, of the chair of the Commission of the Parliament for Foreign Affairs, Godo, and others. It is important to see that first the visits are of a high level and second are all invitations extended by Turkey to the Albanian authorities. This shows the interest on the Turkish side in increasing the level of relations with Albania and maintaining its influence in this part of the Balkan as a counterbalance to the Greek influence. All this culminated with the visit of Turkish president Demirel to Tirana last summer. Moreover, Turkey is extending the range of its involvement in Albania. The Exim Turkish Bank will extend a credit of $70 million to Albania, of which, $17 million is a grant and the rest is soft credit.\textsuperscript{138} Drawing parallels with Greece, we see that Turkey would like to be in the same track. Still the military cooperation is going well and is considered at an advanced level. In this framework, Turkey has signed the agreement of $7 million for the reconstruction of the Pashaliman naval basis in the Southeast of Albania.\textsuperscript{139}

4.5. Relations with Italy

Italy plays an important role in the whole Albanian economic, political and military life. Italy represents the first economic and commercial partner of Albania, accounting for 70 percent of the trade and representing more than 55 percent of foreign investments present in Albania. There are a considerable number of Albanian

\textsuperscript{137} SHIK is the Albanian National Informative Service
\textsuperscript{138} Interview with the counsellor to the Ambassador in the Turkish Embassy in Tirana, 29 March 1998

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emigrants who work in Italy, and their remittances are of the primary importance for the Albanian economy eager for foreign currency. Italy is also regarded as the Albanian representative in Europe. In this matter, Italy is playing an important role in increasing the sensitiveness of the European Partners in Europe toward Albania. Italy proposed and led the initiative for the Multinational Intervention Force “Alba” during the civil unrest in Albania; also it has issued the initiative for the two Donors’ Conferences on Albania. Italy has initiated a Marshall Plan for Albania of $220 million dollars that will be delivered in the period 1998-2000 and will include different fields. It aims at building up the civil society in Albania through programs for youth education, integration of woman in society and business, the rehabilitation of the marginalised categories. This huge programme of assistance will also concentrate on the rehabilitation of road, electric, water systems, on the rehabilitation of the health service, customs and financial system, rehabilitation of public administration, privatisation, and the promotion of Italian investments in Albania. Italy will push forward the construction of the 8th Corridor (Brindisi, port of Durres, Macedonia, Bulgaria up to Istanbul) in the European Union structures, especially through PHARE and INTEREG programs. Italy also will play an important role in the compilation of the Albanian Constitution. Italy will support Albanian membership and integration into the EU and NATO. In foreign policy, Italy will support dialogue and integration in the region and will support Albania in its efforts for the solution of Kosovo question.

In military terms, Italy will participate with Turkey in the reconstruction of the Pashaliman naval base. It is providing a considerable logistic aid in support of the Albanian Police and it maintains 200 military troops- the remains of “Alba” Mission- that patrol the Albanian coast aiming to stop illegal emigration.

There is a justification for this Italian trop de zele. First, there is the problem of the flow of the emigrants entering Italy from Albania. These efforts aim to stop this flow. Second, Albania represents for Italy the only entrance gate to the Balkans.

In the struggle for increasing its dominance in the political, economic and military spheres of Albanian life, Italy is competing with Greece. The competition is extended even in the religious domain. Catholicism and Orthodoxy are looking for

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140 See, RFE-RL, Vol II, Nr.183, 18 December 1997
dominance. There is evidence for this views. “Alba” operation in Albania, which was led by the Italians, beside the mission of peacemaking was involved in the protection and reconstruction of Catholic cathedrals. Moreover, the Vatican under the initiative of the Pope has started the construction of a Catholic University in the centre of Tirana and another in Durres. In commemoration of Mother Teresa, who was of Albanian origin, the Catholic community is constructing a monastery in the North of Albania. Moreover, Italy is increasing the presence of its consulates in its zones of influence, by opening two new ones, in Shkodra and Valona, in the near future. The system of visas will be liberalised and Italy will create the conditions for the integration of the Albanians working in Italy within the Italian society.

4.6. Relations with other Balkan Countries

Looking to the other Balkan countries, Bulgaria, Romania, Slovenia and Croatia, Albania has good relations with them since there are no territorial interests and ethnic problems involved. In these circumstances, Albania is pushing dialogue and mutual understanding for integration and cooperation. High level delegations were exchanged recently. A numerous of agreements have been signed with these countries in economic, investment, and customs matters.
CHAPTER 3 - An Institutional Perspective on Security Issues

1. Security from an institutional perspective

"To analyse world politics in the 1990s is to discuss international institutions: the rules that govern elements of world politics and the organisations that help implement those rules". Institutions provide the capability for "states to cooperate in a mutually beneficial way", by laying down rules and guidelines. They "reinforce the practices of reciprocity, which provide incentives for governments to keep their own commitments to ensure that others do so as well". As a result "general conformity to rules" will make state behaviour more predictable and will reduce uncertainty. This climate is also favoured by transparent negotiations, consistent rules applied over time, honesty encouraged in return for reputation preservation and continuous monitoring of government compliance over their commitments. Furthermore, institutions by providing procedures and rules "create informational structures", and by determining acceptable principles and by judging governments for acting legitimately or not, shape participants’ expectations and create a powerful form of global regulation.141

These patterns of institutions are considered a powerful engine that provides for stability and security. Many scholars regard the institutions as the prominent factor that has helped in successfully stabilising and managing regional and global changes in the world system after the end of the Cold War, and in the future will avoid military conflict especially in Europe.142 Today Europe does not have to start from scratch. A good experience was gained during the Cold War that can very well serve as a base upon which the new adjustment can be shaped in accordance with the new challenges.143 Institutions such as NATO, the EU, the OSCE, WEU, can play an important role in providing suitable solutions.

141 See, Robert O.Keohane, op. cit note 22, pp.82-94
143 Marko Carnovalle, op. cit note 70, p.13
Furthermore, at the present time "vital security interests are no longer national interests, and national security interests are no longer vital"\(^{144}\). The vital national interests are challenged by a wide range of problems that goes beyond the military ones that have almost become anachronistic in the face of economic and environmental problems, terrorism, migration, civil unrest, resurgent nationalistic splits and fear of further escalation across border challenges. Accounting for these challenges, we can enumerate a range of problems following them. Globalisation has made societies and economies enormously complex and at the same time, vulnerable to international financial transactions. The wide spread possibility of proliferation of the weapons of mass destruction, especially in the Southeast part of Europe and other underdeveloped countries in the Middle East and Asia, is challenging stability and peace. Regional conflict that has not disappeared with the end of the Cold War era may provide a "domino effect". In most of the cases, in Europe they result from "lack of democracy, human rights and economic opportunities. Yet others are caused by the daunting challenges of transition into modern, self-confident states and societies". The free and sure access to natural resources of every kind remains a challenge that will have repercussions in the stability and development of world countries.\(^{145}\) These challenges require an adequate, complex and instrumental approach. A single state cannot provide a sustainable and satisfactory solution. The institutional approach is the most appropriate in providing the solution to the new challenges, especially to those related with security and defence issues.

The purpose of international institutions and their role "provide an acceptable balance between the sovereign equality and independence of states on the one hand and the reality of an interdependent world and the international law commitment to human dignity on the other"\(^{146}\). In this discussion it is important to mention that the realm of the international institutions has a European character described by many scholars as 'ethnocentrism' or 'Eurocentrism', in the sense that it is based on the European conceptualisation of values, law and sovereignty that nowadays has

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\(^{144}\) ibid., p. 1  
transcended the mere fact of sovereignty. This conceptualisation now has an universal impetus rather than adhering to norms contingent and peculiar to Western society. As such the “territory” is no longer the only source of jurisdiction. Definitions such as “impact jurisdiction” have gained importance presuming intervention in the states’ internal affairs on the name of human values and protection of norms, considering the violation of human rights as a common threat that make the intervention a collective duty. In the Balkan context it does not represent any controversy since all the Balkan countries are part of Europe and they believe in European values. The total agreement over NATO operation in Kosovo in the name of Western values and the protection of human rights, makes clear the intent of sharing and practising such values on the part of the Balkan countries.

In the Balkans, the end of the Cold War has raised two serious problems that are related to security issues. The first problem is linked with the economic crisis which started with the process of modernisation at the beginning of the 1980s, and which provoked the revival of neighbour-blaming and ethnic nationalism. Modernisation is related to reforms aiming at the decentralisation of the economy, to changes in political culture aiming for the introduction of pluralism in the political life, with changes on the society values centred on the individual freedom of choice and to changes in the military tradition. The new democratic perspective on human and minority rights inspired separatist feelings among different ethnic groups in search of better standards of living, thus creating a great threat to the security and stability of existing states.

The second problem relates to question of political legitimacy. The legitimacy is based mostly on the charismatic personality leader. On the one hand, this legacy may lead to authoritarism and on the other hand the correlation between economic

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149 Rosalyn Higgins, op. cit note 146, p.31
150 Some scholars of international relations believe that the institutions mostly represent and project Western values The West through these institutions is trying to project itself all over the world, producing clashes with the other world civilisations. These clashes are perceived as a source that generate tensions more then providing for stability. In the case of the Balkan countries this is not the case since they are considered as part of Europe. See for more details : Samuel P. Huntington, 1998, Barry Buzan, 1991
and ethnic problems and charismatic leaders can violently affect the legitimacy of the regime and the process of democratisation.\textsuperscript{151}

Under such circumstances international institutions can play an important role in managing these transition problems that closely relate to security issues in the Balkans. At the first stage, in the short term, institutions can intervene through political dialogue and mediation before tensions explode producing a political solution suitable for the parties without running the risk of a costly military confrontation that carries the risk of regional escalation. In the long term, institutions, especially the European ones, can extend the process of political, economical and security integration to the Balkan countries. The Western experience is a good example of managing and pacifying the old rivalries between states. The habit of cooperation and the elaboration of ties among the European states helped to constrain the outbreak of the conflict among Western European states. This integration process is in its initial stage in the Balkans. Most of the Balkan countries are members of the OSCE which provides a forum for discussion and confidence and security building. Most of Balkan countries are members of the Partnership for Peace programme that works towards making the military capabilities and strategies of these countries compatible with NATO's standards; also, NATO with the NACC\textsuperscript{152}, has created the opportunity for a further military integration in the future of the Balkan countries. The European Union represents the biggest allure of attraction and as such can play an important role in the future since it involves in the integration process democratic values and respect for human rights, market economy and legal and institutional framework. However, this integration is a remote prospect for most of Balkan countries.

On the other hand, the institutions can guarantee the democratic transition by providing the right institutional checks and balances over the process and aid and assistance in the support of democratic moves until the legitimising process creates the democratic culture that is missing in most of the Balkan countries.

2. \textbf{General Outlook on European Security Institutions}

Historically, European politicians have believed in the idea of collective


\textsuperscript{152} EAPC has superseded NACC
security as an important tool to maintain peace and security order in Europe. 1989 marked the start of the post Cold War era, Europe is living in a new era where political conjunctures, economic structures or international alignments are changed. The events of 1989-1991 marked a major change within the European continent. The bipolar system has come to an end and multi-polarity has replaced the previous one. The European alignments have changed in central Europe, in the Baltics, in the Balkans, and elsewhere. Europe is moving very fast toward a global economy and global communications that favour the deepening of integration. States already manage their affairs increasingly through collective organisations and regimes. The process of détente and the end of the Cold War are accompanied by the development of a new security system in Europe, in which the military forces of former blocs, NATO and the Treaty of Warsaw began to exchange information and cooperate to a remarkable degree. The break up of the Soviet Union and Yugoslavia, however, reopened the possibility of armed conflicts in Europe, especially in the new state system created in eastern Europe, after the dissolution processes. This raises the issue of whether Europe has moved beyond the age of war-fighting towards the "end of the history"\textsuperscript{153}, or whether the Cold War was only a break.

With the end of the Cold War, the challenges of formulating European defence and security policies have changed considerably. For over five decades, the East-West conflict substantially structured the strategies, defence planning priorities and military needs of Europe. This contributed to European security, but today the European internal context carries instability and changes to the formulation of security policies. In this unfamiliar and uncertain new environment, security policies cannot be based any more on the outdated assumptions of the past decades. The new environment is not sufficiently shaped and the national consensus about the content over security concerns in the post Cold War era is not clear cut. This presents the difficulties faced in establishing a shaped and appropriate multilateral security system for post-Cold War Europe. Nevertheless, the institutional approach is the most appropriate one that can address the new challenges. An overview of the most important European institutions will help in clarifying their role in building the European security architecture. This analysis has a direct implication in the security building for the

\textsuperscript{153} See on the idea Fransis Fukuyama, "The End of History" National Interest, Nr. 16, Summer 1989
Balkans since such institutions are seen as constituent part of these architecture.

2.1. NATO

After the Second World War in order to ensure peace and security in Europe, the North Atlantic Treaty Organisation or NATO was created. Its strategic mission was directed mainly against the threat coming from the Soviet Union that remained powerful for more then 40 years. With the disappearance of this central mission and the Soviet Union itself, there is today no military threat to NATO’s countries territories, but alliance members still continue to share vital interests with regard to security issues. The new vital interests include: the defence against a renewed outside hegemony threat to Europe; the preservation of the strategic balance in Europe by preventing the return of European rivalry or even military competition and conflict, the prevention of the re-nationalisation of European politics and defence policies; the halt or at least slowing the spread of weapons of mass destruction and delivering missile systems by working on confidence building measures and encouraging transparency and arms verification and control; the maintaining of free access to Persian Gulf oil and other primary resources at reasonable prices; the promotion of democratic values and institutions as an important tool that provides for security and an open international system.154

The forceful dissolution of Yugoslavia that materialised in two fierce conflicts, gave NATO another important out of area role: the protection of democratic values and Western economic and security interests in its closest periphery and beyond. The redefinition of NATO’s mission and of alliance current practices went together with the adjustment over the NATO structures, mechanisms and procedures to make sure that such an arrangement works in the same way as it did during the Cold War. Accordingly, NATO expanded its mission on the continent, opening the possibility for responding to overall threats to European security. In this context, NATO has committed itself to peacekeeping and peacemaking action to contain conflict in Europe.

NATO operations in Bosnia-Herzegovina, after the failure of UN intervention and European Union negotiations, and the air bombing operations in Kosovo, showed that NATO from the military, strategic and operational point of view, is today the most effective structure to ensure security and peace in post Cold War Europe. Projecting stability for the central and eastern part of Europe, the alliance established the North Atlantic Cooperation Council (NACC) and the Partnership for Peace (PfP) programme and most recently the Euro-Atlantic Partnership Council (EAPC) that superseded NACC, contributing substantially to strengthening political consultations and practical cooperation between the partners and the Alliance on security and defence related issues.\textsuperscript{155} The most important move was to expand membership toward the East, which is fulfilling another old inspiration of European politics, creating a unified and peaceful Europe.\textsuperscript{156}

2.2. The OSCE

The OSCE is another European organisation projecting security and stability in Europe. This role is generated by the fact “of its all-inclusive membership” since all the European countries are members in the OSCE, including Russia. Its geographic expansion reaches three continents, North America, Europe and Asia. Meanwhile, the organisation provides the largest dimension to security issues, including human rights and economic dimension. The values to which it is committed, such as human rights, free market economy, environmental issues and control and confidence building measures, lay the path for a stable and secure Europe, on the grounds that nowadays there is a shift toward the reduction in the frequency of inter-state military confrontation.

On the practical side, the OSCE has created a cooperative and consensual spirit that led to politically binding agreements on core issues, such as arms control, confidence and security building measures (CSBM) and human rights. The OSCE devoting a great deal to fact finding and monitoring missions aiming at conflict

\textsuperscript{155} Sergio Balanzino, “A Year After Sintra: Achieving Cooperative Security Through the EAPC and PfP”, NATO Review, No.3, Autumn 1998, pp.4-8

prevention. Last but not the least, the OSCE provides the grounds for facilitating the coordination among different institutions and organisations in Europe on security problems and issues.157

In order to facilitate the problems of managing a large and diverse membership and fulfil its missions, the OSCE established an executive secretariat in Prague, a Conflict Prevention Centre in Vienna that will work mostly on CSBMs, and an Office for Free Elections in Warsaw to monitor national elections which later became the Office for Democratic Institutions and Human Rights. Such bodies have facilitated common security policies and in some cases the OSCE have succeed in mitigating regional quarrels between member states. Nevertheless, there is little hope that common agreement can be implemented without the threat of military sanctions. The major European powers share different interests in the Continent, so using military force to enforce collective decision has little chance to be implemented. On the other hand, the OSCE does not have the right structures for projecting power in managing and coping with concrete cases of instability and crisis. Its main role remains the projection, spread, monitoring and defence of the democratic values in the new democracies in the post Cold War Europe, in close cooperation with a NATO that “offers the instruments to bring these processes together in a coherent way”158.

2.3. The European Union

The European Union represents in itself a body that, through a deeper and expanded integration process, will lead to a closer union which logically involves common security and defence policies and provides an important attractive security envelope to Europe. According to the functionalist approach, the progress made toward economic and political union will necessarily imply progress in the domain of security, because political union cannot be considered to be complete and successful without common security and defence policies.

The end of the Cold War has raised a large range of challenges to Europe. The interdependence of member states is growing and this increases the need for convergence of interest in other areas. This need is related first, to the fear of a drift in

the United States’ policy toward Europe; second, to the diversity of risks deriving mainly from the dissolution of Soviet Union and the fear of the spread of its nuclear arsenals in the trouble spots close to Europe; third, to the challenges to European economic vital interests related with free access to primary resources, especially oil; fourth, to the threats coming from a turbulent surrounding neighbourhood as it is the case of the Balkans. All these challenges point to the urgent necessity to define a common defence policy and ability to act and make the necessary changes to the European security institutions.

The Maastricht Treaty has tried to respond to these new challenges. In the security field the provisions of the Maastricht Treaty on Common Foreign and Security Policy (CFSP), including its extension on common defence policy, remain complicated and depend on an efficient division of labour with other organisations. NATO views its own enlargement and that of the EU as mutually supportive and parallel processes which together will make a significant contribution to strengthening of European security structures. While no rigid parallelism is foreseen, each organisation needs to consider developments in the other. Accordingly, unlike the Cold War period, the European integration process is interrelated with that of NATO.160

The decision at the NATO Brussels Summit in January 1994, on developing a European Security and Defence Identity (ESDI) within NATO assigns to NATO an important role in deepening European integration and matching the European aspirations for Common Foreign and Security Policy in the short run.

In the long term, European security integration aims firstly at “the preservation and the expansion of the European security-community”, in the words of Karl Deutsch161. The creation of such a community involves a large range of factors such as the consolidation of liberal democracies, the development of a large network of cooperation and interdependence among the region states and building a solid base of trust and confidence in the continent. Secondly, this integration aims at the effective and efficient protection and promotion “of the vital national interests of

161 In Deutsch Karl W. security community concept involves a region not as a community of states but as an area when war is not any more the way of conflict resolution, See, Karl W. Deutsch, op. cit note 13
European States in international relations”, and “the construction of a federal Europe”. A European security integration “will be an essential anchor for the continent in the absence of direct superpower hegemony”.\(^{162}\) A further enlargement of the EU in Central and Eastern Europe is the most important move that will promote the idea of a free, unified and peaceful Europe, since membership of the EU implies much more important requirements involving democratic and human values and market economy regime and which hopefully will create a Kantian ‘pacific union’ of liberal republics.

2.4. WEU

In its dual role as defence component of the EU and the European pillar of the Atlantic Alliance, WEU brings an additional dimension to European security. WEU has extended a pledge of common defence to all signatory members, based on the Article 5 of the modified Brussels Treaty. At the NATO Brussels Summit in January 1994, NATO’s Heads of State and Governments acknowledged this dual role and contributed to its further development by expressing readiness to make collective assets available for WEU operations undertaken by the European allies in pursuit of their CFSP. When implemented, the concept of “Combined Joint Task Forces” will enable asset-sharing between the WEU and NATO to take place and allow the maximum possible use of existing forces.

The Petersberg Declaration in June 1992 clarified WEU’s role in conflict prevention and crisis management. According to this document, the forces answerable to WEU could undertake humanitarian and rescue tasks, peacekeeping tasks, and tasks of combat forces in crisis management; WEU units could of course, also be used “contributing to the common defence of the Alliance”.\(^{163}\)

The role of WEU is conditioned by the integration process. The extension of membership to new countries is not moving any further. This is due to the fact that the pre-conditions of membership include a large variety of issues, from the economic to human rights, from social policies to legal compatibility, from defence patterns to foreign policies and interests. Accordingly it seems it will take a long time before the


\(^{163}\) See Petersberg Declaration, June 1992
EU will be able to extend its security guarantees to the Central and Eastern European Countries. Nevertheless, the process of an integrated Europe under the EU umbrella has started, Accession Agreements have been signed with most of the ex-socialist countries, which automatically has extended the associated status of these countries in WEU, thus providing a role for WEU in the European security architecture.

In the European framework, "interlocking institutions" that mutually reinforce their mission on projecting and promoting European security and avoid rivalry in between, are very important. These organisations are created at different points in time and circumstances, covering the security challenges and problems of the moment. Nowadays any cooperation among these organisation which match ideals and capabilities is important. NATO has proved to be the most important organisation that can provide the operational and military capabilities with well established structures able to implement and legitimise common decisions. The EU represents the main attractive pole of prosperity and as such provides the model of democracy and the market economy regime, a model to be followed. The OSCE is the most integrated structure that involves all the European states and pursues a continuous policy on monitoring and developing democratic values across Europe. WEU is an intermediate organisation that represent an important bridge between NATO and the EU, aiming to develop European security and defence identity.

The attempt to stabilise and integrate the Central and Eastern Europe within the European security architecture demands inter-complimentary work on the part of these organisations, each contributing with its own means and policies. It is hard to believe that Europe will be a safe and peaceful place without completing this process\(^ {164}\).

### 3. Albanian institutional perspectives of its own security concerns

In the previous Chapter a general outlook over the Balkans and Albanian history was provided justifying the Albanian concerns over its security. Historically, the Balkan peninsula is considered the powder keg of Europe and apparently it has not changed much over time. Being geographically between Europe and Asia, with a dominant position in the Mediterranean Sea, the Balkans has been a point where

\(^ {164}\) The discussion of European identity, both from geographic and common shared values point of view is excluded from the whole discussion.
interests have clashed. This pattern has influenced state creation in the Balkans by drawing the state borders according to the geopolitics of the moment and not ethnic considerations. All Balkan countries have territorial claims against their neighbours and ethnic minority problems. The Balkan countries are very sensitive toward those problems and those issues can very easily be a cause for war as it has been the case of the Balkan wars in the past and recently it was the case of the wars in Bosnia-Herzegovina and in Kosovo.165

Albania is shaped in all dimensions by Balkan historical developments. To begin with, the Albanian state is surrounded by Albanians which in number equal the internal population and meanwhile the external population is subjected to discriminatory policies by the hosting countries, which preserves Albania’s tense relations with the neighbours. Meanwhile, Albania, having emerged from the most destructive communist dictatorships, remains the poorest country in the Balkans, unable to provide for its own security due to its economic backwardness.166 Under such circumstance, the Albanian question in the Balkans represents a sensitive issue with important implications for Albania proper and the stability of the region.

3.1. Albanian alliance building policy and the security issues

The quest for security and the weak position of Albania in the post Cold War Balkans push it toward alliances building/membership policies as a tool toward the acquisition of security.

An alliance with NATO looks the most appropriate solution to Albania’s security dilemmas and for stability in the Balkans. The other possible alliances can be either bilateral such as with United States, Germany, Italy or Turkey or other multilateral structure such as the EU. The bilateral alliances will not be welcomed by the members of NATO in the Balkans and in Europe. An Albanian-Italian alliance would create a great reaction and would threaten the relationship with Greece and Serbia that historically has tried to avoid an Italian presence in the Balkans. An alliance with Turkey would jeopardise the relations with Greece and can raise the tensions in the Balkans framework. The events in Bosnia-Herzegovina and the

166 A general outlook for the Albanian macroeconomic situation will be provided in the coming chapter.
inability of the international community and other organisations to find a solution to
the crisis in Yugoslavia and the most recent events in Kosovo, confirmed that NATO
remains at the foundation of the European security architecture. Following this logic,
membership of NATO represents a priority for the Albanian government. The EU
membership and the OSCE role constitute appropriate structures that can provide for
security only in the long term. The final chapter will deal further with their role in
projecting the security architecture for the Balkans, with a particular focus on
Albania.

3.2. NATO expansion and Albanian perspectives

The end of the Cold War has opened the debate about the expansion of
NATO. The new members coming from ex-Warsaw Pact into the alliance dispersed
the doubts about the future of NATO and its expansion toward the East. Nevertheless, one's concern should be related to NATO expansion in the Balkans, since it remains the most unstable area in Europe.

None of the Balkan countries was foreseen joining in the first wave of NATO
enlargement. However, a sort of security guarantee should be provided to the new
democratic Balkan countries. This is for two reasons: first, to avoid a new dividing
line in Europe after NATO expansion in the Central-Eastern Europe; second,
insecurity may push the Balkan countries to search for other alliances or other
security alternatives that may give rise to a new struggle for power and influence in
the Balkans, which will be highly destabilising even for Europe itself.167

Justifications for the further enlargement of NATO into Southeastern Europe
are directly related to commonly perceived security problems facing the US and its
European partners in the Balkans.

The security concerns are related firstly, to the growth of nationalism and
rebellious tendencies in the Balkans. These tendencies became evident in the violent
dissolution of Yugoslavia and the war in Bosnia-Herzegovina, followed by the civil
unrest in Albania, Bulgaria and Serbia during 1997 and recently with the Kosovo
crisis. A turbulent region just behind Europe's door does not match either the
European or the US interest. The only appropriate instrument to deal with these

instabilities is NATO, as proved by the intervention in Bosnia and recently in Kosovo. But for a permanent solution only a NATO extended membership in the Balkans can cope with the situation, stabilise the region, provide the right framework for the continuation of the process of democratisation and economic reform toward a market economy regime and from a larger perspective contribute to "preserving the strategic balance within Europe"\textsuperscript{168}.

Secondly, there is a common need to strengthen the Southern wing of NATO, which actually appears to be weak either because of the tensions between Turkey and Greece, or because of the situation in the Middle East. The extension of the conflict in the South of the Balkans will further deepen the division, providing the alliance with very delicate dilemmas.

Third, there is a dangerous environment close to the Balkans, that may affect it, namely Islamic fundamentalism and the fears of its expansion in the Balkans. In the Balkans there is a large Muslim presence, constituted by Turkish, Albanian and Bosnian communities. The explosion of a war in the Balkans may favour the expansion of fundamentalism and involvement of regressive force in its support. The idea of volunteers from fundamentalist organisations coming from the Muslim countries of the Middle East in support of Bosnian Muslim community during the Bosnian war and the presence of doubtful humanitarian Muslim organisation in the Balkans, cause these fears. The explosion of War in the Balkans may be a good opportunity for transforming the conflict into a clash between different civilisation based on religious differences. This situation can be dangerous not only for the Balkans but for Europe also. In such circumstances, NATO, "either takes them (the Balkan countries) in, and tries to deal with their problems, or the latter will grow and affect NATO anyway, sooner or later... if you are not perpetually going forward, you'll fall off."\textsuperscript{169}

It is also important to see the reverse of the coin, and to envisage a situation where NATO interests, dilemmas and factors influence its enlargement into the Balkans, and by implication the chances of Albanian membership in the organisation.

After the end of the Cold War three factors negatively affected NATO’s

\textsuperscript{168} Meeting of the North Atlantic Council, Final Communiqué, Copenhagen, 6-7 June 1991
\textsuperscript{169} Jamie Shea, 1995, "Should NATO Be Enlarged to the East", European Security and International Institutions After the End of the Cold War, Marco Carnovale eds., New York: St. Martini Press, p. 87
enlargement in the Balkans. First, there is a divergence in the perception of national interest and political priorities between the United States and its European allies in the Balkans. The four years of crisis in Bosnia-Herzegovina and the crisis of 1997 in Albania illustrated this. Washington's reluctance to send ground troops in Bosnia-Herzegovina and the EU's and WEU's involvement in the Albanian crisis can serve as examples. Furthermore, the divergence among the Alliance members over the bombing campaign in Yugoslavia reinforce this idea.

Second, Russia has opposed and would continue to oppose NATO enlargement in the Balkans. In the Balkans, Russia began to act as protectors of the Serbs. The motive is not only "Pan Slavism" and the alleged bond of kinship with the Serbs; it is also related to other interests such as oil pipelines. Emerging from the shock of defeat after the end of the Cold War, Russia is trying to re-stabilise its zone of influence there. In order not to upset Russia, NATO will at least delay any enlargement in the Balkans.

Third, after the three new members, further NATO enlargement in the Balkans is going to affect NATO cohesion. In a way this is not a strong argument since the alliance has always been based not on numbers but on sharing of common democratic values. Nevertheless, the new comers from the Central Europe are not able to bear all the costs of such membership; the old members have to provide for it. Following this logic, NATO enlargement in the Balkans looks very distant from a cold financial point of view and one cannot ignore the fact that the Balkan countries are still far from representing consolidated democracies.

Focusing on the Albanian case, there is a logic behind the exceptions of Albania for an early membership in NATO. The membership of Albania within NATO will contribute to the security of the region and avoid the outbreak of the interstate conflict in the Balkans. These are the main reasons. First, Albania has a compact ethnic population, 98 percent being Albanians, and no territorial claims from its neighbours. Therefore, a stable and pro-western Albania would be an important asset in the creation of a stable pro-west centre in the Balkans. Second, the Albanian

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170 On the idea see Norman Stone, "Two Cheers for Colonel Tony Benn", *The Times*, 26. March 1999
172 Shea Jamie, op. cit note 169, p. 86
question in the Balkans has reached boiling point. Kosovo represents a big danger; half of the Albanian nation has been living there under a military occupation which turned into bloody ethnic cleansing campaign this year. This situation can easily turn into a widespread conflict in the Balkans, involving first of all Albania and also Macedonia where 25 percent of the population is Albanian. The other Balkan countries will find themselves reeling under the pressure of hundred of thousands of refugees trying to escape on an even greater scale than at the present conflict. Furthermore, Greece and Turkey could even be involved in a conflict.\footnote{173} In the long run, the Albanian national question may cause a major threat to the security and stability of the Balkans. Thus anchoring Albania to the West constitute an intelligent move from a geo-political and strategic point of view and will help in defusing one of the most explosive threats to regional stability.\footnote{174} In this case NATO enlargement will contribute to maintaining the security of the region and will create the environment for negotiable solutions in the Balkans.

Third, the threat of a possible aggression against Albania has increased due to the fact that Albania has a very weak defensive system which deteriorated with the serious damages caused by the civil riots of the 1997 and the conflict in Kosovo, which saw a continuous violation of the Albanian borders by the Serb army. Accordingly, a modernisation of the Albanian defence system will be of primary importance. It is difficult for the Albanian government alone to carry out this process, so NATO support in achieving this purpose will be of great importance. That can be realised as a first stage through an active PfP program that will lead to future membership in NATO.

3.3 NATO’s relations with Albania

Having emerged in a democratic transformation process from an isolated period and an alliance vacuum, Albania is eager to promote itself among the other European countries and cope with its deficiencies while guaranteeing its sovereignty and independence. NATO membership takes top priority in Albanian Government

policy as a guarantee of the democratic nature of transition process. Meanwhile it provides the much needed security coverage. Based on this logic, the Albanian Government was the first among Central-East European countries to ask for NATO membership\textsuperscript{175}. Albania was among the first countries to join the North Atlantic Cooperation Council (NACC)\textsuperscript{176} in June 1992, and the Partnership for Peace (PfP) in February 1994. These steps are considered an important move toward integration into the new architecture of European Security. Furthermore the PfP provides the essential assistance that serves to strengthen Albanian security and also contributes to the strengthening of the security and stability in the region by enhancing confidence security building measures among the Balkan countries by involving them in common exercises, exchange of information, meetings of the military staff and personnel of every level.

In this framework Albania has been actively supporting and participating in NATO operations and initiatives in the search for a peaceful solution to the Balkan crisis and a secure future for the region. The Albanian navy has closely cooperated with NATO and WEU missions in monitoring the UN resolution on Yugoslavia, under the “Sharp Guard” operation. Furthermore Albania offered the Alliance its air and naval capabilities in support of the “Safe Haven and Deny Flight” operation over Bosnia and recently in support of NATO operation “Allied Force” in Yugoslavia. All these aims to show “reliability, the most precious asset of an ally”\textsuperscript{177}, which will improve the chances for an early membership.

The PfP programme based on the defence Planning and Review Process (PARP) aim: to restructure and harmonise the Albanian military structures and capabilities in conformity with NATO standards; to put decision making structures and procedures under civilian control and compile the legal framework for it, training and exercising military structures on peacekeeping, humanitarian and search and rescue missions, thus preparing Albania’s future membership in the Alliance. For this purpose, a large number of common exercises have been held between NATO and Albanian military forces.\textsuperscript{178}

\textsuperscript{175} Jane’s. Defence Weekly Interview, Volume 24, No.11, 16 September 1995
\textsuperscript{176} To day Euro Atlantic Partnership Council (EAPC)
\textsuperscript{177} Adem Copani, The new dimensions of Albania’s security posture, NATO review, No 2-March 1996, Vol.44, pp. 24-28
\textsuperscript{178} Ibid.
1997 was a momentous year for Albania. A general violent outburst spread all over the country due to the frustration caused by the loss of life savings by hundreds of thousands of Albanians in the “pyramid” investments schemes. The event was followed by a total disintegration of the military structures. As a result military units were abandoned by the conscripts and their officers and military installations became prey to criminal elements and thieves of arms and ammunition. This situation led to new political elections and the establishment of a new leftist government. The new elections solved the problem politically and the multinational force that was mandated by UN Security Council provided the necessary humanitarian assistance and created order by its presence, but the problem of the disintegration of military structures was not solved. Under such circumstances the PfP programme took the main role in developing a programme of assistance. The programme consisted of two pillars. The first pillar involved NATO as an organisation in a programme of assistance. The assistance was concentrated in three areas:

- the development of the national defence concept and its legal framework, providing for a democratic control of forces and civil military relations;
- the structural reorganisation and adjustment of military command and armed forces increasing their operational abilities and efficiency by developing an essential Command, Control, Communication and Information (C3I) system;
- the resolution of technical issues related to the storage and safety of armaments and armaments.

Another aim of the first pillar was to keep Albania tied to the PfP main activities in the framework of Partnership Work Programme.

The second pillar aimed at channelling bilateral assistance from allies and partner countries. The scope was to assess the necessities and priorities, coordinate the bilateral actions, avoiding overlaps. For this purpose a special forum of coordination named Clearing House on Albania (CHA) was created and a NATO office was established in Tirana, the only one in the partner countries.\(^{179}\)

A new Individual Partnership for Peace programme was signed between Albania and NATO for 1999, aiming to strengthen the Albanian army and the cooperation of Albania with NATO as an organisation and its members and partners.

3.4. WEU’s relations with Albania

WEU is the only European organisation empowered to carry out military operations. WEU is a totally intergovernmental organisation addressing the needs of its members and requests coming from the EU. Looking at WEU’s role solely after the end of the Cold War, its role is related to “humanitarian and rescue tasks, peacekeeping tasks and task of combat forces in crisis management, including peacemaking” otherwise known as “Petersberg tasks” . Furthermore, WEU will be ready “to support, on a case-by-case basis and in accordance with its own procedures, the effective implementation of conflict prevention and crisis management measures, including peacemaking activities of the CSCE180 or the United Nations Security Council”181.

Dealing with the new challenges in Europe after the collapse of the Soviet Union and the dissolution of the Warsaw Pact, the WEU paid attention to the new democracies of the Central-East Europe. In this framework, a Forum of Consultations was established at Petersberg in June 1992, involving the WEU members and eight countries of Central Europe. In May 1994, the Kirchberg Declaration constituted a new development in the cooperation with the countries of Central-East Europe. A new status—that of association—was established with the countries that possess a European Association Agreement, opening the possibilities for a more intensive cooperation with them.182

Unfortunately, Albania does not yet have an Association Agreement with the EU. As a result Albania does not have a partner status and cooperation with WEU. Nevertheless, WEU is present in Albania under the provisions of the Maastricht Treaty where it is declared that “the Union requests the Western European Union(WEU), which is an integral part of the development of the European Union, to elaborate and implement decisions and actions of the Union which have defence implications”.183 Although the EU Foreign Ministers, in their meeting in Apeldoorn, on 15-16 March 1997, did not decide to send a military force to Albania as a response to the request of the Albanian government, they agreed to dispatch a military and police “advisory force” to help the newly elected government to restore order after

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180 To day OSCE
181 Council of Ministers, Petersberg Declaration, Bonn, 19 June 1992,
182 Council of Ministers, Kircheberg Declaration, Luxembourg, 19 June 1992
183 Article J.4 (2) of Maastricht Treaty, 10 December 1991

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the collapse of the pyramid investment schemes. Accordingly a fact-finding mission from the WEU Planning Cell was sent to Albania to monitor the situation. Based on the results provided by the fact-finding mission, the WEU Council decided on 2 May 1997 to establish a Multinational Advisory Police Force (MAPE) in Albania, in order to provide advise and training to the Albanian police. "The main missions of MAPE are to:
- advice the central echelon on law and order, frontier policing and the reconstruction of the Police Academy;
- organise training programmes."\(^{184}\)

The mission became operational after the signing of the Memorandum of Understanding between WEU and Albanian authorities on 24 June 1997. The Mandate of MAPE was extended and strengthened two times by the WEU Council. The mandate has been extended until April 1999 and the number of officials has increased from 60 to 100. Furthermore, the WEU’s Multinational Advisory Police Element in Albania is considered a contribution to stability in the region, so further areas of cooperation are foreseen for the future. MAPE’s advisory role will be extended including advice on police monitoring and controlling border area. In order to improve Albanian ability to monitor and control its borders, further training and provisions of equipment are foreseen for Albanian police. Moreover, WEU is examining if further contributions can be made in accordance with NATO assistance programme in the field of military training and restructuring of the Albanian armed forces.\(^{185}\)

\(^{185}\) WEU Ministerial Council, Rhodes Declaration, 12 May 1998
CHAPTER 4 - Social and Economic Issues in a Transition Period

1. Introduction

"The social crisis is a significant security threat, even if it does not result in open political conflict among the states of a region. Weak systems tend to be unstable, and instability is costly, in terms of both money and political involvement." In the Balkan region this concern is more than relevant. Considering the difficult period of transition and fragile internal ethnic equilibrium that most of the countries in the region face, instabilities can easily create implications for the neighbours with large repercussions. Furthermore the social crisis influences directly the development of the transition process, economic and political reforms and the democratic process as a whole. The social crisis is directly related to the level of development of civil society and domestic intermediary structures related with it; and the development of economic pluralistic patterns. In considering the importance of these issues on the security concerns, this Chapter will deal with these issues and will consist in two parts, the first part will deal with the civil society and democratic transition issues, problems and the role of institutions and the second part with economic issues. In understanding better civil society and economic issues and the patterns of behaviour related with them, a broader perspective that involves the regional and international context beside the national framework will be also in focus.

1.1. Regional Context, Historic Legacies in the Balkan societies

Balkan countries share a common heritage that is related with the history and the way that state-society relations have performed over time. This heritage has a direct impact over how power is exercised, and how mediation and conflict resolution are settled in time.

After being under the dominance of different empires for a long period, the Balkan countries have inherited an military perspective on the way of organising the

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state, which gives to the state a centralised controlled nature based on tax rising and secondly a corrupt nature that provides for rural disorder as a response to this corruption.\textsuperscript{187} This pattern has shaped the state and elite behaviour during the time in the Balkans, providing for a limited meditative and conciliating democratic culture.

Being under the Ottoman domination for almost five centuries, the patterns of society are highly influenced by the "sultan heritage"\textsuperscript{188}. "The main characteristics of it are the highly personal and arbitrary nature of rule and the absence of the rule of law, the unmediated and despotic exercise of power, low institutionalisation, the absence of intermediary structures, and hence, the weakness of civil society."\textsuperscript{189} In a way this heritage has influenced the state building process and society behaviour and currently is affecting the transition process toward democratisation in the Balkans. None of the Balkan states have been in shape and power able to control or dominate the other ones or furthermore maintain their sovereignty and independence without the support of outsiders. These uncertainties and threats to security have pushed the Balkan states all the time to look for support from the great powers. In this way, the external factors have played an important role in building the legitimacy and shaping the size of the state.\textsuperscript{190}

Accordingly, this attitude has affected the way the legitimacy is perceived in most of the Balkan countries. The political actor that acquires foreign support automatically become legitimate. This attitude gives precedence to the external factor and undermines the domestic legitimising procedures, showing in this way the weakness of the civil societies in these countries and the danger of basing legitimacy on an alien judgement that may be biased and effected by other than national interests. In return, the quest for internal legitimacy affects the internal developments by generating tensions and confrontations, threatening the social order and internal stability.

\textsuperscript{187} John R Lampe, op. cit note 151, p. 12


\textsuperscript{190} John R Lampe, op. cit note 151, p. 16
1.2. The Influence of Preceding Regimes

The end of the Second World War positioned most of the Balkan countries on the side of the communist forces and under the Soviet ideological umbrella. This was followed by the establishment of totalitarian ideologies and regimes. According to Giddens, this solution is not accidental, it is closely related with the previous legacies that have shaped in time the sociological set up. “The possibilities of totalitarian rule depend upon the existence of societies in which the state can successfully penetrate the day-to-day activities of most of its subject population” and exclude the possibility that totalitarianism can be developed in well established traditional societies “because their segmented character is incompatible with the necessary mobilisation of concentrated resources.”

The main characteristics of such regimes are related with: the existence of a totalitarian ideology followed by the existence of a single party that represents the only political power committed to this ideology; the role of one person as dictator; the monopoly over the mass communications, operational weapons and all kind of organisations including the economic ones, by a well established secret police.

At the end the totalitarian societies are characterised by the lack of pluralistic political life experience, the absence of meaningful pluralism in the economic realm and unfamiliarity with the nature and workings of the market economy, a vacuum in constitutionalism and the obedience to the rule of law. All these features are present in the post-communist Balkan countries, making the development of a democratic society difficult.

1.3. International context

According to Diamandouros, the transformations in the Balkans are influenced also by the changes in the international arena after the end of the Cold War era. The influence has to be perceived on three levels: the effect caused by the dissolution of the Soviet Union as a regional power, the general trends in the international environment and the role of the EU and the United States as influences on the democratic transformation.

192 See, Carl Friedrich, 1954, Totalitarianism, Harvard University Press
193 See, Nikiforos P. Diamandouros, op. cit note 189
1.3.1. The effects of the dissolution of the Soviet Union on the Balkans transition

The dissolution of the Soviet Union opened a new era for the ex-socialist countries. First, in the framework of perestroika a peaceful liberalisation of these countries was allowed and second, the end of the policy of limited sovereignty doctrine permitted these countries to follow their own destiny without interference.

Following such developments, an era of democratic revolutions took place in Central and Eastern Europe, reaching also the Balkans countries, which were among the last to reach the mainstream, ending up with Albania in the early beginning of 1992. The revolutions in 1989 were committed to introducing civic societies and democratic regimes, modelled according to Western democratic political values. Trying to reform from above proved difficult since the arena was hardly affected by the post-communist society legacies but also by the older historical and cultural traditions which appeared to be still present and powerful.

The dissolution of the Soviet Union was followed by the collapse of the main institution such as, Comecon and Warsaw Pact, which had been responsible for international and inter-state cohesion among the members. To fill the vacuum all ex-communist countries, started looking to join other international institutions and other regimes that will provide the necessary arrangements for their needs and gaps in security.\(^\text{194}\) This reality assigned an important role to outside international organisations, especially to Euro-Atlantic ones.

1.3.2. The effect of general trends in the international arena on the transition in the Balkans

The new trend toward democratic values on the international environment after the end of the Cold War era has affected the transition process in the Balkans by offering the marketplace for the new democratic ideas and the models for political and economic reconstruction. Democracy and the market economy are presented as the indispensable choice to follow.

In the framework of the international context, it has become clear that security in the long term is based on the creation of a security community. Security

can not be developed solely through security policies, but is based in a broader consensus of values and spread of institutions as means for managing and settling conflict, and increasing the importance of a democratic civil society existence. "The strong evidence for the finding that democracies do not fight other democracies suggests that extending democratisation is one element of establishing a security community. Measures to mitigate economic insecurity and to assist dialogue between communities and cultures are others".195

Acting on these considerations, institutions such as OSCE have adopted a new framework196 for the creation of norms related to international law, human rights, democracy, the rule of law and market economy beside the framework for arms control, prevention and resolution of conflicts and economic cooperation.197

OSCE standards together with the UN charter principles and provisions of international law have reached the stage of "declaring principles of the European international order" that states in one way or another have to obey.198

1.3.3. The role of main international actors on democratic transition

The European Union represents an important international player with a significant role and influence on the other European countries. It is established as a model of democracy, pluralist and market regime. Beside being a model, the EU is providing technical assistance and aid in helping the transition process, 'mitigating in a way the economic problems' of the transition countries. Furthermore it is present as mediator actor in regional crisis as was the case in Yugoslavia and now in Kosovo, 'assisting dialogue between communities and cultures'.199

The role of the US has been carried mostly through non-governmental organisations or private organisations. Organisations such as the Soros Foundation,

195 Hugh Miall, op. cit note 7, p. 80
196 The Helsinki Final Act of 1975 established according to Miall, 1993, the 10 principles and rules for a new emancipated international society, affirming respect for the sovereignty rights of states, refrain from use of violence, the inviolability of borders and respect for territorial integrity of states, peaceful settlement of disputes and un-involvement on the internal state affairs, respect for human rights and the equal rights and self-determination right of peoples, cooperation of peoples in different fields followed by the fulfilment of obligations and duties under international order. To this core values after the end of the Cold War new standards are added limiting in a way the sovereignty right of states, by considering as legal and concern of other member states, the observation of human rights and respect of minority rights that previously were considered as internal affairs of a state.
198 Hugh Miall., op. cit note 7, p. 80
199 More in details EU role will be developed in the Second Part.
The American Bar Association, The Ford Foundation, have invested considerably in material and human resources; they have also assisted and advised different transition actions, choosing their course of actions and equipping them with needed infrastructure. The aim of such actions has been more related with the strengthening of a democratic civil society by encouraging the economic and political liberalism, democratic principles and anticommunism, and playing the role of emancipator in these societies.\textsuperscript{200}

1.4. Prospects for Democracy in the Balkans

The era of democratisation in the international arena, especially in Europe, reached the Balkans in the early 1990s. The democratisation process has been significantly affected by the previous legacies mentioned above that have caused a big democratic and capitalistic deficit. As a result the new democratic regimes were characterised by the great deficit of civil society and the domestic structures related with it.\textsuperscript{201}

In most of the post-communist Balkan countries, the state is very weak. The previous historical legacies and communist regimes have affected the ordinary citizens' attitudes toward the state. As a result the ordinary citizen does not expect fair and equitable treatment by the "authorities" and favours an attitude that disregards the state. Furthermore, the previous regime's arrogance and disregard for the rights and needs of the people has produced widespread cynicism and a virtual lack of procedural legitimacy, undermining in this way the role of the institutions.\textsuperscript{202}

These weaknesses justify the difficult and troublesome process toward democracy and have shown "that societal mobilisation has been for the most part inchoate and inarticulate and as a result unable substantively to contribute to the deepening of the transition and to the commensurate enhancement of the democratisation process"\textsuperscript{203}. These indicators have shaped in a way the Balkans' peculiarities in the transition toward democracy.

\textsuperscript{200} Nikiforos P. Diamandouros, op. cit note 189, pp.10-11
\textsuperscript{201} ibid, pp 12-14
\textsuperscript{202} Ivan Volgyes, 1986, \textit{Politics in Eastern Europe} Chicago: Dorsey Press, Ch. 8
\textsuperscript{203} Nikiforos P. Diamandouros, op. cit note 189, p. 19
These peculiarities have marked the path of transition in the Balkans. The process has gone through four stages: first, the process was carried on by the communist regimes that won the first pluralist elections. This was due to the organisational experience by which the communist leading class has maintained its monopoly and the support received by the rural population that constitute the majority in the Balkan countries and who have preserved their fidelity toward the old regime. Second, the "reformed" regime was unable to carry out the democratisation reforms and consolidate the victory. At this stage the pressure increased by the opposition forces and the new elections were called. Third, a coalition of the democratic forces won the elections, ending in this way the power of the old regime. Fourth, after the start of the democratisation process, an problematic transition favoured in the new elections the return of left wing forces, containing ex-regime elements.

The ups and downs in the process show the fragility of the transition process in the Balkans and, on the other hand, increase the importance of the external factor in the transition process and the building of a democratic civil society.

Under such circumstances is there any prospect for the development of a sustainable democracy in the Balkans? A review of the existing literature will help in generating the right perspective and providing the right insights. Samuel P. Huntington emphasises the importance of political leadership, institutional arrangements and international commitment as an precondition for democratisation.\(^{204}\) Most of the Balkan countries have not inherited the indispensable institutions of democracy such as independent judiciary, independent civil organisations and free media. Nevertheless this reality does not diminish the possibility for a future sustainable democratic Balkans. According to Ghia Nodia, the commitment of social and political forces/elite to democratic values and experiment is considered as an important step toward the sustainable success of the democratic process, whatever the "objective" conditions of the country\(^{205}\). There is enough evidence of democratic and progressive forces in the Balkans; the wave of democratic revolutions and reforms demonstrate the existence of the desire for progress and democracy.


\(^{205}\) Ghia Nodia, "How Different are Postcommunist Transitions?", Journal of Democracy 7, No.4, October 1996, p.3
It is of substantial importance to take into consideration the distinction that exists between 'formal democracy' and 'substantial democracy'. Diamond posits, formal democracy as a stage in the development of a society where free, fair and competitive elections are held, involving “a set of rules by which representatives are elected, policies are chosen and laws are made and enforced”. In Diamond’s terms, a liberal democracy must at least meet the standards of a minimal civil freedom that will allow free and equitable competition and participation. This implies: the submission under the accountability of the electorate of all segments of society that have an executive and legislative power including the military bodies; “the accountability of office-holders to one another” that imposes constraints on the executive power, and safeguards constitutionalism, rule of law and assures a deliberative process; “extensive provisions for political and civil pluralism, as well as for individual and group freedom”. From the formal point of view most the Balkan countries meet certain procedural democratic criteria. Nevertheless, institutionalising the elections as a means of selecting decision makers, it is not sufficient to classify a political system as a genuine democracy. A broad and deep legitimised political system relies on a consolidated democracy.

Consolidated democracy is a stage when both elite and masses are convinced that a democratic regime is the best alternative compared to other realistic alternatives and the democratic institutionalisation has become self-enforcing, meaning that political forces submit their interests and values to institutions. In a way, according to Linz & Stepan, consolidation is a three dimensional combination: behavioural, attitudinal and constitutional. Accordingly, institutionalised parameters of democratic procedures have become an inner way of thinking and behaving for the elite/political forces and masses and the violation of such parameters are considered both ineffective and costly.

With regard to the access to democracy in the post-totalitarian Balkan countries, it has been rapid, non-violent and definitive but the consolidation is likely to be “lengthy, conflictual and inconclusive”.209

Beside the difficulties, there are numerous conjectural factors that are in favour of the establishment of a consolidated democracy in the Balkans. First, the international environment is sensitive to the basic freedom associated with democracy. Second, there is not another viable alternative to democracy as a legitimate model for political organisations after the failure of fascism and communism. Third, there is a strong presence of social and political forces in the region willing to engage in the democratic experiment.

FIRST PART

1. Albania toward democratic transition

Albanian’s democratic revolution began later than in the other East and Central European Countries. Only in December 1990 the first opposition democratic party, the Democratic Party, was founded. In March 1991 the first multi-party elections were held, and Albania became a parliamentary democracy. The first elections were won by the Socialist Party, previously the Party of Labour of Albania, that had been ruling the country since 1945.

The general elections of March 1992 brought to power the anti-communist Democratic Party. With the elections of June 1997, held after the civil unrest of February-March 1997, the Socialist Party returned to power leading a coalition government of left parties.

The civil unrest that developed during the first part of 1997, as a result of the collapse of get-rich-quick schemes proved that Albanian’s democratic transition will be longer and more difficult than was previously thought. These problems are due to a constellation of factors related with the past heritage, the legacies of the previous communist regime, and also both the stability and developments in the Balkans and the hesitation of Western nations and other institutions to deal seriously with the complex problems of transition. In their complexity, these factors have affected in one

The transition toward democracy has been a multiple process. The political transition from dictatorship to democracy went together with other changes such as the economic transformation from a centralised, controlled economy to a free market economy; the transition from a rural to an urban society accompanied by uncontrolled demographic movements; and the societal shift from isolation to openness.

In the first years after the fall of the communism, importance was given to the political transition, undermining simultaneous economic and social developments that proved to harm or even regress the political transformation.

In the economic field, the reforms and privatisation upon Western models was challenged by the growth of an informal market for deposits justified as a promotion of democracy. For some time anticommunism served as legitimate ideological cover for anti-parliamentary and outright antidemocratic forces of the extreme right, whose activities can seriously undermine the democratic process and debase the quality of a given democracy. Second, anticommunism can, in combination with other cultural forces such as, nationalism and religion, be a flammable ingredient that can effectively impede, if not derail, the transition. Albania has espoused an extreme anticommunism position where in nationalist as well as religious images play a central role and affect the climate of the transition in an adverse way. The overall result is a situation that can both significantly threaten the prospects for a successful conclusion of the transition and impede eventual democratic consolidation.\(^{210}\)

The present picture of the Albanian transition clearly implies the necessity of stable democratic institutions and a new political culture. In this framework the support of international institutions and Western countries weighs significantly on Albanian life, especially in drafting clear and long-term policies for the creation and consolidation of democratic institutions and ways of thinking and manners of behaving. Furthermore, given Albania’s current role in the solution of the regional conflicts and the Great Powers historic role of referee in this region the necessity of support from international institutions is clear.

Enlarging this perspective, the whole democratisation process is conditioned

\(^{210}\) Nikiforos P. Diamandouros, op. cit note 189, p.22
by regional developments. The scenario of Albanians distributed among neighbouring countries makes the Albanian factor a sensitive regional issue and a key component in the region's equilibrium.211 This fact has conditioned the policies of the international community regarding Albania and political developments in the region. It has become clear that between stability and democracy there is a symbiotic relation, and without stability there can be no functional democracy. The recent events in the region demonstrated that without a sound democratic progress, stability is short lived. The international community's focus on security issues at the expense of democracy has proven fruitless.212

1.1. Civil Society patterns

The meaning of 'civil society' has evolved considerably since its use in the context of the 18th century European Enlightenment. Then it signified the intermediary realm distinct from the state and in support and favour of private interests; in practice the realm of the bourgeoisie interests. The new perspective views civil society rather as the emancipatory activity of social forces distinct from both state and capital.213 Antonio Gramsci's thought embraced both meanings: civil society as a ground that sustained the hegemony of the bourgeoisie and its interests but also as an emancipatory process that may lead towards the attainment of an alternative social order.

Without entering the debate on civil society meanings and role, we will consider its importance from both aspects with focus on Albania. In the transition processes from socialism to capitalism, civil society assumes a substantial role for the development of a capitalistic society in substance that implies the existence of a society of classes and social groups with different interests, and the emancipation of the society in the sense of values and practices. In this way, civil society constitutes a

211 3.5 millions Albanians live in Albania, 2 millions live in Kosova, comprising 90% of Kosova's population, 500-600 thousands live in Macedonia and according to recent registration it constitutes 23% of that country's population (this figure is strongly contested by the Macedonian Albanians who claim 40%), 40-50 thousand Albanians live in Montenegro making up to 6% of this Yugoslav Republic's population. According to Greek and Albanian statistics 350 000 Albanians currently work in Greece.
212 In the Dayton Agreement, International Community preserved Milosevic's undemocratic regime, assuming that Milosevic withdrawal from power will undermine the equilibrium of the Balkans. Time proved that this assumption was wrong, Milosevic initiated a fourth war, this time in Kosovo. Undemocratic regimes can not be source of stability and can not project peace.
revolutionary force in the transition process toward the establishment of a consolidated democracy.

With the end of the monopoly of the Communist Party in December 1990, the democratic process started in Albania but the civil society was basically non-existent. The ruling Communist Party had been in control of every aspect of life and had suppressed with brutality every form of dissidence. The negative effects inherited from the previous totalitarian regime are compounded by the lack of independent intermediary structures that did not exist even before the Communists overtake the power. This heritage has seriously affected both the development of a free and lively civil society in Albania, and the transition process itself. In such conditions the citizenship equilibrium is disrupted. There is an imbalance between freedom and responsibility. Democracy is perceived to be unlimited freedom; meanwhile the responsibilities are still to be assumed by the state. The end of the total collectivism is replaced by a total individualism, thus weakening any community feeling. The past’s heritage of the absolute role of the state over the country and civilian life has established the priority of politics over the other issues. This attitude remains powerful since the political decisions still have a great importance in the lives of citizens. In the present stage Albania is more a political society than a civil one. Between the individual and the state there lies a large gap that in democratic states is normally replaced by a multifaceted civil society.

“Nevertheless, significant political changes and economic transformations—particularly privatisation and the gradual emergence of a prosperous middle class capable of materially supporting independent political organisations—prompted the growth of intermediary, civil-societal organisations and groups”214.

In recent years, the Non-Governmental Organisations (NGOs) have made progress both in number and importance. Since 1991, when the first NGO was established, the number has increased up to 350 by the end of 1998215, representing professional associations, societies, cultural organisations, clubs, women’s and youths’ organisations, trade unions, business organisations, cultural organisations, environmental associations and other voluntary groups. In 1992, the Albanian Civil

215 Source Albanian Civil Society Foundation, Tirana, Albania, 1999
Society Foundation (ACSF) was created with the aim of strengthening civil society in Albania and providing support for the full spectrum of NGOs in Albania through financial support and technical assistance. The ACSF has established a citizen centre that provides services for the individuals on facilitating the communication by e-mail, fax, Internet, computer access. It has established also a information centre that facilitates links between Albanian NGOs and their potential partners and has had a positive impact on the development of civil society in Albania. In January 1993, the NGO Forum was created as an umbrella forum which coordinates and assists Albanian and foreign NGOs in Albania.

NGOs have grown also in importance, representing and advocating different interest groups and serving as an arena for free social dialogue. Their importance has been growing. During the 1997 crisis they emerged as intermediary agents and survived the challenge. Still important are the foreign aid and assistance which provide and further the necessary experience and financial means. This is crucial given that Albanian NGOs do not have a theoretical acquaintance or practical possibilities to extend their activities.

Today we might say that NGOs in Albania are playing an important role in social and productive sectors such as: women’s development, youth, health, under-represented groups such as the handicapped, orphans, pensioners. Different associations have flourished such as those of foreign languages teachers, private farmers, and engineers of different fields.

A positive and stimulating tool is the creation of the necessary legal framework of NGOs. In the new Civil Code of the Albanian Republic are included two fundamental laws in this regard: the Associations' Law and Foundations' Law. Based on these new laws, which have been in force since November 1, 1994, the procedures for establishing and registering of NGOs are more liberal and more flexible. Another law in favour of NGOs is the law of sponsors which aims at strengthening the collaboration between business sector and the non-profit sector.  

1.2. Institutional Transition

A successful democratic transition process necessitates the creation of a

216 Source, Forum of the NGO, Tirana, Albania, 1999
sustainable institutional framework, meaning a strong legislative body, democratic system based on the division of power, an active and pluralistic parliament and a free press. At the same time this intermediary transition period of passing from one condition to another, from one system to another, entails the simultaneous coexistence of two situations. Old institutions co-habitat with the new, the old legislation with the new, the old mentality with the new.

For Albania this period has not proceeded along a smooth path. Within a few years, periods of anarchy and chaos have occurred twice, once in 1991 and again in 1997, both of which saw damage to the state and its institutions, including the military, police, informative service, the judicial system and prisons and considerable amounts of public and private property. This situation is based on the previous legacies. The long period of being under the domination of empires\textsuperscript{217} has cultivated in the Albanians some hostile attitudes toward the state and its laws, as the state was foreign both in origin and nature. The foreign states saw Albania as a place to recruit soldiers and collect taxes; on the other hand they failed to protect and represent the country’s citizens. The later Albanian states, both the authoritarian state of King Zog and the totalitarian communist regime of Enver Hoxha, did not change this attitude toward the state, which still remains hostile to the citizens’ needs, rights and expectations. The state officials never gain the role of civil servants; instead they remain loyal state servants.

The fall of communism created an institutional vacuum, economic impoverishment and a challenge over the national consciousness. The upheavals in the transition process are a reflection of the struggle to overcome the vacuum of history and the scarcity of social capital such as religion, culture and a national consciousness and furthermore reflect the weakness of all institutions that characterise a modern country.

To fill the vacuum Western models were borrowed. Following the Western models, three distinct elements were established after the fall of the communism in Albania: multiple political parties, freedom of the press, and freedom of religion. Albania’s new, fragmented society lacks binding material. Meanwhile, political and

\textsuperscript{217} Since the ancient times Albania has been under foreign domination, first under the Roman Empire then after under the Byzantine Empire, ending up with the Ottoman Empire in 1912 when the first independent Albanian state was established.
social life were still dominated by a party that slowed the development of democratic institutions. Opposition parties continued to exist, but the popular conception of politics as confrontation instead of consensus, along with the majority ruling, minimised the role of these parties. The control over the judiciary, prevented these institutions from fulfilling their role of regulating a functioning and lawful state.

In the legislative framework Albania has overcome the problem of co-existence between the new legislation drafted to the European standards and the old Communist era legislation. However, the fundamental law of the state, the constitution was approved very late, showing once more the lack of political consensus among the Albanian political forces. Furthermore this constitutional deficit encouraged the conflict between weakened state institutions. Nevertheless, this constitutional vacuum has been overcome and Albania gained a constitution in November 1998. The result observed by a variety of international organisations such as the European Council, the OSCE, and the Commission of Venice, all of which have contributed through their assistance in the compilation of the constitution, and cooperating with other domestic NGOs, has encouraged a fruitful public debate. All these efforts aimed to make the constitution a politically and publicly consensual document that is not a product of any one party’s vote. This was an important step both in building a new consensual political culture and public trust toward the rule of law and providing the country with basic law, contributing in this way to the consolidation of democracy in Albania.

Designing good laws, however, is only the first step. The trick is to make sure they are effectively implemented and enforced. To ensure effective enforcement, it is important to create beside the good written laws other independent “watchdog” institutions such as a well established independent legislative body, free media, and NGOs, that will develop a democratic system and will help to limit corruption. Corruption can be costly both to the continuation of further reforms and in weakening public confidence in government and can help extremist politicians who promise order.

In this regard Albania has begun such efforts, but it will take time until the legacies of the past are overcome and the confidence of the public is gained. Still the most serious contradiction in Albania’s legal system is the discrepancy between the written law and its enforcement. The debatable independence of the judicial system,
the frequent violations of the law, poorly qualified lawyers and corruption have been seen as the main causes behind the Albanian crises in 1991 and 1997.

1.3. Political transition

The political culture is considered to be an important element of a consolidated democracy. It implies a multi-party system, a well developed political class with a democratic vision able to lead the democratic transformations, a democratic political debate as a force that implies progress toward democratic manners.

The end of 1991 and the beginning of 1992 saw the establishment of a multi-party system that increased in size over time. In the 1997 elections, 13 parties participated in the elections218; the number of democratic participants is bigger considering that there are also some very small parties that could not take part in the elections219. Numbers are important from the formal democracy point of view but they do not provide any substantial information about the level of the political culture.

Nowadays, in Albania there is a very diversified political class representing a large spectrum of ideas. On the other hand, the profound political crisis of 1997 reflected the shortcoming of a political class unable to motivate the country to move beyond its political past. The existing political culture is defined by the legacies of the past and previous communist regime that tolerated no dissenting voices far more than in other ex-communist countries. Its main patterns of behaviour are characterised by the logic of the conflict, exclusion of the others, and intolerance. The tense climate and continuous conflict among the main political parties at struggle for power has been a serious obstacle to the return of the normality in the country, the establishment of order and revitalisation of economy.

The lack of democratic heritage on the political culture has not assumed a clear contemporary meaning for the Left and the Right. The considerations of the Right and the Left are based mostly on their historical roots and relations with the Communist Party rather than in the programmes and social composition.

218 Source: Central Election Committee, July 1997, Tirana, Albania
219 By 1994, in Albania has started their existence 30 political parties, see Lajmi i Dites (Daily News), 3 March 1994, p.2
The political life is dominated by two main parties, the Socialist and Democratic Parties, both of which have eclipsed the rest of the parties, who play the role of mere satellites. Relations between the two parties are highly polarised, making the consensus very difficult; even impossible. The long lasting process for drafting and approving the constitution highlighted the ill-tempered relations between the two.

1.4. Elections

Elections are considered an important tool that encourages the democratic transition, by balancing the needs of economic growth in a pluralistic society with the exercise of political power, "... promoting economic growth while monopolising political power is an almost impossible balancing act over the long term...As people's incomes rise and their horizons broaden, they are likely to demand the right to participate in government and to enjoy full protection under the rule of law", gravitating toward elections that will establish the balance. If elections are a learning process toward the democratic manners, they are promoted from outside democracies based on such considerations.220.

During seven years of pluralism, Albania has taken part in an election process almost each year221. In all cases a two-third tradition was observed. Observing the parliamentary elections, the picture is as follows: in 1991, the Communist Party won two-third of the seats in the parliament, in 1992, the Democrats won two-thirds majority, in 1996, after questionable elections, the Democratic Party again won a two-third majority, in 1997, the Socialists won two-thirds majority. This trend indicates large oscillations in the elections from one pole to the other. It also testifies to a politically unstable society. Whether the organisation and application of free democratic elections conform to western standards remains a test for Albanian democracy. This situation demonstrates the vital importance of the OSCE and other international institutions in observing and assisting the electoral process.

1.5 Free Media

After the collapse of the Communist Party important efforts were undertaken in establishing a free media, challenging the long monopoly of communist state

220 Strobe Talbott, "Democracy and the National Interests", Foreign Affairs 75, No.6, 1995, p.45
control over this powerful means of communication. A variety of types of communication started to establish the existence of free media. The printed media has increased in number. By early 1998, thirteen daily newspapers of different orientations were published in Tirana with a range of 85,000 copies per day. Still the development of printed media carries problems. The publication of newspapers remains costly in proportion to the population’s incomes, influencing its circulation, especially in the rural areas where the daily newspaper subscription can amount to over 20 percent of an individual income.\textsuperscript{222} The daily newspapers are printed only in Tirana, few weekly magazines are printed in regional cities. The logistical problems, high costs and the unrest of 1997 have heavily influenced the circulation of printed media in the rural areas and as a result the effect of the media on the majority of the population. Beside the quantitative problems the Albanian press is still dominated by political conflict to a much greater degree than by a public opinion. This feature diminishes the role of media as a promoter of a consensual and thoughtful political and social culture.

Unlike the printed media, the broadcasting media has seen considerable development. A new law on public and private broadcasting was issued by the parliament on March 1997. The necessary dispositions for the applicability of the law have been effected by a long debate that has delayed the licensing procedures. Despite the delay, small and unregistered radio and television stations have been mushrooming in the second half of 1997. Over time their performance has improved; most of them provide a comprehensive news bulletin. Still there are many problems; most of them are short in personnel due to the shortages in finances that in one way or other affects the professional performance. Moreover they are not well connected with other media that will enable them to exchange information. The scarcity of the broadcasting systems has prevented them from reaching a full national audience.

The state television, RTSH faces a limited audience since a number of transmitter-stations were destroyed during the 1997 unrest but still it remains the most powerful news source throughout Albania. Despite the improvements in the direction of professional journalism in assessing political and social issues, the news

\textsuperscript{221} This information include four parliamentary elections, two local government elections and two referendums for the constitution.
\textsuperscript{222} Source, Institute of Media, Tirana, Albania, 1999
is still dominated by extensive reporting of government activities and efforts to preserve a political balance by devoting time to politicians.

With regard to the other media, two Internet satellite links have been established with the assistance of UNDP and the Soros Foundation, both offering Internet access to limited number of institutions, organisations, universities, and parliament. Efforts have been undertaken by Albanian Telecom to provide a commercial Internet service that will increase access to this service by different subjects.

2. The Institutions Role in Democratic Transition: the role of the OSCE

Launched in 1972, the CSCE\textsuperscript{223} led to the adaptation of the Helsinki Final Act in 1975. The process aimed to settle a range of commitments on principles pertaining to the relations between the states, on measures that will build confidence among states, on respect for the human rights and fundamental rights as well on cooperation in economic, cultural, technical and scientific fields.

At the beginning of 1990s the CSCE emerged as an important asset in building the new security architecture in Europe at the end of the Cold War. The signature of the CFE Treaty by NATO and Warsaw Pact members at the CSCE Summit in Paris, in November 1990, limited the conventional forces in Europe, furthered the progress made in Confidence and Security Building Measures (CSBM) and, with the Vienna 1990 and Vienna 1992 Documents, established the Conflict Prevention Centre (CPC) and potentially the new Forum for Security Cooperation. These were considered important steps toward future security building architecture in Europe.

In June, 1991, at the meeting of the foreign ministers in Berlin, it was decided that CSCE should somehow be able to intervene in potentially explosive disputes in member countries. This idea was rejected by Russia and Turkey, and was therefore moderated. The unanimity rule was modified at least with respect to emergency actions. Parties have agreed that a state concerned about a security matter can call an emergency meeting by winning over at least ten other members and the required actions can be approved based on the principle "consensus-minus-one", meaning all

\textsuperscript{223} CSCE is today the OSCE
the states minus the state concerned. In this way states can use CSCE mechanisms and structures to arrange their collective security and diminish the national security dilemma.\textsuperscript{224}

In time the security issues in Europe are no longer assigned to a single organisation, the inter-linkage between different European and Transatlantic institutions are the foundation of European security architecture. The OSCE military operational capabilities are not yet developed, in case of a decided intervention it has to rely on the other organisations' military capabilities such as NATO and the WEU. Nevertheless, the OSCE remains the only regional organisation with legitimising power due to its extended membership. And its role remains important in encouraging respect for human rights, fundamental freedoms, democracy, the rule of law, crisis monitoring and management, and economic cooperation.

Accordingly, today the OSCE has gained a new impetus in the development of a civil society and consolidation of democracy, crisis monitoring and management, in the countries involved in a transition process.

Albania signed the CSCE documents on 15 December 1992. The ratification and accession into the Organisation happened much later in 10 June 1996, with the ratification of the Agreement by all member states.\textsuperscript{225}

Responding to the political crisis of February 1997, the OSCE established the OSCE Presence office in Albania, in April 1997. The aim was:
"to provide Albania with advice and assistance in democratisation, the establishment of independent media and the protection of human rights as well as election preparation and monitoring. Furthermore, the OSCE was to function as the coordinator framework for the work of other international organisations and for facilitating improvements in the protection of human rights and the basic elements of civil society.\textsuperscript{226}

In its mission of crisis prevention and management, the OSCE was also supported by other international organisations. In this case the OSCE assumed the role of coordinator for the foreign aid and assistance provided by other international donors. The "Friends of Albania" group is seen as a focal point that will move this


\textsuperscript{225} See, \textit{www.osceprag.cz/indexe-se.html}

\textsuperscript{226} See, “OSCE Presence in Albania”, \textit{OSCE Newsletter}, Vol. 5, no. 4, April 1998
process forward, under the chairmanship of the OSCE. The first meeting was held on September 1998. The goal of the meeting was to coordinate the international assistance and other forms of aid and “convey a message of coherent support” for the government commitment to move ahead in the democratisation process.227

The OSCE has also been present through its other instruments such as the Office for Democratic Institutions and Human Rights (ODIHR), mediator envoys, and the High Commissioner on National Minorities (HCNM).

The ODIHR has been working in monitoring and preparing the right environment for fair and just elections. In this framework the work has been focused first on monitoring the preparatory procedures, providing also the necessary assistance and help; second, on monitoring the voting proceeding and counting process. These efforts have contributed to the enhancement of “the transparency of election authorities’ work” and have increased the possibility of a free ballot. The aim was to give to the vote the needed importance as an important tool for the consolidation of democracy in the country. Furthermore, importance is given to the education of voters, the ODIHR consider it an important contribution to the significance of the elections. In the case of the two referenda for the constitution, a great deal was assigned to make the voter conscious of the substance of the constitution draft amid a highly politicised electoral climate and media campaigning for the ratification.228

The ODIHR, in close cooperation with the Presence office, has provided technical assistance to the judiciary system in pushing forward its independence and neutrality and has assisted in the establishment of national human rights institutions such as an Ombudsman/People’s Advocate by helping in draft law compilation and by making the right recommendations for improvement229. Its other contribution has been to help in providing assessments on media freedom and assistance on NGO programs of development.

During the crisis of 1997, in order to facilitate delivery of the humanitarian assistance and create a safe environment for the missions of international

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227 See, “Crisis in Albania”, OSCE Newsletter, Vol. 5, no. 9, September 1998
organisations, a Multinational Protection Force (MPF) was established in Albania, authorised by the Resolution 1101 of United Nations Security Council. After the deployment of MPF, the OSCE has played a major role in stabilising the situation by establishing the Presence office and assigning a OSCE chairman in Office in the person of Ex-Austrian chancellor, Dr Franz Vranitzky. In this regard, the mediation contribution played an important role in ensuring full participation by the political parties and proper conduct in the elections. These efforts contributed to the reconciliation of all the sides in conflict, giving way to a political solution that was realised by settling the date for early elections that were held under the ODIHR auspices, and coordinated the activity of other human rights organisations that observed the elections.

Before the establishment of the Presence office in Albania, the OSCE has carried other important missions related with, among other things, the national minorities' rights monitoring, and the observation of UN sanctions on Yugoslavia.

The tense relations between Albania and Greece concerning the Greek minority rights in Albania were closely followed by the OSCE through an assigned High Commissioner on National Minorities. Fact-finding missions were sent to monitor the situation of the Greek community living in Albania, to analyse the legal status and help establish more intense dialogue between the authorities and the minority. Recommendations were provided to realise further improvement on minority rights and human rights in general. The OSCE missions has helped in lowering the tensions across the boarders.

The same approach was offered to the tense situation between Albania and FYROM on the issue of the Albanian minority living in Macedonia.230

SECOND PART

1. EU Approach in Projecting Security in the Balkans

The European Community231 created after the end of the Second World War with the aim to prevent wars between the Europeans, has succeeded in creating a community of security, democratic stability and economic prosperity. Meanwhile, the

231 Today the European Union
world is shaken and confused as it is by the end of the Cold War and by different "internal crisis of identity, rights or power"\textsuperscript{232}. After the end of the Cold War the European Union remains the most important regional power in Europe representing a fortress of prosperity and security and as such an allure for the other countries of Europe. In this context, as a community of common democratic values, the EU has the duty to extend its order to other European countries. More specifically,

"the EU attaches great importance to cooperation both with and among the countries in the Balkan region. European stability and prosperity cannot be dissociated from developments in the countries in South East Europe. Their political stability and economic well-being will be assured. The EU will continue to stand firmly beside them, both politically and in terms of economic and financial assistance."\textsuperscript{233}

There are no direct economic interests of the EU in the Balkans, first, because the Balkans do not represent a large and competitive market, secondly, the presence of the EU there is very limited, since the level of the EU exports-imports and direct investments with the region countries are at insignificant levels\textsuperscript{234}. Nevertheless, considering the political and security interests, the EU cannot neglect the Balkans. First, the EU has a moral obligation to address the Balkan issues. Second, due to the geographic proximity, the Balkans' security is an important issue for the security of the EU as a whole and for particular states especially. Nowadays there is no fear of invasion coming from the south, the main concern is of an other nature, being related with the invasion of economic refugees. Also the Balkans crisis and tensions "has brought the Balkans's back on the mental map of most west Europeans", because the Balkans constitute an immediate EU neighbour and historically the EU members have perceived differently their interests in the region and nowadays this historical background is shaping in many cases their behaviour toward the Balkan states.\textsuperscript{235}

Meanwhile an abandonment of the Balkans will create a division line in Europe between prosperous and poor countries that may break the existing alignment...
balance and will increase the animosities in Europe and risk a return to Europe's history of conflicts.

Accordingly an integrating policy toward the Balkans is the most appropriate policy that will tie up the Balkan countries to Western values. Integration will offer a stable framework for new democracies to develop and prosper. The European approach toward insecurity in the Balkans is a regional policy considering the region as a whole, aiming at the modernisation and development of respective economies, societies, and political cultures, bringing them up to contemporary European standards.  

Influenced by the Wilsonian consideration that democracies do not fight each other, the EU approach in building security in Europe beyond its own borders is mostly oriented toward the promotion and encouragement of democracy based on a sustainable market economy and well developed democratic society and civil society as part of it.

In fulfilling this goal, the PHARE was established as an important instrument of assistance, aiming "to promote socio-economic development and support the reform process in Central European Countries (CECs); to increase the effectiveness of cooperation process; and to promote EU-CEC partnership". Meanwhile the PHARE provides and supports a range of different instruments to aid the reform process in the non-candidate countries as it is the case of Albania. They consist mainly of know-how, investment support, and investment in infrastructure.

In support of civil society, the PHARE has developed the PHARE Partnership Programme (PPP). The idea behind this Programme was the development of civil society in ex-communist countries as an important part of consolidated democracy. In this framework the empowerment of citizens influences the political life of the country and decision-making process and generally the conditions they live in are considered an important step toward a consolidated democratic political culture. In

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237 PHARE, was originally stood for Poland and Hungary Aid for the Reconstruction of the Economy, later it was extended to other Central-Eastern European countries, Actually, 14 is the number of the countries included under this Program: Albania, Bosnia and Herzegovina, Bulgaria, the Czech Republic, Estonia, the former Yugoslav Republic of Macedonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia and Croatia.
this regard, the NGO development is regarded as an essential indicator that can make a significant contribution to the creation of a democratic political culture.

The PPP was established in 1993 to support the role of Non-Profit Organisations/Non-Governmental Organisations (NPOs/NGOs). The PPP help in building up the EU- Balkans countries partnership and networks between decentralised NGO's as important mechanism for the transfer of know-how and experience from the EU that helps both the reform and integration process. The philosophy behind this effort is that the financial assistance has to build moral support and legitimacy and learning process, the Western experiences helps on this matter.

In their dealing with the Balkan countries that lack Association Agreement as is the case in Albania, Bosnia and Herzegovina, Croatia, FRY, FYROM, the EU has established a strategy based on conditionality. On this basis, the EU has agreed to establish, in the framework of the regional approach, political and economic conditions as the basis for a coherent and transparent policy towards the development of bilateral relations in the field of trade, of financial assistance and economic cooperation as well as of contractual relations allowing for the necessary degree of flexibility. This EU strategy is supposed to serve as an incentive, and not an obstacle, to the countries affected by these conditions. While the exact level of relations with each of the countries varies, certain general conditions apply to all of them as part of a pre-settled regional policy.239 "Accordingly the interest of EU in the (Balkan) region will be pursued through two channels, first in the framework of EU as a whole actor and secondly, bilaterally through bilateral agreements on economical, trade, transport, and political issues and technical assistance and aid."240

2. The EU in Albania

The EU role in Albania supports the transformation of a centralised economic and political system to a decentralised market economy and pluralistic society that offers equal opportunities to every one and a liberal democracy based on individual rights, constitutionalism and the rule of law aiming at the least to achieve compliance with the EU requirements for a future integration in the EU. The EU assesses its

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239 See, "Council Conclusions on the Application of Conditionality in with a view to developing a coherent EU-strategy for the relations with countries in the South-East Region", 2003rd Council Meeting, Luxembourg 29/30 April 1997
240 See, Loukas Tsoukalis, op. cit note 235, p.221
support in the light of Albania’s commitment to the above principles and their implementation in line with the EU regional approach.\textsuperscript{241}

Since 1992, Albania has adopted a clear pro-Western foreign policy and aims to upgrade its links with the EU. This policy remains constantly the main concern of all political spectrums in Albania and all governments in power since 1992.

The first act laying the path for cooperation between the EU and Albania has been the “Agreement on Trade and Economic Co-operation”, in force since December 1992, with a perspective of association between the EU and Albania foreseen in its preamble. This agreement does not have a preferential character. The signature of the Agreement was followed by a join Declaration on Political Dialogue.

In 1993 a sectorial “Agreement on Trade in Textile Products” between the EC and Albania entered into force. The agreements creates space in the European market for Albanian textile exports, aiming at the development of textile industry and related investments. Since early 1992, Albania became a PHARE partner country. Between 1991 and 1997, Albania received ECU 450.6 million in the PHARE support, including ECU 130.3 million for infrastructure development and ECU 74.5 million in critical aid. At present, PHARE resources are concentrated in four main areas of interest: public administration and institutional reform, local community development, large-scale infrastructure development, and agriculture. Only in 1997, did the PHARE commit ECU 34 million in national and ECU 20 million in cross-border cooperation programmes. In addition, special assistance worth ECU 14.9 million is foreseen for budgetary support to public administration reform. Support was also given to the OSCE in organising the June-July 1997 elections, amounting to ECU 1.5 million.\textsuperscript{242}

During the 1997 crisis in Albania, caused by the collapse of pyramid investment schemes, PHARE support was interrupted. Nevertheless, humanitarian aid through ECHO continued in order to cover the most urgent needs of the poorest sections of the population. This aid amounted to ECU 17 million and consisted of food and medical supplies. The European Commission also continued to finance some activities promoting democracy, security and economic stability, including support to the OSCE for organising elections.

\textsuperscript{241} See, “Council conclusions on Albania”, \textit{Bulletin EU, 7/8}, 1997
\textsuperscript{242} Source, Department of Economic Development and Aid Coordination, Tirana, Albania, 1998
The new developments in Kosovo and the issue about the Albanian questions in the Balkans has opened a new approach toward Albania and its integration into the Euro-Atlantic structures. The integration of Albania into the Euro-Atlantic structures is considered an important element in the context of the proposed Stability Pact for South-Eastern Europe. "In order to draw Albania closer to this goal, every effort will be made to implement and actively use all existing assistance and cooperation instruments and to examine all possibilities of further enhancement."243

In the context of the regional approach, a formal proposal for granting to Albania trade preferences is foreseen in the nearest EU agenda, the first stage of which will favour closer economic cooperation between the two parties, and the second stage of which will allow an upgrading of contractual relations in the form of an Association Agreements that will contribute to a future Stability Pact for the Balkans244.

With regard to the time terms, the Council regulation on trade preferences to Albania will permit duty-free access to the entire EU market for Albanian industrial and textile products. This regulation is to be ready for implementation by August 1999.245

The Association Agreement presents more difficulties since Albania is still not ready for such an association with the Union. On the other hand, the EU is concerned with the 10 candidates for membership246. The EU does not want to upset this process by hasty preferential treatments for the newcomers as it was the cases of Albania and Macedonia that were not taken in consideration in the first round. Nevertheless, a formula is under discussion as a response to the emergence of the security issues in the Balkans. Perhaps a technical association will be provided instead of a full association agreement that will mean the prospect of free trade and the reduction of custom duties.247

243 See, “Joint Statement following the Political Dialogue meeting at Ministerial level between the European Union Troika and Albania”, Press/99/121, Luxemburg, 27 April 1999
244 Ibid.
245 Breffni O’Rourke, “EU to develop ties with Albania, Macedonia”, RFE/RL, Vol II, 23 April 1999
246 On 12-13 December 1997, in Luxembourg, the European Council endorsed the Accession Partnership as a new instrument which would be the key feature of the enhanced pre-accession strategy. 10 countries were selected for the first round of accession: Bulgaria, Czech Republic, Estonia, Lithuania, Latvia, Hungary, Poland, Romania, Slovakia and Slovenia.
247 See, Breffni O’Rourke, op.cit note 245
3. The Albanian Economic Reform

Albania is the last country in Central and Eastern Europe to move toward liberalisation and market economy. In the 1970s and 1980s while the other Central and Eastern Europe countries were beginning to adopt liberal policies, Albania was intensifying its isolation and its repressive, centrally controlled economy and social policies.

In 1978, Albania implemented a policy of “autarchy” and so called “self-sufficiency”. The economic system was totally isolated with fixed domestic prices and salaries, and a very low standard of living. In the 1990s, total trade has remained a fairly small percentage of GDP, with exports and imports equalling 14 percent and 22 percent of GDP, respectively\(^{248}\). Albania could be considered both as a relatively closed economy and as an exporter of primary commodities.

In recent years, Albania’s external position has deteriorated markedly, as its terms of trade weakened sharply in 1990-91.\(^{249}\) The economic mismanagement of the country was accompanied by a severe drought. There were many other negative factors, as production related problems in domestic supply reduced exports and increased imports. Access to export markets in Eastern Europe was disrupted. This was reflected in the large trade deficit in non-convertible currencies that developed in 1990-91. During 1988-90, lack of control over the management of external reserves resulted in losses from foreign exchange speculation amounting to 10 percent of GDP. The overall balance of payments deficit was financed by the near exhaustion of foreign reserves, external borrowing, arrears on external trade payments, inter-bank borrowing, and defaults on foreign exchange transactions. Total external debt, including debt associated with the financing of the current account deficit in non-convertible currencies, had increased to about $395 million or 37.7 percent of GDP by June 1991.\(^{250}\) This is equal to Albania’s gross export revenues for one and one-half years during the peak export period of the 1980s.

No economic reforms were introduced in Albania before 1990 in the trade and external sector. This situation aggravated the economic performance of the country and the living standard of people.\(^{251}\) It was not until the middle of 1990, in response to

\(^{248}\) Source, Ministry of Trade and Foreign Economic Relations, Tirana, Albania.

\(^{249}\) For more detailed information see the Table 5, on Albania’s Payments and Foreign Debt

\(^{250}\) See, Table 5, on Albania’s Payments and Foreign Debt

\(^{251}\) See Table 6, about Annual Rate of Growth of Main Macroeconomic Indices
popular unrest, that Albanian authorities acknowledged that the system of central
planning had led to the accumulation of serious imbalances. The pressure on the
government increased, and new elections were called. The first multi-party elections
were held in March 1991, leading to a “coalition government” that took office in
March 1991. A number of reform initiatives were prepared. In some areas the pace of
reform remained relatively slow, notably the privatisation of trade activities and
farming, the integration of state enterprises with the market economy, and price
determination. An uncoordinated, piecemeal approach prevailed in the design of the
reform measures. Such measures were also inadequately publicised and slowly
implemented due to the weak economic administration and political tensions.

A complete, coherent economic programme with defined policies began in the
second half of 1992 until the end of 1993. The program was established for stabilising
the macroeconomic crisis inherited from the previous political system. From 1993
until 1996, a mid term economic program was pursued which had a stabilising and
structural adjustment effect.252 As a result, Albania’s growth in GDP, declining
inflation, and control of the budget deficit were progressing positively until 1996.253

“Albania has made one of the most rapid transitions to the market economy over the
last three years. The Government has transformed an economy of inefficient industrial
plants and collectivised agriculture, into one of small farmers, traders and
businessmen.” - thus observed a report from PlanEcon, the Washington economic
analysts254.

The growth rates achieved have been the highest among the transition
economies in East and Central Europe, GDP increased at an average of 9 percent a
year, the inflation running at 226 percent a year at the end of the 1992, fell to 7.8
percent in 1995. The internal deficit was also reduced to 7 percent compared to 44
percent of the GDP in 1991. Albania’s national currency, the lek, has been very stable
and it is internally convertible and has been floating freely since 1992. The role of the
government was reduced dramatically in almost all the fields of the economy. As a
result, the private sector accounted for about 75 percent of the GDP, 56 percent of
exports and 82 percent of the imports on 1996. Also approximately 76 percent of

252 The short and mid-term programs were prepared under the auspice of the International Monetary Fund and
253 See, Table 7 on Annual GDP growth and Inflation
254 See, Financial Time, 2 October 1995
Albania’s workforce was engaged in private business. Price controls have been almost completely eliminated, they remain only in some public services such as electricity, water and pharmaceuticals.\textsuperscript{255}

Compared with the other countries of Central and Eastern Europe, in the period 1985-1995, the feature of Albanian transformation was that, the country had made the biggest transformation toward liberalisation and privatisation in the shortest period. Looking to the comparative tables on liberalisation and privatisation in the “World Development Report 1996”, Albania is among the most advanced countries in these processes in time terms.\textsuperscript{256} Albania has been favoured also by foreign investments thanks to the liberal terms offered to investors.\textsuperscript{257}

Nevertheless, everything was not rosy. Unresolved problems such as privatisation and reform in financial and institution building, followed by publicly-acknowledged corruption in public services and the inability to fight it, and generally inadequate legal system to fight illicit activities, increased the public discontent that reached the highest point toward the end of 1996 and the beginning of 1997. Other problems influenced in the aggravation of the crisis the inherited, weak economic foundations, a backward banking system, a total absence of capital market and underdeveloped institutions brought it nearer.

The crisis reached its peak in 1997 but it had started in mid 1996, signalled by a rapid decline of economic indicators. During the year inflation jumped up to 12.70 percent, while the budget deficit had grown to 12 percent of the GDP from 7 percent in 1994.\textsuperscript{258} The trade deficit increased sharply. In 1996 the current account had a deficit 1.5 time larger than in 1995 or $215 million. Meanwhile, in 1997, the deficit increased further; it reached approximately $270 million.\textsuperscript{259} This demonstrated the fragility of the macroeconomic equilibrium achieved during the previous years and made clear that the macroeconomic foundation of the reform was problematic. At the same time the economic reform was not followed by a sustainable institutional reform in support of it. The expected institutional reform included a new constitution for the country, new institutions and the establishment of basic rules for conducting a

\textsuperscript{255} See for the data the “Memorandum of Foreign Regime of Albania, 1997, prepared for the accession of Albania in WTO, Source Ministry of Industry and Economic Cooperation
\textsuperscript{256} See Table 9 and 10 on Economic liberalisation and Private sector output as a share of GDP, by country
\textsuperscript{257} See Table 11 on Cumulative foreign direct investments flows by country
\textsuperscript{258} See Albania Human Development Report 1998, p. 18
\textsuperscript{259} See, Table 7 and 11 on Annual GDP and Inflation rates and Annual trade current balance
democratic society. The lack of a traditional developed democracy, and institutional reform were at the base of the crisis. The crisis became violent due to the deepening of the financial crisis which was brought about when the pyramid investment firms or informal credits with unjustified high interests rate, interrupted their activities. The reason for the existence of such pyramid schemes can be found in the lack of financial experience and developed institutions and the state's tolerance of illegal activities.

In fact these phenomena are not surprising for countries in transition. Many scholars have described such upheavals. The economic transition is related with the transition in politics and society. The transition from dictatorship to democracy opens the opportunities for all kind of ideas, but when the democratic tradition is missing, as is in the case of Albania, it leaves an ideological void. The abolition of the communist values does not automatically bring the new civil values. Consequently, the political decision making suffers from uncertainties and hesitations and some times it is short-sighted. This attitude affects the depth and the speed of the reforms, creating serious difficulties after the first wave of the reforms and restraining the newborn capitalism. Albania proved to be part of this transitional picture with many commonalties with the transition in the other Central and Eastern European countries.


CONCLUSIONS

The present study makes clear that security is a concept that requires a wide-ranging understanding. In understanding the complexity of the concept of security, my review of traditional and contemporary literature on the different schools of thought on international relations has made evident the development of the concept, underlined by some authors\textsuperscript{262} that the security concept is considered a derivative of other concepts such as peace and war.

National security at first glance suggests a state level understanding. Such a superficial view is not sufficient, since national security has to imply the regional and the international level, both of which have implications for the concept. Meanwhile national security becomes affected by considerations other than political and military. The economic and social spheres have also an impact on the security issues. The concept of security binds together both levels and spheres, requiring an integrative approach in the understanding and development of the concept.\textsuperscript{263}

In this context, the conceptualisation of the main core of this thesis, security in the Balkans with a focus on Albania, is based on three pillars. The first pillar deals with the implications for security at the regional level, stressing the initiatives and organisations of the region. The second pillar provides consideration of the implications coming from the international level with a focus on the role of institutions especially the Euro-Atlantic ones. The third pillar has considered the implications of economic and social spheres and their effect on security.

The regional approach has introduced the Balkans from a historical and contemporary perspective. The Balkan countries have almost a common historical and sociological background which have shaped size, problems and insecurities in the Balkans. Lack of trust and reconciliation, along with poor economic development, an underdeveloped civil society and low inter-cooperative level, have made the Balkans the “powder keg” of the Europe. It is as though time has not passed for the Balkans and it is still too early to think of an end of history in Fukuyama’s terms. Balkan

\textsuperscript{262} See, Barry Buzan, op. cit note 1

\textsuperscript{263} See ibid., p.363
countries have emerged from the Cold War era with a constellation of problems such as internal social-economic instabilities, heightened ethnic problems, movements for self-determination and struggles for revised international borders.

Being a peninsula, the Balkans represent a closely knit land, so internal insecurities carry a great potential for transporting insecurity at a regional level, favoured also by the small size of the states and their fragile internal ethnic equilibrium. Furthermore, the problems in a country are disturbing and harming the economic and financial life of the neighbour countries by discouraging foreign and internal investments, trade flows of goods and services as well as undermining the use of the capacity of airports, road, energy and gas networks. This ongoing disorder causes delays in economic reform and occasions social disorders thus causing internal instability which can spread to the neighbour countries.

Balkan states are small and in most of the cases unviable as units which make indispensable the necessity of a regional perspective on resolving security issues. As a result it is very difficult to treat country security dilemmas separately from a regional and institutional perspective. The end of the Cold War has been followed not only by an environment of conflict in the Balkans but also by a growing consciousness of the need for cooperation conceived as a tool that will contribute both to prosperity and security. Many initiatives are under way, each aiming to enhance cooperation in different fields. The Southeast European Cooperative Initiative (SECI), The Black Sea Economic Co-operation Zone and recently the Stability Pact for the Balkans all aim to encourage a free market, economic cooperation and facilitate cross-border communications among the Balkan countries. Meanwhile such developments may resolve the problems from a regional perspective by harmonising the expectations and interests of the countries of the region. The Multinational Peace Force South-East Europe (MPFSEE) is an initiative in the military field. It constitutes an effort to reduce tensions and prepare the countries’ armies for membership within NATO. Moreover, it represents a forum for talks, information exchange, all of which are important in building confidence and trust between the military staff of each country and beyond. Another form of cooperation has been the forum of head of states. In this context one might mention the Summit of Crete which launched the idea of the Europeanisation of the region, considering the integration of the Balkan states an important step in resolving peacefully conflictual situations and creating the
framework for the states' integration into the European Union. The initiatives are numerous but they have yet to produce important results in resolving the security problems of the region. They may be appreciated as efforts that aspire to peace and cooperation and furthermore they contribute to trust and dialogue in the region.

Albania has tried to make a place for itself in the troublesome Balkan region. Historically, besides suffering from inherited Balkan problems and legacies, Albania has always represented a piece that must be shared among neighbours. Partially this has been the case since half of the Albanian territories inhabited by a majority of ethnic Albanians, have been assigned to the neighbour countries. During the Cold War, ethnic and border problems were frozen and a kind of stability reigned in the Balkans. Nevertheless it divided the Balkans in two alignments: the Western Euro-Atlantic Alliance and the Communist camp block. Meanwhile Albania ably played the alliance building, first with Tito's Yugoslavia, later with the Soviet Union and lastly with China, to guarantee its security and border integrity against the designs of neighbours much larger in size and potential strength.

The end of the Cold War has opened a new era for Albania. She is eager to integrate herself into the international arena, build alliances that will help her to recover from the backwardness inherited from the isolationism of the previous regime, and solve her security dilemmas. Meanwhile, Albania is not undermining the good relationship and cooperation with neighbour countries. In her foreign policy toward her neighbours, Albania aims to establish good relations and maintain an equilibrated position toward the ethnic Albanians living in the neighbour countries and act mostly in accordance with the international community policy. This attitude aims to elicit the praise of the Western states and organisations for its policy and conduct in the belief that in return it will be compensated with aid and assistance which are very important to the economic and political survival of the country.

My analysis of security from an international perspective has considered the role of institutions to be indispensable. In the Balkans, the Eurocentrist nature of the institutions does not generate tensions based on culture differentiations since the Balkans are regarded as part of Europe. Moreover the Balkans have yet to develop any important tendency that would reject the role of international institutions.

By managing relations and settling disputes on common rules and guidelines, institutions avoid conflict and provide opportunities for mutual benefit. The
institutions, especially the Euro-Atlantic ones, showed their ability in dealing successfully with the post Cold War problems. Institutions such as NATO, the EU, the OSCE, the WEU have gained a vital importance, especially after the end of the Cold War, in building European security architecture, each complementing the others in an interlocking approach.

NATO has emerged after the Cold War period as the most competent organisation from the military, strategic and operational point of view, able to respond to the overall threats to European security, and willing to offer a coverage of security for the rest of European countries. What is more, NATO has adopted a new role in the protection of Western values and interests in the immediate neighbourhood and beyond. Projecting stability for Central-East Europe, NATO has established organs such as the NACC, recently superseded by the EAPC, and a programme such as PfP that will create the needed framework for future membership in the organisation of a larger cluster of European states.

The OSCE is also another organisation projecting peace and stability in Europe by encouraging cooperation and a consensual framework among the member states. It represents also a forum for consultation and coordination of other international organisations tasks. It participates as mediator for crisis prevention and monitoring. The most important role assigned to the OSCE is related to the projection, spread, monitoring and defence of democratic values in the new democracies in the post Cold War era.

The EU is the most integrated structure in Europe, a model of prosperity and peaceful conflict resolution. The integration within the Union aims at the extension to the other non-European member countries of this security community, based on shared values and interest. The membership as such implies the consolidation of liberal democracies based on political freedom, market economy, constitutionalism and rule of law. The spread of such values through Europe will lay the way for a unified and peaceful Europe, including the Balkans as an integrative part of it.

The WEU is a complimentary structure of the EU that seeks to provide a continental identity to European defence and security. The WEU is mostly involved in military issues and programmes in line with the European Union.

In the Balkans the role of institutions is of great importance. This role consists of mediating and assisting both the consolidation of fragile internal ethnic equilibrium,
as is the case of Macedonia, and the settlement of tense inter-state relations, as may be the case in Bosnia and Kosovo. More then that, they provide the security guarantees necessary for the economic development and cooperation as one of the pre-conditions that will provide stability and security in the region. Meanwhile, the institutions support the development of democratic values and civil society as an important part of the whole security building architecture for the Balkan countries.

Looking to the priorities of Albanian foreign policy, inclusion into the Euro-Atlantic structures has a particular importance. NATO in the Balkan framework and for Albania in particular constitutes the most important approach toward security building. On both sides, there is a reciprocal interest in cooperation. Balkan countries, Albania included, will receive the needed security guarantees that create the necessary pre-conditions for development in other fields, contain the old rivalries and tie these countries to democratic values. From a NATO perspective the extension of membership in the Balkans will contribute to European security, it will avoid a dividing line within Europe that may encourage the revival of old rivalries in Europe based on a quest for zones of interest in the Balkans, thus undermining the strategic balance in Europe. Meanwhile the enlargement of NATO in the Balkan region will contribute to the strengthening of the southern flank. A conflict in the Balkans may involve Greece and Turkey on different sides, thus challenging the internal cohesion of NATO. Moreover, the enlargement will serve as a prevention against the overall threats to security such as the potential expansion of fundamentalism in the Balkans.

Albania has particular interest in NATO membership. The Albanian question in the Balkans after the Kosovo crisis has made clear that linking Albania to Euro-Atlantic structures will provide an important stabilising factor for the Balkans. This can be only through NATO. Meanwhile Albania has inherited weak defence structures which are unable to respond to any kind of threat. In this context only NATO can offer the security guarantees and assistance that will cope with these deficiencies.

In conceptualising security from a sphere of activity perspective the focus was placed on social and economic factors. These factors are considered important elements of the democratisation process and of security itself, since there is the belief that democracies do not wage war against each other. As a start it was considered important to look at the Balkans’ mind set from a historical perspective. This perspective has been important in understanding the Balkan people’s perception and
behaviour toward the state and institutions, and how these are considered to have implications for the economic and social developments which can then develop into security issues. In the Balkans, over time, the state mostly has been centrally controlled and based on corruption. The characteristics of the state have been: the highly autocratic rule, absence of rule of law, low level of institutionalisation and intermediary structures, interference of foreign factors in the legitimisation process. The preceding communist regimes have entrenched these tendencies by building totalitarian states based on authoritarianism and lack of pluralism in all fields. All these past developments have an important impact on civil society, the democratisation process and the market economy. The past has effected the transition to democracy in terms of the ups and downs endured by the countries and the peculiarities of the process. The most visible peculiarity is that the transition to democracy was initiated by the communist leadership which even won the first democratic elections.

Looking from an international perspective, the end of the Cold War era and the wave of the democratisation in Central-East Europe had a positive impact in the Balkan countries, opening the way toward democratisation. This development was also due to the dissolution of the Soviet Union and the end of its sphere of influence, which gave the communist countries the opportunity to exit the umbrella of its domination. Furthermore, this process was also effected by the international institutions, the EU and the US as the most important actors with influence on the region, which provided the models and assistance for encouraging the new developments.

Analysing the pre-conditions of establishing democracy from the perspective of formal and consolidated democracy has been important in understanding the prospect for democratisation in the Balkans. Such analysis results in the observations that Balkan countries must be considered as having adopted the pre-conditions for a formal democracy such as, free and fair elections, competition and participation. Elsewhere, the consolidation of democracy requires the acceptance of democracy as the best solution, meanwhile its principles, rules and norms have become self-enforcing and customised. This is still not the case in the Balkans.

In the Balkans' framework, Albania is part of this heritage. At the same time, it possesses, particularities related to a wide range of factors such as the isolationist policies of the previous communist regime, lack of heritage in civil society and
democratic culture, a deficiency in the multiplicity of the democratic process that involves all spheres of the life, a crisis of values due to the rejection of the communist values which led to a vacuum of values, and the uncontrolled movement of the population. At the same time there was a lack of civil society and intermediary and pluralist structures. Nevertheless, since the start of the democratic process, progress has been made. The development of the NGOs and related legal framework have contributed to the development of civil society and the democratic process. The NGOs have emerged as intermediary structures that have alleviated the burden of the social crisis by intervening in the sphere of women, marginalised categories of the populations, and professionals, helping them cope with the new challenges.

In approaching the democratic transition in Albania, elements such as political pluralism, institution building, elections, and media are taken into consideration, while recognising their deficiencies and tendencies. The deficiencies bespeak of a weak conceptualisation of basic principles and rules of democracy, oscillations in public reaction that lead to an unstable political culture, and the politicisation of all issues. At the same time there is a positive move underlined by the development of different democratic institutions, democratic constitutional law, private independent media, free elections, and multi-party system—all of which encourage the progress toward democratisation.

The complexity of the problems and the difficulty on the part of the Balkan countries to deal with them make indispensable the role of international institutions in the democratic transition. Here it is important to mention the role of the OSCE. Its role is related to confidence and building measures in security issues, conflict prevention and dispute settlement, enhancement of economic cooperation and protection of human rights, all important issues for the Balkan countries. Mostly, the OSCE is focused on the protection of the human rights, crisis mediation, organisation and observation of free elections, development of civil society and protection of minority rights. Carrying all these tasks, the OSCE is represent in Albania by a Presence Office.

A further important actor in the region is the EU. It represents a model that must be followed by the Balkan countries as a solution to the instability in the region. The EU is seen as an actor that has to play a role in the Balkans. This is due to three considerations. First, the EU as a democratic body has the duty to spread democratic
values and principles. Second, any isolationism on the part of the EU will lead to a division of Europe into rich and poor regions that in one way or another subject the EU to the pressure of refugees coming from the poor regions. Third, the instabilities in the Balkans that are mostly due to the lack of democracy and economic unstable structures can easily be transformed into political instabilities with serious implication for security issues that may even destabilise Europe.

In fact the EU is present in the Balkans and Albania also. All the Balkan countries aspire to join the EU. This membership is foreseen as an important asset in building a long-term security for the Balkans, since the membership involves more than economical structural changes; it considers values, norms that will build liberal democracies. In support of this membership agreements and programmes of development are established. The established programmes such as PHARE, PPP, aim at the consolidation of civil society and intermediary structures, both considered as emancipatory forces that will lead to democratisation. Meanwhile assistance is provided in the economic sphere for the creation of consolidated economic structures that will support the democratic changes. Albania is part of this picture. But still the level of institutionalisation of the relations with the EU is low. The relations are managed by an agreement on trade and economic cooperation which does not presume any status as most favoured partner. Nevertheless, a great deal of assistance and aid is provided, which is considered as important for the continuation of the reform given the inability of Albania to sustain its growth independently.

Looking more closely at the economic reform in Albania, it reflects the deficit of pluralistic and consolidated economic structures and it is influenced by the political and social development in the country. Until 1997, the Albanian reform in the economic field was considered successful and was praised by the international institutions. The 1997 crisis marked a deep deterioration of macroeconomic indicators. The deep economic crisis was due to the fragility of economic structures and other related factors such as, corruption, lack of rule of law, and deficiencies in privatisation. Mostly it was attributed to the lack of a consolidated democratic environment. This consideration was based on the fact that the society and the state were unable to control the crisis caused by the failure of the pyramid schemes in the country. The crises involved the other spheres, including the politics and military structures. Obviously the events showed the interlinkage that exists between different
spheres. The instability in one field involves in one way or another the others' fields. The risk is higher when the democratic structures are not consolidated and they do not meet the challenges.

Finally, looking for practical implications, some options as possible scenarios can be summarised for the Balkans' and Albania's future. In this Balkan framework there may exist three options for the future:

- **Total war, all against all.** As a result an unstable region will threaten all the Balkan countries but the continent also. This option does not have any realistic future. The Balkans are part of Europe, according to a number of different perspectives. The Balkans are within the European geographical "natural borderline" they share with the continent common historical cultural heritage and memories, and they have been historically part of European political life. The EU represents the allure of democratic values, economic performance and rule of law and the Balkan countries as part of Europe cannot remain rejected. Also it is in Europe's interest to have a stable neighbourhood. Furthermore, two of the Balkan countries are members of NATO and one of the EU, so the instability can easily be transferred to Europe.

- **Division into different alignments will put the Balkan countries on the side of different major powers.** This results in turning the Balkan land into a theatre of clashes between Europe and the US, both testing their supremacy and dividing the zones of influence. It is probable but still, the EU and the US share more interests in common than divisions, so there is little possibility that this option will gain ground.

- **Integration into Euro-Atlantic structures.** The integration will resolve many inherited problems, rivalries and ethnic problems by making insignificant the meaning of border and creating the environment for cooperation and development. This is the most discussed version and a Stabilising Plan along these lines is foreseen for the Balkans after the recent events in Kosovo.

The last version looks the most suitable and probable. It involves besides security, the concept of the new dimension of security in the post Cold War Era: free economic and civil society developments, since integration into these organisations presumes the compliance with a set of democratic values and practices and economic standard.

Assessing options for the future of Albania, two likely policies emerge.
To leave Albania alone in its efforts. This will lead the country to anarchy and social confrontations. In the present time it is difficult to think that the same isolation will be equally repeated without affecting the neighbourhood. A destabilised Albania will threaten the region and the EU neighbour members, such as Italy and Greece. The threat has firstly an economic character related to the flow of refugees in the neighbour countries but at the same time it assumes a political dimension by threatening the internal political equilibrium of neighbour countries by breaking the fragile ethnic equilibrium.

The other option is to integrate Albania into the international structures. This option involves two approaches - multilateral and bilateral. According to the multilateral approach the Balkan countries has to find a common language of trust, cooperation and political dialogue, that will lead toward a regional integration as a first step and a further integration into the European family as a second step. Albania will be part of this regional integration trend. According to the bilateral approach, Albania may join individually the Euro-Atlantic structures that will assign to it the role of stabiliser in the region.

Both last options are suitable for settling Albanian security dilemmas and contributing to Balkan stability and peace. Priority will be accorded to the version that best suits institutions’ interests for the stability in the region. The integration will be a political process rather than one based on standardised indicators for membership of these institutions, because Albania like many of the Balkan countries, is still far from compliance with the settled pre-conditions for membership. Nevertheless the regional two step approach has gained ground recently in the belief that an integrated and peaceful Balkans as a whole, will be the best solution for the security of the regional states. This follows in the footsteps of the European experience after the Second World War.
## TABLES

### Table 1 - EU exports to Balkan countries

<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>% share</td>
<td>ECU bn</td>
<td>% variant</td>
<td></td>
</tr>
<tr>
<td>Albania</td>
<td>1.0</td>
<td>0.43</td>
<td>0.5</td>
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<tr>
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<tr>
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<td>1.87</td>
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<tr>
<td>Fyrom</td>
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<td>3.55</td>
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<td>3.67</td>
<td>4.38</td>
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Source: Eurostat, Statistics in Focus, External Trade

### Table 2 - EU imports from the Balkan countries

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<td>% share</td>
<td>ECU bn</td>
<td>% variant</td>
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<td>31.4</td>
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<td>Fyrom</td>
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<td>0.64</td>
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<td>2.51</td>
<td>3.26</td>
<td>30.1</td>
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<tr>
<td>Slovenia</td>
<td>9.1</td>
<td>3.42</td>
<td>3.78</td>
<td>20.6</td>
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Source: Eurostat, Statistics in Focus, External Trade

### Table 3 - EU Trade Balance with the Balkan countries

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<tbody>
<tr>
<td></td>
<td>ECU bn</td>
<td>% total trade</td>
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<td></td>
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<td>2.9</td>
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<td>Croatia</td>
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<td>27.4</td>
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<td>Fyrom</td>
<td>0.08</td>
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<td>10.7</td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>0.14</td>
<td>2.7</td>
<td>4.2</td>
<td></td>
</tr>
<tr>
<td>Slovenia</td>
<td>0.25</td>
<td>3.6</td>
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Source: Eurostat, Statistics in Focus, External Trade
Table 4 - EU exports to Balkan countries in 1996 in percentage

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<td>Bosnia-Hercegovina</td>
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</tr>
<tr>
<td>Bulgaria</td>
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<tr>
<td>Croatia</td>
<td>5.6</td>
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<tr>
<td>Fyrom</td>
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<tr>
<td>Romania</td>
<td>6.4</td>
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<tr>
<td>Slovenia</td>
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Source: Eurostat, Statistics in Focus, External Trade

Table 5 - Albania’s Balance of Payments and Foreign Debt

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<th>1991</th>
<th>1992</th>
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<tbody>
<tr>
<td>Commercial banks arrears</td>
<td>181.1</td>
<td>395.0</td>
<td>0.0</td>
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<tr>
<td>Exports</td>
<td>227.0</td>
<td>72.0</td>
<td>65.0</td>
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<tr>
<td>Imports</td>
<td>380.0</td>
<td>281.0</td>
<td>517.0</td>
</tr>
<tr>
<td>Balance of Payments</td>
<td>-152</td>
<td>-250</td>
<td>-529</td>
</tr>
<tr>
<td>Trade deficit ratio of GDP (%)</td>
<td>-11.0</td>
<td>-19.2</td>
<td>-72.5</td>
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<tr>
<td>Dept service ratio to exports</td>
<td>26.7</td>
<td>37.7</td>
<td>89.5</td>
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Source: Estimates from National Bank of Albania, December 1992

Table 6 - Annual Rate of Growth of Main Macroeconomic indices (%)

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<tbody>
<tr>
<td>GDP</td>
<td>3.1</td>
<td>-0.8</td>
<td>-1.4</td>
<td>9.8</td>
<td>-10.0</td>
<td>-21.1</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>1.1</td>
<td>-2.7</td>
<td>6.0</td>
<td>7.7</td>
<td>-11.5</td>
<td>-14.4</td>
</tr>
<tr>
<td>Total wage fund</td>
<td>5.5</td>
<td>3.4</td>
<td>1.3</td>
<td>3.7</td>
<td>4.6</td>
<td>18.3</td>
</tr>
<tr>
<td>Number of workers</td>
<td>4.0</td>
<td>3.8</td>
<td>2.7</td>
<td>3.4</td>
<td>3.1</td>
<td>n.a</td>
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<tr>
<td>Gross fixed capital formation</td>
<td>-2.3</td>
<td>0.7</td>
<td>-1.5</td>
<td>8.0</td>
<td>-0.5</td>
<td>n.a</td>
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<tr>
<td>Exports</td>
<td>18.5</td>
<td>0.0</td>
<td>2.4</td>
<td>18.8</td>
<td>-25.0</td>
<td>-45.8</td>
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Table 7 - Annual GDP and Inflation rates in %

<table>
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<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>GDP</td>
<td>-28</td>
<td>-7.20</td>
<td>9.60</td>
<td>8.30</td>
<td>13.30</td>
<td>9.10</td>
<td>-7.00</td>
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<tr>
<td>Inflation</td>
<td>35.50</td>
<td>226</td>
<td>85</td>
<td>22.50</td>
<td>7.80</td>
<td>12.70</td>
<td>180.20</td>
</tr>
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</table>

Source: Institute of Statistics of Albania, 1998

Table 8 - The Foreign Trade Current Balance 1990-1996 in $m

<table>
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<tr>
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<tbody>
<tr>
<td>Total volume</td>
<td>608</td>
<td>260</td>
<td>686</td>
<td>743</td>
<td>905</td>
<td>1130</td>
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<tr>
<td>Export</td>
<td>228</td>
<td>80</td>
<td>112</td>
<td>141</td>
<td>202</td>
<td>207</td>
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<tr>
<td>Import</td>
<td>380</td>
<td>180</td>
<td>574</td>
<td>602</td>
<td>703</td>
<td>923</td>
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<tr>
<td>Net Trade balance</td>
<td>-152</td>
<td>-100</td>
<td>-463</td>
<td>-461</td>
<td>-501</td>
<td>-716</td>
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</table>

Source: Institute of Statistics of Albania, 1997
Table 9 - Economic liberalisation by country

<table>
<thead>
<tr>
<th>Group 1</th>
<th>Poland</th>
<th>Slovenia</th>
<th>Hungary</th>
<th>Croatia*</th>
<th>FYR Macedonia*</th>
<th>Czech Republic</th>
<th>Slovak Republic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 2</td>
<td>Estonia</td>
<td>Lithuania</td>
<td>Bulgaria</td>
<td>Latvia</td>
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<td>Romania</td>
<td>Mongolia</td>
</tr>
<tr>
<td>Group 3</td>
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<td>Russia</td>
<td>Moldova</td>
<td>Armenia*</td>
<td>Georgia*</td>
<td>Kazakhstan</td>
<td></td>
</tr>
<tr>
<td>Group 4</td>
<td>Uzbekistan</td>
<td>Ukraine</td>
<td>Belarus</td>
<td>Azerbaijan*</td>
<td>Tajikistan*</td>
<td>Turkmenistan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vietnam</td>
<td>China</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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</table>

Note: Bars indicate the extent to which policies supporting liberalized markets and entry of new firms prevailed in 1995 and on average over 1989-95. Asterisks indicate economies severely affected by regional tensions between 1989 and 1995. The index is a weighted average of estimates of liberalization of domestic transactions (price liberalization and abolition of state trading monopolies), external transactions (elimination of export controls and taxes, substitution of low to moderate import duties for import quotas and high tariffs, current account convertibility), and entry of new firms (privatization and private sector, or nonstate, development). The weights on these components are 0.3, 0.3, and 0.4, respectively. Initial estimates for the three components were based on comparative information in World Bank and other reports. These were revised following consultation with country specialists as well as experts with a comparative perspective across a number of countries. For the twenty-five countries in CEE and the NIS the transition indicators and accompanying text in EBRD 1994 and 1995 provided a further basis for calibration. Nevertheless, any such index is judgmental and necessarily approximate. See also the De Melo, Denizer, and Gelb background paper.
Table 10 - Private Sector Output as a Share of GDP by Country

<table>
<thead>
<tr>
<th>Group 1</th>
<th>Poland</th>
<th>Slovenia</th>
<th>Hungary</th>
<th>Croatia*</th>
<th>Czech Republic</th>
<th>Slovak Republic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 2</td>
<td>Estonia</td>
<td>Lithuania</td>
<td>Bulgaria</td>
<td>Latvia</td>
<td>Albania</td>
<td>Romania</td>
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<tr>
<td>Group 3</td>
<td>Kyrgyz Republic</td>
<td>Russia</td>
<td>Moldova</td>
<td>Armenia*</td>
<td>Georgia*</td>
<td>Kazakhstan</td>
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<tr>
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<td>Uzbekistan</td>
<td>Ukraine</td>
<td>Belarus</td>
<td>Azerbaijan*</td>
<td>Tajikistan*</td>
<td>Turkmenistan</td>
</tr>
<tr>
<td>China nonstate</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>China nonstate</td>
<td></td>
<td></td>
<td></td>
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</table>

CEE, NIS, and Mongolia

East Asia

Note: Firms are considered private if they are less than 50 percent state owned. For Vietnam, the nonstate sector excludes public-private joint ventures. For China, the nonstate sector includes collectives and township and village enterprises as well as private firms; agriculture is considered private in 1995, although land is held through long-term leases. Asterisks indicate economies severely affected by regional tensions between 1989 and 1995. Source: EBRD, IMF, and World Bank data; official data.
Table 11 - Cumulative Foreign Direct Investment Flows by Country

<table>
<thead>
<tr>
<th>Percentage of 1994 GDP</th>
<th>Millions of dollars</th>
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<table>
<thead>
<tr>
<th>Country</th>
<th>Group 1</th>
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<th>Group 3</th>
<th>Group 4</th>
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<tbody>
<tr>
<td>Poland</td>
<td>6,459</td>
<td>646</td>
<td>25</td>
<td>250</td>
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<tr>
<td>Slovenia</td>
<td>438</td>
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<td>86</td>
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<td>Hungary</td>
<td>3,996</td>
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<td>Czech Republic</td>
<td>483</td>
<td>397</td>
<td>950</td>
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<td>Slovak Republic</td>
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<td>110</td>
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<td>Croatia*</td>
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<td>25</td>
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<td>FYR Macedonia*</td>
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<td>Group 4</td>
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<td>Belarus</td>
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<td>Vietnam</td>
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<td>China</td>
<td>121,704</td>
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</tbody>
</table>

Note: Data are the sum of inflows during 1989-95; those for Croatia, Georgia, and Turkmenistan are unavailable. Data for 1995 are preliminary. Countries are ranked as in Figure 1. Asterisks indicate economies severely affected by regional tensions between 1989 and 1995. Source: World Bank 1996b; IMF and World Bank staff estimates.
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