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ALBANIAN NATION-BUILDING AND AUSTRIA-HUNGARY

THE DEVELOPMENT OF A SOUTHEAST EUROPEAN PEOPLE INTO A MODERN NATION

Krisztián Csaplár-Degovics

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Abstract: Diplomatic, political, economic, cultural, and scientific relations between Hungary and Albania date back to before 1918. At the time, Hungary was considered to possess and control half of a great power: the Austro-Hungarian Monarchy. The Austro-Hungarian Joint Ministry of Foreign Affairs (Ballhausplatz) played a crucial role in the strengthening of the Albanian national movement at the turn of the century and in preparing the members of that movement for the tasks to be performed as leaders of an independent nation-state.

Based on archival sources yet to be published and relying on previous literature, the present study takes a historiographical approach in demonstrating how the so-called Albanian question gained increasing importance and became a priority of foreign policy for the Ballhausplatz while the interests of the Albanian national movement intertwined with the aspirations of the Austro-Hungarian Monarchy as a great power. The paper also shows what roles the experts of the Austrian and the Hungarian part of the Monarchy and certain members of the Albanian national movement played in this joint venture. The paper concludes that the Austrians played a key role in building the Albanian statehood, while Hungarian scholar Lajos Thallóczy, representing Hungarian political and historical thought, made an unparalleled contribution to the modern Albanian nation-building process.

Keywords: Albanian policy of Austria-Hungary, Albanian national movement, Lajos Thallóczy, post-imperial life in Albania

Introduction

The nation-building of Muslim-majority peoples tends to be treated as a single whole in the literature, even though two of these peoples are indigenous to Europe, and their nation-building and state-building deserve to be a separate field of research. What Bosnian and Albanian nation-building had in common was that the Austro–Hungarian Monarchy played a decisive role in both processes, and it was Hungarian theoretician Lajos Thallóczy (1857–1916) who was especially successful in exporting the experience of Hungarian nation-building to Albania through his publications, although his efforts failed in Bosnia (Csaplár–Degovics, 2022). The difference between his success and failure was rooted in the fact that the Hungarian model could only be efficiently exported to a place where the people, like the Hungarians, had a very strong ethnic consciousness and existed as a language enclave in the midst of the neighbouring nations.

The present paper summarizes how the Monarchy started to build relations with the Albanian national movement at the turn of the century, why the Albanians accepted the support of a great empire in their nation-building, and how Thallóczy influenced the development of Albanian national thought as an external player. The paper explores how independent Albania was created in 1912–1913, and how the Austro–Hungarian programme has been able to determine the stages of Albanian nation-building and the development of the Albanian national self-image virtually to date, long after the fall of the Danube Monarchy.

The Albanian Policy of Austria–Hungary

The First Contact Between the Habsburg Monarchy and the Albanian-Inhabited Territories

The Albanian question emerged in international politics in the aftermath of the Great Eastern Crisis (1875–1878). Although the crisis was clearly the domestic affair of the Ottoman Empire, the sovereignty of the Ottomans

was no longer undisputable, which, in turn, motivated external powers to vie for influence in the former Ottoman territories. At the turn of the century, three great powers were directly or indirectly interested in the fate of Albania: the Austro-Hungarian Monarchy, Italy, and Russia (Clewing, 2002; Dakin, 1962; Hayne, 1987).

After the Treaty of Vienna in 1615 (Bittner, 1903; Ippen, 1901-1902), the Habsburgs followed the French example and increased their power as a cult protectorate over the Catholic subjects living in the Ottoman Empire through the series of treaties that put an end to the Reconquest Wars (Karlowitz (1699), Požarevac (1718), Belgrade (1739), Sistova (1791)), as well as through the Treaty of Constantinople (1681) and the Congress of Vienna (1815) (Gostentschnigg, 1996; Ippen, 1901-1902; Benna, 1954; Lammeyer, 1919). Cult protectorate rights were exercised by the local consuls and the ambassador in Constantinople. These rights were originally based on secular contracts, and they were recognized by Pope Gregory XVI in 1837 and reaffirmed at the 1855 Concord of Vienna. Around 1910, the cult protectorate had approximately 220 institutions in the Albanian territories (131 of which were parishes, while the remainder were schools of various educational levels, hospitals, printing houses, etc.) (Gostentschnigg, 1996; Deusch, 2009). The religious and humanitarian protectorate had no political aspect whatsoever until the end of the nineteenth century. Beside building its influence over the Catholic subjects, Vienna also took control of Venetian Albania under the Treaty of Campo Formio (1797), which became the southernmost part of Dalmatia, called "Austrian Albania" (Müller, 1844). Austria-Hungary finally took more interest in Southeast Europe after its indirect power position was shattered in the Italian and German territories due to the unification of Italy and Germany, and after Russian hegemony was strengthened in Eastern Europe.

The Great Eastern Crisis and its Consequences

From 1815 on, the great powers decided on the political and territorial changes in Europe. One of the most important topics of this cooperation from the 1830s onward was what is referred to as the Eastern Question, an issue that directly affected all the great powers (Anderson, 1966; Löhr, 1992).

In the second half of the nineteenth century, the most important changes concerning the Ottoman Empire took place during the Great Eastern Crisis (or, in a broader sense, between 1875 and 1885). When the events in Herzegovina and the Bulgarian uprising (sectarian and ethnic conflicts, the slaughtering of Christian civilians by the Ottoman army in Bulgaria) started the Serbian/Montenegrin–Ottoman war in 1876, Vienna became concerned that a Russian satellite state was about to be established in the Balkans and that Serbia might gain access to the Adriatic. The defeat of the small Slavic states, however, placed Russia in quite a predicament, as failure to make an armed intervention would have discredited the empire in the eyes of the peoples of the Balkans.

To avoid open conflict, the representatives of Russia and the Austro–Hungarian Monarchy entered into negotiations in 1876 (Reichstadt) and 1877 (Budapest). In Budapest, the parties agreed that in the event of a Russian–Ottoman conflict, the Monarchy would remain neutral, but in return Bosnia–Herzegovina would come under the control of the Monarchy if the Ottoman Empire collapsed. That way, no great Slavic state would be created, the Serbs would have no access to the Adriatic, and it would be possible to maintain balance among the new states of the Balkan Peninsula. In the Budapest agreement, which was concluded on the eve of an imminent war, the parties confirmed the Reichstadt agreement and effectively divided the Balkan Peninsula into a western and eastern area of influence. Russia promised to confine its military operations to the eastern part of the Balkans and observe the boundaries of the Monarchy’s area of influence. The territories inhabited by the Albanians thus came under the control of Austria–Hungary (Bridge, 1989).

After the victorious war, however, at the Treaty of San Stefano (1878), Russia was determined to create a Greater Bulgaria, which would have meant the annexation of sizeable lands inhabited by ethnic Albanians, and therefore the proposal posed a significant threat to the interests of the Ballhausplatz. At the same time, Great Britain was deeply concerned about the Straits. As a consequence, Vienna and London urged the other great powers to convene in Berlin in the summer of 1878 to revise the terms of the San Stefano Treaty. Greater Bulgaria was divided into three parts. Serbia, Montenegro, and Romania became internationally

recognized independent states, and the Monarchy received international authorization to occupy Bosnia-Herzegovina and the Sandjak of Novi Pazar. The Russian plans had come undone.

The question of the Albanians was not raised either in San Stefano or in Berlin, for most of the great powers did not even recognize the existence of the Albanian people. None of the great powers did anything to support the League of Prizren, an Albanian political and military organization created for defending the Albanian ethnic territories (the League was founded approximately a month before the Treaty of Berlin) (Csaplár-Degovics, 2010). However, the port of Ulcinj and the surrounding areas, the northeast corner of the ethnic Albanian lands, were annexed to Montenegro despite the military resistance of the League of Prizren (Anderson, 1966).

Italy and its Aspirations in Albania

The Congress of Berlin marked a turn in the relations of the great powers: in order to prevent a war with Russia, Berlin and Vienna created the Dual Alliance in 1879 and renewed it in 1881. Italy joined the Alliance in 1882, to form the Triple Alliance. When joining the Alliance, Italy recognized the status quo on the Balkans, but Germany and Austria-Hungary refused to accept Italy's great power ambitions in the Eastern Adriatic.

Rome, however, boldly took advantage of the unification of Eastern Rumelia and Bulgaria (1885) and the escalation of the German-French conflict: at the 1887 renewal of the Triple Alliance, a new article was incorporated into the original agreement at the request of Rome. Article 7 brought about a significant change: the Monarchy virtually consented to Italy becoming its rival in the Balkans (Pribram, 1920). Article 7 stipulates that Italy is to be compensated for any advantage, territorial or otherwise, which the Monarchy gains in the Balkans or the Ottoman coasts and islands in the Adriatic and the Aegean Sea (Schanderl, 1971). The Second Treaty of the Triple Alliance in 1887 was a huge diplomatic success for Italy: Southeast Europe in its entirety

became part of a new political and military constellation, and Rome was regarded as a potential great power of the Balkans (Behnen, 1985). After 1887, Italy could pursue an increasingly active Albanian policy (Bushati, 1940; Tittoni, 1928).

After their fiasco in Ethiopia (1895), the value of the Eastern Mediterranean greatly appreciated for the Italians. The Italian political press coined the term “mare nostro”, which quickly found its way into the Ministry of Foreign Affairs. The public urged the government to pursue a new Albanian policy. After 1896, Italy was no longer satisfied with the positions it had gained around the conference tables, and it wished that the other great powers recognize the country as their equal regarding its presence in the Balkans. Around the turn of the century, the Italian government invested increasing funds into asserting their interests in Albania, in an attempt to compete with the cult protectorate of the Monarchy in the areas of culture, press, religion, and trade. Simultaneously, Italian private corporations (banks, naval and trade companies) discovered the opportunities offered by investing in the eastern coast of the Adriatic, which marked the onset of the rivalry between Italy and Austria–Hungary for gaining influence over the West Balkans (Löhr, 1992).

A Shift in the Austro–Hungarian Albanian Policy (1896)

While initially the Balkan policy of the Ballhausplatz proved successful, the Monarchy later went on to lose influence over the countries of the Balkan Peninsula, mostly because the great powers allied during the 1880s placed constraints on the Austro-Hungarian aspirations in Southeast Europe in order to protect their own foreign political interests. As the establishment of the Mediterranean Entente (Vienna–London–Rome) in 1887 failed to live up to the expectations, in order to maintain the *status quo*, the Monarchy had no choice but to cooperate with Russia and Italy, the two other great powers showing interest in the Balkan Peninsula. It is important to note that the small countries of the Balkans that had gained independence successfully took advantage of the latitude offered

by the alliances of the great powers and thus further restricted the opportunities the Monarchy had in pursuing its foreign policy (Csaplár-Degovics, 2010; Demeter, 2007).

Albania gained primary importance for the Monarchy during the 1890s (Siebertz, 1910; Riedl, 1906; Ramhardter, 1989), and on the eve of the turn of the century, the Ballhausplatz articulated the need for a new Albanian policy. On the one hand, the new policy was necessary to keep the Italian aspirations at bay; on the other hand, the Ballhausplatz held that the dissolution of the Ottoman Empire was only a matter of time and did not wish to lose its influence on the eastern coast of the Adriatic to a rival (Blumenthal, 1963).

In November and December 1896, Joint Minister of Foreign Affairs Agenor Gołuchowski convened a three-day conference for the officials and experts of the Joint Ministry of Foreign Affairs and the Joint Ministry of Finance, and he tasked them with working out the new policy (Schwanda, 1965; Schanderl, 1971). All the participants agreed that the only possibility for the Monarchy to realize a more pronounced representation of its interests was through the status of a cult protectorate. To accomplish that, Austria-Hungary had to heavily rely on the help of the local Catholic church. However, despite the regular subventions sent by Vienna, the clergy of Northern Albania sympathized with Italy, since most missions were led by Italian Franciscans. The other order of considerable influence, the Jesuits, also failed to strengthen the Albanians' trust in the Monarchy. Thus, the Albanian policy pursued up to the turn of the century did not establish an Albanian church system loyal to the Monarchy despite the heavy investments that had been made (more precisely, the episcopate was loyal to Vienna, but the lower clergy were not).

At the conference, a new strategy was put forward to win the support of the Albanian clergy: it was decided that the education of the members of the secular clergy would take place in Austrian seminaries, and that Vienna would attempt to secure the Vatican's support in questions concerning the Albanian church. Gołuchowski also decided to increase the amount of the subventions granted to the

local Albanian church (these amounts were later further increased in 1902, 1909, and 1912) (Schanderl, 1971). The decision-makers at the conference altered their earlier education strategy, and from then on the teaching positions of the schools funded by the Monarchy could only be filled with people approved by the consulates of Austria–Hungary, and these teachers had to use textbooks written in Albanian.

The education reforms were implemented during the first few years of the twentieth century. This policy overtly supported the strengthening of the Albanian national consciousness, since the interests of the Monarchy were not in conflict with Albanian nationalism. On the contrary, Vienna wished to lay down the foundations of an independent, anti-Italian, and anti-Serbian Albania in the aftermath of the Ottoman Empire (Schanderl, 1971; Schwanda, 1965; Skendi, 1967). Gołuchowski also supported Albanian nationalism by setting up new consulates. The training of the consuls assigned to Albania had also been reformed with a view to enabling the officials to play a more significant political role in the region, and they were ordered to win the loyalty of the local Albanian dignitaries, including Muslim notabilities (Hecht, 1951). To this end, the Monarchy annually raised the amount of the subventions paid to Albanian dignitaries, of which now the Muslim Great Houses and Beys also received their share. The new measures strengthened the political and cultural positions of the Monarchy in the Albanian territories of the Adriatic coast.

In the years following the conference (1896–1906), several memoranda and reports were written on the territories inhabited by Albanians. These memoranda were mostly assessments that provided a snapshot of the social development of the Albanians and summarized what opportunities Austria-Hungary had in the region. Furthermore, these texts contained action plans through which the Monarchy endeavoured to fuel the Albanian national sentiment and aspired to increase the Austro–Hungarian presence in Albania to meet its own imperial needs. The efforts in connection with the action plans were coordinated by Julius von Zwiedinek, the official in charge of Albanian affairs (ÖHHStA PA, XIX; Csaplár-Degovics, 2008).

The key figures who played crucial roles in the implementation of these so-called Albanian action plans were Theodor Ippen, seasoned Austro-Hungarian Consul General of Shkodër, who had the most thorough knowledge of Albania, and Lajos Thallóczy, a Hungarian scholar and official with expertise in both the theory and practice of nation-building (as the confidant of Joint Minister of Finance Benjamin Kállay, Thallóczy had been the key figure and main theoretician of the nation and state-building process in Bosnia-Herzegovina).

The Link Between the Albanian National Movement and the New Policy of the Monarchy

The success of the Albanian action plans that were launched in 1896, however, was dependent on how the Albanians imagined their future rather than on the intentions of the Ballhausplatz.

The Eastern Crisis was a profound experience for the Albanian people, who may have comprised four denominations, two major dialects, and many parallel societies, but who also had a very strong sense of ethnic community. For the first time during the reign of the Ottoman Empire, it became a possibility that the neighbouring peoples would divide up the ethnic Albanian territories. In 1878, a supra-religious military alliance was created in the form of the League of Prizren, an occurrence that had been unprecedented in history. The League joined forces with the Ottoman troops and engaged in battle with the Southern Slav and Greek armies (Csaplár-Degovics, 2010). Although for various reasons the League was doomed to fail, the effect it had on Albanian history can be compared to the influence of the 1848–1849 War of Independence on the history of Hungary. The Albanian national movement was born, and its prominent members simultaneously strove to reform the old Empire and to develop the new Albanian national thought, following patterns borrowed from Europe. However, there were also Albanian interest groups that no longer believed in the possibility of reforming the empire and sought another solution.

In the coastal Albania of the 1890s, rumours that the fall of the Ottoman Empire was imminent started to spread among the formerly loyal Muslim Albanians. Their concern for the Albanian lands, and the aspirations of the neighbouring nation states prompted the Albanian noblemen holding high civilian or military offices in the capital to create a secret organization. Several organizations with similar intentions were soon established in central and southern Albania. The major objective of these associations was to promote the national thought and the use of the mother tongue.

The conviction soon gained ground within these circles that the Albanians' deficiencies in the national movement and culture, their dissent, and the menace represented by the neighbouring peoples deprived the Albanian people of their opportunity to create their national and administrative unity by their own means. As a consequence, the creation of said unity was only believed to be made possible under the protection of a benevolent European great power. Accordingly, in the early spring of 1896, Pasha Ferit Vlora, the leader of the Albanian patriots in Constantinople, and his brother, Syrja Vlora requested an appointment with Austro-Hungarian Ambassador Heinrich Calice. The Pasha asked the ambassador about the Monarchy's plans in Albania and confidentially shared with him his own thoughts on the subject. The Albanian nobleman told Calice that Albanian Muslims' confidence in the Monarchy had increased, and they were ready to accept the patronage of Vienna, hoping that it would protect them from the other peoples of the peninsula (ÖHHStA PA, XIX).

During the visit, Ferit Vlora gave a memorandum to Calice. The importance of this document can hardly be overemphasized: a Muslim aristocrat of the Ottoman Empire requested protection for the Albanian Muslims against their own Sultan and Caliph from the Austro-Hungarian Monarchy, a European great power that clearly posed a threat to the Ottoman Empire. Also, the memorandum was much more than a written request for general protection. It contained a quite detailed political agenda and was used as the golden standard during the above-mentioned Vienna Conferences in November and December 1896, as well as during the drafting of the Austro-Hungarian action plans for Albania (ÖHHStA PA, XIX).

Syrja Vlora added several other specific ideas to his brother's memorandum. Syrja had no doubt that the Ottoman Empire would soon lose its control in Europe:

“We the Albanians, know very well that sooner or later the Turkish rule in Europe will end. The Epirotes will be taken by Greece, the Bulgarians will join Bulgaria, and the Serbians will go to Serbia. But what about us, the Albanians? As I know the sentiment of my fellow Albanian patriots well, the most favourable for us would be to fall under the protectorate of Austria–Hungary, through the creation of an autonomous province. Italy has never been popular among us, despite the propaganda of some Catholic priests and Italian diplomats in Albania. If we as Muslims must be integrated under a foreign government because for the moment we do not possess the necessary maturity to establish an independent Albania, we prefer Austria–Hungary over any other foreign power. Even the lowest strata of our people know that the Austro–Hungarian government respects our religion and customs [in Bosnia–Herzegovina; comment by K. Cs-D.]. The salvo of the cannons in Sarajevo that marks the beginning of the Ramadan have made quite an impression here” (ÖHHStA PA, XIX).

Syrja Vlora ultimately believed that the most expedient solution would be the creation of an independent province under Austro–Hungarian protectorate. Syrja also called attention to the fact that those dedicated to the national thought were not to be found in the northern, Catholic parts of Albania, but in the Muslim and Orthodox territories that had been formerly “neglected” by the Monarchy (ÖHHStA PA, XIX). In his telegram sent to the Ballhausplatz in 1897, Syrja Bey Vlora went even further and argued for the creation of an independent Albanian state under Austro–Hungarian protectorate (Clayer, 2009).

The officials of the Ballhausplatz took the requests of the Vlora brothers most seriously, as they were aware that Ferit Vlora's memorandum and Syrja Vlora's statement represented much more than the private opinions of two Albanian noblemen. Their ideas and plans were backed

up by the influential House of Vlora, their clientele, and several of the central and south Albanian Great Houses, which were in kinship with the Vloras. The appearance of these Albanian aristocrats, who were not from the traditional sphere of influence of Austria–Hungary, and their attempt to approach the Monarchy triggered a series of events that were indispensable in laying down the foundations of the modern Albanian nation.

*A Textbook Written in Albanian:
Lajos Thallóczy's History Book (1898)*

Between 1896 and 1912, the consulates of the Monarchy had a thousand links to the Albanian national movement, and the officials of the Monarchy started to prepare the Albanian noblemen and certain intellectuals for performing the tasks required by an independent state and nation. In doing so, however, the consuls of Austria–Hungary remained in the background, and most members of the Albanian national movement had no cognizance whatsoever of their activity as external ethnic entrepreneurs (Csaplár–Degovics, 2010).

It would be a mistake to believe that this was a unilateral relationship. Even though the officials of the Monarchy passed on important logistic and organizational expertise to the Albanians and provided considerable funds for the national movement, the Albanians made their own decisions in important matters. The Ballhausplatz negotiated every significant and symbolic issue with the members of the national movement and treated the Albanians as their equal partners. The Albanians accepted the support for three reasons. First, because the Monarchy was the only great power that did not expel or oppress its Muslim subjects. Second, the Albanians were aware that the Monarchy had several ethnic, denominational, internal political, and economic issues, and consequently it would never be able to pursue an imperialist policy as consistently as Italy or Russia. Third, because the Europhile Albanian aristocrats knew that the strategic interests of the Monarchy and the Albanians were not in conflict, in fact, they were perfectly aligned (Csaplár–Degovics, 2012).

Between 1896 and 1912, Vienna supported the creation of a new national alphabet, which was accepted by members of the Albanian national movement at their Congress of Monastir in 1908, it cultivated the Albanian national literature (journals and other periodicals in Brussels, Bucharest, and Sofia: *Albanie, Drita, Drituria*), increased the number of Albanian schools within the cult protectorate, also in the Muslim territories, and set out to forge a national unity out of the formerly heterogenous Albanian society. The most important tool of the Monarchy in reaching the latter goal was Lajos Thallóczy's book *The History of Albania Written by a Gheg Who Loves His Country* (Thallóczy, 1898). This book was the first to offer a systematic overview of several elements that characterised the Albanian view of history and national self-image. It became the cornerstone of the official state perspective of history and had a direct influence on the work of Albanian historians until the late 1990s (Csaplár-Degovics, 2010).

The book was first published in 1898, which is a symbolic date. The Monarchy launched its first large-scale Albanian action plan in 1896, with the purpose of fostering and strengthening Albanian national sentiments among Muslim Albanians as well. The idea of creating or establishing and strengthening a shared historical consciousness among Muslims and Christians, Tosks, and Ghegs was probably the brainchild of Theodor Ippen, Consul General of Shkodër. In 1897, he asked Joint Minister of Foreign Affairs Agenor Gołuchowski to support the publication of a popular textbook on the history of Albania in the Albanian language. The purpose of the textbook was to present the glorious Albanian national history (which is not identical with the history of the Ottoman Empire), and to create a uniform Albanian alphabet and spelling rules. According to Ippen, the book was easy to prepare, as Lajos Thallóczy, the Archive Director of the Joint Ministry of Finance, had for decades been collecting sources on the history of the Balkan peoples, and so the necessary material was readily available (ÖHHStA PA, XIV; Beluli, 2008).

Gołuchowski accepted and supported the proposal on two conditions: the history book could not contain anti-Ottoman material, and it could never come to light that the Monarchy had anything to do with it. Thallóczy was happy to take on the task, and by September 1898 he

had completed the German-language manuscript; a few months later 600 copies were printed of the version translated into the Albanian language. The author's name was not displayed on the cover, and the only information provided was that the author spoke the northern dialect, that is, he was a “Gheg”. The place of publication was indicated to be Alexandria. Ippen and Thallóczy carefully planned the distribution of the book in Albania. The costs of the first edition were covered by Joint Minister of Finance Benjámín Kállay, and the invoices were issued to Lajos Thallóczy (ÖHHStA PA, XIV; Beluli, 2008).

The national archive of Vienna holds several sources on the positive reception of the book and the religious and occupational composition of its Albanian readership (ÖHHStA PA, XIV). How this work affected the members of the Albanian national movement at the time is yet to be explored. The volume was undoubtedly popular: the Albanian language borrowed many of the words and expressions used in the book, national ideology utilized its ideas, and as illustrated by the development of Albanian historiography in the twentieth century, it became the source of several historical myths (e.g. the “empire” of Ali Pasha of Tepelena as the herald of a future Albanian state) (ÖHHStA PA, XIV; Csaplár-Degovics, 2010). Thallóczy's writing presumably became part of the school curriculum in the schools of the cult protectorate.

The Long-Term Consequences of Austria–Hungary's Albanian Policy

As a result of the successful cooperation between the Monarchy and Albania, the theoretical foundation of Albanian nation-building was laid down prior to World War I, although the actual national awakening and the country's independence remained the objective of a handful of Albanian patriots (Bartl, 2000). Therefore, it is not surprising that when the Balkan Wars (1912–1913) brought about the fall of the Ottoman Empire, most Albanians were unprepared for the birth of an independent Albania. On the one hand, they were shocked by the rapid defeat of the army of the Ottoman Empire; on the other hand, it was difficult to sever the ties with

the Empire of the Sultan and the Caliph after 500 years (Csaplár-Degovics, 2009; Vlora, 1968). In any case, history did not give time for the majority of Albanians to get used to the idea of independence, and the Balkan Wars forced the hands of both the members of the Albanian national movement and the foreign ministries of the Adriatic powers.

The independence of the state was finally declared on 28 November, 1912 by Ismail Qemali, a cousin to the Vloras, who, as opposed to his relatives, enjoyed prestige among the Albanians at the national level. As a politician, Qemali was one of the leading figures of the Young Turk Movement. Pressured by the Adriatic Powers, Austria-Hungary, and Italy, the ambassadors at the London Conference recognised the new, sovereign, and neutral state of Albania on 29 July, 1913. What is more, the great powers agreed to place the new state under their protectorate (Csaplár-Degovics, 2010). Even though the decisions made at the Conference divided Albanian ethnic lands into two, it was these same decisions that allowed the Albanians to create their own state in Southeast Europe (Csaplár-Degovics, 2010). Although state-building between 1912 and 1914 had failed (Puto, 1987, 1978, 2009; Bylykbashi, 1977-1978; Gurakuqi, 2012) due to the destabilization policies of the neighbouring countries, Serbia and Greece, and the conflicts between the great powers, the Austro-Hungarian, Italian, and French occupation zones formed during World War I provided four more years' worth of experience to the Albanian aristocrats on how to properly operate the new administration. By the time the peace treaties that ended World War I had been signed, the Albanian political elite had acquired eight years' worth of experience in state-building, on top of the experience they had gained as part of the administration of the Ottoman Empire. After 1918, it was still in the interest of the great powers to maintain a neutral Albania, and the country could reap the benefits of this experience in the interwar period (Guy, 2012).

After 1920, Ahmet Zogu, an ambitious Albanian aristocrat, who had received an education in Istanbul and Vienna, gradually seized full control of the country. As President (1925) and later as King of Albania (1928), he had to choose who he would be relying on to build his political power. He could not count on the former Young Turks, since they were hesitant about choosing the modern Albanian or the Turkish national identity.

The local warlords only had experience in starting uprisings against the central power, and they were of little help to Zogu because he needed leaders who were aware not only of the internal challenges of the new state but also of the threat posed to Albania by Italy, Greece, and the new Kingdom of Yugoslavia. There was only one political group, the former supporters of the Austro–Hungarian Monarchy, that had a wide enough intellectual horizon to understand the complexity of the situation and that could traditionally pursue a successful policy against the three neighbouring countries (Csaplár–Degovics, 2016).

Zogu therefore partly based the foundations of his autocratic system on this group. In order to keep the state administration under control, Zogu appointed four Inspector-Generals, two of whom had been officers of the Joint Austro–Hungarian army. Gustav von Mürdacz was of Austro–German origin (Elsie, 2001), while the Croatian Leopold Ghilardi represented the Hungarian half of the former Monarchy (the other two Generals were British) (Elsie, 2001). Among the ministers and financial leaders of the new state there were several individuals with strong connections to the Ballhausplatz, including Eqrem Vlora (Syrja Vlora’s son, an ambassador in Paris and London) and Zef Curani (member of the Supervisory Committee of the Albanian National Bank and the translator of Lajos Thallóczy’s book).

Still, why could Zogu build his power on the former adherents of the Monarchy? Partly because the Austro–Hungarian occupation during World War I was not a negative experience for Albania. Also, it was between the two World Wars that the majority of the Albanian political elite finally understood that the contribution of the Monarchy to the Albanian nation and state-building process had greatly shaped the future of their country, and without it they may not have achieved independence. Italy’s designs to extend total control over Albania between 1927 and 1932 made this absolutely clear. After 1927, the Italian government utilized various tools in a grand attempt to turn Albanian national sentiments into an Italophile identity. Their programme bore a resemblance to the one initiated by the Monarchy in 1896. Their delay, however, thwarted their plans, as the first two phases of the nation-building had finished by 1927. The Albanian national identity had already gained strength, and its creators

had decades-long state-building traditions to rely on. In retrospect, Rome lost the cultural war for Albania against Vienna and Budapest (Basciani, 2011).

Why could the Albanian nation and state-building continue in accordance with the Austro-Hungarian programme? The answer is simple: in the interwar period Zogu still sent his ministers and confidants to Vienna or Budapest for help. Austria usually provided money and military advisors to the Tirana government, while Budapest sent agricultural and medical experts. The falling apart of the Monarchy did not cause a break in the ranks of the Albanian expert-officials, who continued their work until the 1930s. During these decades, the work of the government's expert-officials was complemented by the activities of the second great generation of Austro-Hungarian Albanologists in Vienna (e.g. Norbert Jokl) (Elsie, 2001). The scholars of this second generation kept their eyes on the students arriving from Albania on state scholarships. The bequest of August Kral (1869–1955), an official of the Vienna Ministry of Foreign Affairs and former Consul General in Shkodër (*Jahrbuch des k. u. k. Auswärtiges Dienstes*, 1917) provides evidence that these scholars not only organised education and arranged accommodation for the Albanian students, but they also supported their personal development (ÖHHStA PA, XIX). Beyond the Austro-Hungarian historical traditions, the students could also familiarise themselves with modern Albanology by reading, among other important works, Lajos Thallóczy's history textbook (Csaplár-Degovics, 2010).

Over time, the Albanian students returned home, and after 1945 they integrated what they had learnt in Vienna into the ideology of Communist Albania. These former students were some of the few individuals who had received an education abroad and whom Enver Hoxha did not automatically have liquidated or sent to internment camps. Those scholars who could not leave the country in time (and were not executed) eventually found their place in the new structure. Writers and poets, for example, were not allowed to write their own works, but they could translate classic literary works into Albanian. Historian Aleks Buda (1910–1993), who also studied in Vienna, became Hoxha's personal friend and an all-powerful ideologist of Albanian

historiography. Aleks Buda was the main theoretician of the Albanian national self-image and Albanian national thought in Communist Albania. If one compares Buda's writings with Lajos Thallóczy's above-mentioned book of 1896, one will quickly discover identical passages. Aleks Buda in fact did little more than add a few elements to the canon Thallóczy had created. This updated national ideology was made public in 1968, when Tirana commemorated the 500th anniversary of Skanderbeg's death with a series of celebratory events. At the conference of 12 January, 1968, which marked the beginning of the commemorative year, two speeches seemed to canonize for good the Albanian perspective on history that had been developed by Thallóczy (Shehu, 1968). The first speech was delivered by Prime Minister Mehmet Shehu, the second was made by Aleks Buda. These speeches provided the ideological framework that prevailed in Albanian historiography until the end of the 1990s (Csaplár-Degovics, 2008).

In Hungary, on the other hand, the country's previous relations with Albania were almost completely consigned to oblivion after 1918. Only a few groups of aristocrats, major banks (e.g. the Hungarian Commercial Bank of Pest), and certain marginal Turanist groups cultivating the memory of the Monarchy (e.g. the members of the Gül Baba Cultural Committee that operated along the first Hungarian Islamic congregation) remembered and kept alive some fragments of the once successful Albanian policy. However, after 1945, these social groups also disappeared, so the traditions of Austro-Hungarian Albanology disintegrated in Hungary and were only revived around the turn of the millennium.

Conclusion and Epilogue: The Albanian Heritage of the Monarchy, and its Afterlife in the Successor States of Austria and Hungary

When investigating the heritage of the Austro-Hungarian Monarchy, two long-term benefits can certainly be identified. First, the decades-long efforts of the Ballhausplatz resulted in the creation of the independent

Albanian nation-state in 1912–1913, and the same efforts allowed the new state to find its place within the delicately balanced community of the Balkan nation-states.

Second, the science of modern Albanology was also born in the Habsburg Monarchy. From the 1850s on, the Habsburg consuls serving in Albanian territories started to pursue scientific and scholarly activities and investigated the language, folklore, and history of the formerly almost completely unknown Albanian community (Hahn, 1853). Once the interest of the great powers arose, the most prominent Balkanologists of the era, such as the Czech Konstantin Jireček, the Croatian Milan Šufflay, and the Hungarian Lajos Thallóczy also participated in the exploration of Albanian history (Thallóczy, 1916; Thallóczy, Jirecek & Sufflay, 1913–1918). By the turn of the century, Albanology had been widely recognised and acquired a firm position among philological studies.

Although Albanology was originally not the by-product of the policy of the great powers, it was in a symbiotic relationship with the policy of the Ballhausplatz after 1896, and the officials of the Joint Ministry of Foreign Affairs regarded Albanology an imperial discipline. In 1911, Head of Department Karl Macchio noted in a summary intended for internal use only that Albanology (cultivated by Ferenc Nopcsa, among others) played the exact same role for the Monarchy as Egyptology played for France and Mesopotamian studies for Great Britain. All these branches of science became significant because the great powers were interested in the Orient, and without financially supporting these disciplines, none of the great powers' politics could ever be complete (ÖHHStA PA, XIV).

The Austrian heritage manifested in its contribution to the Albanian state-building process. Following the collapse of the Monarchy in 1918, the Austrian governments and citizens continued to participate in the organisation of the Albanian armed forces and in the development of the financial sector. The Albanian intellectuals and professionals who received their education in twentieth-century Austria greatly contributed to Albania becoming a viable state despite the prophecies of the elites of the neighbouring nation-states. They also played a key

role in ensuring that the original Austro-Hungarian ideas of state and nation-building continued to have an impact until the 1960s (Csaplár-Degovics, 2019).

Although only a few minor social groups kept alive the memory of the Monarchy's Albanian policy in Budapest after 1918, Albania still regarded Hungary as the successor state of the Dual Monarchy. As a consequence, to date Geraldina Apponyi has been the only crowned queen of Albania. It was also this Albanian perspective of Hungary that had made it possible for Hungarian agricultural experts and botanists to regularly visit this secluded country and participate in the reorganization of Albania's economy in the late 1940s and the 1950s (Barina & Pifkó, 2019). Also, in the first decades of Communist dictatorship, as a token of their trust, high-ranking members of the Albanian Communist Party choose to undergo life-saving surgeries in Hungary when Albanian professionals could not perform the procedures in Tirana.

The most remarkable part of the legacy of the Monarchy was the export of the Hungarian nation-building experience through Lajos Thallóczy's books and the successful adaptation of it in the first, decisive decades of the development of the modern Albanian nation. This occurrence was all the more singular since Hungarians and Albanians were not neighbouring peoples, and they belonged to Empires (i.e. the Ottoman Empire and Austria–Hungary) that left behind entirely different sociocultural heritages.

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AUSTRIAN-HUNGARIAN MILITARY ADMINISTRATION IN ALBANIA DURING WORLD WAR I

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Abstract: In January 1916, the Austro-Hungarian Army took the offensive in the Balkans. The Austro-Hungarian troops entered Shkodra on 23 January, 1916, and during the course of the following months occupied Albanian territory up to the River Vjosa-Lake Ohrid in Southern Albania, controlling more than two-thirds of the country. The rest of the Albanian territory was occupied by Italian and Greek troops in the south, French troops in the southeast, and Bulgarian troops in parts of the east.

Before crossing the border, the Austrians had declared that they were not coming as enemies but as friends and that Christians and Muslims would be protected in the same way. The occupied territory was considered a rear area that was to complete certain military duties. Despite the previous opinion announced in March 1916 stating the opposite, the approved regulation ordered the creation of a military administration on 19 April, 1916. This study analyses the establishment of the military administration in the occupied territories as well as some of the main measures undertaken during World War I in the Austrian-Hungarian occupied territories, including the registration of the population.

Keywords: Albania, World War I, population census, military administration

Introduction

During World War I (WWI), the strategic objectives of the Austro-Hungarian Empire were flexible and easily modified according to the situation on the war fronts and the international scene. Scholars of the Dual Monarchy acknowledge that at the outbreak of the war in 1914, few of its leaders had any specific war aims in mind beyond the military defeat and political subjugation of Serbia. The fear that a Great Serbia would emerge (backed by Russia) was the original cause of the war for the Monarchy. However, the global escalation of the conflict brought the Balkan motives of war in a wider context of international relations. This threatened the Habsburg Empire with grave territorial losses, or even dissolution (Piahanau 2014, p. 97). As it became clear that the war would not be as short as originally hoped, the Austro-Hungarian leadership began to develop detailed war aims, which formed the subject of furious debate at the highest echelons of power. Initially, the military focused on battlefield successes in Serbia and Galicia, while the diplomats concentrated on preventing hostile interventions by Italy and Romania (Fried 2015, p. 117-118).

In 1914, the Hungarian political leaders sought the best possible solution in dominating the Balkans after annexing territories in Serbia and Romania, or at least maintaining the status quo of the pre-war borders. Hungarian Prime Minister István Tisza opposed increasing the Slavic population in the Austro-Hungarian Empire, whilst Austrian leaders such as Chief of General Staff Franz Conrad von Hötzendorf “felt that the Balkans should be the Monarchy’s first priority” and proposed large annexations in the Balkan peninsula (Fried, 2014, p.13), as according to him political and military hegemony over Serbia and the Balkan peninsula was a vital war aim (Fried 2015, p. 218). The war aims were further influenced by the fears of Italy’s interference in the coastal areas of Albania and Montenegro, which were slipping out of the control of the Monarchy, as it lost influence to Italy in Albania and was already fighting a war against Montenegro.

Foreign Minister Leopold Berchtold and General von Hötzendorf were on the same page regarding the war aims in terms of using military hegemony over Serbia. However, due to his weakness in dealing with

Italy, Romania, and even the Bulgarian intervention, Berchtold was replaced by a close friend of Prime Minister Tisza, Hungarian Baron István Burián, in early 1915 (Fried, 2014, p. 3). Prime Minister Tisza and Baron Burián, both defenders of Hungarian interests within the Monarchy, supported the accession of northwest Serbia to Hungary and populating it by Hungarians, and they pushed forward a project of “Great Albania”, which would include the ethnic Albanian territories of Montenegro and Serbia. By building an “independent” Albania under Austro-Hungarian protectorate, Burián wanted to improve the security of the Monarchy in the Otranto Straits. The Crown Council eventually adopted the Hungarian view on Albania (Piahanau, 2014, p. 95-107, 98).

Vienna did not aim to annex the entire Albanian territory, only to strengthen its influence in this region to oppose and somehow block Serbian, Montenegrin, and Italian influence. The Dual Monarchy had supported the independence of Albania back in 1912, as it could prevent Serbia’s expansion in the Balkans and its access to the Adriatic Sea. Hence the Albanians and their territory could serve as a bastion against Slavic expansion. He limited his primary interest to northern and northeast Albania. The Habsburgs insisted on stopping Serbia from gaining access to the Adriatic Sea, and Belgrade was not to move towards the Albanian territory. Both Vienna and Italy had already agreed in late 1912 and early 1913 to an independent Albania to be recognized internationally. This meant that Serbia, Montenegro, and Greece would lose parts of the Albanian territory that they had claimed during the Balkan Wars (1912-1913). If the Albanians remained alone, they would be too weak to withstand the collision with Slavism. However, if they were part of a great power like Austria-Hungary, they could become valuable allies. They would substantially restrict the Serbian-Bulgarian expansionist desires, and, in the hands of the Monarchy, they could acquire a position that would make it impossible for Russian-protected Slavism to fight in the Balkan peninsula if it was within the sphere of interest of Austria-Hungary (Skendi 2015, p. 238).

In early January 1916, the k.u.k. 3rd Army (Imperial and Royal Armed Forces) took the offensive in the Balkans. After invading Montenegro, the 19th Corps, supported by the 8th Corps, invaded Northern Albania, as Italian

troops had already invaded Southern Albania in 1915, and the Austrian-Hungarians also launched this campaign to prevent the Italian advance toward the north (Jung, 2003, p.13).

The Austro-Hungarian troops entered Shkodra on 23 January, 1916, where they were welcomed by the population, as they were considered friends due to the contribution of Austria-Hungary in the recognition of the independence of Albania and the animosity towards Serbia and Montenegro. Before crossing the border, the Austrians had declared that they were not coming as enemies but as friends and that Christians and Muslims would be protected in the same way. During the course of the following months, the Austro-Hungarian troops occupied Albanian territory up to the defensive line along the River Vjosa-Lake Ohrid in Southern Albania, established by the Austro-Hungarian battalions supported by local Albanian volunteers (Jung, 2003, p.13), controlling more than two-thirds of the country. The villages close to the River Vjosa found themselves on the front line between the armies of Italy and Austro-Hungary until the final assault by Entente forces in September 1918 (Nicholson 2015, p. 248-249). The rest of the Albanian territory was occupied by Italian and Greek troops in the south, French troops in the southeast, and Bulgarian troops in parts of the east. This situation persisted until the end of the war.

The Austrian-Hungarian occupation of Albania, the establishment of a military administration, and the measures taken by this administration have been studied by many scholars. Various aspects of the occupation regime were discussed at a conference organized in Tirana in January 2018, and the conference papers were published in an edited volume in 2019 (*Austro-Hungaria dhe Shqipëria*, 2019).

The aim of this study is to analyse the establishment of the military administration in the occupied territories as well as some of the measures undertaken during World War I in the Austrian-Hungarian occupied territories of Albania, including the registration of the population.

Establishing Administrative Structures in the Occupied Territories

Describing the entry of the Austro-Hungarian army in Shkodra, Georg Veith, Artillery Commander of the Austro-Hungarian army, gives a detailed description of the military campaign in the Albanian territories: "The reception of the k.u.k. troops by Albanians, as it was to be expected considering their enmity towards Serbs and even more towards Montenegrins, was extremely friendly; everywhere the population took up arms to participate in the further advancement" (Veith, 1922, p. 518).

Immediately after invading the country, Austria-Hungary began the work to establish its own administration and govern its occupation zone. The 19th Corps Command operated in Albania, and the Ministry of Foreign Affairs (the *Ballhausplatz*) intended to treat Albania not as occupied enemy country but as a neutral country, and therefore there would be no need to establish a military administration (Schwanke 1982, p. 101). On 22 February, 1916 the Austro-Hungarian Army Supreme Command announced regarding the treatment of the local population:

We have entered Albania not as enemies. The population trusts us. We should use this trust to consolidate the power of Austria-Hungary in the country, not to make the population nervous through attacks, unjustified requisitions, rudeness, and unnecessary reprisals. All offenders must be punished to the fullest extent of the law.

The protection of the churches and respecting the mosques, the domiciliary rights of Muslims, respect for the traditions and customs of inhabitants, respect for women - everything that should characterise us as the army of a civilised state - should be strongly encouraged.

Let us face Albanians as Friends and treat them as such!

This order shall be subject to urgent instruction for all companies (Nicolo, 1918, p. 3).

The Austro-Hungarian army did not find consolidated regular administrative structures in Northern Albania. Since the proclamation of the independence of Albania in 1912 and the recognition of an Albanian state by the great powers in 1913, the country had been experiencing the turmoil of the Balkan Wars and the beginning of World War I, and it was occupied by different armies of the neighbouring countries. In the absence of administrative institutions, a city government composed of the mayor, the deputy mayor, and 22 city counsellors was established in Shkodra for the regulation of daily issues, and it was responsible for order and security in the city. Furthermore, provisional administrations were established in other cities as well (Nicolo, 1918, p. 1).

The Albanian occupied territory was considered a rear area, which was supposed to complete certain military duties, such as securing peace and order behind the front and maintaining supply through the road and communication networks (Gostentschnigg, 2018, p. 496).

Regarding the establishment of a regular administration for the cities and villages in the occupied territories, the Army Supreme Command announced on 2 March, 1916 that there was no intention to establish a general military government for Albania. To maintain order and peace, rear area regulation¹ should apply, taking into consideration the existing institutions and the special population conditions in Albania. Based on this proposal, the Army Supreme Command proclaimed that

Since Albania is not to be considered an occupied enemy country, the establishment of a military administration in the occupied territories of Albania is not foreseen for the time being. Accordingly, it is not necessary to establish district commands; nonetheless, there is no objection for local commanders, through appropriate direction of reliable and influential locals, to positively influence the imminent

¹ The rear area regulation (*Etappenvorschrift*) approved in 1915 regulated administrative issues for the area between the front and the hinterland. See Scheer, T. (2009a). *Zwischen Front und Heimat. Österreich-Ungarns Militärverwaltungen im Ersten Weltkrieg*. Frankfurt a.M.: Peter Lang, p. 57-59 and Schwanke, H. (1982). *Zur Geschichte der österreichisch-ungarischen Militärverwaltung in Albanien (1916-1918)* (PhD Thesis). University of Vienna, Vienna, Austria, p. 111-112.

establishment of administrative institutions and to stimulate and promote the establishment of such institutions (9 March, 1916) (Nicolo, 1918, p. 1).

The *Ballhausplatz* considered that “the Albanians were to be treated as a neutral people, who are friendly towards the Monarchy, who have no central power, and who could, through an administration that took the local circumstances into consideration, be put on the best course of becoming a civilised state” (Schwanke, 1982, p. 87-88). The first request for the establishment of an administration in Albania was made by the Highest Command on 16 March, 1916. The proposal foresaw the administrative division of the occupied territories based on the location of the military troops, the revival of the existing local administrative councils in Shkodra and Tirana for advisory purposes regarding economy issues, and the election of city administration in accordance with the traditional rights, as well as the appointment of a military representative. Other main principles included the organisation of the judiciary by establishing two military courts in Shkodra and one in Lezha and Tirana, setting up local courts with limited competences for civil and penal issues, and the organisation of the gendarmerie, finances, and religious and educational issues. The Army Supreme Command approved the proposal on 26 March, 1916, ordering the administrative divisions to be called districts, and that “since in Austria and Hungary there are different civil laws in force - in criminal matters only the military criminal law can be used” (Nicolo, 1918, p. 2).

The steps for the establishment of administrative structures in the occupied Albanian territories reflected the different views the Army Supreme Command and the *Ballhausplatz* had regarding the status of Albania. While the Army Supreme Command favoured the annexation of the occupied Albanian territory, the Ministry of Foreign Affairs aimed to create an Austrian-Hungarian protectorate of Albania.² These diverging views on the status of the occupied Albanian territories had a direct effect

2 On this topic, see Gostentschnigg, K. (2018). *Wissenschaft im Spannungsfeld von Politik und Militär. Die Österreichisch-ungarische Albanologie 1867-1918*, Springer VS, p. 458-459, 502-506; Milo, P. (2019). *Politika austro-hungareze ndaj Shqipërisë në vitet 1914-1918*. In *Austro-Hungaria dhe Shqipëria 1916-1918*. Tiranë: Muzeu Historik Kombëtar, p. 23-27.

on the military administration in Albania and caused animosity between the civil authorities under the direction of August Ritter von Kral, Director of the Civil Governing Board and the Austrian General Consul in Shkodra, and the military authorities (Gostentschnigg, 2018, p. 498).

On 19 April, 1916, the regulation of 16 March, 1916 was overturned, and a new revised regulation was published, entitled “General features for the administration in the central and northern Albanian country regions that fall under the Austrian-Hungarian interest sphere”. According to this regulation, the administration would be a military one, and all the local officials and bodies would be bound in their decisions by the approval of military officials (Nicolo, 1918, p 4). The reason for this decision was explained in the opening of the regulation:

The Army Supreme Command has disclosed under Op. Nr. 20835 ex 1916 that the establishment of a military administration in the occupied territories of Albania is not planned for the time being because Albania is not to be considered an occupied enemy country. Because in this country no administration in any form exists, but the initiation of regulated conditions in the country is a requirement of highest necessity, the Army Supreme Command has decided, referring to the current dislocation of troops, to create the framework of an administration (Nicolo, 1918, p. 4).

The Austrian-Hungarian Military Administration was headquartered in the town of Shkodra. The highest authorities were the Commander of the 19th Corps, Lieutenant General Ignaz Trollman von Lovćenberg, and the Director of the Civil Governing Board and the Austrian General Consul in Shkodra, August Ritter von Kral, as a representative of the *Ballhausplatz* in the military civil administration. Kral had held several consular positions both there and in the neighbouring countries, and he had been the Austro-Hungarian representative in the International Control Commission in 1914. He was a well-known career diplomat, who knew the country, its people and traditions very well (Pandelejmoni, 2019, p. 133). Some senior officers, who were known as *Albanerschwermern* (Albania swooners) in Vienna due to their continuous complaints about knowing Albania better than the experienced Balkan experts of the *Ballhausplatz*, considered Kral too moderate in his actions

in civil administration. They constantly complained to Vienna about the consul's interventions in favour of the local population. These senior officers disagreed with Kral as he sought to prevent actions that would provoke the locals into taking possibly violent countermeasures (Nicholson, 2015, p. 253). Due to these complaints, the former consul was summoned to Vienna, and the country was to be governed by the Military Command.

During March and April 1916, the 19th Corps Command responsible for the administration of the Albanian territories began to reorganise the internal security system of the area. Elements from the Austrian k.u.k. Gendarmerie helped organise and train the Albanian gendarmerie units and set up police units in towns such as Tirana and Elbasan. The army attempted to establish a new military system by creating Albanian militia on a territorial basis. Nine battalions, each comprised of four companies of 150 to 175 men, were formed during the course of 1916, and they remained active until 1918. The army officers came from the Austro-Hungarian Army, and in some cases certain northern tribesmen volunteered collectively with their chiefs in the army units. The Albanians usually wore regular Austro-Hungarian uniforms of field-grey material with a distinctive headgear, which could be either the Albanian white conical fez or a grey cylindrical fez displaying a cockade in the red/black national colours, although some volunteers continued to wear their national costumes. These *Albanienbatallione* served alongside the Austro-Hungarian forces against the Italians, the French, and the Greek until 1918 (Jung, 2003, p. 42).

The Military Administration was divided into regional, district, and sub-district headquarters. A prefect had to be nominated for each regional headquarter, an under-prefect (*Kaimakam*) for each district headquarter, and a director (*Mydir*) for each important sub-district. As a result of a shortage of qualified Albanian officials, some of these positions, especially those of prefects, remained vacant (Seiner, 1922, p. 1). The military area was divided into 6 prefectures and 25 subprefectures with 11 towns and 109 villages. A military officer stood at the head of the district, who administered the district together with local civil servants. In general, the 19th Corps Command was satisfied with the administration of the Albanian territories, and it also based its success on the support of locals. Only in the remote mountainous areas did the Austro-Hungarian military administration

encounter some difficulties due to a lack of order, as well as the control of Albanian local tribe leaders, who were hesitant to work with the Austro-Hungarian army (Pandelejmoni, 2019, p. 133).

During the course of establishing the administrative structures in Albania, Austria-Hungary attracted influential personalities and local leaders. The Civil Governing Board included prominent Albanians such as Luigj Gurakuqi (Minister of Education in the first Albanian government of 1912), who directed the Education Department, and Fejzi Bey Alizoti (Albanian politician, Minister in the Durrësi government of 1918), who was responsible for public finance. Albanian officials continued to work in the local administration. An Albanian gendarmerie was established, and Albanian schools were opened (Bartl, 1995, p.184). The inclusion and consolidation of local elites through measures on education, such as opening schools and setting up scholarships, aimed to create an elite loyal to Austria-Hungary. In an article on the ways local elites in the occupied Balkan countries were dealt with by Austria-Hungary during World War I, Scheer (2009b, p. 137) writes about the occupation as a space for the construction of elites through measures such as training courses for civil servants or officers.

The Albanian civil servants were salaried employees appointed by the Corps Commander, paid according to a graded scale and the number of their dependants, and they were required to work for at least three hours a day. The imposition of disciplined work was intended to have an “educational” effect on those employed, as were other requirements. However, not all civil servants were satisfied with their jobs, as usually the salaries were low, and their value was reduced by inflation (Nicholson, 2015, p. 257).

The role the policies of Austria-Hungary played in the establishment of elites in Albania is emphasized by Eqrem Bej Vlora, one of the Albanian notabilities who played an important role in Albanian political events during the first half of the twentieth century.³ In his memoirs, writing about the administration of the Albanian territories by Austria-Hungary and the inclusion of Albanians, Eqrem Bej Vlora states:

3 For a concise description of Eqrem Bej Vlora's political activities, see Gostentschnigg, K. (2018). *Wissenschaft im Spannungsfeld von Politik und Militär. Die Österreichisch-ungarische Albanologie 1867-1918*. Wiesbaden: Springer VS, p.560-562.

Thanks to this joint Austrian-Albanian administration, the later Albanian state had the opportunity to build an official learned language, open the first elementary schools, and create the first elements of the category of civil servants. The Italian occupation definitely brought material gain for the country, but if after 1920 a more or less regular state was established and a national consciousness was created, it is something that we have to thank for the four years of military occupation by Austria-Hungary. Without the influence of this administration, Albanians most likely would have continued to offer their services to clients and flirted with dependent statuses from foreign people and countries (Vlora, 2001, p. 140).

Administration in Practice

The Military Administration undertook a series of measures in infrastructure, health, education, economy, and other fields, such as the construction of roads and bridges, the opening of schools, measures to control epidemics, and the proclamation of *Besa*⁴ in order to control blood feuds in the country. Measures were undertaken to control malaria: “the whole occupied territory was divided into malaria inspectorates, laboratories were opened, and the prophylaxis of mosquito repellent - for persons and housing - was carried out with relentless energy” (Veith, 1922, p. 538). A minor success was achieved with the demarcation of local borders between the regions, respecting the traditions, traditional tribal division, communication networks, and traditional trade networks (Kostka, 2007, p. 238). During the Austro-Hungarian military administration in Shkodra, the city bazaar was revived as an important trade and market place, which had been abandoned by its merchants and handicraftsmen after it had been burnt down during the Balkan Wars. The Austro-Hungarian

4 *Besa* literally means “to keep the promise,” and it is considered a pledge of honor according to Albanian customary law. A person who acts according to *Besa* is someone who keeps their word, someone one can trust one's life to.

military built “Bay Street” in 1917 to prevent the River Buna from flooding the bazaar (which typically happened in the autumn and the winter), and they paved the bazaar lanes with cobblestones (Pandelejmoni, 2013, p. 219).

The military administration approved a provisory building regulation for the towns of Shkodra, Lezha, Kruja, Tirana, Durrës, Elbasan, and Berat, which required submitting a formal building request to the respective regional command (*Bezirkskommando*) before starting construction work. There was no such restriction for other localities, except for private buildings that could interfere with military interests. The regulation also required town plans to be prepared, where future streets, building plots, and building lines would be fixed (Nicolo, 1918, p. 37). Specific measures included building schools, combatting epidemics, conducting a census, as well as carrying out geological surveys to discover mineral resources (Rauchensteiner 2013, p. 763). Agricultural development was in an undeveloped state, and it was necessary to import food to Albania. The troops stationed in the country could only procure about half the meat and wood they needed, but the procurement of coal, asphalt, chrome ore, copper, iron ores, gold sand, sulphur, and salt was encouraged (Kerchnawe, 1928, p. 294). All these attempts needed a labour force, and for that reason local men were usually organised into work companies that worked for the army. The military command used the local labour force to engineer and build roads and railways, as well as urban construction, both for purely military purposes and to educate the locals, who were not accustomed to regular work and were considered *Arbeitsscheu* (workshy). Hence the military undertook a “civilising task” to recruit local labourers who were not needed to work in their family’s fields into the work companies of the army, for the benefit of the country. The Corps Command also mobilised the unemployed, evacuees, and the so-called *öffentliche Schmarotzer* (public parasites) for the transportation of supplies. From the port of Durrës and the military headquarters in the north, transport to the south and the front line was made by packhorse (Nicholson, 2015, p. 258). Due to work difficulties, their work in the fields, the low salaries, a “lack of duty”, dangerous work conditions, and the war, many Albanian labourers did not want to work for the military

and kept deserting. The Corps Command therefore issued orders to remind supervisors of their duties to ensure the workers had food and clothing and were not mistreated (Nicholson, 2015, p. 258).

Despite the various positive measures, the situation for the civil population was not easy. Veith describes the impact of the Austrian-Hungarian occupation as follows:

The situation became grave, first of all for the Albanian population, and thus indirectly for the k.u.k. troops. We came to the country as friends and liberators, and of course we had the good will to be a burden to the population as little as possible. This principle was not always possible to keep up, which impacted Albanians even more because obviously from the moment of the occupation by Austria-Hungary, all import from neighbouring countries stopped. Soon different parts of the country were threatened by famine, and the Austrian command was forced, instead of living on the land, to feed the population and to supply them with imported goods, which were scarce also in the homeland. (Veith, 1922, p. 526)

In his memoirs, Ferenc Nopcsa, a Hungarian scholar and Albanologist, who was an officer of the Austro-Hungarian military troops during the Albanian operation in 1915-1916,⁵ describes the misbehaviour of the Austro-Hungarian military troops in the Albanian-occupied territories. Beside incidents such as soldiers shooting a Muslim person in Golem during a requisition, he describes the devastation of many mosques in Shkodra. He states that he filed official reports on the incidents to the military command and to Kral, the representative of the Ministry of Foreign Affairs, but these reports were hidden from Corps Commander Trollmann. He continues to say that a series of other lawsuits referred to the k.u.k. troops and their commanders as thieves and gave examples of

5 On Nopcsa's participation in the Albanian military campaign in 1916, see Pollman, F. (2019). Baron Ferenc Nopcsa's Participation in the Albanian Military Campaign of the Austro-Hungarian Monarchy in 1916. In K. Csaplár-Degovics (Ed.), *These were hard times for Skanderbeg, but he had an ally, the Hungarian Hunyadi: Episodet in Albanian-Hungarian Historical Contacts*. Acta Balcano Hungarica 1. Budapest, Hungary: Hungarian Academy of Sciences.

exaggerated requisitions (Elsie, 2001, p. 448-449). Nopcsa was concerned about the implications that such behaviour by the k.u.k. troops would have for the image of Austria-Hungary among Albanians, especially among those who were true supporters (Elsie, 2001, p. 450).

One of the policies that caused dissatisfaction among Albanians was the collection of gold and silver coins. As Veith describes,

A very grave problem was monetary transaction. Paper money was completely unusable in the country, and even about the metallic Austrian silver krone the Albanian, who is sensitive in money issues, was strongly suspicious. He asked for payments in Turkish gold and silver, and prolonged negotiations and strong influence of friendly leaders were needed in order to at least exchange the silver. Later paper money was also used, but only under strong pressure and exclusively in the circulation between Austrians and Albanians; no Albanian would have accepted paper money from any other...

With time, the best means of payment became the so-called "compensation goods", essential import goods, foremost sugar, rum, and gas; only with the help of these was it possible to keep up the economic circulation (Veith, 1922, p. 526-527).

Nopcsa showed how the presence of the military troops was used by traders to increase the price of products. The regulation of prices in Shkodra fell within the competence of the Intendantur, and the process was to be handled officially. Nopcsa described his efforts, upon the request of the Intendant, to identify those who abused prices as a difficult task because, as he found out later, "the traders asked their customers to promise not to reveal them". He describes how the process took place in a record (report) taken with his confidant, which shows how he managed to buy food and at what prices (Elsie, 2001, p. 451-452).

In a meeting with Foreign Minister Burián in March 1916, which Nopcsa describes in his memoirs, he states that one of the issues he raised was that

Despite the order to secure products only through cash payments or on the basis of requisition tickets, there were still many things taken without a receipt. Moreover, it was impossible for the inhabitants, who were illiterate, to file a lawsuit regarding these matters. The few clerks in the city of Shkodra, whom the illiterate peasants asked to write a lawsuit, were warned not to write such because the Intendantur would be overflowed with such complaints (Elsie, 2001, p. 458-459).

The scarcity of products and the difficulty of trading with banknotes is described in the memoirs of various Austrian-Hungarian officers who travelled through Albania. The published memoirs of Josef Šrámek, a Czech textile worker enrolled in the Austro-Hungarian Army, who was captured by the Serbian army and spent the rest of the war as a prisoner, describe the retreat march through Albanian territories and the ordeals he faced. Writing about the days he spent in Prizren, he states: “If I had no money, I would have to sell my blankets as others did, or maybe even my shoes and walk barefoot. And I am lucky to have my cash in silver coins. Nobody wants bank notes; one can hardly sell them for 6 dinars” (Šrámek, 2012, p. 37). He continues by saying that “Steblova is a small village. We buy potatoes as small as cherries. Arnauts sell us baked pumpkins and corn flour, trading for underwear or boots.... I traded a little corn flour for a shirt and underwear. The Arnauts do not want Serb money. The boys trade flour for their last blankets” (Šrámek, 2012, p. 39-40).

Population Censuses for Military Purposes

After two months of invading most parts of the country, the 19th Corps Command undertook a provisional population census for military and administrative purposes. First, the military administration began to collect statistical data in order to reorganize the entire administrative system of the territory it controlled (Seiner, 1922, p. 3). After the administrative division of the military area into the districts of *Bezirk* (prefecture), *Kreis* (sub-prefecture), *Stationskommando* (municipality), and *Katund*

(village) on 19 March, 1916, a provisional population census was taken, linked to a livestock census and a survey of food supplies. The census, however, was incorrect and contained crucial mistakes. It was conducted in a rush, the settlements and villages were not delineated, and the population was not familiarized with the personnel administering the census and hesitated to respond to the questions (Pandelejmoni, 2013, p. 45). In contrast to this first attempt, another population census was carried out on 1 March, 1918. It was administered following one year of preparations by Franz Seiner, a census expert and statistician from Graz, who was sent to Albania to take over the post of Chief Census Official. Under Seiner's supervision, the collection of census data was carried out by officers of the Austro-Hungarian army, with assistance from the Albanian officers (Gruber, 2007, p. 254).

The population census of 1918 is of enormous importance not only because it was the first accurate population census ever undertaken in post-independence Albania, although it only stretched to the military territories administered by Austro-Hungary. It contains detailed information on all registered persons, and it is a valuable source for historic-demographic analyses of the Albanian population at the beginning of the twentieth century. It was the first attempt to delineate settlements, fix the borders of villages, record the villages, and prepare an index with about 1,800 entries of villages, towns, and cities. With the intention of recording the population accurately and encouraging people not to under-report the number of children (by leaving out female children), the census officers were instructed to inform the population that the distribution of food supplies would be based on the census data. The efforts met with success, as the data reveal a gender balance of 252,794 men and 251,423 women (Pandelejmoni, 2013, p. 46).

Another census success was the establishing of a naming system for topographical locations, which at first appeared a very difficult task, since many locations had names in three or four languages, in Turkish, Italian, Albanian, or in Slavic, and there may have been significant differences in the pronunciation and spelling by villagers. In addition, many villages did not have a fixed communal name, only the village quarters had a name (*mahallë*). Hence, an Albanian Literary Commission (*Komisia letrare*) was established in Shkodra, which worked out guidelines for naming Albanian localities (Pandelejmoni, 2013, p. 47).

The *Komisia* further established family names and first names, as until then, few Albanian families had had a fixed family name. Generally, only first names were used to distinguish people, to which the names of the father and the patrilineal grandfather were often added. An additional problem was that many inhabitants in the villages did not have surnames, following the Ottoman custom, where the given name is followed by the father's given name. Therefore, it was made obligatory to choose a name for the purpose of the population census. The heads of the household were free to choose their name, which were only rarely suggested by the administration; the guidelines for this process were worked out by Albania specialist Maximilian Lambertz (Pandelejmoni, 2013, p. 47).

In the end, the census area comprised 20,096 km² (of the 28,784 km² making up the country). 524,217 inhabitants lived at a density of 26 inhabitants per square kilometre in towns and villages in the territory administered by Austro-Hungary during World War I (Seiner 1922, p.6). The whole census material was transported to Shkodra and stored safely. By the end of September 1918, the data had been double-checked and completions and supplements carried out. However, these activities had to be stopped due to the planned withdrawal of the army in October. The census material of Berati, Fieri, Lushnja, and Skrapar were destroyed by the district headquarters in Lushnja during the withdrawal from Albania (Seiner 1922, p.5), and the material concerning these regions (89,142 persons) is therefore missing. The rest has been stored in 47 boxes in the Archive of the Austrian Academy of Science in Vienna (Nicholson, 1999, p. 1-34). In order to use this excellent source on Albania, a project was undertaken at the University of Graz, where the census schedules were scanned, and the material was put into a machine-readable format using SPSS.

Concluding Remarks

The establishment of a functioning administration in the occupied territories was a process that reflected the different views the Army High Command and the Ministry of Foreign Affairs had regarding the status of Albania during World War I. Despite the previous statement that

no military administration would be necessary for the occupied Albanian territories, such an administration was in fact later established. The military administration, which also relied on influential Albanian locals, undertook a series of measures in infrastructure, health, education, economy, and other fields. Nevertheless, the living conditions of the population were difficult, and there were reports and indications of misbehaviour on the part of the Austrian-Hungarian military troops. One of the most influential policies undertaken contributed to the construction of elites through measures on education, the training of civil servants, as well as conducting a population census.

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CULTURAL RELATIONS BETWEEN ALBANIA AND HUNGARY DURING AND AFTER THE COMMUNIST DICTATORSHIP

A BRIEF INTRODUCTION

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Abstract: This paper presents various important aspects in the cultural relations between Albania and Hungary, both during the communist regime that lasted almost 50 years in Albania (1944-1992), and in the last thirty years (1993-2022), which are considered “the democracy years” in Albania, although they have rather been years of protracted transition. The paper presents important information about: a) Albanian students who were educated in Hungary; b) linguistic and literary publications created in the two countries, both in Albanian and Hungarian, and c) relations between the two countries, especially in education over the last 30 years.

Keywords: Albanian students in Hungary, University of Budapest, Hungarian revolution, communist dictatorship, Albanian language and literature, Hungarian language and literature, Hungarian writers, Albanian writers, publications, Albanian and Hungarian universities

Introduction

Relations between Albania and Hungary began in the year 1922, when Albania was already an independent country. This was followed by a break in inter-state relations due to fascist occupation (1939-1942) first by Italy, then by Nazi Germany (1943-1944). The relations between the two states were restored with the liberation of the country in October 1944.

However, the relations between the two peoples (Csaplár-Degovics, 2019, 340) go back to the time of the Árpáds (Sufflay, 1916, 294-298), and the spread of Benedictine monasteries in the Albanian territories during the early Middle Ages. According to the great Croatian medievalist Milan Šufflay, “the monasteries of medieval Albania belonged to the type of high assemblies with extensive properties, similar to the great abbeys of Hungary and Italy” (Sufflay, 1916, 267). This paper focuses on cultural relations during the period of communist dictatorship (Malaj, 2016, 269-282; Malaj, 2021, 7-32), concentrating on exchanges in education and culture. The article is divided into four sections, which explore the education of Albanian students in Hungary; publications on Hungarian language and literature in Albania; publications about the Albanian language, literature, and culture in Hungary; and today's relations in education.

The Education of Albanian Students in Hungary

From 1948 until the Hungarian revolution

Albanian-Hungarian relations in education began in 1948, after the reestablishment of diplomatic relations in 1947 (Kacziba, 2017, 99; Central Intelligence Agency [CIA], 1988, 43). Albania and Hungary reached an agreement for higher education cooperation, and 70 students of the Higher Institute of Sciences of Tirana travelled to Hungary in 1948 (Kaloçi, 2016). The students had to learn the Hungarian language before beginning their studies in the fields of journalism, pharmacy, medicine, and archaeology (Kopliku & Dibra, 2017, 136). The Albanian students mostly studied at various faculties of Eötvös Loránd University and the Budapest University of Medicine [which was known as the “The Medical Faculty” until 1951 and was later renamed Semmelweis University (Eötvös Loránd University, n.d.)]. Semmelweis University emphasizes the participation of its students in the 1956 Hungarian revolution to this day (Semmelweis University, n.d.).

From the beginning of the program, Hungarian was taught by professor István Schütz, a young linguist who had just finished his studies in Hungarian and Latin literature. The literature does not provide more information about how many

classes were taught and how many participants participated in the courses. Schütz communicated with students in English and Italian. The contact with the Albanians was also the beginning of Albanological studies for Schütz, who later wrote a grammar book of the Albanian language for Hungarians (Schütz, 2002).

Thoma Dardeli, one of the Albanian students at the Faculty of Medicine in the 1950s, mentions 70-75 Albanian students, and people who had come for different specializations (Dardeli, 2015, 66). Other sources give a number of 40 students and 30 specialists. The scholarship for these students was paid for by the Hungarian government, which initially amounted to 650 forints. By May 1952, the scholarship increased to 900 forints because prices had doubled during that period (Dardeli, 2015, 66). The Albanian students in Budapest later had a club at November 7 square (*Oktogon* today), where they held their celebrations and cultural activities (Dardeli, 2015, 11).

During and After the Hungarian Revolution

The Albanian students continued their studies until the outbreak of the Hungarian revolution in 1956 (Kaloçi, 2016), when some of them, including Dardeli, got involved in the revolution. Dardeli was active in the anti-communist movement in Hungary and took part in the Petőfi Club revolt, which was mostly attended by students. The Albanian ambassador to Hungary, Bato Karafili advised the Albanian students not to take part in these developments (Kaloçi, 2016). This was more than understandable, as the Albanian communist state could not allow its students to be involved in an anti-communist movement like the Hungarian revolution. The Soviet tanks mercilessly suppressed this movement for freedom and democracy, as Khrushchev did not allow Hungary to leave the Communist Bloc. Enver Hoxha, Albania's communist leader^{1*} fully approved the intervention of Soviet tanks in Budapest (Boriçi, 2022, 28-29).

1 "Hoxha, Enver (1908–85) was an Albanian statesman, founder of the Albanian Communist Party 1941, Prime Minister 1944-54, and First Secretary of the Albanian Communist Party 1954–85. He rigorously isolated Albania from Western influences and implemented a Stalinist programme of nationalization and collectivization." in: Lexico UK English Dictionary. Oxford University Press. n.d. Retrieved 14 July, 2022.

The revolution left indelible memories in Thoma Dardeli, who later wrote the Albanian-language book “Revolucioni Antikomunit Hungarez” [Hungarian Anti-Communist Revolution (Dardeli, 2015)]. The book describes the historical development of the revolution based on Dardeli’s experiences as an active participant. Many years later, Dardeli also wrote a Hungarian-Albanian conversational dictionary (Dardeli, 2012, 306), dedicating the book to his close Hungarian friends, especially Dr. Ferenc Gerencsér and his classmate Ilona Tóth, who was executed in 1957 for taking an active part in the revolution. Dardeli’s book ends with a chapter of grammatical explanations for both languages (Dardeli, 2012, 274-304).

In addition to these two books, Dardeli also compiled an Albanian-Hungarian Bibliography in collaboration with Klára Rudas in 1955 [*Albán-magyar bibliográfia: bibliográfiai kísértet* (Rudas & Dardeli, 1956)], which contains information about Hungarian and foreign authors’ works on Albania (Dardeli, 2015, 146). The bibliography was written in Hungarian and published in Budapest in 1956.

After his return to Albania, the regime persecuted Dardeli, and he spent 11 years in political prison². He later worked in the most distant mountain villages of Albania. The cause of this persecution was “*Agitation and propaganda and influence of the Hungarian Counter-revolution*”. In 1962, two people were arrested along with Dardeli, Vangjel Kule and Islam Spahiu. They were accused of being part of a “hostile group”, and their leader was alleged to have been Thoma Dardeli (Kaloçi, 2016). In 1991, immediately after the fall of the dictatorship, Dardeli founded the Albanian-Hungarian Friendship Association in Shkoder (Dardeli, 2012, 305-306), and a street in Shkoder was named “*The Hungarian Anti-Communist Revolution of October 1956*” at his initiative (Rruga “Revolucioni Antikomunist Hungarez”, Shkodër).

2 When Dardeli was in prison, in 1962, he also testified for two Hungarian convicts from Vojvodina, who were very surprised that Dardeli communicated with them in Hungarian. Dardeli does not mention the names of these convicts. Another Hungarian convict, Jozef Fehrvész, born in Nagy Cakan in 1904, married to Margit, also a Hungarian, is mentioned in Dardeli’s memoirs. This family came to Albania in 1934 and settled in Tirana, where they later owned a shop. Small. Jozef was allegedly arrested as an Anglo-American agent and in 1947 sentenced by a military court to several years in prison. The jury consisted of Captain Faik Minarolli, Captain Shaban Rexha, and Sergeant Halil Grapshi. His wife Margit also requested mercy because they were foreigners. For more information, see: Th. Dardeli, *Revolucioni ...*, p. 169-171.

Beside Dardeli, other Albanian students also took part in the revolution, including Hysni Sinomati, Ramadan Muço, Sanie Lama, and Ilija Dedi, who were described as mouthpieces of the Hungarian counter-revolution and openly portrayed as anti-Soviets (Lalaj, 2015, 101). Ilija Dedi studied journalism at the University of Budapest and experienced the events of the Hungarian revolution up close. Dedi later worked as a journalist at Radio Tirana and the newspaper “Puna” (Work). He also wrote about his memories of the revolution.³ There were also some among the Albanian students who were against the revolution. For example, Muhamed Bala, who later became a doctor. He thought the Red Army had liberated Hungary, and that the Hungarian people should be grateful “because that is what the Communist Party in Albania says about it” (Dardeli, 2015, 19). Based on what Dardeli writes about him, Bala was not involved in the revolution. Beside the names above, medical students Lika Kolani and Zogulla Dhima from Gjirokastra (Southern Albania) studied pharmacy (Dardeli, 2015, 14), but there is no information available whether they participated in the revolution. Students who studied in Hungary also included Hëna Spahiu (1933-1993), one of the most qualified archaeologists of Albania during the communist regime. According to Miklós Takács and Péter Langó, “Hëna Spahiu received her diploma in archaeology at Eötvös Loránd University (Budapest) in 1957. An obituary (Iliria, 1993, 297-299) was published in 1993 commemorating her life and achievement in archaeology, but the author only briefly mentions Hëna Spahiu’s studies in Hungary”⁴ (Takács & Langó, 2019, 318-319).

3 Some of his memories about the revolution can be read in American-Albanian newspapers “Dielli, 14 November, 2021”.

4 “Hëna Spahiu took interest in the Koman culture of the Migration Period and she enjoyed the full confidence of the Albanian party bureaucracy when in 1953 she started her studies in Budapest. She chose Gyula László, a famous professor at Eötvös Loránd University, as her mentor. Spahiu’s thesis on the Koman culture clearly demonstrates that she was fully qualified to become an expert of Koman-Avar relations and perhaps to lead research on the Vrap Treasure. Her career, however, was cut short after the Albanian-Soviet split in 1961. As the country moved closer towards China and then shifted to isolationism, Hëna Spahiu could not stay in touch with her Hungarian colleagues, even though in Budapest she had come to know Ilona Kovrig, another excellent researcher of the Avar era. Hëna Spahiu’s Hungarian education was no longer considered an asset; the cultural bodies of the party state disregarded her even in the 1980s when, in return for financial compensation, the country allowed some German and Austrian researchers to examine certain items of Albania’s medieval archaeological heritage. She was also not selected when a group of Albanian archaeologists along with the already mentioned Joachim Werner were requested to authenticate the archaeological site of the Vrap treasure. It should be noted that Albanian archaeologists were never invited to participate in research projects on the Vrap treasure, apart from providing on-the-spot help to Werner during his field survey.”

Willingly or not, almost all the Albanian students returned to Albania immediately after the revolution, since if someone did not return home, the communist regime would persecute the whole family on account of them. There are dozens of such cases of persecution against the families of dissidents in the history of the communist period of Albania. Some of the students were later persecuted and did not have a career in their chosen field due to persecution for their alleged participation in the Hungarian revolution (Instituti i Studimit të Krimeve dhe të Pasojave të Kumunizmit, 2013, 54; Kaloçi, 2016).

On the other side, there is no information to suggest that Hungarian students studied in Albania during this time period. The first university in Albania was the University of Tirana, which was founded in May 1957. Since relations between Albania and Hungary only lasted until 1962 (Dardeli, 2015, 164),⁵ it was difficult to have Hungarian students at the University of Tirana when relations between the two countries were severed four years after its foundation.

Publications on Hungarian Language and Literature in Albania

In terms of the publications that were made in Albania about the Hungarian language and culture, we cannot talk about publications in Hungarology during this time. “*Swallows. Hungarian Stories*” (Kokona, 1956, 204), a volume of Hungarian stories was translated from Russian by Vedat Kokona and published in 1956. The edition was completed by March 1956, some time before the Hungarian revolution. The volume includes several short stories written by Sándor Petőfi, Kálmán Mikszáth, Zoltán Ambrus, Zsigmond Móricz, György Gera, Erzsébet Gallgbeti, and Anna Balázs. This gap in publications on Hungarian literature, language, and culture continued for decades, although some sporadic translations

⁵ As mentioned above, diplomatic relations between Hungary and Albania were established on 16 September, 1947, at the rank of legates. The embassies functioned from 14 February, 1954 until 1961, when relations deteriorated. From then until 1989, there was only an official in charge temporarily. After this year, relations were raised to the rank of embassies again.

were published. For example, Zsigmond Móricz's tale "The Seven Krajcers" (Moric, 1983) was translated from Russian by Aurel Plasari in 1983. Plasari also translated a volume of poetry by Attila József entitled "Forest friend, rustle!" from Russian. Other books of Hungarian literature translated into Albanian between the 1940s and the 1990s include:

- Ferenc Molnár: *The Paul Street Boys*. This novel has several translations into Albanian, before and during the communist regime⁶;
- Zsigmond Móricz: *Relatives*, translated by Afrim Koçi (Moric, 1980);
- Zsolt Harsányi: *Franc List*, translated from French by Ramazan Hysa (Harshanji, 1991),
- Arthur Koestler: *Darkness at Noon* (Koestler, 1993).

As shown above, these works were not translated from the original Hungarian but from other languages, such as Russian, French, or German. Although these literary works were written by well-known Hungarian authors, their texts did not present any "threat" to the Albanian communist state, which is why they were allowed to be translated and published.

Many of the students who studied Hungarian found it impossible to publish and translate especially during the first decades of the communist dictatorship. Some of them ended up in prison and internment camp, as mentioned before. The ideas of the Hungarian revolution left their mark on them, they had changed their political worldview, and they could no longer find themselves in their own country, which was under savage communist dictatorship. Therefore, during the decades until the fall of the dictatorship, there were neither dictionary nor grammar publications of the Hungarian language from the Albanian side, nor were there direct translations from Hungarian. The only dictionary that was published in Tirana during the communist period is the dictionary of Hungarian Albanologists.

6 I first cite here *Spiro Dedaj's* translation of this novel from Hungarian into Northern Albanian in 1939: Molnar Ferenc, *Djelmët e Rrugës Paal*. Përktheu S. Dedaj. Botim II. Shkodër: A. Gjergj Fishta. 1944. Spiro Dedaj studied in Budapest and he obviously translated the novel from the Hungarian language. The second translation belongs to Andon Frashëri (*1892-†1965), an Albanian dissident, who was put in prison in 1946 by the communist regime. The novel was translated from French, and was published in 2003, many years after the death of A. Frashëri: Molnar, Ferenc, *Çunat e rrugës Palë*. Roman. Përtheu: Andon Frashëri. Tiranë" Redona 2003.

After the fall of the communist dictatorship, some translations of Hungarian literature were published in the Albanian language, including the volume of Hungarian tales “The Golden-haired Princes” (Arany, 2004, 212) by László Arany, translated by Lazam Loldashi.

Publications on the Albanian Language, Literature, and Culture in Hungary

Various Translations

Albania and Hungary signed a Cultural Convention in 1950, which was ratified a year later (Albanian Official Gazette, 1951, 1011-1015). An indirect result of this convention included two publications: an anthology of well-known Albanian authors published in 1952⁷, and *The complete Albanian-Hungarian dictionary* published in 1953 mentioned above (Tamás et al., 1953). The anthology contains texts by well-known Albanian authors, also including writers who were loyal to Enver Hoxha’s political system. The following authors were included in the anthology and some of the most important the titles of the texts and their translators are in the footnotes, too:

Mark Ndoja, Naim Frashëri, Anton Zako Çajupi, Vaso Pasha Migjeni (Millosh Gjergj Nikolla), Qemal Stafa, Shevqet Musaraj, Zihni Sako, Aleks Çaçi, Kolë Jakova, Qamil Guranjaku, Fatmir Gjata, Llazar Siliqi, Drago Siliqi, Luan Qafezezi, Dalan Shaplllo, Vehbi Skënderi, Mark Gurakuqi, three folksongs about Enver Hoxha, “A brief overview of new Albanian literature” by István Schütz (Schütz, 1952). Many translators contributed to the creation of the anthology. The anthology and the dictionary include well-known names in linguistics, such as Lajos Tamás, editor-in-chief of this publication, and later Director (1966–1973) of the Research Institute of Linguistics of the Hungarian Academy of Sciences (Stammerjohann, 2009, 1468), and further editor István Schütz.

⁷ I am grateful to Ferenc Németh for showing me this anthology. A copy of this book is held in the National Library of Albania (*ar.120.d.17* and *87b.f.47*).

Contributions by István Schütz, Lajos Tamás, and others

The above-mentioned *Albanian-Hungarian dictionary* had some additions by Albanian linguist Aleksandër Xhuvani. Albanologist Lajos Tamás, who stayed in Albania for ten weeks of research in 1952, collected material for the dictionary (Draçini, 2017, 128-129). István Schütz compiled the dictionary, assisted by two Albanian students, Zef Rakacolli and Kudret Velça (Schütz, 2005, 155). The group submitted the manuscript of the dictionary to the Academy of Sciences in Tirana in 1952. Schütz relied on a previous Northern Albanian-Hungarian dictionary, published in 1913 by Zoltán László, which was a Malësor-Hungarian dictionary [malësor means 'highlander' (Csaplár-Degovics & Jusufi, 2019, 266)]. "What promoted the publication of (this) dictionary was the situation in the aftermath of the First Balkan War and the partial success of the Monarchy's ambitious Albanian policy. It is highly possible that the work had been inspired by Karl Steinmetz's (Northern) Albanian-German dictionary, published in Sarajevo in 1912" (Csaplár-Degovics & Jusufi, 2019).⁸ The new dictionary of 18,000 words was mostly in the southern Albanian dialect, while the rest of the work includes a short "Grammar for the Albanian language" (Draçini, 2017, 130).

István Schütz started teaching Hungarian to Albanian students in 1948, when he was 25 years old. He learned about the Albanian language through his Albanian students, and he fell in love with the Albanian language, literature, and culture (Haxhi & Priku, 2017, 8). He learned Albanian under difficult conditions because there was a lack of grammar books and exercises, and yet he learned Albanian so perfectly that it was later difficult to distinguish whether he was Albanian or a foreigner (Haxhi & Priku, 2017). Later he could introduce Albanian even at university. Professor Schütz also mentions the contribution of Professor Béla Köpeczi (1921–2010), who served as Deputy Secretary-General of the Hungarian Academy of Sciences, as well as Minister of Education and Culture. Köpeczi personally supported the introduction of Albanian language studies.

8 The two works of Steinmetz have the titles "Steinmetz, Karl, *Albanische Grammatik. Nordalbanische Mundart*. Sarajevo: J. Studnička 1912; and "Steinmetz, Karl, *Albanisches Notwörterbuch. (Nordalbanischer Dialekt)*. Sarajevo: J. Studnička 1912."

Schütz translated into Hungarian the works of many Albanian authors, including Dritëro Agolli, Ismail Kadare, Petro Marko, Qamil Buxheli, Mihal Hanxhari, Fatos Kongoli, Fatmir Gjata, Rexhep Qosja, Ali Podrimja, Brunilda Zllami and Përparim Kabo. These include the following (Library and Information Center of the Hungarian Academy of Sciences, n.d.):

Independent volumes and contributions

- *Albanian-Hungarian dictionary*. Editor-in-Chief Tamás Lajos. Budapest: Akadémiai Kiadó. 1953. 379 p. [Grammar examples and dialect guide by István Schütz] (Albán–magyar szótár. Főszerk. Tamás Lajos. Budapest: Akadémiai Kiadó. 1953 [A nyelvtani példatár és nyelvjárási útmutató Schütz István munkája])
- István Schütz: *The Army of the Albanian People*. Budapest: Zrínyi Kiadó. 1958. = *Our Weapons of Friends*, 5. 64 p. (Schütz István: *Az albán néphadsereg*. Budapest: Zrínyi Kiadó. 1958. = *Fegyverbarátaink*, 5.)
- Schütz István: *White Spots in the Balkans: An Introduction to Albanology and Balkan Studies*. Budapest: Balassi Kiadó. 2002. (Schütz István: *Fehér foltok a Balkánon: Bevezetés az albanológiába és a balkanisztikába*. Budapest: Balassi Kiadó. 2002.)
- István Schütz: *Albanian language book*. Budapest: Balassi Kiadó. 2002. 177 p. (Schütz István: *Albán nyelvkönyv*. Budapest: Balassi Kiadó. 2002.)

Translations

His many translations include:

- *The Beauty of the Earth: Albanian Folk Tales*. 241 p (A föld szépe: Albán népmesék. Ford. és az utószót írta Schütz István. Budapest: Európa Kiadó. 1957)
- Fatmir Gjata: *Love in the Valley*, 166 p. (Fatmir Gjata: *Szerelem a völgyben*. Ford. Schütz István. Budapest: Európa Kiadó. 1960.)
- *Pomegranate blooms: Albanian historical songs, ballads and folk songs*. (Virágzik a pomagránát: Albán históriás énekek, balladák és népdalok. Vál. és az utószót írta Schütz István. Budapest: Európa Kiadó. 1968. 350 p.

- Ismail Kadare: *General of the Dead Army: Novel*. (Ismail Kadare: A halott hadsereg tábornoka: Regény. Budapest: Európa Kiadó. 1972. 335 p.
- Qamil Buxheli: *Mr. Maksut's career: Novel*. 317 p. (Qamil Buxheli: Maksut úr karrierje: Regény. Ford. Schütz István. Budapest: Európa Kiadó. 1978)
- Ismail Kadare: *Aeschylus, this big loser*. 166 p. (Ismail Kadare: Aiszkhülosz, a nagy vesztes. Ford. Schütz István. Budapest: Európa Kiadó. 2001)

Schütz contributed not only to linguistics but also to other fields of Albanology, for example, through a volume of Albanian tales published in 1957 (Schütz, 1957).⁹ In 1958, Schütz travelled to Albania as an interpreter for a Hungarian parliamentary delegation, and he continued to work as a translator for various delegations until relations between the two states broke down. His name, according to him, was then put on a blacklist, and he could not travel to Albania until 1988 (Haxhi & Priku, 2017, 10).

Another Albanologist who also contributed to the field of Albanology and was a member of the Albanian-Hungarian dictionary project, was Lajos Tamás [Trem]. He studied Albanian at the University of Sorbonne during 1927-28, where he received a certificate in Albanian (Szerecz, 2016, 43). He travelled to Albania for a study tour in 1952 (Haxhi & Priku, 2017, 10) and brought the above-mentioned manuscript of the Albanian-Hungarian dictionary with him.

Beside the dictionary, several volumes of Albanian folklore were published in Hungary during the 1960s (Schütz, 2000, 106). After the publication of the dictionary, the compilation of an Albanian grammar for Hungarians began, but it was never published. The Institute of Sciences of Albania supervised and approved the manuscript, but the disruption of interstate relations in 1962 also brought the “death” of cultural-scientific relations (Schütz, 2000, 106).

Therefore, although in June 1955 several treaties of friendship were ratified between the People's Socialist Republic of Albania and other (communist-socialist) republics, including the Republic of Hungary (Albanian Official

⁹ An exemplar of this book is in the Biblioteka Kombëtare e Shqipërisë (National Library of Albania) (al.2.g.7.)

Gazette, 1955, 233), these friendly relations did not last long, as they were frozen in 1962, which interrupted any kind of project that was in progress. An anthology of Albanian poems, which was being enthusiastically prepared in Budapest, suffered the same fate (Schütz, 2000, 105-106), since with the freezing of relations between the two countries it was not possible to publish it any more. The talented Hungarian painter Lajos Vincze visited Albania on a scholarship during the 1950s (Schütz, 2000, 105-106), staying for several months and painting folk costumes and characteristic tools around the country. The anthology was called “*The pomegranate is in bloom*” (Virágzik a pomagránát) (Schütz, 1968), and 980 copies of it appeared years later, in 1968, disappearing from the market within a short time.

György Réti's Contribution

Another scholar who lived in Albania during the communist period was György Réti, who worked at the Embassy of Hungary in Tirana during the 1970s¹⁰. He wrote several articles and books in Hungarian and English on Albania, which are not yet accessible in Albania (Réti, 1989, 109-126) because they have not been translated into Albanian. His articles include “*Albania's Foreign Policy after the break-up with China*” (Réti, 1983, 189-199), while his books include “*Main Directions in International Relations of the Albanian Labor Party (1941-1961)*” (Réti, 1985). In this book, Réti talks about the activity of the Labour Party of Albania (the former Communist Party) from its inception in 1941 to 1961. His books of Albanological value include the book “*Albania*” (*Albánia*) (Réti, 1991), published in 1991, which is a small encyclopaedia about Albania, giving a general overview of the history of the Albanian people, starting from the Illyrians to the period that coincides with the last decade of the communist dictatorship.

After the fall of communism, Réti wrote another book about Albania entitled “*The turning points of Albania*” (*Albánia sorsfordulói*) (Réti, 2000). In this book, the author talks about the relations and alliances that

¹⁰ I could not find more detailed information about György Réti's activity at the Embassy of Hungary in Tirana.

Albania made during the twentieth century. The author describes the key prominent figures who influenced Albanian history, such as Skanderbeg, the Frasheri Brothers, Ismail Qemali, Fan Noli, Ahmed Zogu, Enver Hoxha, and Sali Berisha. The book also presents the history of Albanian-Hungarian relations (Réti, 2000, 18-24, 49, 51-54). With the fall of the communist dictatorship and the beginning of democracy in Albania, the situation changed for the better regarding the translation of Hungarian works in Albania, but this topic is beyond the scope of the present paper and could be the object of further studies regarding the cultural relations between the two countries and peoples.

Today's Relations in the Field of Cultural Education

After the fall of the communist dictatorship, new opportunities emerged for educational and cultural relations between the two countries. The respective ministries of education signed several bilateral agreements in the fields of education, science, and culture in the years 1992, 1993, 2008, and 2016. (Kopliku & Dibra, 2017, 136-137). Although these agreements are beyond the scope of this article, for example, a program for scientific, educational, and cultural cooperation was established between the Government of the Republic of Albania and the Government of the Republic of Hungary for the years 1992-1993 (Albanian Embassy in Hungary, n.d.).

Regarding university relations, an agreement of cooperation was signed between the University of Shkoder and the University of Pécs in 2006. This agreement included all branches of studies and aimed to provide exchanges between faculties of education and research, as well as joint study and research opportunities for students at the two universities, a joint sponsorship of courses, study visits, the organization of seminars and conferences, the implementation of joint research projects, the promotion of exchanges in the field of sports, music, theatre, and dance, as well as exchanges for administrative staff. The agreement was signed for a three-year term, with the right to renew (Kopliku & Dibra, 2017, 138).

Minister of Education Evis Kushi held a meeting with Minister of Foreign Affairs and Trade Péter Szijjártó in February 2021 (Albanian Embassy in Hungary, 2021). In this meeting, the Albanian Minister praised the relations between the two countries, deeming them quite good, and stating that there was no lack of cooperation, especially during the previous two years. Kushi also mentioned the Hungarian scholarships available to Albanian students through the Stipendium Hungaricum grant to study in Hungary, as well as the summer courses available to Hungarian students in Albania since 2015. Thanks to Stipendium Hungaricum 2021-2024, twenty Albanian students receive a scholarship from the Hungarian government every year to study in Hungary (Albanian Ministry of Education, Sports, and Youth, 2021). Research projects such as Erasmus+ and Horizon 2020 also have joint programs between Hungary and Albania, and there are many opportunities to study in Hungary through different programs today (Albanian Ministry of Education, Sports, and Youth, n.d.).

Conferences on Albanian-Hungarian relations include the international scientific conference “Albania and Hungary - yesterday, today, and tomorrow”, held in 2016 at the University of Shkoder, which was also the first conference of Hungarian and Albanian historians. This conference was organized in collaboration with the Hungarian Embassy of Tirana, the Municipality of Shkoder, the Luigj Gurakuqi University of Shkoder, and other institutions (Heizer, 2017, 6).

Conclusion

This article addressed Albanian-Hungarian relations in education and culture, focusing on the period between 1947 and the present time. It first discussed the education issues of Albanians in Hungary. Relations in education began in 1948, when 70 Albanian students travelled Hungary to conduct studies in various fields, including journalism, pharmacy, medicine, and archaeology. Albanian students first had to learn Hungarian, quickly and well. The Albanian students could continue their studies until the outbreak of the Hungarian

revolution in 1956. Some of the Albanian students were involved in the Hungarian revolution, including Thoma Dardeli. He became active in the anti-communist movement in Hungary and participated in the Petőfi Club revolt, which was mostly attended by students. Dardeli wrote a book on the Hungarian revolution, as well as a dictionary comprising important Hungarian and Albanian words, phrases, and dialogues.

Publications of Albanian literary and linguistic works in Hungarian, and of Hungarian literary works in Albanian were also discussed. In Albania, Hungarian literature was typically not translated from the original Hungarian but from other languages, such as Russian or French. Regarding literary translations from Albanian to Hungarian, the situation was more favourable. There were several translators of the Albanian language in Hungary. The most important Albanologists included István Schütz and Lajos Tamás, who made their contribution either in the translation of literature or in the compilation of Hungarian-Albanian dictionaries. István Schütz was one of the most important professors of the Albanian language in Hungary. Another Hungarian scholar who lived in Albania during the communist period was György Réti, who worked at the Embassy of Hungary in Tirana during the 1970s. He wrote several articles and books on Albania.

The last part of the paper provided information about the cultural relations between the two countries during the years 1992-2022, i.e. the period after the fall of communist dictatorship in Albania. During this time, new opportunities emerged for education and cultural relations between the two countries. The respective ministries of education signed several bilateral agreements in the fields of education, science, and culture in 1992, 1993, 2008, and 2016. Thanks to Stipendium Hungaricum 2021-2024, twenty Albanian students receive a scholarship from the Hungarian government to study in Hungary every year. Research projects such as Erasmus+ and Horizon 2020 also include joint programs between Hungary and Albania, and various opportunities to study in Hungary through different programs are available today.

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AN EMPTYING STATE? DEMOGRAPHIC AND INTERNATIONAL MIGRATION TRENDS IN ALBANIA

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Abstract: The study examines demographic and migration trends in Albania within the framework of the concept of demographic transition. By outlining the historical-political-economic characteristics of the post-World War II period, the paper explains the factors that led to the population explosion in Albania and the rapid decline of the country's population after the fall of socialism. As a specific feature of Central, East and Southeast Europe, Albania's depopulation situation is exacerbated by the high rate of emigration from the country, particularly among the young, educated generations. As it currently stands, Albania has no incentives to encourage people to bear children or to stay in the country, but it also has no "migration hinterland" like Western European countries. The Albanian population, currently 2.8 million, is projected to fall to 2.1 million by 2060 as a result of all these developments.

Keywords: Albania, demographic transition, demography, emigration, international migration.

Introduction

Demography is a major political and social issue in countries where demographic change is leading to significant shifts in the structure of population. In developing countries with high birth rates but already

declining death rates, population growth is outstripping the capacity for economic growth. While most European countries, for example, are facing declining and ageing populations due to high life expectancy, low mortality rates and low and declining birth rates, which cannot be compensated by migration. Population changes have political and economic consequences—such as migration waves or the challenge of resource scarcity—not only for all countries, but also, in a globalised world their regional and international impact cannot be ignored.

In terms of European demographic trends, Albania is a latecomer: in the transition from high fertility and mortality to low fertility and mortality, Albania entered the last phase of the 'demographic transition' in 2001 at the latest in Europe (Galaxhi–Nesturi–Hoxha, 2014: 17). The reason is that until the fall of socialism, Albania was not only a historical but also a demographic outlier in Southeast Europe, but then faced the same challenges as the other Balkan countries, namely a declining birth rate, an ageing population and emigration (Judah, 2019). The aim of this paper is to present the demographic and migration processes in Albania in the context of the concept of demographic transition after the Second World War and, in particular, after the fall of socialism since the 1990s. The temporal delimitation is justified by the fact that the population started to decline everywhere in Europe after the Second World War, thus allowing us to put demographic processes in context.

The paper seeks the reasons for the rapid population decline that followed the Albanian population explosion in the 1950s. To this purpose, the concepts of the first and second demographic transitions are first presented, and then, in order to apply it to Albania, the historico-political and economic processes that shaped the country-specific factors after the Second World War are described. We then review the evolution of the demographic situation in Albania and turn to emigration as the most important factor in population decline. At the end of the paper, we look at what the current demographic situation foresees for Albania's population, society and economy.

Concept of Demographic Transition

Different theoretical approaches are available to describe demographic change. The well-known theory of Thomas Malthus in the late 18th century took a biological-economic approach, stating that population growth (geometric series) is faster than food production (numerical series), so that the prosperity resulting from economic growth cannot be spread over a wider population. According to Malthus, this tendency is balanced by nature through wars, diseases, epidemics, etc. Although his predictions were later disproved by population and food supply trends, the challenge of finite resources is still with us today (Mereconomics, 2015). In the 1930s, Princeton University began to study the long-term series of natural population tendencies in industrialised countries, and then developed the concept of demographic transition using an economic-sociological approach (Pecze). By outlining the five stages of the concept, it is easy to illustrate the claim that Albania is a latecomer among European countries in demographic terms, and so we will use this approach to illustrate the demographic processes in Albania.

The demographic transition describes a long-term trend of declining birth and death rates, resulting in a change in the age distribution of the population. The age and sex distribution of the population is primarily influenced by birth and death rates, but factors such as migration, economic performance, war, political and social changes, and even a major natural disaster should be taken into account (Tulchinsky- Varavikova, 2014). From high births and deaths to low births and deaths, there are successive stages and equilibria (traditional, transitional, low stationary, graying of the population, regression).

In the first stage of the demographic transition, birth and death rates are high and in equilibrium. Life expectancy is short, while mortality is high, as a result of poor living conditions, epidemics and low standards of medical care. The high balance is achieved by a high fertility rate, but the population growth rate is still very low, less than 0.05 per cent. This

stage is now only true for tribal populations. The second, transitional phase began in Europe after the first industrial revolution in the 19th century. Mortality declined owing to the development of medicine and the modernisation of agricultural and industrial production, which increased security of supply. Meanwhile, birth rates remained high and often increased: an exponential population growth began and continued in Europe until the end of the First World War. In the third stage, fertility and birth rates begin to fall, slowing the rate of population growth. Although the population is still growing (natural increase is estimated at 1-2 per cent per year), mortality rates continue to fall. Factors such as female employment, the spread of contraceptive methods and urbanisation are behind the lower birth rate. In the fourth phase of the demographic transition, the birth rate is falling rapidly and the number of deaths are stabilising, so that population growth continues to decline (Tulchinsky– Varavikova, 2014). According to the mainstream interpretation, the fourth stage marks the end of the demographic transition, but with birth and death rates having stabilised at low levels in modern societies, a fifth stage can be distinguished, when population decline occurs (A demográfiai átmenet, 2023).

As fertility rates in developed countries¹ failed to reach 2.1—which is the rate needed to maintain the population—after the 1960s, a level that would ensure easy population replacement, thus ending the demographic transition, theorists began to introduce the concept of a “second demographic transition”. The distinction of the new era was justified by changes in fertility behaviour and in family and spousal relationships, with mortality levels remaining unchanged from the previous ones. As marriage rates fall and divorce rates rise, new forms of cohabitation outside marriage are becoming increasingly popular, leading to a rapid decline in fertility rates. The population is ageing, with a permanent decline in population numbers (KSH, 2023).

1 *‘A highly industrialized country that has high per capita incomes, low birth rates and death rates, low population growth rates, and high levels of industrialization and urbanization. Examples include the USA, Canada, Japan, and many countries in Europe.’ (Oxford Reference, 2023)*

The second transition was sociologically explained as a result of changes in values, which had an impact on family, relationship and fertility behaviour. Traditional values, represented by local and/or religious communities, were weakened and the focus shifted to the fulfilment of the individual. As a result, individuals prefer less committed relationships than cohabitation, which also discourages childbearing (KSH, 2023). Although critics question the validity of the second demographic transition—it does not define a new end-state compared to the first, or the trends outlined can be reversed—the changes in values and demographic behaviour outlined are experienced in Central and Eastern Europe after the 1990s, Latin America and Japan too after the Western European countries, thus providing a useful framework for interpreting new demographic patterns and predicting the demographic future of countries. However, the term “demographic shift” is more commonly used instead of demographic transition (Galanxhi-Nesturi-Hoxha, 2014: 17-18).

It is important to note that the demographic transition model in general has been subject to criticisms. The demographic transition has not been clearly prevailed anywhere in Europe, even missing entire phases, and the model depicts irreversible processes, even though demographic change is not necessarily linear. Mortality in Europe was already declining before the great industrialisation of the 19th century, a trend that continues to this day at a slower or faster rate. Fertility declined first in France at the end of the 18th century, then from the end of the 19th century in countries such as Germany, England, Belgium or Hungary, from the beginning of the 20th century in Denmark or Spain and only between the two world wars in the Balkans. Yet it is a widely used concept because, despite its simplifications, it describes important processes; however, a country-specific interpretation of these processes requires an overview of the political-economic-cultural characteristics of the region or country concerned. This will be tested below for Albania from the end of the Second World War onwards (A demográfiai átmenet, 2023).

The Demographic Dimension of the Albanian Special Path

The Albanian Communist Party (*Partia Komuniste e Shqipërisë*, PKSh), led by Enver Hoxha, proclaimed the People's Republic of Albania in 1944. Like the countries of the socialist bloc, it was a one-party system with centrally planned economic management, but in many ways the Hoxha regime was unique. Hoxha pursued a policy of isolationism since the 70s, as suspending cooperation with its allies one after the other; he severed relations with Yugoslavia, the Soviet Union and finally, in 1978, with China. While the 1970s and 1980s saw a wave of liberalisation in the countries of Central and Eastern Europe, Albania became even more isolated (Domachowska, 2019: 88). A good example of this was the declaration of Albania as the world's first atheist country in 1976 by the Party of Labour of Albania (*Partia e Punës e Shqipërisë*, PPSH), which included in its constitution a ban on religious worship and made it a punishable offence to participate in religious ceremonies and possess religious books. Meanwhile, belief in the Hoxha regime and communism was encouraged. In essence, the regime saw the internationally connected church, which rejected communist propaganda, as a threat (Bezati, 2019).

After Hoxha's death in 1985, Ramiz Alia succeeded him as head of Albania. Their worldviews did not differ, but Alia, recognising the dysfunctionality of the system, focused on improving economic performance as Albania became the poorest country in Europe by 1990. However, this could not stop the protests organised around the demand for better living conditions, and political and economic regime change began in Albania (Domachowska, 2019: 89). The political changes of the early 1990s marked an important turning point in the country's demographic development. During the years of socialism, abortion or international migration were severely restricted by the central leadership. Abortion and using contraception were considered criminal offences in Albania, as they were incompatible with the party's ambition to increase the country's population at any cost (Mejdini, 2017). The Albanian Criminal Code also prohibited leaving the country, according to which absconding or refusing to return home was

considered treason, punishable by a minimum of 10 years' imprisonment. In essence, until Hoxha's death in 1985, but especially until the fall of the regime, emigration from Albania did not exist (Domachowska, 2019: 88).

In addition, Albania underwent a fertility transition between 1960 and 1990, during the years of socialism. As already mentioned, the Albanian political leadership, even compared to other socialist countries, managed population policy according to strict rules. Population was seen as a matter independent of society, serving only to ensure the labour force and defence, and population growth was accordingly encouraged. Maternity leave was extended from 6 weeks to 6 months and health care was free. However, those who were single or childless were fined or socially ostracised for rejecting the traditional family model and failing to live up to the Hoxhaist ideal (Mejdini, 2017).

Despite these incentives, fertility halved between 1960 and 1990, partly due to illegal abortion and partly to female emancipation. Between 1960 and 1980, there were roughly 210,000 abortions, but the actual number is higher. Since abortion was a criminal offence, many women resorted to alternative means of abortion or had abortions outside clinics. Poor living conditions and hard physical labour were the main reasons for abortion, which in most cases were reported by women as miscarriages. Infant mortality was extremely high in these years due to the living conditions caused by the economic situation and frequent shortages of food and medicines. In the 1930s and 1940s, infant mortality accounted for 18.5 per cent of all deaths, doubling by the time of socialism (Mejdini, 2017). In 1991, on-demand abortion was introduced and then legalised in 1995 (Galanxhi-Nesturi-Hoxha, 2014: 50). Liberalisation was also reflected in official figures: in 1993, 494 abortions per 1,000 births were performed, a figure that had fallen to 162 by 2020, but is still significant (INSTAT, Births and abortions by Type and Time, 2023). In connection with the declining fertility rates it should be noted that in Albania, socialism also brought about women's equality. The extension of primary education to girls and the subsequent encouragement of women's employment in agriculture and industry also contributed to the decline in fertility over the period (Galanxhi-Nesturi-Hoxha, 2014: 39).

Population Trends in Albania

Historically and socially, Albania has often been a Balkan outlier, and until the fall of socialism this was also true in terms of demography—but then it joined the ranks of the Balkan countries: an ageing society, emigration, shortage in the number of children. According to the Institute of Statistics (*Instituti i Statistikës* – INSTAT), Albania currently has 2.8 million inhabitants, 1.3 per cent less than in 2021 (INSTAT, Population of Albania, 2022). However, it is more meaningful to compare this with 1999, when the country's population peaked at 3.4 million, a 16 per cent decrease in the country's population in just 20 years (Eurostat, Population on 1 January by age and sex, 2023). The comparison with 1945 is even more striking: at the start of socialism, Albania's population was 1.07 million, so the country's population tripled under the Hoxha dictatorship to which the baby boom after the Second World War should be taken into account as well. The 1980s still saw natural population growth of more than 2 per cent a year, but it has been in steady decline ever since (Galaxhi–Nesturi–Hoxha, 2014: 25).

Today the Albanian population is still relatively young (median age 37.6 years) and the proportion of elderly people is low. On current trends, this could soon change, with life expectancy at birth increasing steadily from 72.1 years for men and 77.3 years for women in 2005 to 74.4 years and 78.7 years by 2021 (INSTAT, Life expectancy by sex, 2023). While at the peak of Albania's population boom in 1960 the fertility rate was 6.9 (Galaxhi–Nesturi–Hoxha, 2014: 40), by 2021 it will have fallen to 1.32, the lowest ever recorded, and the last time fertility exceeded 2.1 to maintain the population was in 2001 (INSTAT, Total Fertility Rate by Type and Year, 2023). The number of live births exceeded the number of deaths for the last time in 2020, which was only due to the previous high birth rate, and here too there is a decline. 2021 was the first year in which the natural increase in the population took a negative value (INSTAT, Population of Albania, 2022): the number of live births in 2021 (27,201) was almost 3 per cent lower than in the previous year (INSTAT, Live births by age group of mother by Age Group, Type and Year, 2023), while the number of deaths (30,580) was 10 per cent higher

than in 2020 (INSTAT, Population of Albania, 2022). In terms of deaths, 2020 produced a spike: 26 per cent more deaths than in 2019, but this increase might be due to the Covid-19 pandemic, with roughly one-third of the 27,000 deaths occurring in covid hospitals (Gjediku, 2021). Albanian trends in fertility and ageing are therefore in line with both the Western Balkans and Europe nowadays.

To reduce the negative birth rate, the state has been paying a one-off payment benefit for newborns since 2019: 40 000 Albanian lek (320 euros) for the first child, 80 000 Albanian lek (640 euros) for the second, and 120 000 Albanian lek (1000 euros) for the third and all subsequent children. Not only citizens but also permanent residents and those who register their children in Albania are eligible (Judah, 2019). A one-off maternity allowance is paid after the birth of a child if the parent was employed and paid social security contributions for the previous year; the maternity allowance is amounting to half the minimum wage (92 euros). Maternity leave is for one year, during which the state pays an infant care allowance if the parent was insured for the previous year (80 per cent of salary for 6 months, then 60 per cent). The state does not pay family allowances unless the family is receiving social benefits (KINCS, 2019: 192). However, the underdeveloped family support system is not able to mitigate the rapid decline in the number of births, which is (also) a result of socio-economic and cultural changes in Albanian society.

In addition, the changes in the number of marriages and divorces are in line with the European trends described as the second demographic shift. In 1990, there were 28,992 marriages, in 2010 25,428 and in 2021 19,709. Compared to 1990 (2,675), the number of divorces showed a major jump in 2010 (3,478), with 3,113 divorces in 2021 (INSTAT, Marriages and Divorces by Type and Year, 2023). Although Albanian women are still giving birth relatively early, this is also steadily shifting: in 1990, the 25-29 age group accounted for 37 per cent of births, in 2021 it is only 34 per cent, while the 30-34 age group has increased from 21 per cent to 27.5 per cent (INSTAT, Live births by age group of mother by Age Group, Type and Year, 2023).

Emigration and the Role of the Diaspora

While before the fall of socialism, the Albanian birth rate was no different from that of Kosovo or Montenegrin Albanians, emigration was different. In the neighbouring countries, the guest worker system to Western European countries was active, while Albanians living under the Hoxha dictatorship were completely locked. In 1991, this distinction disappeared, with the population leaving mainly to Italy and Greece² in search of freedom and a better life in the West. Albania became the largest country of origin of migrants in Europe in terms of the number of people leaving the country compared to population. Between 1991 and 2011, emigration was the primary cause of Albania's population decline in several major waves. Between 1991 and 1992, population flows were completely unrestrained, with around 300,000 Albanians leaving the country. Between 1992 and 1996, the same number of people emigrated illegally, despite the temporary economic growth in the country and the strengthening of border controls. In 1996-1997, Albania descended into anarchy as the pyramid scheme collapsed and the country fell into the hands of rebels and local criminal groups. Fear of violence spurred the migration of hundreds of thousands more people. After 2001 the international migration slowed down due to socio-economic improvement and the country's stabilization (Domachowska, 2019: 94). The last major wave started in 2009, after Albania received visa liberalisation from the European Union (Diaspora.gov.al, 2020: 10).

Between 2001 and 2011, according to INSTAT [data](#), 482,000 Albanians left the country, accounting for more than 35 per cent of the labour force, followed by a further half a million in the last decade (Filipi et al., 2015, 21); it is estimated³ that today more than one and a half million Albanians live abroad, a significant figure especially considering that the country has no history of armed conflicts that would have resulted in such a large diaspora. According to Statista's 2020 survey, Albania is the third

2 Especially Greeks from South Albania and Orthodox Albanians emigrated to Greece. Between 1991 and 1996 approximately 200,000 Albanians arrived only to Greece. (Adamczyk, 2016: 50)

3 The exact number of Albanians living abroad is difficult to determine due to the phenomenon of "circular migration", but it can be said that net migration is persistently negative.

country in the world with the largest diaspora in relation to its population, after Guyana and Bosnia and Herzegovina, with 30.7 per cent of Albanians living abroad (Buchholz, 2022). There is no doubt that the first Albanian diasporas date back a long time: the first community was established in Italy in the 15th century by 200,000 Albanians who had emigrated during the Ottoman occupation. The Arbëresh community has preserved its Albanian cultural and linguistic roots to this day. Later, Albanians also emigrated to the Ottoman Empire, where they held important administrative positions or military ranks, and the Albanian diaspora is today highly respected in Turkey. In the United States, many left in the early 20th century, and in 2012 the oldest Albanian cultural association in the US celebrated its 100th anniversary. During the 19th-20th centuries Albanians emigrated in significant numbers to Serbia, Romania, Bulgaria, Egypt, the United States, Argentina, and Australia due to political economic reasons. The main destination that was (also) Greece, until the mid-‘30s the number of people with Albanian roots counted up to 400,000 (Carletto et al., 2006: 768). But even if we take into account the forced displacement of Albanians from Kosovo, mainly to Turkey, the number of Albanians currently living abroad is still orders of magnitude lower. The reasons for migration are structural in Albania today, the size of the Albanian diaspora is a reflection of economic stagnation and lack of perspective (Diaspora.gov.al, 2020: 9-10).

Emigration in the hope of a “better life” was already a trend among the Albanian population after the fall of socialism, and it has remained essentially unchanged since then, as the state has failed to provide the resources and opportunities for the well-being of its citizens. The most important pull factor is the group of economic reasons, namely the lack of job opportunities and poor living conditions. Especially around and after the 1997 riots, the lack of public security emerged as an important factor too. The poor functioning of institutions leads to a lack of trust among citizens, exacerbated by corruption and organised crime. It also acts as a disincentive to immigration or resettlement, and the existence of a grey economy or the inefficiency of the public administration is deterrent. Although it was a significant phenomenon until the mid-‘90s, an interesting example is the (still) prevalent *kanun* in the northern region of Albania and since blood feud (*vendetta*) is part of it, results a specific socio-cultural push factor for

leaving the homeland. According to the INSTAT 2019 survey, the reasons for migration from Albania are as follows: 83.7 per cent of respondents leave the country for employment reasons, 9 per cent for family reunification, 3.5 per cent for better study opportunities and 3.8 percent of respondents cited 'other reasons'(Diaspora.gov.al, 2020: 14-15). Western European countries need skilled workers, for example Germany introduced the Skilled Workers Immigration Act in 2020, which would make it easier for skilled professionals and trainees from third countries to work in the country. Albania was among the top 10 countries, with 778 visas granted to Albanian nationals between March and December 2020 (SchengenVisa, 2021). The shortage of skilled workers due to emigration was clearly visible in Albania during the covid-19 pandemic (Taylor, 2022); 3,500 doctors and health workers have left the country in the last 10 years (Kuka, 2022).

The problem of emigration is exacerbated by the fact that young, skilled workers are the most likely to emigrate. In 1990, 40 per cent of teachers and academics left the country primarily to Greece and Italy but also to Western European countries, while in the early 2000s, 60 per cent of university graduates—at Western countries' universities—emigrated or never returned to Albania (Diaspora.gov.al, 2020: 15). According to Youth Network's 2021 survey, 90 per cent of young people are seriously considering emigration for education, job opportunities or just "the chance of a better life" (Tirana Times, 2021). Corruption and unemployment are cited as the biggest problems in the country, while the quality of education is considered 'bad' or 'very bad' by respondents. 90 per cent of Albanian migrants live in Europe, with the remainder in the US (8%). Italy (40%) and Greece (37%) are the top destinations for emigration, due to proximity and similarities in culture and lifestyle. It should be noted that not only outward migration but also internal migration is a major challenge. This is mainly towards the capital, Tirana, resulting in rural and mountainous areas becoming uninhabited. Only the capital region is projected to grow in population between 2019-31, with 35 per cent of the population concentrated there.

A further problem is that many Albanians apply for refugee status abroad, despite the fact that European countries legally speaking consider Albania as a "safe country". Yet, we are talking about one of the poorest countries in Europe with problems such as corruption, organised crime, lack of

an independent judiciary. Valid asylum claims include those fleeing, for example, crime, violence, forced marriage or blood feuds. It is interesting to note that the Albanian government is rather dismissive of the risk of blood feuds: it would mean acknowledging the greater burden of asylum applications—the reduction of which is essential for EU accession—and the inadequacy of the judicial and law enforcement system (Taylor, 2020). Between January and July 2022, 5,800 Albanians applied for asylum in the European Union, double the number of applications in the same period last year (Taylor, 2022). The top receiving country is France (2021: 4,885, 2020: 2,010, 2019: 8,501) followed by Greece (2021: 1,125), then Germany: 1210) (Eurostat, Asylum applicants by type of applicant, citizenship, age and sex - annual aggregated data, 2023). The number of asylum applications in the UK is even higher: 7,627 Albanians have applied for asylum up to June 2022, double the number of the previous year (3,578). An increasing migration wave is difficult to predict, as the number of refugees can be influenced by a number of factors, from geopolitical and economic events to information flows. Behind the increase in the number of Albanian nationals arriving in the UK—crossing the La Manche Channel or the Channel Tunnel—is the activity of people smugglers (Walsh, 2022).

Despite doubts about whether an asylum application will be granted, it is worth a try for Albanians, but it also creates considerable political tension. While their asylum applications are being processed, Albanians may access the social welfare system of a European or EU country and find work. The processing of applications generally takes a long time, with two thirds of applicants who received a decision in 2021 waiting two years for a document and 35 percent waiting three or more years in the United Kingdom. The deportation process can also be lengthy, especially in France due to the bureaucratic peculiarities of the country, which is the largest applicant country for Albanians in the EU as indicated above (Walsh, 2022). Reducing the number of asylum applications is a precondition for Albania's continued integration into the EU, which also involves reducing tensions between Albania and the UK. To promote this, a bilateral agreement was signed between the two countries in August 2022 to combat criminal gangs involved in people smuggling (Syal, 2022).

However, the UK is further tightening the criteria for Albanians seeking asylum: as part of the planned new package of measures, Albanians' claims will be able to be rejected in weeks instead of months, on the grounds that 'Albania is a safe and prosperous country' (Gallardo, 2022).

While emigration is undoubtedly a major challenge, it should be noted that diaspora remittances are a key instrument for the socio-economic development of the country and a major pillar of economic stability and development in Albania. Albanian families use remittances mainly for daily consumption, with remittances accounting on average for 15% of household income. The dynamics of remittance flows can be divided into three phases. They increased between 1991 and 2007, with Albania becoming the most remittance-dependent country in the region in 2007. Between 2007 and 2013, remittances declined due to the global economic crisis, but then resumed their upward trend (Diaspora.gov.al, 2020: 36-37). According to World Bank data, remittances accounted for 9.4 per cent of GDP in 2021, and while this is down from the highest ratio in 1993 (28%), remittances have averaged nearly 11 per cent of GDP over the last ten years (World Bank, Personal remittances, received (% of GDP), - Albania, 2023). In addition to helping households' income, there is also an economic potential in the large Albanian diaspora. The objectives of the Albanian Diaspora National Strategy 2021-2025 include the promotion of diaspora investment, the creation of small and medium size enterprises in areas such as agriculture and food industry. However, this can only be achieved through investment promotion measures such as tax reductions or by reducing corruption and the grey economy (Diaspora.gov.al, 2020: 34).

Towards an Emptying Country?

Albania has entered the last stage of the demographic transition and/or the second demographic shift later compared to European trends. Declining fertility rates, rising average age and falling death rates are all features of the regression phase. This is exacerbated by the specific feature of Central and Eastern Europe and South-Eastern Europe,

namely the high rate of emigration. The situation is further aggravated by the country's Hoxhaist-isolationist past, which has left its mark on demographic trends, and the economic performance is still struggling with its legacy.

Taking into account that Albania cannot compensate for high emigration rates like Western European countries, and that the country does not have an extensive family support system to encourage birth rates, INSTAT estimates that the country's population will fall to 2.6 million in 2030, 2.4 million in 2050 and 2.1 million in 2060 (INSTAT, Total population projections by age, low growth scenario by Sex, Age_group, Type and Year, 2023). Current demographic and migration trends, which started in parallel with the collapse of socialism, already pose a significant risk for Albania. The situation is exacerbated by the outflow of young, skilled workers. Apart from the most popular destinations, Italy and Greece, they are all leaving for Western European countries, where skilled labour is needed. Their shortages are already being felt in the labour market, in sectors such as tourism or agriculture. But it is also challenging the social security system, which may face problems in paying pensions, benefits or health care (Taylor, 2022). At the same time, Albania has an important advantage in that its population is relatively young, so that the rapid depopulation could be mitigated by appropriate economic and social measures and job creation. However, the country's capacity to cope with this is not yet fully developed, and remittances are a major source of the economy.

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ECONOMIC AND MONETARY POLICY IN ALBANIA

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Abstract: This paper analyses Albania's monetary policy in terms of the Albanian economic policy and monetary market, determining the effects of monetary policy and its consequences for some of the key macroeconomic indicators. The analysis concludes that the policy of the Albanian Central Bank, is applied in an unequal monetary market, since the money market is divided almost equally between foreign currency and the local currency, the Albanian lek (ALL). Fiscal consolidation is still necessary to safeguard debt sustainability. Rebuilding the fiscal space is particularly important because the Albanian economy lacks other stabilisation tools, and an independent monetary policy in particular. More effort should be made to shift budgets towards a more growth-oriented composition. In last year's dialogue between the EU and the Western Balkans and Turkey, special attention was paid to the importance of fiscal rules and frameworks in improving fiscal governance.

Keywords: economic policy, fiscal policy, GDP growth, inflation, monetary policy, trade balance, Albania

Introduction

The primary objective of this paper is to provide a comprehensive overview of the main economic and monetary characteristics of Albania, as well as the objectives and challenges of its economic and monetary policy. In doing so, several areas are examined more closely, such as macroeconomic stability, the current main drivers of GDP growth in Albania, the main

characteristics of budget financing in the country, and the evolution of inflation and prices. A separate section evaluates the main components of the monetary policy of the country and the current structure of the operation of financial institutions. In addition, the structure of the Albanian banking system is examined, focusing on its defining characteristics, the monetary strategy of the Albanian Central Bank, and its main changes in recent years. The instruments and effectiveness of monetary policy, and the need for further reforms in general are also evaluated.

The main goal with this is to examine the extent to which these instruments have contributed to Albania catching up with the EU average in development, primarily focusing on the reduction of differences in income levels. Growing well-being can have additional financial and environmental components that determine way of life. The infrastructure and the devices that use it can contribute to the fulfilment of well-being through the expansion of income-earning opportunities, and the time savings achieved by getting to places faster (i.e. more free time) due to the development of transport can also be interpreted as having a positive effect on well-being.

This analysis is based on a broader interpretation of well-being. On the one hand, wealth acquired through higher income (infrastructure, energy efficiency, digital devices) can have a long-term welfare effect. On the other hand, the fact that some investments improve the environment (environmental protection, energy) is also a welfare factor, while a third factor is the digital prosperity achieved through telecommunications and IT investments. The present analysis examines a narrower interpretation and uses an exclusively macroeconomic approach to see whether catching up with the European Union average economically can be observed in the case of Albania.

Economic Policy in Albania

Although six Western Balkan countries (Serbia, Montenegro, Albania, North Macedonia, Bosnia and Herzegovina, and Kosovo) have expressed their intention to join the European Union, owing to the turbulent period that has characterized the region in recent decades, they are currently in different

phases of the accession process. Serbia and Montenegro have already started accession negotiations, North Macedonia and Albania have candidate status, while Bosnia and Herzegovina and Kosovo are waiting for candidate status. In assessing the progress made by Albania in the EU integration process and the challenges facing the country, let us first look at the most important determinants of Albanian economic policy. European Union regulations require that central banks be independent, and they prohibit that central banks finance the public sector directly. Member states coordinate their economic policies and their taxation, economy, and financial supervision. Albania is moderately prepared in terms of its economic and monetary policy. There has been limited progress regarding the reports on the procedures to be followed for national accounts and excessive deficits, and there is still significant progress to be made to fully adhere to the European System of Accounts (ESA 2010) (European Commission, 2021a).

A 2014 report by the IMF determined that the Albanian economy was weak, the macroeconomic imbalances were great, and that the financial sector was facing several risks, including low bank profitability and rapidly rising Non Performing Loans (NPLs). The IMF identified high financial euroization, strong systemic links between investment funds, banks, and the sovereign, a significant foreign bank presence (IMF, 2014), and the rapidly rising stock of Public-Private Partnerships (PPPs) (IMF, 2021). These findings are still valid today. At the same time, it can also be said that these findings are true for several EU member states, including member states of the Eurozone, primarily countries in the Mediterranean region. All this is exemplified by the European Commission's Macroeconomic Imbalance Procedure (MIP) report from 2021, which determined that imbalance and excessive imbalance affects 12 member states. The report found an imbalance in nine member states (Croatia, France, Germany, Ireland, the Netherlands, Portugal, Romania, Spain, and Sweden) and excessive imbalance in Cyprus, Greece, and Italy (European Commission, 2020). All this clearly confirms the inadequacy of the typical, often disparaging way of thinking and language in European Commission documents that is often encountered in the assessment of non-core countries, non-euro area countries, and candidate countries, completely ignoring the fact the financial, economic, and competitiveness situation of the core countries is currently far from being an example for other countries to follow.

According to ESA 2010, detailed in Eurostat's 2013 publication, the main challenges facing Albania include:

- coordinating the legal provisions regarding the independence of the Bank of Albania and its accountability towards the Albanian Parliament with the *acquis* of the European Union,
- the government's policy coordination and consultation mechanism must be improved when implementing sectoral policies and economic reforms;
- increasing the reporting capacity of EU-appropriate financial statistics and ensuring that standards are continuously monitored (Eurostat, 2013).

In the area of economic policy, there is further need for legislation to be coordinated with the *acquis* in terms of the requirements related to budgetary frameworks. Albania has adhered to these fiscal regulations since it accepted them in 2016, except in 2020 and 2021, due to the COVID-19 pandemic. The organic budgetary rules modified in June 2020 prescribed new fiscal rules and made it their goal to reach a positive balance by 2023. The implementation of this goal was postponed to 2024 to allow the Albanian government to fiscally support the economy in 2021 while temporarily suspending the goals related to the budget deficit and national debt.

The excessive deficit procedure notification tables are now regularly submitted to Eurostat, although they are not currently coordinated with the requirements of the European System of National and Regional Accounts (ESA 2010). Following a pilot project in 2019 regarding the source data necessary to calculate the indicators of the Macroeconomic Imbalance Procedure, Albania frequently sends reports to Eurostat, and it has shared the metadata from the 14 available results tables with the European Statistical Office (Eurostat). At the same time, further steps need to be taken, for example, in calculating nominal unit labour costs and the deflated housing price index (European Commission, 2021a).

According to IMF experts, Albania needs to make a coordinated effort to better monitor and handle the increasing budgetary risks. Budgetary risks have increased, and the lack of clear data regarding government exposure makes it more difficult to effectively evaluate and handle these risks. The evaluation of real risks related to Public-Private Partnership programs is a key challenge due to the limited availability of information. The state

guarantee schemes granted to the private sector, as well as the dependence of government-owned corporations, especially in the utilities sector, on guarantees and periodic budget support entail further fiscal risks. In this context, according to the IMF, it would be important to boost reforms regarding electricity-related water sectors, which have been postponed during the past few years, in order to decrease the existing climate-related budgetary risks and vulnerability (IMF, 2014). At present, the development of the water sector is important for two reasons: the use of water energy is particularly important due to the global energy crisis, and adequate water supply to the population and the food sector is a priority in the face of increasing droughts. In this area, there are significant risks due to persistent energy price increases, insufficient rainfall and insufficient domestic hydropower production, as was already experienced in the first quarter of 2022. For this reason, Albania's electricity imports may increase significantly in the future, increasing the country's foreign trade balance deficit and may even overburden the Albanian public finances, which until now has been able to cover the differences between the ever-higher import prices and the regulated domestic prices for households and small and medium-sized enterprises. in the case of companies (European Commission, 2022).

The strong economic growth that began in Albania in 2017 is mostly propelled by private investments in significant infrastructural projects. Between 1 February, 2019 and 31 January, 2021, according to the Bertelsmann Stiftung, various large-scale projects were launched, several of which have been completed (e.g. the Tirana–Elbasan road, the construction of Arber Road, the rehabilitation of the Durrës–Tirana railway, and the construction of the new railway branch to Mother Teresa (Rinas) International Airport (Ministry of Infrastructure and Energy, 2020)). However, the country was hit by an earthquake that caused over EUR 1 billion worth of damage. In 2019, the country only recorded a 2% increase in GDP. The economic performance, which had already been hampered, decreased even further during the COVID-19 pandemic due to the important role that the tourism sector plays in the Albanian economy (approximately 20% of the GDP).

The international and domestic restrictions had a significant effect on local consumption as well. Sectors within tourism registered a 16.1% decrease in income in 2020. As a result, the decrease in GDP during the first half

of 2020 was 6.6% based on an annual comparison, and there was an 11% decrease in GDP during 2020 when estimated for the whole year. Based on this, Bertelsmann Stiftung found the 4.5% projected by the Albanian government too generous of an estimation considering the continued effects of COVID-19 (Bertelsmann Stiftung, 2022).

Table 1.
Annual Real Growth of Gross Domestic Product by Economic Activity

Economic activity	2016	2017	2018	2019	2020
Agriculture, forestry, and fishing	2.05	0.84	1.18	0.63	1.35
Mining and quarrying industry	-12.09	4.46	7.62	10.63	-29.42
Manufacturing industry	4.54	12.43	6.26	5.60	-6.12
Electricity, gas, steam, and air conditioning supply	9.86	-32.59	57.57	-11.32	9.56
Water supply; sewerage, waste management, and remediation activities	1.31	13.82	11.98	7.59	-12.64
Construction	2.50	6.62	2.50	-1.94	1.81
Wholesale and retail trade; repair of motor vehicles and motorcycles	2.03	2.03	2.90	2.79	-3.11
Transportation and storage	5.81	5.01	2.72	1.69	-18.22
Accommodation and food service activities	11.68	14.54	14.29	15.22	-25.13
Information and communication	5.89	4.34	-4.49	4.94	-1.57
Financial and insurance activities	8.74	11.10	2.93	5.00	0.25
Real estate activities	1.09	1.53	-0.07	4.42	5.47
Professional, scientific, and technical activities	-0.82	14.68	12.18	1.70	-11.25

Economic activity	2016	2017	2018	2019	2020
Administrative and support service activities	12.91	9.12	1.65	10.44	-8.61
Public administration and defence; compulsory social security	5.27	7.76	0.10	2.13	2.71
Education	-2.56	8.17	0.09	2.71	1.29
Human health and social work activities	5.82	8.39	6.05	9.30	2.24
Arts, entertainment, and recreation	-0.70	-1.58	-0.23	-49.52	-11.42
Other service activities	24.09	7.25	8.38	11.37	-8.98
GVA at basic prices	3.19	3.83	4.11	2.37	-3.13
Net taxes on products	4.21	3.61	3.41	0.09	-5.90
GDP at market prices	3.31	3.80	4.02	2.09	-3.48

Adapted from: Instat, 2022

Unemployment also followed a positive trend during this period, reaching an all-time low at 12% in 2019. Several critics believe this was a result of the high emigration rate among Albanians, although the Bertelsmann Stiftung projected that the unemployment rate could again reach a record high in 2021 (Bertelsmann Stiftung, 2022). Other forecasters, such as those of the European Commission, do not share this pessimistic view and have projected a further decrease in the unemployment rate for 2021 and 2022 (European Commission, 2021b).

In addition, the execution of court orders could result in further budgetary costs according to experts, which means that they should be identified as contingent liabilities and monitored as such (IMF, 2021).

Table 2.
Medium-Term Fiscal Paths (Percent of GDP)

	2018	2019	2020	2021	2022	2023	2024	2025	2026
				Projection					
Tax revenues	25.6	25.2	24.6	25.6	26.2	27.0	27.5	27.8	27.8
Primary expenditure	26.6	27.2	31.0	31.9	30.4	28.7	27.8	28.2	28.5
Overall balance	-1.3	-2.0	-6.8	-6.8	-4.6	-2.2	-0.8	-0.9	-1.4
Primary balance	0.9	0.1	-4.7	-4.5	-2.4	0.0	1.5	1.4	1.0
Structural primary balance	0.9	0.6	-2.8	-2.3	-1.3	0.0	1.5	1.4	1.0
Public debt	69.5	67.3	77.2	80.6	78.0	76.1	73.4	69.3	66.2

Adapted from: IMF, 2021, p.10.

Albania's national debt and deficit increased significantly due to the 2020 COVID-19 pandemic (up to 76.1% of GDP), and it remained at a high level in 2021 (74.9% of GDP). As a reaction to the shock of both the earthquake in November and the pandemic, the 2020 budget was modified four times and resulted in the increase of debt and budget deficit. In 2020, the Albanian government declared a state of emergency and employed the tax exemption and deficit ceiling clause from the original budget act to allow for the GDP ratio increase of debt and deficit. In July 2021, the government modified the 2021 budget on three more occasions, primarily in order to increase investment expenditures and budget deficits. The tax exemption and deficit ceiling clause was extended to 2021 without extending the state of emergency, and the planned primary balances rule was also postponed to 2024.

To fund the increased external and budget financing needs, including the rapid but moderate support of companies and households, the Albanian government requested financial support both from the IMF, from where they received EUR 174 million from the “fast-start” funds, as well as the European Union. The first instalment of EUR 90 million of a macro-financial assistance of EUR 180 million provided by the EU was granted on 31 March, 2021, and the second instalment could be requested if the necessary policy conditions were met before November 2021. Additionally, in June 2020, Albania issued EUR 650 million worth of bonds and prepared to issue an additional EUR 500 million worth of bonds in 2021 (European Commission, 2021a).

Macroeconomic Stability

The economy decreased by 3.84% in 2020 as a result of the COVID-19 pandemic, which is a lower rate than additionally planned (-3.3%). The economy increased at an average of 3.1% between 2015 and 2019, driven by export, especially tourism, and private consumption, which in turn was driven by the employment growth rate in the thriving service sector and the processing industry. In 2020, the pandemic affected these growth factors, and private consumption fell by 2.3%. Export decreased significantly (25.6%), while import decreased by 20%, primarily because international travel restrictions caused significant losses in tourism. Nevertheless, in the beginning the economy proved more resilient than expected due to the increase in agriculture, rebuilding following the earthquake, regional tourism, as well as the timely support of businesses and households.

The second half of 2020 saw a moderate recovery, and the GDP strengthened by 5.5% during the first quarter of 2021, supported by the high degree of hydropower production and the recovery of the building and processing industry. Short-term indicators show that the recovery of services related to tourism strengthened the overall recovery during the second quarter as a result of an upsurge in domestic tourism (European Commission 2021a). Following this, Albania’s GDP increased by 7.0% during the third quarter of 2021, which, as expected, showed a deceleration in the annual growth rate compared to the second quarter of 2021. The economic

increase was broadly based, mirroring the increase in all the components of aggregate demand, and it was present in all branches of the economy. The increase in external demand, trust, and the stimulation of monetary and fiscal politics encouraged the increase of economic activity.

These factors are also likely to contribute to the increase in economic activity during 2022. The proxy data suggests a decrease in economic growth during the fourth quarter of 2022, which further mirrors the moderate base effects and harmonizes them with the economic growth potential (Bank of Albania, 2022). The earlier projections do not yet include the effects of the Russian-Ukrainian war and its consequences, including the rise in the price of food, oil, gas, and other goods and services. For 2022 and 2023, growth is expected to be 2.7% and 3.1 %, respectively, mainly due to the impact of Russia's invasion of Ukraine, although this effect is only indirect, as Albania has little direct exposure to either country. Increasing food and energy prices have prompted the government to provide additional support to households and SMEs, which is set to postpone a more significant improvement in government finances to 2023 (European Commission, 2022).

A further key requirement for macroeconomic sustainability is the development of the private sector. Up to this point, Albania's development has been characterised by critical setbacks (earthquakes and the COVID-19 pandemic, as well as the financial crisis of 2008-2014). The economic development of the EU (especially Italy and Greece) has also had a significant impact on the country. It has always taken years for the private sector to strengthen again after these losses. At the same time, Albania's economic policy environment is expected to change further, as Albania's economy continues to open to international trade and investment, but exports and FDI have remained narrow, which makes entrepreneurs uncertain regarding business conditions in the future and discourages long-term investments. One of the major challenges of economic stability today is high national debt. Based on the 2019 Global Competitiveness Index of the World Economic Forum, Albania ranks 114th from 140 countries regarding debt dynamics. Key conditions for growth include an increase in state revenues through the expansion of the tax revenue base, increasing expenditure efficiency, and reducing the fiscal risks outside the budget (World Bank, 2020).

Real GDP Growth and Contributions

The ambitious public investment plans and goods exports are supported by an increase in demand for raw materials, which, through the strong base effects, supported the moderate economic recovery during the fourth quarter of 2020. These factors resulted in a further 4% increase in 2021. In the fourth quarter of 2021, Albania's gross domestic product increased by more than 5.5 percent in volume compared to the fourth quarter of 2020. To which the following sectors contributed, based on the statements of the Albanian statistical analysis company: the construction industry by 1.82 percent, trade, transport, accommodation and food services by 1.03 percent, real estate activities by 0.73 percent, agriculture, forestry and fishing by 0.27 percent, public administration, education and healthcare by 0.26 percent, the information and communication sector by 0.19 percent, arts, entertainment and recreation services and other services by 0.15 percent, while financial and insurance services by 0.01 percent. On the other hand, economic branches such as professional services and administrative services reduced the growth of the gross domestic product by 0.29 percent, and the industry, electricity and water sectors by 0.02 percent. At the same time, net product taxes increased its value by 1.36 percent in this examined period (Instat, 2022).

A moderate recovery in the service export sector is expected due to regional tourism to Albania, where travel restrictions are less severe than in the EU. Polish tourists discovered Albania in 2020-21; when there were still quite serious closures in the EU, Albania was relatively open. In addition to the Poles, Ukrainian and Russian tourists also visited Albania, which Albanian tourism can now bid farewell, likely causing another setback. During the same year, the projected increase in international travel will lead to the strong recovery of tourism, which could be supported by the continuous development of infrastructure such as airports (e.g. upgrading Kukes airport to operational readiness and the development of southern airports to enhance air transport operations in Albania and to promote growth in tourism) and roads (e.g. the construction of the Fieri by-pass, the construction of the Qukës-Qafë Ploçë road, the construction of the Vlora by-pass, and the construction of the Skrapar-Permet road). The large increase in

investments will likely lead to an increase in the import of goods. In 2022, the projected recovery of service exports will also increase the contribution of net exports towards the increase in foreign trade. Thanks to the recovery, an increase in the employment rate is expected in 2022, which will decrease the unemployment rate to below 11% (European Commission, 2021b).

The Albanian economy is still open to international trade and investments, although export and FDI remain tight. Between 1992 and 2014, goods and service exports increased from 12.5% of GDP to 28.2%, while the net influx of foreign direct investments (FDI) increased from 3.1% of GDP to 8.7%, which shows that trade between Albania and the rest of the world increased significantly. It should be noted here that Albania's foreign trade began to develop from an extremely low level, as until 1991 it had essentially no trade relations with the outside world. This positive tendency continued only in part: although exports reached 31.7% by 2018, foreign direct investments remained at 8.0% of GDP. In spite of their important role within the economy, Albanian exports remain simple, and they are restricted to a few products and destinations (fruits, vegetables, textile, and footwear products to Italy, Greece, Serbia, and Montenegro), while foreign direct investments still concentrate on a few large energy-related projects (World Bank, 2020).

The GDP increased by 7.0% during the third quarter of 2021 on an annual basis. As expected, the annual increase slowed down, mirroring the moderate base effect of the previous year. The GDP shrinkage in the third quarter of 2020 was -3.5%. Economic increase was realized on a broad basis. The production sector contributed to the increase by 1.5 percent, while the service sector contributed 4.2%. This dynamic meant that the volume of economic activities surpassed pre-pandemic levels in all sectors. Aggregate demand increased further during the third quarter. The main contributor to the increase in the export of tourism services was foreign demand. In contrast, the contribution of domestic demand decreased, given that foreign demand began recovery at an earlier date. Domestic demand increased by 3.8% during the third quarter of 2021 on an annual basis. Consumption and investment also show a slowing increase on an annual basis, mirroring the base effect. Household consumption increased by 3.3% during the third quarter of 2021, investments by 3.8%, and public consumption by 7.6% (Bank of Albania, 2022).

Although the rate of economic growth can be said to be high compared to previous years, it is far from sufficient for the country to catch up quickly with the average of the European Union. This is what the World Bank study points to. Albania's GDP per capita is still only about a third of the EU average, and based on the current growth rates, it may take more than a generation for Albania to catch up with the EU average, and the GDP per capita of the Albanian economy will only catch up in 2071 the average level of EU member states at earliest. Therefore, the World Bank recommends that Albania should update its current development strategy to accelerate economic growth (World Bank, 2020).

Public Finances

The European Commission's condition that Albania decrease their national debt to 45% of GDP, as well as the Albanian government's undertaking to decrease the government debt ratio to 60% by 2021 was not met due to the COVID-19 pandemic. In contrast, the Albanian national debt saw a steep increase of 10% on an annual level, which in 2020 came close to 80% of the country's GDP. The Albanian government took out significant loans from the European Central Bank and the IMF, and it also issued EUR 650 million worth of bonds in June 2020. The new debts were justified as financing for the support packages aiming to combat the economic effects of the COVID-19 pandemic; however, the Albanian government's support packages (budgetary expenditures, state guarantees, and tax deferrals) meant for households affected by the pandemic only made up 3% of the country's GDP. All this was not enough justification for the 14% increase in national debt in 2020. At the same time, the support packages remained significantly below the regional average. For example, similar support packages in Montenegro made up 8% of GDP (Bertelsmann Stiftung, 2022).

Public expenditure supported the expansion of economic activities in Albania during 2021. Both investments and the increase in public consumption positively affected the increase in aggregate demand. Nevertheless, fiscal incentives decreased moderately during the fourth quarter. Thereafter their composition also changed, so direct transfers

to households, which was a key component of the increase in overall expenditure in 2020, were replaced by the increase in public consumption expenditures. The budget deficit during the first 11 months of 2021 made up ALL 32.1 billion, which meant an ALL 4.8 billion decrease compared to the values at the end of September. This value falls significantly behind the value measured at the same time the previous year (2020), which was ALL 72.2 billion. The bonds issued in November 2020 worth EUR 650 billion increased the assets of the budgetary reserve to EUR 1.8 billion. The issuing of the euro bonds significantly increased the liquidity surplus in foreign currency against the Albanian lek, therefore most of it was transferred to be used during 2022 (Bank of Albania, 2022).

The deficit of Albania's consolidated budget deficit was ALL 85.8 billion (EUR 701 million) in 2021, which is lower than the ALL 110.6 billion budget deficit of the previous year, as well as the 2021 budget estimate, according to the provisional data published in February 2022 (Jonuzaj, 2022).

As a result of relatively high GDP growth and lower-than-planned public investments, the public household deficit ended up being lower than expected and despite the euro bond issues previously used for pre-financing. The reduction of the budget deficit to 2.7% of GDP and the further reduction of the debt ratio may be significantly delayed due to the increasing costs of state subsidies and the constantly increasing social subsidies (European Commission, 2022).

Inflation, Prices, and Costs in the Economy

In the period between 2019 and 2021, the inflation rate in Albania was 1.4% in 2019 and 1.6% in 2020. The sharp rise in food prices during the first half of 2020 brought into question the achievability of the eight-year inflation rate goal of 3%. The attempts of the Bank of Albania to manage inflation through continuous interest cuts had little effect due to the euroization of the financial sector, low raw material prices, and the underperformance of the economy. This meant that by the end of March 2020, the Bank decreased its interest rates with 50 basis points to a record of 0.5% in order to combat the effects of COVID-19. The continuous strengthening

of the domestic currency against the euro stabilized to a certain extent in 2019, but the COVID-19 crisis interrupted this process yet again. The crisis contributed to the domestic currency value decreasing by 7% against the euro in the first quarter of 2020. The Bank of Albania acted quickly and improved the supply of foreign currencies to domestic markets in order to stabilize the lek exchange rate of the country (Bertelsmann Stiftung, 2022).

Annual inflation rose to 3.1% on average during the fourth quarter of 2021 from the 2.4% of the previous quarter. The rising trend of inflation mirrored the gradual increase of domestic inflationary pressure as a response to the increase in demand, the improvements made in the labour market, and wage increases. On the other hand, the acceleration in inflation during the fourth quarter was greatly influenced by the increase in the imported inflationary pressures, high raw material and food prices in foreign markets, increase in transportation costs, and frequent difficulties in production chains. Short-term inflationary expectations also rose, but they remained close to the 3% inflation goal in the medium term (Bank of Albania, 2022).

Main Features of Country Forecast

Since the fourth quarter of 2020, the Albanian economy has been on a path to recovery, which has been supported by increasing government expenditure for the rebuilding after the earthquake. Investments, recovery of the export of goods, and an increase in private consumption provided further momentum to this increase in 2021. Although mobility restrictions within the EU restricted the export of services and foreign direct investment, economic performance and inbound tourism will likely soon return to pre-pandemic levels. Public finances are likely to improve following the reduction in costs, but debt and deficit ratios will not return to pre-pandemic levels within the forecasting horizon. According to Ecofin, public finances are likely to continuously improve. Regarding the pandemic and post-earthquake rebuilding, the 9% increase in public expenditure for support measures and the 7.5% decrease in revenues increased the budget deficit to 6.9% of GDP and the debt-to-GDP ratio to 76.1% in 2020. The increase in expenditure towards the education and

healthcare sectors, and the ambitions rebuilding plans are delaying the decrease of the budget deficit. According to previous plans, the deficit needed to decrease by 2022, close to the end of the rebuilding efforts, when alongside a strong recovery, the costs must also decrease. Based on this, experts expect a 2.5% decrease in the budget deficit and a 1.7% decrease in the debt-to-GDP ratio (European Commission, 2021b). Overall, economic growth is forecast at 2.7% in 2022 and 3.1% in 2023. This slowdown, as well as increasing wages, are likely to moderate employment growth in 2023. However, driven by recent labour shortages, the unemployment rate is expected to decline to below 11% by 2023 (European Commission, 2022).

Table 3.
Main Features of Country Forecast

	Annual percentage change						
	2002-17	2018	2019	2020	2021	2022	2023
GDP	4.0	4.0	2.1	-3.5	8.4	2.7	3.1
Gross fixed capital formation	2.6	2.3	-3.6	-1.1	19.9	3.1	3.4
Exports	8.9	4.0	2.7	-27.7	46.6	4.8	5.4
Imports	5.1	2.4	2.3	-19.2	31.6	2.9	3.2
GNI	3.8	3.6	0.9	-3.8	8.7	2.7	3.1
Employment		2.1	2.4	-1.9	1.5	1.8	1.6
Unemployment rate^a	16.5	12.8	12.0	12.2	11.9	11.5	10.8
Consumer price index	2.6	2.0	1.4	1.6	2.0	4.9	3.5
Trade balance^b	-24.5	-22.3	-22.8	-22.5	-24.8	-26.1	-26.4
Current-account balance^b	-10.9	-6.8	-7.9	-8.6	-7.7	-8.3	-7.9
General government balance^b	-7.0	-1.7	-1.9	-6.8	-4.6	-4.2	-2.7
General government gross debt^c	64.5	67.7	65.8	74.5	73.1	72.4	70.9

^a as % of total labour force, ^b as % of GDP, ^c as % of potential GDP.

Adapted from: European Commission, 2022, p.121.

Table 1 indicates that the experts at IMF are more pessimistic regarding the expected development of the Albanian budget than the EU experts (Table 2.). Comparing the forecasts of the IMF and EU experts, it is striking that the IMF experts assess the development of Albania's future fiscal trajectory significantly more negatively than the EU experts. For example, when forecasting Albania's public debt, while EU experts forecast a public debt ratio of 70.9 percent of GDP, the IMF predicts a much higher level of 76.1 percent for 2023.

Monetary Policy in Albania

Financial crises usually result from internal imbalances even in the most powerful countries. The effects of global crises frequently spill over to the Albanian economy, as Albania's most important trade partners are Italy and Greece, two countries within the Eurozone that have been in a debt crisis for many years. On the other hand, this effect is often attributed to the periodic scarcity of liquidity and loans in the international market.

In 2009, the Albanian economy also felt the effects of the financial crisis. Due to the balanced economy during the period of 2009–2011, Albania's economic growth exceeded that of several other countries in the Balkans and in Europe. During 2011, the effects of the crisis became more visible, and the national debt increased. In order to prevent this, the Bank of Albania took several contradictory measures. In 2011, the Bank of Albania produced moderate growth, despite the unpredictable and difficult foreign environment, especially the imbalance in the financial markets. Fluctuations in external markets increased the risk related to the internal and external financial markets. The rise in oil prices impacted Albania's import costs negatively, which meant a high degree of inflationary pressure. In this context, the fiscal policies implemented by the Albanian government could not reach their goals due to the increase in debt. In order to ensure economic stability, the Bank of Albania focused on prudential policy, the primary goal of which was to increase the competitiveness of Albanian products and services towards external markets. In 2012, as a result of the changes in the environment, Albania suffered a domestic and foreign

supply shock, which significantly affected economic growth, decreasing its extent. Foreign demand decreased while risk margins increased, which was mirrored in the decrease in consumption and investments. The fiscal incentives were also lower than they were earlier, which had a negative impact on aggregate demand. At the same time, the Bank of Albania was able to reach its primary goal, as the average recorded inflation was 2.7% in 2012. This subdued inflation was the result of shortage of domestic and foreign products, as well as the balanced exchange rate (Madhi, 2015).

A lower demand for money caused a low demand in the banking sector. Money supply was also low, as the decrease in customer portfolio quality resulted in bankers becoming stricter when rating loan risks. The Bank of Albania decided that the banking sector was sufficiently capitalised and possessed enough liquidity to support the banking sector, the private sector, and economic development. In 2013, the Albanian economy was characterized by a slow, 1.1% increase, caused by the low private demand for consumption and investments, even though several fiscal policy facilitations had been introduced. Albania introduced several measures after 2013 to encourage payment stability and economic development. Among other things, it rationalized tax payment, introduced electronic payment at customs, made it easier to start a business by reducing registration fees, streamlined building permits by reducing the time, costs and procedures for assessing permit applications, as well as by introducing new construction regulations, introducing effective deadlines and real estate by digitizing records, as well as shortened the adjudication procedures for commercial disputes (World Bank, 2015).

Foreign demand was also low due to the economic difficulties Albania's trade partners were facing. The increasing uncertainty within the market prompted economic operators to decrease their investment demand, and the loan sector to restrict personal and private financing. During 2014, the data relating to economic growth showed a temporary decreasing tendency, mostly due to the declining tendency in the real estate sector. Decreasing economic activity was indicated by the decrease in Albanian added value. Inflation also remained low due to the unexpected supply shock. The Central Bank expected predictable economic changes for the medium term, supported by monetary policy urging consumption and investment. As

a result, in 2015 economic growth and aggregate demand showed a tendency to increase thanks to the rise in economic activity and strengthening inflationary pressure. Because the seasonal supply shock resulted in an increase in prices, the Central Bank deemed these effects temporary. On the other hand, the rise in oil prices had a negative effect, which was balanced out by the dollar strengthening against the lek. In conclusion, the Bank of Albania did an exceptional job during these years, despite the market fluctuations, by maintaining economic growth, incentivizing consumption and investments, and facilitating monetary policy (Madhi, 2015).

Monetary Policy Framework in Albania

Economic governance during the past few years has been a key aspect of the EU's expansion process. The conversation is based on countries' annual submission of their medium-term Economic Reform Programs (ERPs), which contain macroeconomic and structural reform plans that aim to increase competitiveness and foster long-term growth. They contain clear guidelines to achieve macroeconomic stability, budgetary sustainability, as well as reforms regarding long-term growth and competitiveness (European Commission, 2019).

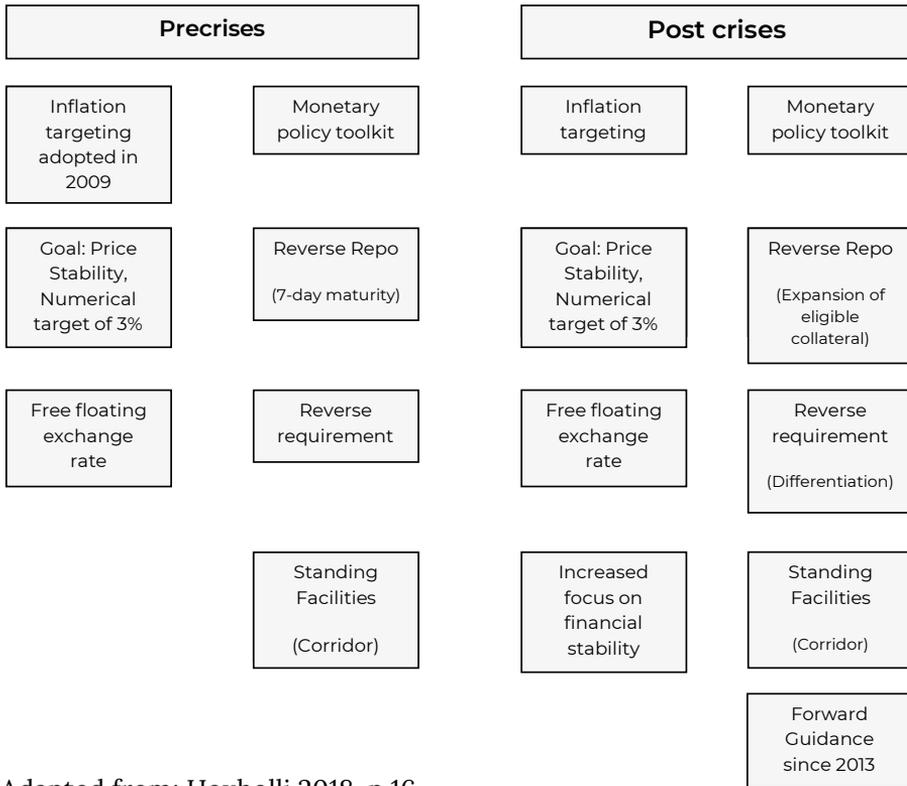
Albania is one of the few Western Balkan countries that have had a framework specifically for tracking inflation for a long time. The Bank of Albania is performing a wide-scale structural reform to improve financial transactions and decrease Albania's financial vulnerability. The main steps for the monetary reform processes within the medium-term Albanian reform program are the following:

- Developing the domestic financial market in order to improve liquidity, effectiveness, and to promote flexibility
- Implementing the Non-Performing Loan (NPL) resolution strategy to decrease loan risk and improve the financial situation
- Aiding the use of the national currency. In 2018, the following measures were taken:
 - Separating the minimum reserves requirement, lek and foreign exchange obligations

- Differentiating between the regulatory liquidity indicators of lek and foreign currency obligations
- Increasing the mindfulness of loan borrowers regarding the risks related to foreign currency loans (Hoxholli, 2018).

The main goal of this reform process is to completely transform the monetary policy framework system according to the following (Figure 1):

Figure 1.
Monetary Policy Framework in Albania Before and After the Financial Crisis in 2008-2014



Adapted from: Hoxholli 2018, p.16.

As a result of the crisis, fiscal stability became the focus of monetary policy and forward guidance was introduced.

The Albanian Banking System

In Albania, the financial sector is mostly comprised of banks that make up close to 90% of the assets of the financial sector. The share of non-bank financial institutions, investment funds, and pension funds is negligible. To understand the state of the financial system and the trends of the recent past, we must focus on commercial banks.

There are currently 16 banks in operation in Albania, most of which do not possess resident properties according to 2014 data (Table 4). Domestic shareholders hold less than 15% of the shares within the entirety of bank sector assets. The remaining 85% is owned by non-residents, with approximately 75% of the owners originating from EU countries and 22.4% from non-EU countries. The concentration of the banking sector is not very high. 80% of all the assets of the banking sector is comprised of six banks. The market share of these banks is somewhere between 10-30%, meaning that there is no single bank that has a dominant position on the market. These six banks are treated by the Bank of Albania as systemic banks. As a result, the Herfindahl-Hirschman Index (HHI) is relatively low, indicating the low concentration of the banking system.

Table 4.
Structure of the Albanian Banking System

Bank	Year established	Total Assets		Ownership structure %		Nationality
		bn lek	%	Foreign	Domestic	
Raffaisen Bank	1992	301	25.0	100	0	Austria
National Commercial Bank <i>Banka Kombetare Tregtare</i>	1992	258	21.4	100	0	Turkey

Bank	Year established	Total Assets		Ownership structure %		Nationality
Intesa Sanpaolo Bank Albania	1998	132	11.0	100	0	Italy
Credins Bank	2003	101	8.4	23	77	Albania, Netherlands
Tirana Bank	1996	89	7.4	100	0	Greece
Alpha Bank Albania	1998	71	5.9	100	0	Greece
Societe Generale Bank Albania	2004	64	5.3	89	11	France, Albania
NBG Bank Albania	1996	40	3.3	100	0	Greece
Procredit Bank	1999	39	3.2	100	0	Germany
Credit Agricole Bank Albania	1999	32	2.6	100	0	France
Union Bank	2006	29	2.4	13	87	Albania
Veneto Bank	1994	19	1.6	100	0	Italy
First Investment Bank Albania	1999	14	1.1	100	0	Bulgaria
International Commercial Bank	1997	8	0.7	100	0	Malaysia
United Bank of Albania	1994	6	0.5	100	0	Saudi Arabia
Credit Bank of Albania	2002	2	0.1	100	0	Kuwait

Adapted from: IMF 2014, p. 32

Since 2014, many new banks have started to operate in the Albanian financial sector, and the ownership structure of several financial institutions has changed. Of these, the following deserve the most mention. Bank of Albania has, among other things, approved the following major banking transactions since then, according to the report of the Supervisory Board of the Bank of Albania:

- the transfer of 100 percent of the shares of International Commercial Bank to Union Bank and the merger of the two banks,
- the voluntary liquidation of Credit Bank of Albania,
- Bank of Albania granted permission to transfer 88.89 percent of the shares of Société Générale Albania Bank to OTP Bank Nyrt,
- to transfer ownership of 98.83 percent of the shares of Tirana Bank to Balfin Albania,
- the merger of Credins Bank with more than 20 percent of its equity into Amryta Capital LLP.

More details about these changes can be found in the 2019 supervisory board report of the Bank of Albania (Bank of Albania, 2019).

As a result, the total share capital of the banks operating in Albania reached ALL 164.34 billion by 2020. At the same time, the main ownership structure of the Albanian banking system has not changed fundamentally, and foreign ownership is still dominant. Foreign capital continues to dominate the capital structure, which, at the end of 2020, accounted for around 76.04 percent of paid-in capital in the banking system, down by around 1.12 percentage points from the end of 2019 (Bank of Albania, 2020).

One of the major challenges for the Albanian banking sector is the high degree of dollarization (or euroization) of loans. More than half of the total loan stock is mostly denominated in foreign currencies, mostly in euros. Another important challenge for the Albanian banking sector is the high level of non-performing loans. In 2014, the rate of non-performing loans reached 25 percent of the total loan stock, although this level has since continuously decreased, reaching 8 percent by the end of 2020 (Black Sea Trade & Development Bank, 2021). From the point of view of the sustainability of financial stability, the two most

important risks are the high dollarization/euroization and the high rate of non-performing loans. Both significantly increase the uncertainty of financing and exposure to changes in the external environment.

According to the World Bank, Albania should allow greater access to the resources necessary for the effective financing of investments, as Albania's financial sector is ranked 102nd out of 141 countries in the 2019 Global Competitiveness Report of the World Economic Forum. Loans given to the domestic private sector make up only 35 percent of GDP, in contrast to regional partners, which make up over 50 percent. This showcases the very low loan-to-deposit ratio of the Albanian banks. Micro, small, and medium enterprises (MSME), the backbone of the Albanian economy, must face serious obstacles regarding their access to financing. 21.2 percent of companies report that access to financing is a substantial problem in Albania.

The financial sector is ruled by banks that are best described by a high liquidity level, strong avoidance following financial crises, and a lack of appropriate motivators or capacity for exploring new and innovative approaches to financing. Outside of banks, the financial sector is still relatively undeveloped and lacks diversification. According to the 2019 Competitiveness Report, Albania is ranked 81st out of 141 countries regarding the availability of venture capital (World Bank, 2020).

The Monetary Policy Strategy of the Bank of Albania

The primary goal of the Central Bank regarding monetary policy is to achieve and maintain price stability, as recorded in the law on the Bank of Albania. The Bank of Albania is financially independent, with the appropriate assets, competencies, and administrative capacity to ensure effective operation and implementation of monetary policy. Monetary policy is implemented using the standard tools used worldwide, through (European Commission, 2021b):

1. open market operations;
2. available facilities;
3. within the framework of required minimum reserves and free-floating exchange rates.

The Bank of Albania states that the primary goal of monetary policy is to maintain price stability, but positive inflation rates must be maintained for a relatively long period. From a quantity perspective, in addition to price stability, the Bank of Albania has also set the goal of maintaining inflation below 3.0%, with a ± 1 fluctuation (Law 8269/1997). In order to achieve the primary goal of the monetary policy, such as is the case with the European Central Bank, the Bank of Albania pursues a policy in which the monetary aggregate of widespread money, M3 served as an intermediary goal in order to measure the pressure of monetary policy and economic inflation. According to this approach, the increase in money supply is an indication and also a prerequisite of rising inflation outside of the economy. According to the Bank of Albania,

1. at the end of the day, inflation is a long-term monetary phenomenon and as such is most influenced by the increase in monetary money supply within the economy
2. maintaining price stability directly contributes to maintaining macroeconomic balance in Albania through the decrease in mutual funds through the stable long-term increase in the economy and welfare, as well as supporting the stability of the financial system. (Shijaku, 2016).

From this perspective, the Bank of Albania must maintain stable prices on all levels, and all this can be best achieved through comprehensive economic and financial indicators. These indicators make it possible for inflationary pressures and the appropriate reactions of the monetary policy to be identified in time. The analysis of economic indicators should primarily focus on short and long-term inflation processes, and its focus must be related to the indicators of production and the financial situation of the country. This aspect considers that the inflationary pressure during this period is mostly affected by the interaction between the supply and demand in the goods and service markets. At the same time, the examination of the monetary indicators must focus on the long term in order to explore the long-term relationship between money and inflationary pressure (Shijaku, 2016).

Thus, the monetary strategy of the Bank of Albania shows the effects of Milton Friedman's research from the 1950s and 1960s (Table 3). In another sense, in contrast with the monetary policy strategy of the US Federal Reserve and

other central banks with inflationary goals that do not allocate a special role to monetary aggregations, the strategy of the Bank of Albania is closer to a two-pillar approach that is similar to the framework of the ECB’s monetary policy nowadays (Shijaku, 2016).

The medium-term development strategy of the Bank of Albania between 2020 and 2022 envisages the adherence of Albanian basic law to the charter of the European System of Central Banks. Albania’s alignment to the *acquis* of the European Union is incomplete from the perspective of the independence of its members and the accountability of the Bank of Albania. As a response to the economic effects of COVID-19, the Bank of Albania set the reference interest rates to a record low of 0.5%. The interest of overnight loan was decreased from 1.9% to 0.9% on 25 March, 2020, and it was maintained for the total duration of the reported period. This provided unlimited liquidity for the banking system in order to maintain the private sector, increasing its capacity to provide appropriate cash supply to the economy and easing electronic payments. The macroprudential measures that were introduced until December 2020, and the legislation allowing for the restructuring of bank loans were extended until March 2021. At the same time, a new law was accepted in December 2020, which increased transparency and introduced new tools regarding intervention in domestic exchange markets (European Commission, 2021b).

Table 5.
A Comparison of Friedman’s and ECB’s Principle
and Bank of Albania’s Policies

Friedman	ECB	Bank of Albania
Policy objective: Price stability (not precisely defined)	Policy objective: Price Stability, defined as an inflation rate below, but close to, 2 percent in the medium term	Policy objective: Price stability, defined as a year-on-year increase in the CPI for Albania of 3.0% with a tolerance band of ± 1 percentage point around this central numerical figure.

Friedman	ECB	Bank of Albania
Policy implementation: increase the money supply (M2) by 3 to 5 percent annually	Policy implementation: “Two pillar” – “economic analysis” and “monetary analysis” – are used to assess the risks to price stability	Policy implementation: a comprehensive analysis of economic and financial indicators is used to assess the risks to price stability
Long-run money demand is stable.	Money demand was found to be stable through early 2000s and unstable thereafter. The role of a reference value was, therefore, diminished.	Money demand was found to be stable after 1998.
The central bank can control is often destabilizing.	Policy focuses on controlling the price level, a nominal magnitude.	Policy focuses on controlling the price level, a nominal magnitude.
It is important to maintain a clear separation of monetary policy from fiscal policy.	Article 123 of the Treaty on the Functioning of the EU (the Treaty) prohibits the monetary financing of fiscal actions.	Pursuant to Article 30, paragraph 1 of the Law No. 8269, (1997), “On the Bank of Albania”, prohibits the monetary financing of fiscal actions, except as otherwise specifically authorized by this Law

From: Shijaku, 2016, p.45.

The Monetary Policy Instrument of the Bank of Albania

Until the end of the year 2000, the Bank of Albania performed direct asset policies through two administrative decisions:

- a. down limits in order to increase the loan stock of commercial banks;
- b. determining commitments for banks owned by the state and banks with state holdings, so that they adhere to the minimum interest rate for fixed-term deposits in lek by the Bank of Albania.

As the financial market was unable to react to these limits, the Bank of Albania changed the direction of its activities and decided to involve market instruments to a greater extent during its implementation of the monetary

policy (Bank of Albania, 2001). Since then, the implementation of Albanian monetary policy occurs through direct monetary assets, according to the following:

- Open market operations.

Depending on the goals of their use, open market operations can be separated into three categories: market, regulatory, and structural operational actions. According to the Bank of Albania, repurchase and reverse repurchase agreements are used as market and regulatory operations, while final placement is only used in structural actions. The goal of repurchase agreements is to decrease the liquidity of the banking system, during which the Bank of Albania sells and repurchases securities. Repurchase agreements are open market operations with the goal of temporarily increasing the liquidity of the banking system. As the main tools for implementing monetary policy, the Bank of Albania repurchases seven-day maturing (reverse) agreements. The goal of this tool is the short-term handling of the liquidity of the banking system in order to stabilize the market interest rate. Determining the interest rates on these weekly maturing tools determines the position of monetary policy. The Bank of Albania includes immediate sales that have a long-lasting effect on the financial market among open market operations (Balla, 2019)

- Preparedness instruments.

Preparedness instruments are instruments that under normal circumstances are available to banks without restriction, at their own initiative. They are comprised of daily liquidity providing and absorbing assets. The interest on these assets ensures the corridor in which the interest rates of the financial market can fluctuate. Permanent loan instruments are instruments that aid banks in tackling temporary liquidity problems by investing excess liquidity through overnight deposits. These assets are always exclusively done at the behest of the banks by the Bank of Albania, by providing overnight liquidity (Balla, 2019). The European Central Bank employs two types of preparedness instruments within the framework of the euro system. The first is the marginal lending facility, in order to receive overnight liquidity against the

assets that the Central Bank accepts. The second is the deposit facility, in order to be able to deposit overnight deposits in the Central Bank (European Central Bank, 2022).

- Minimum reserve requirement.

Required reserves include funds that banks must keep within the Bank of Albania in lek or other foreign currencies. For a long time, the interest on minimum reserve was 10 percent, but since 24 July, 2018 the interest on required reserves in foreign currencies has increased, while the interest has decreased in the case of the lek (Bank of Albania, 2022).

The main goals of implementing monetary policy with the above tools are:

- The effective handling of the liquidity shortage within the banking system;
- Predicting the liquidity requirements of the banking system;
- Performing open market operations (Bank of Albania, 2001).

Factors Influencing Monetary Policy Effectiveness in Albania

The following are some of the factors that are most likely to influence the effectiveness of monetary policy and determine the measures of the Bank of Albania (Balla, 2019):

1. A high degree of use of the euro. High euro use within the economy directly influences the effectiveness of the monetary policy. Because commercial entities are more sensitive to fluctuations in the exchange rate, free exchange rates do not stabilize the economy. Fiscal policies are affected by the potential price increase in the outstanding debt stock that is in foreign currencies. The effects extend to the external exposure of the current financial system, as a result of which the Central Bank must maintain the foreign currency reserve levels at a continuously high level. In order to increase the usage of domestic currencies, an agreement was made according to which the Bank of Albania, the Ministry of

Finance, and the Albanian Financial Supervisory Authority must take all necessary measures in order to prevent the frequent use of the euro as a currency. The following measures have already been implemented:

- a) The differentiation of foreign exchange obligations and increasing the minimum reserves requirement. The increase in foreign currency reserves raise the price of deposits for banks. To balance out the extra costs, the banks are required to decrease the interest paid after savings in euros, or they must increase the interest of loans in this currency so that these products become less attractive.
 - b) Increasing the value of liquid assets in foreign currencies according to the minimum regulatory standards. In the case of short-term foreign currency obligations, liquid assets in foreign currencies must be kept at a minimum of 20% (this was previously 15%), while liquid assets in the Albanian currency should be at least 15%.
 - c) Loan borrowers have to be informed of the risks involved with borrowing in a foreign currency, and banks are required to offer alternative loans to borrowers in the Albanian currency.
 - d) The goal of the package for decreasing the use of foreign currency is to increase the use of the Albanian national currency and gradually reduce foreign currency use within the economy.
2. Timing the political transmission of monetary policy. The chosen monetary policy will always orient itself towards the future by predicting the expected inflation rate. Financial markets, however, will not always react immediately, and major economic operators' expectations on interests and liquidity may change the transmission mechanism of monetary policy from one year to up to three years. This means that the effects of monetary policy processes may only appear within the economy after a delay. As a result, the Central Bank must continuously analyse the relevant information and revise its predictions in order to ensure the effective operation of the monetary policy.
 3. The development of external sectors

4. Regarding the high degree of non-performing loans, the banking sector pursues an exceptionally careful lending policy, which is based on the problems present within various sectors of the economy as well as the policies of foreign central banks (Table 5) (Balla, 2019).

The Effectiveness of the Albanian Monetary Policy and the Need for Further Reform

Monetary stability in the past was one of the pillars of the developmental success of the Albanian economy. Measured through inflation, it was extremely successful regarding the low fluctuation of the exchange rates. The inflation of consumer prices decreased from over 40% to 3% after 1997. The exchange rate remained stable, the Albanian currency continuously increased in value against the euro, and this tendency was even stronger against the American dollar. The trust placed in the monetary policy and the stability within the banking system resulted in a stable inflation rate and reliable inflation expectations. If these are implemented, further steps may be taken towards strengthening inflation targeting. Michael Bolle and Thomas Meyer, experts at the Jean Monet Centres of Excellence, believe that further reforms must be implemented in order to achieve this goal, and focus should be placed on four areas:

- (i) decreasing the extent of dollarization, as the majority of business connections are traced to Europe,
- (ii) the levels of financial intermediation must be improved, taking care to avoid an unsustainable loaning boom,
- (iii) the cash-based economy must be transformed into a bank-based economy;
- (iv) the quality of financial institutions must be developed (Bolle–Meyer, 2004)

The significant changes within the Albanian economy and the development of economic thinking invites debate, and the challenging nature of Albanian monetary policy and its goals require the implementation of new policies and strategies in which money will play an integral role. In truth, current

monetary statistics are one of the most reliable and most precise statistical information sources available in Albania. Empirical analyses indicate that monetary aggregates could provide useful information regarding the long-term effects of inflation for cross-checking purposes, and therefore monetary aggregates should play a primary role. As a result, the approach of the Bank of Albania towards inflation and economic activity development would go through significant changes. The most important challenge will be to decide how to implement an all-encompassing strategy where new and relevant information is not lost during the decision-making process, and where data can be structured in a way that data necessary for adhering to legal requirements and maintaining price stability can be identified in time and on a consistent basis (Shijaku, 2016).

Conclusion

The past few years have proved challenging for the entire world, including Albania, as before the pandemic it also had to face the negative consequences of the earthquake in November 2019. The shock of the past few years has greatly affected the Albanian society and posed a challenge for Albania's economic, monetary, and financial stability, as well as the stability of its sources of growth. It has shown that maintaining economic and financial stability is mostly dependent on the work done at monetary institutions, as well as the ability of the society to adapt quickly and effectively to the pandemic. In light of this, vaccinations and appropriate treatments became effective tools at moderating the economic and financial effects of the pandemic. It is a significant result that based on the latest analyses, economic recovery, achieving price stability and financial stability may be achieved according to the optimistic predictions of the Bank of Albania. All this shows that the current monetary and fiscal policies guarantee the monetary and financial stability of Albania, and it has strengthened the low loan costs of economic activities and moderated the burdens on the private sector and households that the prolonged pandemic had brought upon them (Sejko, 2021).

There is no doubt that Albania has done a great deal to strengthen the

crisis resistance of the country, although there are many issues that remain unsolved, including the problem of handling the COVID-19 epidemic, as the fact that the country has one of the lowest vaccination rates in the region creates additional risks for the future. This is especially true when the country wishes to build its economic development largely on increasing tourism. Another important issue is the underdevelopment of the functioning of the internal financial markets. Financial markets based on foreign banks and foreign currencies pose many risks because the question of crediting domestic enterprises, especially SMEs, has not been resolved, and the external exposure and vulnerability of the country is high as a result.

At the same time, it is not yet clear to what extent Albania's economic and monetary policy will be able to cope with constantly new challenges in the world economy, such as the energy crisis and the price increases caused by the Russian-Ukrainian war. The biggest problem is that it is even less visible how Albania will be able to accelerate the development and catching up of the country, at least compared to the EU average, and overcome its significant gap in GDP per capita.

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WAVES LARGER THAN BILATERAL RELATIONS: THE ALBANIAN–GREEK MARITIME BORDER DISPUTE

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Abstract: The maritime border dispute is one of contentious issues between Albania and Greece as the delimitation of the continental shelf at the Ionian Sea has been of strategic priority for both countries. Bilateral relations hit rock bottom after the Constitutional Court of Albania nullified the initial agreement (2010), and it took more than a decade to (publicly) relaunch the process of having the maritime borders demarcated. A new agreement—even as a verdict by the International Court of Justice—would bear the parties with mutual benefits: Albania would avoid a possible veto over its EU accession from Greece, while Greece, amid growing tensions with Türkiye over the Aegean, would delimitate (and possibly extend) its maritime borders with Albania. The rivalry between Athens and Ankara over the East Mediterranean, the economic potentials (fossil fuels) of the sea as well as the race for influence in the Western Balkans supplement this border dispute with additional foreign policy perspectives that go beyond Albanian–Greek bilateral relations.

Keywords: Albania, Greece, maritime border, conflict resolution, foreign policy

A Short Introduction of a Long Dispute

Southeast Europe is still home for territorial and border disputes, most of those stem from the disintegration of Yugoslavia or the contested status of Kosovo (Ármás–Németh, 2021:4). There are also some bilateral

issues in the region that concern maritime borders: the still unresolved dispute over the Gulf of Piran between Slovenia and Croatia, the Prevlaka peninsula between Croatia and Montenegro and the case of the Pelješac bridge in the context of Bosnia and Herzegovina's exit to the Adriatic Sea (Reményi, 2020:112-113). A little further to the south, off the coast from the island of Corfu at the Ionian Sea, another dispute is making waves. The analysis looks at the brief history and recent developments concerning the Albanian–Greek maritime border dispute, the attitude of citizens toward the border demarcation as well as the external driving forces (the return of Greece to Southeast Europe and its rivalry with Türkiye) behind the intensified efforts in resolving the bilateral issue.

The delimitation of the continental shelf—the era around the Strait of Corfu and the maritime border of Northern Epirus (Symmons, 1996:72)—between Albania and Greece has impacted bilateral relations to a great extent, especially after the nullification of the initial agreement in 2010. Rakipi notes that this maritime border dispute is “an essential source of political tensions” (Rakipi, 2019) since decades, despite that fact that both countries are part of the same, Western politico-military alliance. The strategic importance of the dispute that goes beyond bilateral relations is, however, many times missing from analyses. For Albania, this lingering problem with Greece, an EU member state, could translate into serious consequences in its EU integration path if Athens decides to use its veto power over the dispute. For Greece, however, having this issue resolved is not only about Albania; it has a lot to do with countering Türkiye and its influence in the Balkan peninsula—and over the sea too. It can thus be perceived as a strategic goal of Athens to have its maritime borders delimited (and extended, where possible). To get a better understanding of the context and recent developments, one must first examine the genesis of the maritime border dispute.

The roots of the bilateral issue between Albania and Greece could be traced back to the establishment of the independent Albanian state (1912) and the delimitation of its (maritime) borders (1913). Reci and Zefi give an extensive overview on the evolution of the Albanian–Greek relations in the 20th century and to the documents that demarcate

their shared land and maritime borders. The first fundamental treaties (agreements) concerning and confirming the modern-day maritime borders between the states are the “On the demarcation of the borders of Albania and Greece” from the London Conference in 1913 and the Protocol of Florence in 1926 (Reci-Zefi, 2021:300). Interestingly, some decades later, Albania was the first country to be in the centre of a maritime dispute in front of the newly established International Court of Justice (ICJ) with the so-called Corfu Channel case (United Kingdom v. Albania) in 1947. In addition to being the first public international law case of the court, the decision greatly impacted the prevailing law on the sea. It is important to highlight that the ICJ did examine and, furthermore, did not contest Albania’s maritime borders (with Greece); thus, one could argue that from a legal perspective the ICJ gave the highest form of legitimacy to the land and maritime borders of Albania.

After the fall of the socialist regime in 1991, Albania started focusing on its maritime borders again and sought cooperation proactively with its Italy, mainly concerning the protection of the Adriatic Sea (Cenaj, 2015:144). Although the delimitation of the continental shelf between Tirana and Rome was signed in 1992, no comprehensive agreement with its coastal neighbours (Greece and Montenegro, respectively) has been reached so far (nor about the Exclusive Economic Zone between Albania and Italy in the Adriatic).¹ As for the bilateral relations between Athens and Tirana, the Treaty of Friendship, Cooperation, Good Neighbourliness and Security from 1996 is still the highest document to date that confirms the acceptance of the prevailing borders between the countries (Dervishi, 2019:31).

1 According to Article 76(1) of the United Nations Convention on the Law of the Sea, “the continental shelf of a coastal State comprises the seabed and subsoil of the submarine areas that extend beyond its territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin, or to a distance of 200 nautical miles from the baselines from which the breadth of the territorial sea is measured where the outer edge of the continental margin does not extend up to that distance.” Article 55 of the Convention defines the Exclusive Economic Zone as “an area beyond and adjacent to the territorial sea” that, citing Article 57, “shall not extend beyond 200 nautical miles from the baselines from which the breadth of the territorial sea is measured” (UNCLOS, 1982).

Potential concerns from the Greek side over Albania's maritime borders—in the light of the above-mentioned legal documents—did not take place. It was not until the beginning of the new millennium, however, when Greece started showing special interest in Albania (and their shared border). In the years to come, heightened diplomatic pressure were put on the unresolved status of the continental shelf demarcation. As a result of the growing tensions between Greece and the Recep Tayyip Erdoğan-led Türkiye by the mid-2000s, Athens intensified its efforts in having maritime border agreements reached, culminating in negotiations with Albania in 2008.

The Failed Delimitation Agreement: Causes and Consequences

Negotiations between Albania and Greece about the delimitation of the continental shelf and Exclusive Economic Zone begun in 2008 and finished as early as the following year, signed by foreign ministers Lulzim Basha and Dora Bakoyannis, endorsed by then-Prime ministers Sali Berisha and Kostas Karamanlis as well as Albanian President Ilir Meta. On the surface, everything indicated a success for both parties: Albania, with the support of Greece, almost immediately applied for EU membership, while for Greece it was a foreign policy triumph in its quest to delimitate (and extend) its maritime borders at the Ionian Sea.

It was rather surprising that two, right-wing parties managed to find a common position on the subject matter in a relatively short period of time. Traditionally, in post-Socialist Albania, right-wing parties, such as the main governmental party at that time, the Democratic Party of Albania (*Partia Demokratike e Shqipërisë*, PD) were always more nationalist and thus paid a special attention to the kin-minority and their compatriots in neighbouring states—Greece included. The PD and Berisha himself were most probably driven by two factors: firstly, the prospects of Euro-Atlantic integration would have been delayed if Greece had decided to use its veto powers over the unresolved border dispute. Seeing the

attitude of Athens towards North Macedonia—especially at the Bucharest Summit (2008) when Greece vetoed its northern neighbour’s accession to NATO (Brunnstorm–Pawlak, 2008)—, the Albanian government could not risk this fiasco. Secondly, the need to broaden the party’s voting base at the expense of a more “Greek-leaning” Socialist Party of Albania (*Partia Socialiste e Shqipërisë*, PS) could explain the government’s openness to have the issue resolved. The left-wing PS, the main opposition party had always nurtured stronger ties with Athens. By the mid-2000ies, however, given internal political changes, the constructive relations between PS and the governments in Greece were about to take an unpleasant turn.

The joy of having an agreement reached was short-lived. Opponents of the agreement on delimitation included Albanian academics and civil society organisations as well as Edi Rama who at that time served as the leader of the PS. His greatest concern included that fact that in accordance with the agreement, the country gave Greece “some 225 square kilometres of Albanian waters”. (Taylor, 2022) In addition, opponents raised concerns over the lack of involvement of the public and consultation with civil society during negotiations as well as the alleged unpreparedness of the Albanian negotiating team. Consequently, the PS (then in power) started an investigation in 2014 that concluded that only a handful of experts were involved in negotiating the agreement (Ndoj, 2015:140). Cenaj argues that at least four major factors led to the demise of the agreement: 1) incompetent negotiators and negotiating team from the Albanian side, especially taking into consideration the professionalism of Greek diplomats and their expertise on the law of the sea; 2) lack of sufficient and due diligence research/knowledge on similar cases; 3) technical shortcomings, such as the lack of proper maps; and 4) lack of transparency between the negotiating team and the Albanian public, including legal scholars (Cenaj, 2015:147).

On a political level, the fierce resistance of Rama could be explained by the struggle for power between the PS and the PD, especially during the 2009 parliamentary elections. There is nothing to indicate that Rama had any direct ill-intention towards the Greek government or negotiators. The drastic turn against Athens by the PS could be

explained as Rama wanted to break the monopoly of Berisha (and PS) as being the sole supporter of the Albanians abroad. Pursing a more “pro-Albanian”, nationalist policy before the general elections would, consequently, also imply colder and confrontative relations with Greece (Abrahams, 2015: 292). The fierce opposition against the maritime border agreement could be perceived as a testament to the political discourse of Rama.

Soon after the agreement had been reached, the PS appealed to the Constitutional Court of Albania (*Gjykata Kushtetuese e Republikës së Shqipërisë*), claiming territorial integrity violations. The Court in 2010 nullified the agreement citing “procedural and substantial violations of the Constitution and the UN Convention of the Law of the Sea” (Ndoj, 2015:138). The Court, furthermore, set out conditions that must be met in future negotiations, for instance that appliance of principles of international law (the methodology) and concerning the status of islands/rocks around Corfu and the strait of Corfu (the status of the islands). (Feta, 2020) As a consequence, the decision of the Constitutional Court of Albania crated a “climate of distrust” (Voudouri, 2021) between Athens and Tirana for the decade to come. Greece did not only blame the PS and Rama himself for the failure of the agreement but also suspected malign influence over the Court’s decision from Türkiye. Bilateral relations therefore hit rock bottom, especially after the unexpected turn of PS to a more nationalist direction, and it took several years and a complete political change in both countries to start with a clean(er) slate on this subject.

Revival of the Negotiations: Internal and External Driving Forces

The fiasco of having the maritime border dispute resolved greatly impacted bilateral relations. In the next decade, Greece would continue to argue and stress the necessity of having the already negotiated agreement implemented by the Albanian side. Leaked diplomatic sources from 2011,

for example, claim that Athens put significant pressure on Tirana to have the border delimitation deal in its original form accepted. (Erebara, 2020) These closed-door attempts, however, remained unsuccessful as no tangible or visible steps were taken up until 2016.

Although the border dispute has been widely discussed in Athens and Tirana in the years to come, the issue itself has not been the main point of contention between states and it did not impact Albania's EU accession process either. On the contrary, it was under the Greek EU Presidency in 2014 when Albania received the official candidate status from the EU (in accordance with the Greek Agenda2014 envisioning the country's priorities). Enlargement has always been a significant policy field for Greece (the Thessaloniki Summit in 2003 also testifies about this), however, for a long time Athens was considered "an obstructing actor" (Armakolas–Triantafyllou, 2015:129); it was thus to be expected that Greece would give the same treatment to Albania–given their ongoing issues–as to North Macedonia. The maritime border dispute, hence, has never been a topic that would potentially trigger a veto from Athens but appeared on a rhetorical level on several occasions (Reka, 2014).

By 2015, a new political leadership in both Albania and Greece sought to normalize relations, including putting an end to their unresolved maritime border dispute (Likmeta 2015). In Albania, the PS–with newly appointed prime minister Rama–came to power in 2013, and soon signalled that it wishes to bring positive changes to bilateral relations with Greece as well as demonstrated openness to a new agreement on maritime borders (Cela–Lleshaj, 2014:3). In his first speech in the Albanian parliament (*Kuvendi*), Rama not only acknowledged Albania's ongoing issues with Greece but made a promise to work on resolving those. By declaring so, the prime minister also set the foundations to his so-called "Zero Problems with Neighbours" policy, indicating a foreign policy approach with the aim of fixing any bilateral issues from the past and present with neighbouring states (Feta, 2018:74–75). In Greece, the Alexis Tsipras–led Coalition of the Radical Left – Progressive Alliance (*Synaspismós Rizospastikís Aristerás*

– *Proodeftikí Simachía*, SYRIZA) won the early parliamentary elections in 2015, ousting the right-wing New Democracy (*Néa Dimokratía*, ND), the party that negotiated the previous (failed) delimitation agreement from power.

Although the Greek government at that time was occupied with the consequences of the economic and euro crises, small steps have been taken to the direction of Albania too. Already in 2015, the newly appointed foreign ministers, Ditmir Bushati and Nikos Kotzias held meetings concerning the maritime border dispute (Taylor-Michalopoulos, 2022). Moreover, in 2016, the Greek side presented a package of proposals which resulted in an understanding about the necessity of a road map in resolving the issue (Maksimovic, 2016:13). Although SYRIZA showed interest and more constructiveness towards Tirana, its greatest achievement remained the Prespa agreement (2019) with North Macedonia. Apart from trust-building measures (including technical and high-level governmental meetings), little have been achieved concerning the border dispute (Feta, 2019).

The following Greek parliamentary elections in 2019 resulted in the return of ND to the governing seat and consequently, ending the four-year reign of SYRIZA. The “rapprochement” in Greek politics left politicians pondering about the possible (new) approach of Athens towards Southeast Europe, including Albania (Voudouri-Armakolas, 2019). Experts predicted “a more aggressive foreign policy” (Krisafi, 2019) as a response to SYRIZA’s behaviour to constructively address—and if necessary, make concessions on—bilateral issues with Greece’s neighbours. This fear was only partially confirmed in practice: although relations with Türkiye became more tense but remained lenient with the Western Balkan countries. The appointment of Nikos Dendias as the new Minister for Foreign Affairs of Greece, however, signalled the strategic importance of the delimitation of country’s water borders (Krisafi, 2019). Moreover, Prime minister Kyriakos Mitsotakis stated that Greece would also want to expand its territorial waters from 6 to 12 nautical miles into the Ionian Sea (Ekathimerini, 2020), presumably out of economic considerations. The following years marked an intense period with Greece’s maritime neighbours (with Italy and

Egypt, respectively) in a quest of having their shared maritime borders demarcated. As for Albania, ND still stuck to its point on having the already negotiated agreement from 2009 implemented and Athens would only agree on minor altercations.

In recent years, a new impetus is visible in both sides with the aim of having the bilateral dispute resolved with third-party involvement. Albeit the efforts of the US and Germany to mediate between parties, Albania and Greece were unable to make any tangible progress (Gencturk, 2022). Hence, it seems like a convenient compromise that in 2020, Prime minister Rama and Minister for Foreign Affairs Dendias agreed on taking the issue over delimitation of the continental shelf and Exclusive Economic Zone over the Ionian Sea to the ICJ (Pollatos, 2020). Although this commitment was reaffirmed by Prime minister Mitsotakis in 2021 to speed up the ICJ proceeding (Greek City Times, 2021), however, not much has been achieved so far. In 2022, during the Prague summit of the European Political Community, leaders of Albania and Greece discussed the maritime issue, but no tangible results were made either. (Taylor, 2022) At this point it is highly questionable whether the ICJ would take on the case, especially taking into consideration the profile of the cases from the past in front of the court. Nevertheless, there is a prevailing political will from both sides–driven by different motivations–to come to terms and end the maritime border dispute for good.

One question, however, remains unanswered: what triggered the sudden interest in sending the maritime border dispute to the ICJ and having a solution found in the foreseeable future? It cannot only be explained by the political willingness of the governments (which is also of high importance), especially that Rama was a fierce opponent to the previous, failed agreement and the ND does not seem to want to make significant changes to the first delimitation deal. There are at least three factors that might play a defining role in driving the parties to reach an agreement: 1) the attitude of the societies and their perception on the importance of the border issue; 2) the return of Greece to Southeast Europe; and, most importantly 3) the ongoing Greek–Turkish rivalry over influence and possible economic benefits over the sea.

Attitude of the Citizens Towards the Maritime Border Dispute

There are several issues that hinder bilateral relations on a political level and create distrust between Albanians and Greeks. A survey conducted by the Albanian Institute for International Studies (2013) indicates that Albanians perceive the maritime border dispute (46 percent) as the most pressing bilateral issue concerning their southern neighbour, followed by the so-called Cham question (21 percent) and the status of Albanian migrant workers in Greece with 19 percent (Cela-Lleshaj, 2014:29). A similar, comparative study by ELIAMEP (2021) reconfirms that the main issues for Albanians concerning their southern neighbour remained unchanged: the delimitation of maritime borders (30 percent) as well as the Cham issue (17 percent) are still leading the list (ELIAMEP, 2021:52). Additionally, 60 percent of respondent do believe that referring the maritime border dispute to the ICJ is a positive development (Voudouri, 2021).

The maritime border dispute, on the other hand, does not register at the Greek public and there is also a lack of widespread knowledge on the issue. Concerning bilateral relations, the well-being of the Greek kin-minority in Southern Albania ranks as their primary issue of concern for the public, followed by the fear of the so-called Great Albania. (ELIAMEP, 2021:12) Therefore, the ongoing dispute only seems to be important to the Albanian public which could explain (in addition to EU integration) the political will of the government in Tirana on dealing with the border demarcation. Whereas in Greece, other internal and external factors—such as the economic potentials and rivalry with Türkiye—certainly play a larger role.

The Return of Greece to Southeast Europe

Greece has traditionally played a defining role in the Balkan peninsula, and the country's interest were primarily driven by its geographic proximity to the region, historical ties, and economic interests (Mazrek, 2022). The economic and euro crises of 2008, however, forced Greece to

recalibrate its internal and external policies and focus on its own financial situation. As a result, the partial exit of Athens from the Balkans—especially under the first years of the SYRIZA government—left a political and economic vacuum that was filled by other regional players, including Türkiye (Dervishi, 2019:33).

As the country partially left its economic problems behind by the end of the 2010s and in addition to its growing tensions with Türkiye, we could experience Athens’ return to the Balkans as well. Greece enjoys good bilateral relations with all the countries of the Western Balkans: for example, it has strong economic and political ties with Serbia, and growing connections with North Macedonia after the Prespa agreement. Even as a non-recogniser, Athens maintains political and ever-growing ties with Kosovo. As a testament to its renewed/heightened interest in the region, Dendias appointed Ambassador Sofia Grammata as Greece’s Special representative to the Western Balkans in 2022.

The re-emergence of Greece as a regional player in Southeast Europe (especially in the Western Balkans) is coupled with another issue of high importance to Athens: balancing and possibly reducing the influence of Türkiye in the region and over the sea. In addition, reducing Ankara’s economic interests in the Western Balkans—especially in the Muslim communities—could also explain the foreign policy of Athens towards the region.

The strong ties between Albania and Türkiye, however, might be unfavourable from Athens’ perspective. Greece has always viewed the Albanian–Turkish relations with suspicion (even in the case of the failed delimitation agreement). Since Rama’s premiership, the country has intensified its political and military ties with Ankara, in a quest to either balance out the influence of Athens or to be able to be a facilitator between the two states.

The Role of Türkiye and the Race for Economic Benefits

For Albania, having good neighbourly relations—in accordance with Rama’s Zero Problems with Neighbours principle—, especially with EU countries, is essential, given Greece’s history (and leverage) to block candidate

country's EU advancement. For the Greek side, however, the maritime border dispute is more far-reaching than Albania. The hostile relations between Greece and Türkiye appeared once again in the 2010s as "Ankara has become a central protagonist on the Mediterranean geopolitical chessboard" (Schmid, 2022) under the rule of Erdoğan. It has become the strategic attempt of Athens to decrease Türkiye's influence in the Balkan peninsula and possibly over the sea (Erebara, 2020). To execute the latter, the best possible way is to have Greece's own maritime borders demarcated and extended. This desire explains the intensive negotiations between Greece and its maritime neighbours in recent years: agreement on the delimitation of continental shelf and Exclusive Economic Zone with Italy and Egypt were made in 2020, in addition to the similar agreement between Egypt and Cyprus. These agreements, especially the ones concerning the Exclusive Economic Zone, testify that there is a significant economic factor that also motivates Athens. Having the continental shelf and Exclusive Economic Zone delimited with Albania, Greece would be able to send a strong message to Türkiye: the country is not only back to Southeast Europe, but it is the primer "ruler" of the East Mediterranean.

Demarcating maritime borders on the Aegean and Ionian Seas are high on Athens' foreign policy agenda for economic reasons too. The potential of the sea has also emerged as a point of contention between Athens and Ankara as oil and gas reserves in the Eastern Mediterranean are still untapped (Ramkaj, 2020). Türkiye has also started searching for oil and gas in the Aegean shelf which is, according to Athens, goes against maritime laws, causing renewed political rifts between neighbours since 2019 (Krisafi, 2021). On the other hand, Greece has been conducting the same exploration activities on the other side of the Balkan peninsula: Athens has so far invested 500 million euros for oil explorations at the Ionian Sea, around its contested maritime border with Albania (off the island of Corfu) (Ramkaj, 2020).

Tirana could also benefit from the economic prosperity of Greece: Greek foreign direct investments (mainly in tourism in Southern Albania) and remittances from the Albanian workers in Greece are of high importance

for the Albanian economy. The latter constitutes more than 10 percent of Albania's annual GDP as Greece is the second destination country for Albanian economic migrants (Mandalenakis, 2009:13). The economic significance of Greece to Albania is further underlined by the fact that Greece is the largest investor and number one trading partner. Consequently, having increased Greek economic activity in Albania (as well as over the Ionian Sea) would bear with potentials not only for Athens.

Conclusion

The interests of Albania and Greece in resolving their maritime dispute might overlap but the sources are different. For Tirana, having bilateral issues resolved with its neighbours—especially with EU member states—is important as Athens could veto its EU accession process. The need to have an agreement reached (even in a form of an IJC decision) is also important from the society's point-of-view. There is, however, no guarantee that the Court's decision would be favourable to Albania or that Greece would not use its veto power to hinder its neighbour's EU accession path in the future. For the time being, Greece seems to be cautious of being once again the country that blocks the enlargement process as Athens does not want to anger fellow member states nor Western Balkan countries (again) (Armakolas–Triantafyllou, 2015:137). Albeit most of the Greek political parties are pro-enlargement, it would likely be the treatment of the Greek minority in Albania that would cause an additional veto, and not the maritime border dispute.

The motivation of Greece in resolving the issue with Albania are more complex and does not necessary concern its neighbour. It is Athens' national and geopolitical interest to have its maritime borders demarcated and extended as it would not only mean economic benefits to the country but would also counter Türkiye's influence. The “aggressive foreign policy focused on resolving border problems with

neighbours” (Ramkaj, 2020) could be perceived through these lenses as well. In addition to these, after a decade of abandoning Southeast Europe, Greece is back to the region and would seemingly like to get back its (political, but mainly economic) positions. As the rivalry between Athens and Ankara has risen in the previous years, the Western Balkan countries—where Türkiye is a notable external power—might become a hotspot in their rivalry too.

The fate of the maritime border dispute, however, is still unknown. No tangible results have been made since the renewed interest in having this open issue closed and it is questionable whether the ICJ would take the case. A decision that would not be desirable for either party, would certainly make their own waves.

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ALBANIA AND KOSOVO – COMMON TIES, COMMON ISSUES

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Abstract: Sharing the same language, culture, and except for the last hundred years, history, Albania and Kosovo are closely tied to each other. With common symbols, history, and geography, the two states have had to build new ways of cooperation in the new millennium, especially in the field of transportation, energy, and tourism. The two societies keep each other in high esteem, there is a social will for further cooperation, as well as a common commitment to European integration, which is even preferred over national integration, as it is obvious that in the twenty-first century it is the European Union that can offer a national union for Albanian people.

Keywords: Albania, Kosovo, Western Balkans, EU integration, Albanian nationalism, Albanian diaspora

Introduction

Albania and Kosovo come to mind for different reasons nowadays (e.g. war or tourism), thus it is easy to forget about their closeness. The Albanian population in these two countries shares the same (or more or less similar) language, traditions and heritage, which were formed in the Ottoman Empire until 1912, and under different conditions since then.

This study does not undertake to give a full picture of the Albanians in the Balkans, nor does it try to picture the state-of-play of the Albanian communities in Serbia, Montenegro, or North Macedonia. It aims to examine Albania and Kosovo, now two independent states,

neighbouring countries, closely connected economies, and societies in transition towards the European Union. Focusing on their current relations, it is also necessary to discuss the past, the historical turning points, to understand the reality of our days. In terms of the future, it is only possible to talk about the ambition the two countries share, the European perspective. The populations of Albania and Kosovo have the same commitment: living in a political union without internal borders, with the possibility to travel and work where they would like to (European Western Balkans, 2021).

Referring to people of Albanian ethnic background who live either in the Republic of Albania or in the Republic of Kosovo may result in confusion. Albanians, but from which country? Except in a historical context, I refer to ethnic Albanians living in the Republic of Kosovo as Kosovars, and to those living in Albania as Albanians, using an epithet when necessary.

Background: Geography, Language and Symbols

Geography and Regions

The most important natural cause that leads to the traditional, non-political differences of Albanian societies is the very special geography. The seaside in Albania is a thin region, going east along enormous mountains, high hills, cliffs, and rocks, which have been impassable for centuries, except from roads that follow rivers and by ascending through passes, as Via Egnatia did from Dures. These mountains almost completely close Albania off from Kosovo, where even the climate is continental, unlike the Mediterranean climate of Albania. For someone born in a village it was possible to easily move along the rivers, and even reach the sea, but visiting a neighbouring village over the mountains was an almost impossible task. As a result, the development of the language, the habits, and even the vestments resulted in a diversity of dialects, costumes, and traditions.

It is part of the national tradition to have a very strong bond to one's place of origin (village, district, or region), and even if a person lives in the capital or abroad, their family typically keeps a property in their village or town of birth. Regionalism is important in politics as well, the north and the south support their own political blocks in Albania: the Democratic Party of Albania (*Partia Demokratike e Shqipërisë*, DS) dominates the north, the ruling Socialist Party of Albania (*Partia Socialiste e Shqipërisë*, SP) the south. Until the last elections in 2021, the parties in power in Kosovo represented specific regions: the Democratic League of Kosovo (*Lidhja Demokratike e Kosovës*) represented the middle of the country, the Llapi region, the Democratic Party of Kosovo (*Partia Demokratike e Kosovës*), which came out of the Kosovo Liberation Army (*Ushtria Çlirimtare e Kosovës*, UÇK), is based in Drenica, while the Alliance for the Future of Kosovo (*Aleanca për Ardhmërinë e Kosovës*) represents Dukagjin, the mountainous border to Albania.

The Language

In Albanian-speaking communities, there is a social, political, and linguistic division between the north and the south, which originates in the difference between the southerner “tosk” and the northerner “geg” communities. In this respect, Kosovar Albanians are gegis, and although there are some local characteristics, they belong to the geg linguistic community, which also includes further sub-dialects and regional differences. The grammar and pronunciation of tosk and geg used to be so different that traditionally speakers of the two dialects barely understood each other.

Traditionally, the River Shkumbini in the centre of Albania was considered the boundary between the two communities, leaving Tirana, the capital, predominantly geg, but historical developments have moved the language boundary north. After the communist era, where the leaders were typically southerners, the unified, official, or academic Albanian language is mostly tosk. The intellectuals of the north could speak both dialects, but southerners usually understand but do not speak the northern dialect.

National and State Symbols

Through Albania, the red-and-black Albanian flag (with a black double-headed eagle on a red background) flies over public buildings, castles, and points of special interest. Throughout Kosovo, the same flag flies over private houses, and sometimes over monuments, but public buildings and institutions are decorated with the blue-and yellow flag of Kosovo (the yellow silhouette of the territory of the Republic of Kosovo on a blue background, with six white stars above the silhouette).

State and national symbols express and represent national unity, the bond all members of a nation feel and cherish. The Albanian flag, originally the family standard of the Kastrioti family, became the symbol of all Albanians during the centuries of Ottoman rule. In 2008, the newly formed Republic of Kosovo adopted new state symbols that represent all its ethnic communities through the six stars of its flag. Public conversation in Kosovo has come up with a new term to refer to the flags, and the traditional Albanian red-and-black flag is called the *national flag* (*flamuri kombëtare*), while the new blue-and-yellow flag is the *state flag* (*flamuri shtetëror*).

Historical Relations

Medieval Times and the Ottoman Period

The Ottoman conquest of the land inhabited by Albanians (and other nations) was a long process, starting well before the fall of Constantinople in 1453. Lasting more than a century, it was not only a military but also a diplomatic endeavour, and the Ottoman leaders took advantage of the fact that there was no central power. What is now Albania was dominated by cities by the sea that were under Venetian rule or influence, and by principalities and local chieftains inland. Local rulers formed a special ethnic and political mosaic in Kosovo, which was easy for the Ottomans to handle, and by the middle of the fifteenth century, the Ottoman Empire ruled the region.

The Ottoman period meant the biggest social change to date for Albanian society, where they were allowed to live anywhere in the region, and the majority of the population converted to Islam from Christianity. The process was not fast, and some sources (Malcom, 2002, 130) refer to the coexistence of Christianity and Islam even within one family, but the majority did convert by the middle of the sixteenth century.

Although there was a change in faith, religion has never been an issue in Albanian society. Families could incorporate members of different faith and accept that family members join another family of a different faith. Among Albanians, this has never been a question of tolerance, as one does not have to tolerate something that one respects. *Albanians respect the Albanian identity, of which religion is only an attribute.* Under the Ottoman rule, the region was administered as part of one unit, the Rumelia Eyalet, until 1877, then four, ethnically heterogeneous vilayets were set up, covering the territory of recent-day Albania and Kosovo, the vilayets of Kosovo¹, Shkoder, Janine, and Manastir,² among others. Despite the geographical differences, and with the local Ottoman leaders having the real influence (Albanians were rarely nominated to these positions, although the community played an important role at the highest levels of the Porte), more or less the same rules applied to all the inhabitants of these ethnically heterogeneous administrative units. As elsewhere, the nineteenth century also meant a national awakening for Albanians, with a will for unity and demands against the Ottoman government. Starting from the Treaty of San Stefano (1878), all the nations of the Balkans started to seek the division of the Ottoman Empire, trying to secure as much territory as possible.

Albanians were fundamentally loyal to the Ottoman Empire, and as Muslims they usually enjoyed positions in the administration and typically found their place in the Ottoman system, which was facing increasing challenges from the nationalistic movements and offered less protection to the Albanian community. The Albanian national movement awakened

1 The former vilayet of Kosovo covered the territories of today's Serbia (Nis), Bosnia, and North-Macedonia (Skopje), constituting a geographically different administrative unit from today's Republic of Kosovo.

2 Now the city is called Bitola (North Macedonia).

after San Stefano, and in 1878 the League of Prizren summoned the Albanian leaders for the first time, expressing the will of Albanians to be administered in one vilayet. As the Ottoman Empire was ready to cede territories that were considered Albanian soil by the members of the League, loyalty soon turned into hostility, and then an armed conflict that the Porte could defeat, and *the Ottoman identity of the Albanian population turned into an Albanian identity for good*. The political struggle continued with the League of Peja (1899) and the League of Manastir (1905). It is important to note that of the three seats of the leagues, none is located in modern-day Albania.

Independent Albania and Yugoslavia

As a result of the Balkan wars (1912), the state of Albania appeared on the map for the first time in history. It was independent, but for the contemporary Albanians, it was deprived of great parts of its land and population, losing it to Montenegro, Serbia (the Kingdom of Serbs, Croats, and Slovenes), and Greece. The city of Shkodra, claimed by Montenegro, was returned to Albania by the Conference of Ambassadors in London in 1913, which was the last lasting result of the Austrian-Hungarian efforts and is still well remembered locally (Pearson, 2004).

Declaring the independence of Albania in November 1912, delegates were invited to Vlora from all the lands inhabited (or claimed to be inhabited) by Albanians, including Ohrid, Struga (later ceded to Serbia, now North Macedonia), Peja, Gjakova (ceded to Serbia, now Kosovo), and Janina (Greece). By August 1913, the independence of Albania was finalized, as were the borders of the new state, followed by a mass movement of populations.

The interwar period of Albania was dominated by Ahmed Zogu, Prime Minister, then President, and later King of Albania, under whose rule the first major investments into infrastructure, urban planning, and the modernization of administration drastically reshaped the country.

Establishing a bond between Albania and Hungary, King Zog married Hungarian Countess Geraldine Apponyi, making her the first (and last) Queen of Albania.

As for Kosovo, it became part of the Kingdom of Serbia in 1912. The 87 years when Kosovo was part of Serbia or Yugoslavia were tumultuous (with an intermission during World War II, when it was under Italian and later German rule, and a part of Kosovo was united with Albania). It was a long period characterized by conflicts, violence, and struggle, as well as, especially in the period between 1950-1980, by economic development, industrialization, and peaceful cohabitation.

As the two countries both self-proclaimed to have been liberated by their own communist-led partisan units, in 1948 the idea of Albania joining Yugoslavia as its seventh republic was even voted for (Zickel & Iwaskiw, 1994). After the Tito-Stalin split (1948), Albania broke with Yugoslavia, then after Khrushchev's famous speech in 1956, it broke with the Soviet Union, and in 1978, after a new phase of US-China relations, it broke with China as well. As a result, Albania fell into economic and political isolation, closing all ties to the world.

During the same time, ethnic tension eased in Tito's Yugoslavia during the sixties and seventies, making room for economic prosperity and a more comfortable way of life. In Enver Hoxha's Albania, although they had some undeniable results in terms of industrialization, the use of hydropower, and transportation, the Stalinist ideology ruled everything, establishing total repression over the population.

The Kosovar diaspora in Germany and Switzerland started to grow as the Yugoslav "Gastarbeiters" arrived to Germany from the 1960s, counting hundreds of thousands of people by 1990, and creating the financial, social, and professional network that became essential by the Kosovo War. In contrast, Albanians were forced to give up all their contacts in Albania, and by the end of the 1980s, the possession of a radio capable of receiving foreign broadcasts was considered a crime. With a bit of exaggeration, *by the time Kosovars had satellite TVs, Albanians were forced to give up their radios.*

The Fall of Communism and the Kosovo Question

In communist Albania, schools, movies, books and poems discussed the question of Kosovo, and the fact that there was an Albanian “country” over the borders. Students were taught that they were there, and from 1981, even Enver Hoxha sometimes spoke publicly about the oppression of Albanians in Kosovo. After the fall of communism in Albania in 1992, the country opened up, and the Albanian government dedicated itself to the issue of Kosovo. After 1991, following a referendum on its independence that was not recognized internationally, Kosovo introduced a parallel state led by Ibrahim Rugova, with representation abroad in Tirana, Albania (Albanian Ministry for Europe and Foreign Affairs, n.d.).

It is important to emphasize the welcome Albania and the Albanians gave Kosovar refugees in 1999, during the Kosovo War. Approximately 450,000 Kosovars (United Nations High Commissioner for Refugees, 1999, 321) arrived to a country of 3 million inhabitants, meaning that all regions and cities, be they northerners or southerners, welcomed, helped, and accommodated Kosovar families.

The border between Albania and Kosovo is long, mountainous, very difficult to control, and easy to penetrate. In 1999, many UÇK units operated in the area, receiving supplies through Albanian territory. The Albanian military was not involved in the conflict, but weapons that had once belonged to the (communist) Albanian army “disappeared” in 1997, after the collapse of the Albanian state due to the losses generated by a Ponzi scheme, and they often ended up in Kosovo, helping the UÇK (Jarvis, 2000).

Since 1999, in a unique situation, Albania and Kosovo have been able to cooperate on their own (until 2008 they could do so under international governance, since then, at least in these bilateral relations, in a sovereign manner). The starting point was more than difficult, the basic infrastructure was non-existent in Albania, while it had been destroyed in Kosovo, and their economies were in a state after a total collapse in Albania and after a war in Kosovo. The chance to reach out to the

Kosovar diaspora was limited, and by losing the best of the population, the diaspora from Albania just started to build up. 23 years have passed since then, and both countries have changed fundamentally, providing the opportunity to work on shared economic projects, and reaching out to each other on transport and energy issues.

Economic Relations, Transportation, Energy, Tourism

Compared to no relations in the communist era, Albania and Kosovo have now developed a brand new transportation system and cooperate in electrical energy distribution, as well as boosting tourism.

Transportation and the Nations Highway

Traditionally Via Egnatia was the most important way passing through modern-day Albania, with no network connecting it to Kosovo. Therefore, until the 2010s, visiting Tirana from Prishtina meant passing through two borders via Skopje and driving eight hours, so except for professional reasons, visiting Tirana from Kosovo was a whole-day endeavour, not a neighbourly visit, and only those who had business there did so, and vice versa.

With the greatest investment in Albanian history to date, the Albanian government started a project to change this situation in 2006, opening up a transportation axis between the two capitals and creating a previously non-existent connection in terrain where even construction work was difficult to imagine. With a joint venture of US and Turkish companies, a brand new highway of 114 km was opened by 2009, and this new road has created a new reality (Revista Monitor, 2016).

In Kosovo, construction started on the new highway from the Albanian border to the capital city of Prishtina in 2010, and it was finished in 2013. Since then, there is a direct, easily accessible, and fast connection

between the two countries, helped by the fact that as a result of cooperation between the two governments, there is only one passport control for passengers in each direction, with the ambition to abolish all controls in the near future.³

This new reality means a drastic change not only in economic relations but also in everyday life. Passing the weekend at the Albanian seaside is now a reality for the citizens of Kosovo. The Albanian section of the Tirana-Prishtina highway is called the Nations Highway (*Rruga e Kombit*), while the Kosovar section was named after the late president Ibrahim Rugova.

The road now ends in Prishtina, but it is under construction to Merdare, the Kosovo-Serbia border, and construction works are at last also ongoing in Serbia (Bjelotomic, 2018), improving the quality of the existing road from the border village of Merdare to the Serbian town of Niš, and turning it into a real highway. When finished, Kosovo and Albania will have their first connection to the European highway system, accelerating logistics, transportation, and hopefully boosting not only tourism but production as well.

The Nations Highway is also key to the new endeavour of the Albanian aeronautics sector and passes by the recently opened Kukës Airport, which makes it possible for citizens from Kosovo and northern Albania to travel from a new destination.

Electricity and a Common Grid

The basis of an economy is the infrastructure, accessibility, and the use of synergies. The Nations Highway was the first major investment of great success, the next step is the use of synergies, which in Albania's case is the production and transmission of electricity. Albania is one

3 During a trial phase this past summer, between 1 July-30 September, 2022, there was no passport and customs control during public holidays and weekends at the land border crossing between Albania and Kosovo based on an agreement between the two governments.

of the cleanest countries concerning energy production, almost all the power produced in the country is generated by hydroelectric power stations (Gegprifti, 2019), although these only cover 80% of the country's needs. On the other hand, Kosovo has one of the dirtiest energy productions, and its aging and technically obsolete power plants burn lignite (World Bank, 2013), polluting the air and the environment. Approaching Prishtina, one cannot avoid seeing the chimneys of the Kosovo 1 and 2 power stations, and the smoke rising towards the sky.

As a heritage from Yugoslav times, Kosovo has access to the international electricity network, which provides access to the international energy market, but troubled relations make operating the network complicated. With an investment of almost EUR 30 million, a new power line has been built parallel to the Nations Highway (Likmeta, 2021), connecting the energy network of Albania and Kosovo, and allowing Kosovo to be part of the European energy system in its own right (Koleka, 2020). As hydropower generation is subject to weather, rainfall, and different environmental conditions, while lignite-burning thermoelectric power plants can produce energy in a very stable way, the two sources, as synergies, could help stabilize the situation of electrical energy in both countries.

Since June 2020, Albania and Kosovo form their own regulatory block based on an agreement signed between transmission system operator company KOSTT and the European Network of Transmission System Operators for Electricity (ENTSO-E) (van Uijtregt, 2020).

Despite this development, Albania and Kosovo have recently been facing an energy crisis, as the price of electricity is soaring on the international market, and regarding the energy generated by hydroelectric power plants, due to a lack of rain, almost half of the electricity consumed has to be imported in Albania (Bytyci, 2022). Due to the obsolete power plants and problematic grid network, electricity has always been an issue in Kosovo, but now the long-forgotten generators are back in use again (Euractiv, 2021).

Tourism

Tourism plays an important role in Albania-Kosovo relations, usually with Kosovars coming to Albania to enjoy the seaside. With a shore of approximately 320 km, Albania has huge potential, which has been unused or underused for a long time but is now becoming an engine of economic development.

The Albanian tourism industry focuses on the south of the country, especially south of Vlora, where the Ionian Sea offers great beaches. As a major investment, the new Airport of Vlora is under construction, just like a new highway under the Llogara Pass, which reduces the time needed to get there by several hours. This area is a focal point for foreign tourists, and a significant and increasing number of Scandinavian, German, Czech, Polish, and even Serbian citizens arrive there annually.

International tourism is booming, in the summer season Albania is even open for countries whose citizens usually need a visa to enter the country. Citizens of India, Egypt, Qatar, Bahrein, Oman, Saudi Arabia, Thailand, and Russia only need their passport, without any further procedures. Although the Albanian government is committed to 100% CFSP alignment, and as a UN Security Council member, it is working closely with the US on the sanctions on Russia, Russian tourists are still welcome (Tirana Times, 2022).

Kosovar tourism focuses on the centre of Albania, the area around Durrës, the most important port of the country, where Kosovars have built many settlements to house weekend homes, and the northern area around Shëngjin, at the end of the Nations Highway.

2020 and 2021 were special years for tourism everywhere, as the COVID-19 pandemic devastated the industry. Unlike other destinations of tourism, Albania decided to keep open, allowing foreigners to come, but it still lost hundreds of thousands of tourists from the EU countries. During these two years, the key of survival for the Albanian tourism sector was the inflow of Kosovars and Albanians from North Macedonia, who kept the hotels and restaurants running in the southern area as well. As previously stated, ties

have never been as close between Kosovars and Southern Albanians as the ties with Northerners, and it is a positive effect of the pandemic that it has brought people closer to each other.

The Albanian and Kosovar Diaspora

An additional but extremely important part of the Albanian nation and Albanian and Kosovar society is the diaspora that has emerged through the centuries, now a million-strong community with strong ties to their land of origin. In the communist era, the Albanian and Kosovar diasporas were on different tracks, but nowadays these two entities are on the verge of forming close ties outside Albania as well.

There is always a reason why people leave their home, and the reason is usually connected to security or the economy. In the case of the Albanian diaspora, the first wave of Albanians fled their homeland and arrived to Italy in the fifteenth century, during the time of the Ottoman conquest. They founded a unique Albanian community in the south of Italy, the Arbëreshes (Arbëresh is an old form of Albanian), which still flourishes today. With approximately 100,000 people speaking a special, ancient form of Albanian and another 150,000 belonging to this community without speaking the language, they preserve poems, tales, and a dialect long lost on the other shore of the sea (Bruni, 2004).

After the fall of communism, Italy was the number one destination from Albania. The ties between the two countries date back to Roman times, and even during the communist era, speaking and understanding Italian was common. Italy has always been the most influential country for the Albanian culture and economy. Unlike the Arbëresh community, the modern diaspora is there in all Italian centres, from Naples and Rome to the north Italian economic centres, counting 500,000 people (Istituto Nazionale di Statistica, 2014). Emerging since the fall of communism, the Albanian diaspora is a generation younger than the Kosovar one.

Concerning the Kosovar diaspora or the modern Albanian diaspora in the EU countries (as well as the US, Canada, and Australia), the reasons for immigration are mostly economic in nature. As the “Wirtschaftswunder”-era West Germany was in need of a workforce, multi-ethnic Yugoslavia was ready to provide it, establishing the first wave of ethnic Albanian “settlers” in Germany. Based on their experiences, especially after the start of tensions in Kosovo in the 1980s, a second wave of Kosovars arrived to Germany and Switzerland, where this less educated, but capable and committed population soon became an integral part of the construction sector, or in the case of Switzerland, the waste management industry. They did not cut their ties to their homeland, keeping and developing property there, and creating the influx of homecoming Kosovars at the borders around public and school holidays.

In terms of numbers, 300,000 ethnic Albanians live in Germany (Statistisches Bundesamt, 2021), while 250,000 people live in Switzerland, mostly of Kosovar origin, and to a smaller extent from North Macedonia (Burri Sharani et al., 2010). In fact, almost half of the Swiss National Soccer team was from an ethnic Albanian background at one point (McVitie, 2016).

This diaspora is well integrated into the local society, the second generation, which was educated there, speaks the language perfectly, with all positions open to them. Ethnic Albanians typically come from a Muslim background, but without any real attraction to religion, especially to its formalities in clothing and appearance, and they are an integral part of the society and only switch from German to Albanian at home, where they live their social life together, supporting and helping other members of the community. Young Albanians often marry other Albanians, saving their precious Albanian world for family life while proudly identifying as an integral part of their new homeland as well.

As the official population of Albania is approximately 3,000,000 people, and Kosovo has a population of 1,800,000, migration is a social and national issue.

Unlike in the EU countries, the term “migration” does not refer to the population that arrives to the country in Albania and Kosovo but to the

population that is leaving the country. This is a fundamental difference that results in the depopulation of Albania and Kosovo, with migration strengthening the diaspora but weakening the homeland. Second-generation Albanians spend the summer holidays with their grandparents, creating or strengthening the bond between them and their homeland, while those belonging to the third generation accompany their parents, who show them their former family homes. New destinations have become attractive to live and work during the last decade for Albanians, especially as Germany has opened its market to the Albanian workforce. Secondary schools for nurses offer education in German and even potential workplaces in Germany after graduation (Kersting, 2016). Soon a second, non-Kosovar Albanian diaspora is going to emerge in Germany or Switzerland, as usually Kosovars and Albanians know about each other but do not really mingle. Maybe this will change as well.

Statehood and Politics

No one questions the statehood of Albania, the country is a member of the United Nations, the Council of Europe, OSCE, and NATO. It is an active and respected state in the region, a candidate for EU membership awaiting the start of the negotiations, and it recently became a non-permanent member of the UN Security Council for the period 2022–2023.

Kosovo has only been recognized as an independent and sovereign state by 97 countries, with 15 countries (mainly smaller African or Pacific countries) that once recognized its statehood withdrawing their recognition, as a success of the Serbian diplomatic offensive to convince the them to do so, Ghana being the biggest Serbian success in this undertaking (Palickova, 2019). Five members of the EU (Cyprus, Greece, Romania, Slovakia, and Spain) still refuse to recognize Kosovo's independence, while Hungary did so on 19 March, 2008.

This means that Kosovo is not a member of the United Nations, cannot talk to the European Union as a state, and its international capability to act is limited. Until it reaches a final and comprehensive agreement with Serbia,

no progress can be made, just like no progress on Serbia's EU membership is likely without this agreement (although talks are ongoing).

As a result of the Russian war on Ukraine, Russia has left the Council of Europe, so Kosovo now sees a good opportunity to join one more international organization (Taylor, 2022), a step that is essential in the long run for joining the European Union.

Political Life and Bilateral Relations

Political life in Albania is dominated by two major political parties, which basically represent the north and south of the country, in the form of a mostly southerner Socialist Party and a mainly northerner Democratic Party. Based on geography, governments led by the Democratic Party have focused more on the relations with Kosovo, while former President/Prime Minister Sali Berisha used an especially pro-Kosovo rhetoric. The Socialist Party, in government since 2013, uses a very pragmatic approach towards Kosovo, especially regarding the infrastructure leading to it, as they have gone from initial opposition to recently funding reconstruction, maintenance, and even development. As discussed previously, the new transportation connection has set up a new economic reality, from which Albania benefits substantially, boosting economic growth, which is the focus of the government.

Until 2021, Kosovo's governments were dominated by traditional parties of parallel structures, or the UÇK movements. Growing to prominence during the 2010s, during the last elections in 2021, Self-Determination (*Lëvizja Vetëvendosje*), a former popular movement, won most of the votes for the first time in the history of independent Kosovo, governing Kosovo with more focus on national interest, and less on solving long-standing international conflicts.

Since 2013, Albania has been governed by Prime Minister Edi Rama, who won an unprecedented third consecutive term in 2021, while Kosovo has had five different prime ministers during the same

period. Current Prime Minister Albin Kurti holds the position for the second time, which has meant six governments in nine years in Kosovo, during which period having joint governmental meetings has become a tradition. One of the priorities for Albanian foreign policy is to promote Kosovo's independence, also using its membership in international organizations to advocate for Kosovo.

Travel: Visa and Citizenship Issues

For the citizens of the European Union, visas and passports are thankfully not part of everyday life, but for the approximately 18 million citizens of the Western Balkans, they are. Unlike European travellers using their ID, the citizens of Albania, Bosnia and Herzegovina, North Macedonia, Montenegro, and Serbia must present their passport upon entering the Schengen zone, while the citizens of Kosovo are obliged to apply for a visa before travelling.

Kosovo is the only country in the region whose citizens have to do so, and so its citizens face extra difficulties entering the European Union. Of course, visa liberalization is a challenging technical procedure, but since 2018 the European Commission has acknowledged that Kosovo has met the criteria for liberalization and fulfilled the necessary benchmarks (European Commission, 2018), but there has still not been a decision from the Council.

For ethnic Albanians in Kosovo, Albania is close. According to Albanian legislation, there is a VIP possibility, an honorary citizenship for athletes, artists, and those who have made a significant contribution to the Albanian state (Mejdini, 2019). Even for those ethnic Albanians who do not qualify as VIPs, it is possible to obtain Albanian citizenship (Law on Albanian Citizenship, 1998), which grants them the right to travel.

At the regional level, the Open Balkans initiative, promoted by Albanian Prime Minister Edi Rama, aims to ensure that from 1 January, 2023, the citizens of Albania, North Macedonia, and Serbia are allowed to travel without border controls in the three countries, and that labour force and services can move freely, just like they do in the European Union, which why this initiative has also been called “Mini-Schengen” (Ristić, 2021).

Although the European Union supports the initiative, the three other Western Balkan countries are still either reluctant or hostile towards it, especially Kosovo, although it had initially agreed to join the initiative as part of the Kosovo and Serbia economic normalization agreements⁴. As a paramount opponent of the initiative, when Albin Kurti returned to the Prime Minister's Office of Kosovo in 2021, he refused to sign the agreement or negotiate any more on the issue, claiming that it is only a way for Serbia to gain influence in the region, and that all cooperation should happen with the presence and participation of the European Union (Euronews Albania, 2021). However, he is ready to remove all the obstacles of free movement between Kosovo and Albania on a bilateral basis. Although it is technically and legally challenging, there is a good chance that it will soon be a reality to drive through the region without border crossings, saving time and offering better access to the respective countries.

National Unity

Greater Albania

As for public opinion, there is real social support for national unification, a united Albania and Kosovo, although it is necessary to clarify the relevant terminology.

The most important fact concerning Greater Albania is that this term hardly exists in Albanian, and although this phrase can be translated into Albanian, it is not in common use. Talking about a greater entity presupposes that this entity existed, or there were real ideas to form it. However, Greater Albania never existed, as Albania did not exist until 1912. To refer to the territories where the Albanian population once lived or was supposed to live, the Albanian term “Trojet shqiptare”, meaning ‘Albanian lands’, or sometimes “Shqipëria etnike”, ‘ethnic Albania’, is in use, technically covering the territory of the four vilayets in the Ottoman Empire, which were heterogeneously populated during that time.

⁴ Signed in Washington on 4 September, 2020.

Concerning Albania and Kosovo, establishing even closer cultural and economic ties, coordinating in foreign policy, focusing on their common interests and representing them together is a political reality, and the two countries are naturally bounded to each other.

Unification is something else. Despite what the polls and surveys show, the two countries spent the last 100 years in different political and geopolitical environments, which has resulted in different political mentalities, and the differences of the north and the south remain part of everyday life. There may be Albanians in the northern regions who feel closer to Kosovars than to the people of the south, but in the south of Albania, the majority would certainly consider even the possibility of unification the undesired rule of the North on the South.

Public Opinion

The Kosovo Foundation for Open Society and the Open Society Foundation for Albania published a detailed study in 2019 (Demi & Çeka, 2019) focusing on public opinion concerning the relations of the two countries in various fields. Talking about Albanian and Kosovar relations, one question asked whether Albanians have ever been to Kosovo, and vice versa. 88.7% of Kosovars say they have visited Albania, mostly for tourism (89.9%), while only 31.6% of the Albanians have been to Kosovo, although 88.3% of them would like to pay a visit there in the future.

Public opinion values the official cooperation between the two countries, but there is further room for improvement, according to 61.4% of Albanians and 55.8% of Kosovars. A very important fact, especially concerning the future, is that citizens totally agree that pre-university curricula and textbooks should be unified (67.9% of Albanians, 58.2% of Kosovars). As a big support for the above-mentioned Open Balkans initiative, there is substantial support on both sides for the abolition of customs between the countries (74.8% of Albanians and 57.5% of Kosovars), as according to general consensus, both countries are profiting from enhanced cooperation (75.6% of Albanians and 58.5% of Kosovars).

The perhaps most important finding concerns people's attitude towards national unification, 63% of the responders in Albania and 54% in Kosovo were in favour of it, with only 16% opposing it. Would there be a chance to vote, 75% of the Albanians and 64% of the Kosovars would vote for it. However, the majority does not think national unification is a possibility (only 23% of the Albanians and 17% of Kosovars do so), mostly due to the international factor and the resistance of Serbia. Still, 46.5% of Albanians and 29.6% of Kosovars see national and European integration as complementary processes, and if they had to choose between national and European integration, European integration would prevail, with 84.7% in Albania and 66.4% in Kosovo preferring it.

National Unity in Recent Politics

Recent developments, the highway, and the energy connection have brought Kosovars and North Albanians close, and in the future this process will most probably deepen, with geography a key element, as always: they are close to each other, and the mountains are now also accessible. There has been a Kosovar presence in Shëngjin and Velipoja, Lezha and Shkodra, as well as an Albanian presence in Prizren and Peja, and these bonds are expected to deepen.

The reality in Albania is that the economic centre is in the south, and most income is generated there, and now even the capital, Tirana is part of this region. The differences are not as big as they used to be, and there is more openness towards northerners, but the difference is still there.

Albanian Prime Minister Edi Rama has spoken about having a common president (Janjevic, 2018), and Kosovar Prime Minister Albin Kurti has said how he would vote for unifying Albania and Kosovo (Crowcroft, 2021), so the issue is sometimes even discussed in a positive tone at the highest possible levels, although these statements tend to be for the benefit of the public, without any further steps or consequences. There are joint governmental meetings, there are agreements, but in the end, these happen as part of bilateral cooperation between the two countries.

Although unification is an issue, it is not a goal. Both countries aspire to join the European Union, where the four freedoms would create a situation of de facto unification, as the same rules would apply to everyone. This is also the aspiration of Serbia and North Macedonia, while Greece is already a member of the bloc. They know both in Prishtina and in Tirana that the only option to include all the “Albanian lands” with their heterogenous population in one political entity is the European Union.

International Perspective

National unity outside the European Union would mean a drastic change in regional political reality, and it may even have global negative repercussions. First of all, even though Serbia has its issues with Kosovo, they are now in close cooperation with Albania, economic and political relations between the two are flourishing, and Tirana would certainly not risk this respected partnership. Secondly, a Greater Albania would raise questions about its capital, national elite, and influence. Although the two societies are cooperating and have close ties to each other, once again, for the southern citizens Greater Albania would risk a rule of the north, which they are not willing to see. The figures of the poll above indicate that Albanian society is much more eager and enthusiastic about national unity than Kosovars (63% in Albania, 54% in Kosovo). Unfortunately, there is no available data concerning the share of Albanian opinion within the country, but it is likely that the absolute enthusiasm of the north is facing a much moderate approach in the south.

Of course, there are legal issues as well, most importantly the Constitution of Kosovo openly declares that Kosovo shall not seek a union with any state or part of any state (Constitution of Kosovo, Article 1(3), 2008). The Constitution of Albania does not mention the issue of unification, but there is an obligation to protect the national rights of Albanian people who live outside Albania's borders (Constitution of Albania, Article 8(1), 1998). Throughout the long process of creating the Constitution of Kosovo as part of the Ahtisaari Plan (United Nations Security Council, 2007), the obligation against unification was one of the first fundamental principles on which the whole process was built.

As the statehood of Kosovo is still an issue in international relations, even the closest and most supportive partners would never consider giving up this principle. Close cooperation between Albania and Kosovo is most appreciated, bilaterally and at the regional level, but it is cooperation, not unification that the international community can support.

Conclusion

In the history of the region, Albania and Kosovo have shared a common fate except for the last 100 years, and now they are part of the international community as two states, culturally and economically close, but different sovereign entities. Separated right before the industrialization of the Balkans, substantial investments have been necessary to connect them in the modern way, but now their infrastructure of transport and electricity enables them to work on building an interconnected economy. As the two economies develop, the cultural differences will certainly diminish, and the distancing of southerners concerning Kosovo and Kosovars will ease, leading to cultural unity, economic cooperation, and as a common dream, close partnership in the European Union.

After a troubled past, conflicts, wars, and suffering, European integration is the only way for the future. Of course, there is a price to pay for this, but it is worth it. Albania has almost completely rebuilt its entire justice system to this end, and North Macedonia has even changed its name. It is a long, troubled, and winding road, without the unification of Albania and Kosovo but with the peaceful coexistence of the two countries, as well as their diasporas of Albanians, wherever they live in the European Union.

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TOWARDS EUROPEAN INTEGRATION: A COMPARATIVE ANALYSIS OF THE CONSTITUTIONAL COURTS OF KOSOVO AND ALBANIA

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Abstract: The constitutions and lower-level legislation of Kosovo and Albania were established with strong Western influence since both countries are striving to meet the rule of law requirements of the international community in order to become full members of the European Union in the future. This shared ambition has created similar legal frameworks, with European standards for the functioning of the constitutional courts of the two countries. Although they differ in some elements, both the Kosovo and the Albanian legislation stand out among the constitutional courts of Southeast Europe as a result of the progressive regulations of the countries. Although constitutional courts are independent institutions, their decisions have a strong impact on the internal political relations of a country, making them a significant political factor.

Keywords: Albania, Kosovo, constitutional courts, European standards

Introduction

The countries of Southeast Europe follow the European/continental¹ model of constitutional courts (CC) (Kelsen, 2009; Kelsen, 1942), with the same rules defining the legal framework of these institutes and constitutional

¹ Two main organisational models can be distinguished in constitutional adjudication: the American decentralized model and the European continental model. Austrian jurist Hans Kelsen is considered to be the father of European constitutional adjudication, since his Steps and stairs theory has become the guiding principle of continental constitutional adjudication.

adjudication. My hypothesis is that we can systematise the laws and practices (i.e. the European standards) that govern the functioning of constitutional courts. In Kosovo and Albania, in addition to legislation, the similarities in customary law as well as power factors both have an impact on how constitutional courts function in practice.

The rules, competences, and authority of the Kosovo and Albanian Constitutional Courts may be analogous for two reasons. First, both countries followed the European standards when they adopted their constitution and the lower-level legislation that created the legal framework for their constitutional court. In addition, both drafted their constitution and established its guardian, the constitutional court, with strong international, Western influence (Manhertz, 2020). In this sense, both their constitutions and the institutions sworn to protect them are among the most modern in Europe, as the two countries have made a strong effort to ensure positive international reception.

This article compares the Constitutional Courts of Albania and Kosovo on five different levels: 1) their legal basis; 2) the appointment of judges; 3) the legal status of judges; 4) the termination of a judicial mandate; and 5) the competence and jurisdiction of the constitutional court. This multi-level analysis shows that there are strong parallels between the two constitutional courts at all five levels, and therefore they can be well categorised (Harding, Leyland & Groppi, 2009).

A Brief History of Constitutional Processes and the Legal Basis of Constitutional Courts

The legal regulation of the organisation and functioning of constitutional courts is mainly laid down in the written constitution of the particular country. Alongside the constitution, which is at the top of the legal hierarchy, lower-level legislation provides the framework for the operation of the constitutional court. In Southeast Europe, in addition to these legal provisions, customary law and the power factors prevailing in the country are also of particular importance.

During the early 1990s, the countries of Southeast Europe embarked on a path of democratic change, albeit at different paces and with varying degrees of effectiveness. Every country adopted a new constitution or amended the previous one, establishing its constitutional courts as autonomous legal institutions along the European continental model. Constitutions and constitutional court legislation are the primary source of practice for the organisation and functioning of constitutional courts.

The Legal Framework of the Albanian Constitutional Court

The Albanian constitutional process, which started in 1991, was an intensely complex period in Albania's history. The 1976 Constitution remained in force until 1998, and it was adapted to the needs of the democratisation process through the amendment of decrees, and additional sets of laws (Alihmehmeti, 2011). The Albanian National Assembly (Kuvendi), in cooperation with the European Union, the OSCE, and the Council of Europe, drafted the new Constitution, which was adopted on 21 October, 1998 (Albanian National Assembly, 1998). The Law on the Organisation and Functioning of the Constitutional Court was adopted by the National Assembly on 10 February, 2000, and it has only been amended once to date, in 2016 (Albanian National Assembly, 2000).

The Legal Framework of the Kosovo Constitutional Court

Although Albania started the democratisation process with many internal tensions and political controversies (Peshkopia, 2014; Réti, 2000), it represented a relatively peaceful and non-violent transition² in Southeast Europe. This was not the case in Kosovo, and the break-up of Yugoslavia and the Kosovo War (1998-99) had a strong impact on the history of constitutionalism in this new state. Following the Kosovo

² Compared to the break-up of Yugoslavia and the subsequent wars, it was a peaceful transition. However, the collapse of the pyramid scheme, a period of anarchy and civil war, led to a serious crisis in Albania (Jarvis, 2000).

War, United Nations Security Council (UN SC) Resolution 1244 of 10 June, 1999 (UN SC, 1999), which is still in force today, placed Kosovo under international administration on a provisional basis. On 15 May, 2001, the UN-led peacekeeping mission in Kosovo, (United Nations Mission in Kosovo, UNMIK), issued the Constitutional Framework for Provisional Self-Government in Kosovo (UNMIK, 2001), which effectively became the highest legal document of the entity under international administration until Kosovo's unilateral declaration of independence in 2008 (Heka, 2013). The "UNMIK constitution" provided for the establishment of a so-called Special Chamber of the Supreme Court to discuss issues of constitutional law. However, this body was never established, so a constitutional court did not exist in internationally administered Kosovo.

The constitutional process and the organisation of the CC started after the creation of the state of Kosovo. The members of the Kosovo National Assembly (*Kuvendi*) declared Kosovo's independence on 17 February, 2008 (Kosovo National Assembly, 2008a), subsequently adopting the first constitution of an autonomous Kosovo on 9 April, which has been amended three times to date (Kosovo National Assembly, 2008b). Chapter VIII of the Constitution lays down the detailed framework for the organisation and functioning of the Constitutional Court. The Law on the Constitutional Court was adopted by the Kuvendi on 22 December, 2008 (Kosovo National Assembly, 2008c).

The Composition of the Constitutional Court and the Appointment of Judges

The Composition of the Constitutional Court

The number of judges, the way they are elected, and the length of their terms of office are governed by the constitution of each country. Albania and Kosovo have constitutional courts with nine members each, but the way in which the judges are appointed differs. Although the election of judges is structured differently, the constitutions seek to give some form of effect to the principle of the separation of powers (De Visser, 2019).

The Composition of the Constitutional Court of Kosovo

There are three systems for appointing constitutional judges: direct appointment, the elective system, and the and the most common mixed/hybrid system (Venice Commission, 1997). The elective system is the closest to democratic legitimacy, since the electing authorities are most often the unicameral parliaments of the countries. Of the two countries examined in this paper, Kosovo uses a pure elective system to appoint the members of the CC, although this has not always been the case. Until the end of the international supervision of the implementation of the Comprehensive Proposal for Kosovo Status Settlement (United Nations Security Council, 2007), three of the nine members of the CC were appointed by the international community through the International Civilian Office (ICO). Between 2008 and 2013, the Constitutional Court of Kosovo had three international members under the provisional article of the Constitution: Almiro Rodrigues (a Portuguese judge in the field of criminal law), Snezhana Botusharova-Doicheva (a Bulgarian judge in the field of human rights), and Rober Carolan (an American judge in the field of constitutional law). The main purpose of the provision was to transfer the experience of the West in the field of constitutional adjudication, since Kosovo was inexperienced in terms of state organisation, in fact, it only had a few years' experience in the organisation of ordinary courts in the first place.

In accordance with the model of an elective system, the members of the CC are elected by the Kosovo Parliament based on a qualified list drawn up by the Special Committee for the Review of Candidates for Appointment to the Constitutional Court (hereinafter referred to as the "Committee"). The members of the Committee include the President of the Assembly and the leaders of each Parliamentary Group, the President of the Judicial Council, the Ombudsperson, a representative of the Consultative Committee of the Communities, and a representative (judge) of the Constitutional Court. The Committee is convened by the President of the National Assembly, who is also the President of the Committee. The Committee publishes a call for applications for the position, and after the deadline for nominations, it holds interviews with qualified individuals. After the interview, the

Committee ranks the candidates by a simple majority (the President decides in case of a tie) and submits the list of candidates, with its reasons for its ranking, to the Kuvendi. The Law on the Constitutional Court makes the nomination procedure plural: essentially anyone can express a preference, and individuals can also nominate themselves.

The way constitutional judges are elected in Kosovo may seem rather complicated. Seven of the nine members are elected by the National Assembly with a two-thirds majority of the members present, while the remaining two members require the approval of an absolute majority of the community members present, with the support of an absolute majority of all members of the Assembly present.

The Composition of the Constitutional Court of Albania

In Albania, the Constitution and the Constitutional Court Act were amended in 2016 to ensure plurality, the separation of powers, and professionalism in the election of constitutional judges. The Constitutional Court used to consist of nine judges appointed by the President of the Republic, with the approval of the National Assembly. Since 2016, Albania, unlike Kosovo, has had a mixed model for the election of judges, which is effectively a hybrid between a direct appointment and an electoral system, where the appointing authorities usually have a direct appointment function. In this system, several actors within the separation of powers have a say in the process of electing judges, and the appointment of constitutional judges is shared equally among three authorities. One third of the judges are directly appointed by the President of the Republic and the Supreme Court each, while the National Assembly elects the remaining third of Constitutional Court members through an elective system. This quota system is accompanied by the principle of rotation, whereby one third of the judges of the Constitutional Court are renewed every three years.

Article 7 of the Law on the Albanian Constitutional Court regulates the nomination procedure. The first two stages of the procedure are identical for all three authorities. A call for applications for the position

of constitutional judge is publicly published on various platforms, after which the authorities forward the list of candidates with the relevant documentation to the Judicial Appointments Council (JAC). JAC discusses the candidates in a public meeting, and within ten days after the meeting, it prepares a ranked list, explaining the basis of its ranking. During the third stage of the nomination procedure, the President of the Republic appoints the new member of the Constitutional Court within thirty days from the first three candidates of the list drawn up by JAC and gives reasons for their choice. If the President of the Republic does not decide within thirty days on the person to be appointed, the person at the top of the JAC list is appointed as Constitutional Judge. For members elected by the National Assembly, the Committee of Legal Affairs, Public Administration and Human Rights organises a hearing for the candidates on the JAC list. The Committee then submits three candidates to parliament, which elects the new constitutional judge by a three-fifths majority of all members.

During the third stage of the nomination procedure, when the High Court appoints a new member, the President of the High Court shall convene an extraordinary meeting once the JAC's list of candidates is ready. The meeting is valid if at least three-quarters of the judges are present. The judges may vote for the first three persons on the JAC list, and a three-fifths majority of those present is required for a decision. Furthermore, Article 129 of the Constitution stipulates that all judges appointed from each of the three quotas shall take office after taking an oath before the President of the Republic

Constitutional Crisis in Albania

Albania introduced comprehensive reforms in its judiciary in 2016 to meet the rule of law criteria. The most significant change was the introduction of a two-stage vetting process, which has been incorporated into the selection process for constitutional judges. During the course of the proceedings, five of the nine currently serving constitutional judges were dismissed (Fatos Lulo, Fatmir Hoxha, Altina Xhoxhaj, and Bashkim Dedja in

2018, Gani Dizdari in 2019), while two judges resigned (Sokol Berberi in 2016, Vladimir Kristo in 2017), rendering the Constitutional Court completely inoperable for two years (2018-2020).

The constitutional crisis was not caused solely by the vetting process, but also by the rigid Albanian Constitution, which regulates in detail the way judges are appointed (Venice Commission, 2020). JAC, which compiles the list of candidates, and the High Court have also faced an institutional crisis due to the vetting procedure. In addition, tensions between the two other appointing authorities, Ilir Meta, former President of the Republic, and the Socialist-majority parliament have also hampered the appointment of new judges.

Under pressure from the United States, the Constitutional Court was made quorate by December 2020 (at least five judges are required for it to be operational), when the Kuvendi appointed Altin Binajas Constitutional Judge (Tirana Times, 2020). The last vacant seat of the Constitutional Court was filled in December 2022, and with nine judges for the first time since 2016, the Court is now able to meet the expectations of the Venice Commission and the international community (Kote, 2022).

Although the two-step vetting procedure made the constitutional court dysfunctional in the short term, in the long term it has had a positive impact on the institutional system of the judiciary (Šemić, 2022). This is evidenced by the 2021 decision of the European Court of Human Rights (ECtHR) in the case *Xhoxhaj v. Albania* (European Court of Human Rights, 2021). Altina Xhoxhaj, a former Constitutional Judge, turned to the ECtHR because she claims her rights were violated when she was dismissed from her position as she could not prove her assets (Erebara, 2021). The ECtHR declared that the dismissal from office of a judge of the Albanian CC following the vetting process, and the ban on her rejoining the judicial system in the future did not breach the European Convention on Human Rights (ECHR).

The Election of the President of the Constitutional Court

Regarding the position of the president of the constitutional court, the judges of the constitutional court elect their president by secret ballot in both countries with a majority vote of all the judges. The main advantage

of the corporative election of the president is that it is independent of the balance of power in parliament, and thus it does not limit the organisational autonomy of constitutional courts. In Kosovo, only the Constitution provides for the election of the president, the Constitutional Court Law only reinforces the provisions. In Albania, the constitution does not regulate the way in which the president is elected, only the relevant article of the Constitutional Court Law provides guidance on this issue.

The countries studied here also regulate in their constitutions the period for which their constitutional judges are elected. In both Albania and Kosovo, the term of office for judges is nine years, after which they cannot be re-elected.

The Legitimacy of the Elective and Hybrid Models of Judicial Appointment

The Constitutional Court in Kosovo has the stronger legitimacy of the two countries, as it is the highest institution of representative democracy, parliament, that elects its members by a two-thirds majority of all seats held. In real democracies (Hansen, 2013), the governing party rarely has a two-thirds majority in parliament, so the opposition must also agree to elect the constitutional judges. However, this also raises professional concerns, as the representatives elected by the citizens may not have the necessary competence to decide which jurists are truly qualified to be constitutional judges. Of course, the committee set up under the nomination procedure submits its list to parliament, stating its reasons, so Members of Parliament are aware of the professional merits of the candidates. However, there is no obligation for the legislature to choose the candidate ranked at the top of the list (i.e. the candidate considered by the committee to be the most professionally qualified) for the vacant post of constitutional judge. Parliament is therefore a strong power that can easily influence the composition of the Constitutional Court, and it makes it questionable to what extent constitutional judges elected by a qualified majority in parliament can be independent of the branch of power that has placed them in their position.

1. Table:
Comparison of the Constitutional Courts,
the procedure for appointing judges.³

	Electoral System	Hybrid System
Country	Kosovo	Albania
Number of members	9	9
Nominating judges' authority	Special Committee for the Review of Candidates for Appointment to the Constitutional Court	Judicial Appointments Council
Selector/appointor authority (number of judges appointed)	National Assembly	President (3) National Assembly (3) High Court (3)
Mandate Duration (in years)	9	9

As far as the election of judges is concerned, the Albanian regulation can be seen as the more balanced, as it combines democratic principles, the importance of professionalism (the meritocratic principle), and a strengthening of the position of the President of the Republic. The hybrid system for the appointment of judges is best suited to the legal and political nature of the constitutional court and constitutional administration. Since no one branch of power has the exclusive right to elect constitutional judges, the independence of the constitutional court is guaranteed the most.

The Representation of Minorities in the Constitutional Court

The Representation of Minorities in the Constitutional Court of Kosovo

It is worth looking at the representation of minority groups in the constitutional courts of Kosovo and Albania. In Kosovo, the Constitution guarantees 20 out of 120 seats for the representation of various communities. Of the 20 guaranteed seats, ten are for the Serb community,

³ The table is edited by the author.

while the distribution of the ten remaining seats is as follows: the Roma community (1); the Ashkali community (1); the Egyptian community (1); one seat awarded to either the Roma, the Ashkali, or the Egyptian community with the highest overall votes (1); the Bosnian community (3); the Turkish community (2); and the Gorani community (1). Even though in Kosovo an absolute majority of the community members of parliament is required to elect two constitutional judges, there is no legal norm that guarantees the presence of at least one constitutional judge representing a certain community in the Constitutional Court.

However, the decision of an absolute majority of the communities is a kind of fixity, without which the absolute majority of parliament cannot appoint the two judges. Thus, the compliance of an absolute majority of the communities is a necessary precondition for the election of two judges. As a result of this two-staged elective system, two judges were delegated by the Kosovo communities to the Constitutional Court between 2008 and 2018: Altin Suroy from the Turkish and Ivan Čukalović from the Serb community. Čukalović was a professor of international law at Kragujevac Law University, who stated the following about his appointment: “I accepted the appointment because I want to defend the rights of 240,000 Serbs, Muslims and Gorani in the southern province. I will try to correct all the unjust decisions of the Kosovo authorities” (Division of Public Information of UNMIK). Despite his statement, Serbian Minister for Kosovo and Metohija Goran Bogdanović reacted fiercely to the appointment of Professor Čukalović: “Individuals who accept, despite the official stand of the Serbian state, engagement in illegal Kosovo institutions do not have credibility, so they can only represent themselves in these institutions” (Division of Public Information of UNMIK, 2009).

In the current Constitutional Court, the communities are represented by ethnic Serb judge Radomir Laban. Laban was recommended to become a judge by Srpska Lista, after a Serbian court had sentenced him to six years in prison in 2011 for being a member of the so-called customs mafia. Despite the verdict, Laban fled to Kosovo, where he was appointed constitutional judge in 2018 (Reuters, 2018).

The Representation of Minorities in the Constitutional Court of Albania

Positive discrimination could be justified in Albania to represent minorities in the Albanian Constitutional Court as well. According to the latest Albanian census of 2011, 0.87% (24,243) of the population belongs to the Greek minority and 0.3% (8,301) belongs to the Roma minority (INSTAT, 2011). Considering the fact that the Greek minority boycotted the census (see Likmeta, 2011), and the Roma traditionally identify as a different ethnicity (Minority Rights Group International, 1995, 10), the data from the statistical office are not sufficiently representative. It is generally believed that there are 45-50,000 Greeks living in Albania today (Vickers, 2010), making up around 2% of the total population and making the Greek ethnic group the largest national minority in Albania. However, this claim is called into question by the estimate of the Albanian Helsinki Committee (Koinova, 2000), according to which there could be as many as 120,000 Roma living in Albania, which is an extraordinary figure compared to the total population of 2,876,591.

However, the Albanian Constitutional Court does not have a single declared minority member. Therefore, there is no *de iure* guaranteed seat for minorities in the constitutional courts of Albania and Kosovo, although this does not mean that a minority candidate cannot *de facto* be elected to the constitutional court of the country in question. As demonstrated above, the two-stage elective system in Kosovo necessarily – but not *expressis verbis* – provides for community judge(s) in the Constitutional Court. In Albania, however, there is no positive discrimination concerning minorities due to the absence of legislation in this regard.

The Legal Status of Constitutional Judges

In both countries, the status of constitutional judges is governed by the Constitution and the relevant articles of the Constitutional Court Act. In most cases, the constitutions are rather vague on the position of constitutional judge, and the provisions on their legal status are set out in lower-level legislation. However, regarding their legal status, the two countries have an immensely detailed constitution, in some cases almost like a code.

Objective Criteria

Without exception, Albania and Kosovo apply national censor to the status of constitutional judges. Although it is not required by the regulations, Albania only accepts exclusive citizenship based on customary law (and therefore dual citizenship is not allowed). In the case of Kosovo, as a result of the international presence and the young constitutionalism of the state, exclusive citizenship is not even a criterion according to customary law.

In addition to citizenship, a law degree is also a mandatory criterion in Kosovo and Albania. In the legislation governing the status of constitutional judges throughout Europe,⁴ a law degree is a fundamental criterion as a professional censor, and it may also be a guarantee for the judge's independence. However, one wonders whether an all-lawyer composition of the constitutional court might not reduce the powers of the court, and there are serious concerns as to how the CC's lawyer membership is able to express itself with sufficient professionalism on health or economic issues.

Constitutional judges must also have a specific period of professional experience, although experience as a lawyer is not exclusively defined as judicial experience in the regulations, and excellent lawyers, prosecutors, or law professors may also meet this criterion. The practical significance of this is that lawyers can be appointed to a decision-making position in the Constitutional Court without any prior judicial experience. In Kosovo, a person nominated as a constitutional judge must have at least ten years of professional experience, in Albania at least fifteen years.

Both the Albanian and the Kosovo legislation specify full capacity as a criterion, which means that a candidate for the position of constitutional judge must have no disqualifying medical factors and is not disqualified from public office and therefore has legal capacity.

4 However, there are also countries where a law degree is not a definite condition: for example, in Belgium, half of the constitutional judges must be former members of parliament. It is another matter that the Belgian parliament is largely composed of lawyers.

This is where active suffrage appears as a criterion, since active suffrage contains content that is formulated in the Albanian and Kosovo legislation *expressis verbis*.

The laws of both countries contain provisions on conflicts of interest for the constitutional judge position. These prohibit the judge from being a member of a political party, movement, or any other political organisation. Nor may he or she be a member of a pressure group according to customary law. In Albania, the rules also apply for the ten years preceding the nomination, so even as a lawyer, one cannot hold a senior position in the administration, as it is a disqualifying factor when electing a constitutional judge.

In Kosovo, the law also stipulates that, although a constitutional judge may not hold public or professional office for remuneration, an exception is made for teaching and unpaid academic work. In addition, the judge may be a member of humanitarian, sporting, cultural and/or legal organisations, provided that they are not remunerated, and that the organisation is not associated with any political party. The conflict of interest between a political or public role and a judgeship is intended to ensure that the judge can remain impartial and independent. The rule that a constitutional judge may not be paid for other activities is common practice in Europe, as it is expected that the judge cannot be bribed or be suspected of being bribed.

In Southeast Europe, there is no provision for gender balance in any Constitutional Court Act. However, the principle of gender equality is a declared aim of the legislation of Constitutional Court in Kosovo and Albania alike. In Kosovo, three of the eight seats on the Constitutional Court are held by women judges, while in Albania five of the nine seats are held by women judges. In both Kosovo and Albania, the Constitutional Court is currently chaired by a woman. The fact that gender equality is present might derive from the international presence in Kosovo's and Albania's legislation because both states drafted their constitutions and laws with strong international support. The democratic principle of gender equality was included in the legislation because the countries sought to create a democratic constitution and law that was widely and positively received internationally.

Subjective Criteria

Albania and Kosovo have also formulated moral criteria for the status of judges. While the criteria mentioned above are objective, moral integrity is a highly subjective element. However, the Constitutional Court laws of Albania recite the criteria in detail, which Kosovo follows under customary law.

The Albanian legislation is extremely strict, stipulating that only persons who have not been sentenced to imprisonment for a criminal offence and who are not or have not been previously prosecuted or subject to criminal, misdemeanour, or disciplinary proceedings may be constitutional judges. This provision violates an important human rights principle, the presumption of innocence. Thus, if a person was subject to disciplinary proceedings in the past, but there is no disciplinary decision against them (i.e. no disciplinary offence was committed), they cannot be elected as a constitutional judge under customary law. Customary law in practice also shows that a person who has been sentenced to a financial punishment is not elected as a constitutional judge by the institutions empowered to do so.

The Albanian legislation thus lists a strict and detailed agenda of requirements concerning the status of judges. Candidates for the position of constitutional judge and their families must undergo a full vetting process, after which the competent authorities make a professional and moral assessment of the candidates. Neither the Constitution nor the Law on the Constitutional Court specify the criteria based on which the evaluation is carried out, leaving room for subjectivity.

In contrast with the Albanian laws, Kosovo legislation is rather brief on the moral criterion. According to the Law on the Constitutional Court, constitutional judges can be persons with excellent moral reputations, who can act in full capacity and who have not been convicted of any criminal offence. Moral integrity is a particularly interesting criterion in Kosovo, as Radomir Laban was elected in 2018 with a final verdict against him in Serbia (Jeremić, 2018).

Termination of the Mandate of a Constitutional Judge

The termination of the mandate of a constitutional judge is regulated by the constitution and the constitutional court law of the countries under review. There are two types of termination: automatic termination and dismissal.

Automatic Termination of a Mandate

One of the basic reasons for the automatic termination of a mandate is the expiry of the term of office, which is set in the constitution of the respective countries, and which is nine years for both countries. In Albania, in addition to the nine-year constitutional term, the mandate of a constitutional judge automatically ends when the judge reaches the age of 70.

Of the laws examined, only in the Kosovo legislation does death appear as one of the basic cases of an automatic termination of a judge's mandate. In Albania, the automatic termination of judicial office by reason of death is based on customary law, since the position of constitutional judge cannot be inherited. In addition, judges of the Constitutional Court will lose their mandate if they so request, i.e. if they resign. In both Albania and Kosovo, the mandate of a constitutional court judge automatically ends after their resignation. Interestingly, in neither country does the judge need the approval of the appointing authority to resign. The judge simply notifies Parliament and the President of the Republic.

The Dismissal of a Constitutional Judge

If the judge has been convicted of a (private or public) criminal offence or sentenced to imprisonment, the mandate is not automatically terminated, but the judge may be relieved of their duties. Under the Constitution, two-thirds of the judges in Kosovo may propose to the President of the Republic that the judge be removed from office. However, it is the

President of the Republic who decides on the matter, and the President is not obliged to take the Constitutional Court's proposal into account. Unlike in Kosovo, in Albania the Constitutional Court decides as a body whether to dismiss a constitutional judge in such a case.

The judges may also be dismissed if it is established that they have permanently or definitively lost their capacity to act. In both Albania and Kosovo, it is up to the Constitutional Court to declare incapacity, and a two-thirds majority is required to disqualify a judge. Both countries' legislation includes professional or ethical misconduct as a possible ground for dismissal. In Kosovo, if the Constitutional Court considers that a member of the CC has seriously neglected their professional duties, it may, by a two-thirds majority, propose to the President of the Republic that the judge be dismissed.

In Albania, the CC itself decides whether to dismiss its constitutional judge. However, it should be noted that both professional and ethical misconduct are highly subjective factors. For example, constitutional judges may be discredited professionally in the eyes of their peers if they deliver a separate opinion in a particular case because they disagree with the other members of the panel. This does not in itself mean that they are professionally unfit to be a constitutional judge, but if they repeatedly append a separate opinion to the decisions of the constitutional court, and the other judges object, there is nothing to stop them from relieving their fellow judges of their duties on the grounds of professional or moral incompetence. This assumption is hypothetical because there is no relevant precedent in the history of the constitutional courts in either Kosovo or Albania.

The Competence and Jurisdiction of the Constitutional Courts

An important objective of the constitutions of Albania and Kosovo was to move the political system towards democracy and to change the internal structure of the state accordingly. For this reason, the Constitutions

updated the constitutional status of the CC to make it compatible with the norms of constitutional justice (Ahmed, 2022). Thus, the CC has become the “guardian of the constitution” (Ginsburg, 2003) and the institutional guarantee of the protection of human rights and freedoms. The protection of the supremacy of the Constitution is the supreme task of the constitutional judiciary at all times.

The main functions of the Constitutional Court are described below, and they are united by the fact that their performance requires constitutional interpretation. Authentic constitutional interpretation is the task of all constitutional protection bodies under customary law, but the Albanian Constitution declares the constitutional interpretation function of the CC *expressis verbis*.

Preliminary Norm Control

The main function of the constitutional judiciary is norm control, i.e. the examination of the constitutionality of laws and other legislation. The practice of preliminary norm control appears in the legal systems of Albania and Kosovo. Preventive review means that legal norms are examined in abstracto before they enter into force. The most frequent occasion for prior review is when constitutional courts exercise their function in relation to international treaties. The unity of the constitutional legal order requires harmonisation, i.e. that domestic law is in line with international law.

In the case of Kosovo, the President of the Republic may request a constitutional review by the CC in the context of a preliminary normative review before signing a law adopted by Parliament. The Constitutional Court, acting in a consultative role, can defend the prestige of the legislator, i.e. Parliament, on the motion of the President of the Republic. Although the CC has to rule on the matter within a short period of time, a major disadvantage of the preliminary norm control of the rules initiated by the President of the Republic is that it prevents effective intervention by the legislator in the event of an acute social problem.

In Albania, the President of the Republic, the Prime Minister, not less than one-fifths of the Members of Parliament, and the Ombudsman may initiate proceedings to review the compatibility of laws and other normative acts with the Constitution and international agreements. In other cases, the powers of the President of the Republic do not provide for the possibility of a preliminary norm control of the law. Because of the community practices and traditions, in such a highly patriarchal country like Albania, it could be reasonable for the state to have a more empowered President. However, attempts to extend presidential powers have not been successful due to the experience of Enver Hoxha's dictatorial regime. Since the President has no prior right of preliminary review, they only refer a constitutionally problematic law back to Parliament. An example for this was when former President Ilir Meta vetoed the Media Laws in 2020, but Parliament overruled Meta's veto and approved the law with a sufficient majority (Kostreci & Picari, 2020).

Posterior Norm Control

In Albania and Kosovo, the constitutional courts are competent to practice posterior norm control. In this case, the constitutional court checks the constitutionality of published legal norms that have already entered into force or have been promulgated. The constitutional courts may *de iure* examine the compatibility of any law with the constitution in the course of repressive review.

A posterior abstract review can be initiated if there is no individual legal dispute, and the problem is merely a question of the constitutionality of a legal norm. The initiator of the abstract review acts in the public interest, without personal involvement, and not to remedy their own violation of the law. The CC then usually examines questions of constitutional law theory. In some countries, anyone can initiate a posterior review of an abstract norm, in Kosovo and Albania only specific public bodies and officials can do so.

In both countries, the President of the Republic, the Ombudsman, and Parliament can initiate constitutional reviews. In Albania, at least one-fifth of the Members of Parliament, in Kosovo one quarter of the

Members of the Kuvendi can initiate a review. The government of the day in Kosovo and the Prime Minister in Albania may also initiate a constitutional review. An illustrative example of posterior abstract norm control is former Kosovo President Atifete Jahjaga's request to the Constitutional Court in 2014 to clarify several constitutional issues relating to her powers. The request came against a background of rival claims to the prerogative to form a cabinet after Kosovo's elections (The Sofia Globe, 2014).

In both countries, the competence of the Constitutional Court includes adjudication, whereby the decision of the CC aims to resolve conflicts of jurisdiction between the central government and regional and local government bodies. In this function of the Constitutional Court, it is clear that the CC is not only the guardian of the Constitution but also that of the balance of state power in a democracy. Therefore, in both countries local authorities can initiate posterior specific norm control of the law if they consider that a law or other legislation infringes their interests and rights.

A typical case of posterior specific review is the judicial initiative, which is also a competence of the constitutional court of every country. In this case, the constitutional court proceedings are initiated by the ordinary courts, and the proceedings pending before them are suspended pending the decision of the CC. This is done when the judge is called upon to apply a legal rule that he considers unconstitutional to decide the case.

In Albania, the broadest range of initiatives are posterior specific norm controls. In addition to the above-mentioned bodies and officials, the Head of High State Audit, the Commissioner for Fundamental Rights, forums of religious communities, political parties, and other organisations can initiate a specific constitutional review. Since the powers of the Constitutional Court can only be interpreted in terms of the scope of petitioners, it is advantageous if the range of persons and bodies that can initiate a review of the norm is quite wide. In Albania, Edi Rama and the Socialist Party (*Partia Socialiste e Shqipërisë*, PS) initiated a constitutional review of the "Agreement for the Delimitation of the Albanian-Greek Continental Shelf and Maritime Zones" (known

by the public as the “Sea Agreement”) under the posterior specific norm control in 2009. Opposition party PS argued that the arrangement was unfair because it deprived Albania of 225 km² of its territorial waters (Ndoj, 2015). The CC found that the Convention was contrary to the Albanian Constitution and the UN Convention on the Law of the Sea and annulled the Albanian-Greek agreement (Albanian Constitutional Court, 2010). There have also been examples of posterior concrete norm control in Kosovo. Albin Kurti, Prime Minister of the Vetevendosje, asked the Constitutional Court to examine the constitutionality of President Hashim Thaçi’s decision to ask Avdullah Hoti to form a new government in 2020, after the Kurti government had failed in a parliamentary no-confidence vote in March (Bami, 2020a). Thaçi took this action after Vetevendosje, the outgoing ruling party, did not nominate anyone for the role. Hoti was put forward for the role of prime minister by the Democratic League of Kosovo (*Lidhja Demokratike e Kosovës*, LDK), the party that was part of the Vetevendosje-led administration under Albin Kurti (Bami, 2020b). The Kurti cabinet continued as a caretaker government until 3 June, 2020, when Avdullah Hoti was elected as the next Prime Minister, resulting from the CC decision that Thaçi’s request to form a government was not unconstitutional (Kosovo Gazeta Express, 2020).

Individuals who believe that the public authorities have violated their fundamental rights and freedoms guaranteed by the Constitution can also initiate a specific posterior review of the law after they have exhausted all effective remedies to protect these rights. In the case of a constitutional complaint against an individual act, individuals have the right to apply directly to the Constitutional Court to defend their private interests.

Both countries’ constitutional courts also have a state judiciary function, which includes the removal of the head of state from office. If the President of the Republic in Albania or Kosovo commits a serious breach of the Constitution or a serious crime, Parliament may propose to the CC that the President be removed from office. In Albania, a quarter of the members of the Kuvendi may make a proposal, and two-thirds of the

members must support it before the CC. In June 2021, for the first time in Albanian history, Parliament voted to remove a president from office (Euractiv, 2021). The Kuvendi then asked the Constitutional Court to take a decision on the dismissal of President Ilir Meta because the Albanian CC has exclusive jurisdiction to dismiss the President and is not bound in any way by the proposal of the National Assembly. It was claimed that the comments and actions of the President during the 2021 electoral campaign violated various laws and incited violence. The Constitutional Court struck down all claims in 2022, stating that it did not find any evidence of a violation of the law (Euronews, 2022). The decision allowed Meta to complete the full term of his five-year mandate.

In Kosovo, the Kuvendi can also take the initiative to impeach the President. At least 30 Members of Parliament (i.e. one quarter of the MPs) can refer the matter to the Constitutional Court, but the CC only gives a technical interpretation, i.e. it determines whether or not there is a violation of the Constitution. The Constitutional Court then refers the decision back to Parliament, which, by a two-thirds majority of all the deputies, decides on the fate of the President. In Kosovo, there is no precedent of the Constitutional Court examining the constitutionality of the removal of the President of the Republic. When Hashim Thaçi was indicted by the Kosovo Specialist Chamber in The Hague, Parliament could have asked the CC for its opinion on the matter. However, the President of the Republic immediately resigned of his own volition, thus rendering any constitutional review pointless (Trkanjec, 2020).

Constitutional courts have the power to annul the legal norm under review *ex tunc* (retroactively) or *ex nunc* (from the date of promulgation) in the case of unconstitutional laws and other legal norms (Prahmani, 2021). For example, in 2010 the Albanian Constitutional Court terminated the Sea Agreement *ex tunc*. A good example of an *ex nunc* proceeding is the decision to remove the President of the Republic from office. The removal of the President is effective from the date of promulgation.

One of the advantages of preliminary review over posterior review is that during the review, the legal norm deemed unconstitutional does not have to be annulled, as it has not been promulgated. This avoids

prejudice to legal certainty, and the predictability of law is an important element of the rule of law. According to Hans Kelsen's interpretation, the Constitutional Court, although it has no legislative power, is a negative legislator in the sense that it annuls a legal norm that is deemed unconstitutional, whereas the legislature creates law in a positive sense (Kelsen, 2009).

On the question of the procedure of the constitutional courts, the CC is quorate in Albania and Kosovo if at least two-thirds of all members are present. Since in both countries the constitutional court ideally consists of nine members, at least six judges must be present for the CC to be quorate. As regards decision-making, the Albanian and Kosovo rules are again similar, with both constitutional courts requiring the agreement of an absolute majority of the members present to take a decision.

Conclusions

The courts that exercise the power of constitutional review (in Kosovo and Albania these are invariably constitutional courts) have a strong and prominent role in the democratic political systems of the world. From defining human freedoms to the financing of political competition, the elimination of electoral disputes, the appointment of members of parliament, or even the removal of the president of the republic, constitutional courts have a significant influence in political life (Vanberg, 2015).

The present article sought to support the hypothesis that Kosovo and Albania have related arrangements for constitutional courts and constitutional adjudication. The many similarities in the regulations may be due to the fact that the new democracies that emerged during the third wave of democratisation (Huntington, 1993) benefited greatly from the constitutional experience of Western countries, and in the spirit of catching up with Western Europe, they tried to meet the rule of law requirements of democratic Europe. In addition to democratic constitutions, the new democracies wanted to make it known to

the international community that they were fully committed to the democratic system, and this was ensured by the establishment of a constitutional court.

There are definite international trends in constitutional courts and constitutional adjudication, which serve as a model for newly emerging democracies and to which the countries of Southeast Europe are also adapting (Manhertz, 2020). This study has shown that these European directives are identical in the case of the Kosovo and Albanian Constitutional Courts, the main reason being their desire to benefit from Euro-Atlantic integration. Hence, with Western assistance, these two countries have set up modern constitutional courts to meet the requirements of the rule of law and justice.

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A REVIEW OF THE ELECTRICAL ENERGY SECTOR IN ALBANIA AND KOSOVO

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Abstract: The present paper describes the current situation of the electrical energy sector in Albania and Kosovo, introducing the main existing generating facilities, and their most important features and characteristics. The most important projects for new generating facilities are discussed, with their relevance described for both countries. The importance of cooperation between the two countries is analysed and intraday load profiles are depicted, showing why the two energy systems would greatly complement each other. The paper concludes by briefly considering a possible merger of the two generating utility companies.

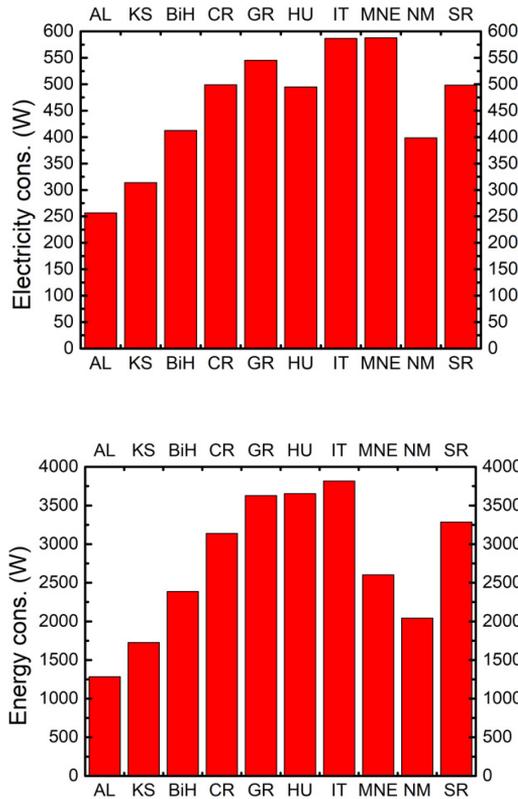
Keywords: Albania, Kosovo, energy, electricity

Introduction

Albania and Kosovo are two bordering countries in the Western Balkans, with populations and economies that are smaller compared to other countries in the region and in Europe. Albania overthrew communist rule in 1991, while Kosovo got out of war in 1999. Both countries have since been able to maintain net economic growths, which has led to a 2020 GDP per capita of USD 5,246 and USD 4,347, respectively (The World Bank, 2022). These values are still among the lowest in Europe, and reaching the average economic level of EU countries would require many more decades and higher economic growth rates.

One of the prerequisites for economic growth, as well as a by-product of it, is increased energy consumption. With limited development, and even more limited industrial output, both of these countries have rather low energy consumption rates. Looking at the statistics, it can be observed that the electrical and total energy consumed per capita is much lower than that of other countries, especially in the case of Albania.

Figure 1
Average per capita electricity and energy consumption
in selected countries from Central and Southeast Europe.



Source of raw data: International Energy Agency.

This low level of energy consumption leads to the conclusion that an increase in demand can be expected with time, and in case of accelerated economic growth, this increase would only be faster. This paper gives an overview of the electrical energy sector in Albania and Kosovo and briefly discusses some current and future projects, as well as opportunities for collaboration between the two countries. Many crucial projects mentioned in the paper would have to become reality in order to ensure this much-needed progress.

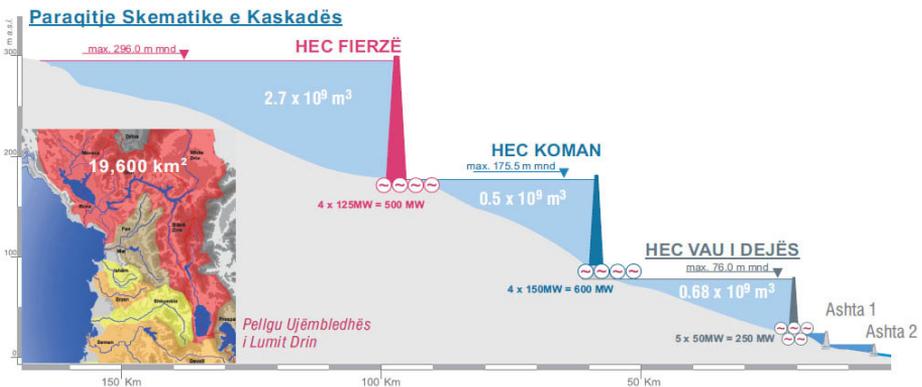
The energy situation in Albania

Existing Sources

In Albania, the Drin cascade has been the backbone of electricity generation for decades (Korporata Elektroenergjitike Shqiptare, 2022). Starting in the late 1960s and continuing until the mid-1980s, three large hydroelectric power plants were built: Vau i Dejës (1967-1975), Fierza (1970-1980), and Komani (1981-1988). All three power plants, the largest ones in the country, are run by the state-owned Albanian Electroenergy Corporation (Korporata Elektroenergjitike Shqiptare, KESH). The annual generation of these three power plants is in excess of 4 TWh, representing a little over half of the annual domestic consumption.

Figure 2

The Drin cascade, with its catchment area shown on the left.



As Figure 2 indicates, the upmost dam has the largest reservoir. This water reserve is enough to keep the cascade generating for a few months without any rainfall. For the same amount of water, the higher the level of the lake, the more energy can be gained from it, which is why KESH, and all other serious dam operators, maintain the water levels high. On the other hand, the negative effects of sudden heavy rainfalls can be reduced by collecting the water in the dams, releasing it at a later time. In rare cases, when the water inflow is greater than the turbine flow rate, and the reservoir is full, water needs to be discarded without being used. In a hydro power plant, larger installed or “nameplate” capacity means that the need to waste water will be lower; however, increasing capacity increases the cost of plants.

The cascade was extended almost three decades later in the lower end by the construction of the Ashta hydroelectric complex. The project is a concession by an Austrian consortium of two companies with substantial expertise in hydro projects, Verbund and EVN, to be run for 35 years (Energji-Ashta, 2022). Construction started in 2010 and finished in 2013. The implemented HydroMatrix® technology, which utilizes many small, factory-manufactured turbine-generator sets instead of a few large turbines, was a world first. Unlike the other dams, which have considerable dam heights and reservoirs, the Ashta power plants operate on very low heads of about five meters. The restricting factor in their case is the already low height above sea level. Were these dams to be slightly higher, they would need to flood a much larger part of the densely populated plains.

Figure 3

Hydro power plants on the Drin cascade and their main properties

HPP	Total volume (km ³)	Nameplate cap. (MW)	Avg. annual prod. (TWh)	Max. height (m a.s.l.)
Ashta	negl.	52	0.24	25
Vau i Dejes	0.68	250	0.87	76
Koman	0.5	600	1.81	176
Fierza	2.7	500	1.30	296

Another successful concession is the Devoll hydropower, by the Norwegian company Statkraft (Statkraft, 2022). The project has seen the construction of the Banja (2013–2016) and Moglica (2015–2020) dams, as well as hydro power plants in the Devoll river. While Banja is a more traditional plant, Moglica is special in that, apart from the head provided by the dam, the power station itself is located much deeper inside the mountains. This allows the energy gained from the same amount of water to be much higher. The installed capacities of the two power stations are 72 MW and 197 MW, respectively. Annual generation is around 700 GWh, or approximately 13% of the average annual generation of the last ten years in Albania. The project has cost EUR 590 million.

Figure 4

Left to right: Banja Hydro Power Plant, its catchment area, and Moglica dam.



One of the most controversial topics in recent years has been the Vjosa river, the last “wild” river in Europe, as some claim (Taylor, 2022). The untapped hydroelectric potential is in excess of 400 MW, with the main power stations being Kalivac (100 MW), Pocem, and tens of others with smaller individual installed power. As a comparison, the Drin cascade has an installed potential of 1,402 MW. Realistically, the reaction against their construction, going as far as the issue being mentioned and the government urged to take action in the EU’s 2021 progress report (European Commission, 2022), or actor Leonardo DiCaprio posting about it, is simply not justified. The same biodiversity issues are relevant for each and every river and hydroelectric project elsewhere. Albania needs the additional generation capacities, and flooding needs to be prevented – both things that in other countries have been done much earlier. Furthermore, having artificial lakes created would not damage but encourage local tourism. One of the reasons behind this reaction might be that not enough, if any, information campaigns have taken place with the local population. Contrary to the Ashta or Devoll projects, there has not been a stable, reputable investor involved in the entire project. This is especially true for the Kalivac project: the story of failures starts in 1997 and includes the owner of one of the constructing companies, Francesco Becchetti, winning an arbitration trial against Albania (Oei, 2021).

Another existing generating capacity is the thermal power plant in Vlora. In 2004, the Albanian government commissioned an Italian company to build a 98 MW fuel oil power plant. Construction, although with delays, went on, and the power plant was handed over to KESH in 2011. However, problems in the cooling system have been found. These problems mean that the power plant has never been in commercial operation, not being able to repay itself and demanding maintenance costs, which are in the order of one million dollars every year. It is not clear where the legal battle over the responsibility stands. It is also difficult to judge just how much the corporation wants to get this asset back to use. The reason is simple: over the years, the price of electricity imports has not been high enough; it has simply made more sense to import electricity than oil to burn in the power plant.

It is important to note that the power plant was constructed so that it can easily be retrofitted to use natural gas as a fuel. Generation costs would be much lower this way, although probably still higher than the average import price of the previous years – around 50 EUR/MWh. This conversion has been indeed aimed for by KESH, since the Trans Adriatic Pipeline (TAP) now offers the amounts of gas that such a plant would consume (Nasi, 2021). For this, a pipeline has to be built to the power plant from TAP near Fier.

As a takeaway, it can be stated that the strategy to give concessions on building hydroelectric power plants has been successful. With no capital investment from the government, some subsidies, and the commitment to buy the produced power, both the capacities and actual production have been increased greatly. In 2021, out of the total installed capacity of 2,605 MW, KESH owned 1,448 MW – that is, the recently built sources comprise 1,157 MW, or 44% (Energy Regulatory Entity, 2021). These sources gave 3.62 TWh out of the total 8.96 TWh, or 40%, of the electrical energy produced. The hydroelectric potential can still be increased, with an evaluated capability of 16 TWh annually, or an installed power of about 4,500 MW. The largest, and most important, resource lies in the *Skavica* project.

Possible Future Sources

The most important future source is the *Skavica* Hydro Power Plant. The potential of the Drin river is fully used where the Black and the White Drin rivers join each other in Lake Fierza, at a height of 296 m above sea level (a.s.l.). However, the Black Drin enters from North Macedonia at a height of 445 m a.s.l., meaning a very large height difference remains unused. The most suitable place for the construction of another dam has long been known to be the locality of *Skavica*. According to the original plans made before 1990, a dam going up to the height of 485 meters above sea level would be built, creating a vast water reservoir. Having such a reserve would be of utmost importance, since it allows for better usage of the downstream cascade. The so-called regulatory period of the cascade with this dam, i.e. the time for which the dam can provide average water flow to the downstream power plants without any incoming rainfall filling it, is

in the range of a few years. Apart from that, a higher fall means that the capacity of the power plant will be greater, and flood prevention for the downstream areas will be much more effective. Yet another benefit of this larger dam would be the hindering of alluvium crossing into the other dams in the cascade. This has the possibility to increase their expected lifetime by more than a century.

As beneficial as this project is, its realization is highly questionable. To begin with, the number of displaced inhabitants would increase by a factor of more than two compared to smaller projects. The height of 485 meters is also above the lowest height along the border with North Macedonia. This means that significant parts of land would also have to be flooded there, meaning the political negotiations will have to be intergovernmental. It has been pointed out, however, that Albania and Yugoslavia had already agreed on this flooding before 1990, and North Macedonia, as a successor, should keep to this agreement (Vasili, 2016). Unfortunately, it is highly unlikely that any government in Albania will realize such a project. The communist and post-1990 governments did not have the means to go forward with the construction of the dam. The topic came under discussion again in 2005, when the soon-to-leave government reached an agreement with an Italian company on the construction (Shala, 2016). Plans meanwhile had changed, as a French consulting company deemed another version with two dams more feasible. Despite this cheaper version, the company eventually abandoned the project, triggering declarations by the government that they would build the power plant on their own. The silence of the upcoming years was broken in 2014, when Chinese companies (Power China, Ge Zhou Ba, Norinco) offered to construct and finance the original power plant according to the original plans (Karoshi, 2020). The calculated costs of USD 1 billion were to be financed by a soft loan, with a 2% annual rate for 35 years. The economic rationale behind this offer is a no-brainer: the plant would have paid for itself within 15 years of its commissioning.

These grandiose ambitions were, however, soon to be disbanded: the Albanian government unexpectedly decided to give a “bonus” to the Turkish consortium of the companies Suzer Group and Nurol Holding, as a result of which the Chinese repealed their offer – having never received

any official answer. The Turkish proposed to build a two-part, scaled-down version of the project. After even the Turkish consortium left a few years later, the government yet again declared it would build the dam. Funding was received from the European Bank for Reconstruction and Development. However, this project was cancelled at a time that coincided with the signing of a Memorandum of Understanding between the Albanian Ministry of Infrastructure and Energy and the US company Bechtel. Later in July 2021, a contract was signed between the Albanian government and Bechtel (Newsroom: Bechtel, 2021), which foresees the realization of a new project. The Albanian government has passed a law, effectively avoiding an international competition on the project. It is important to note that, to date, it is not clear which option – the one-dam or the two-dam version – will be opted for, if the project is actually built.

While few realistically expect the large, original concept to be proposed, the hope is that the new project will include a single dam, reaching the maximum height possible in the Albanian territory (445 m above sea level). This project would still offer half of the original reservoir capacity. The alternative of building two smaller dams is much more frightening. In such a situation, the accumulating capacities would be around one tenth of the one-dam solution, and total production would be halved. Again the main loss would be in the missed opportunity to stabilize the entire cascade: to accumulate the excess rainwater in storms instead of having to dump it without utilizing it, and eventually flooding the downstream plains.

Another project is a gas power plant in Korça. In 2018, Ivicom holding, an Austrian company, proposed the construction of a 500 MW power plant to the Albanian government (Monitor.al, 2018). The government quickly responded positively, giving the company the status of a strategic investor. The project consisted of a combined cycle gas turbine, which has the highest possible efficiency among thermal power plants. The geographical position is especially favourable, since the TAP pipeline passes very close by. A 400 kV substation is also situated nearby, which could connect the power plant with the country's transmission system, as well as the interconnection to Greece. In addition, since all the generating facilities are in the north of Albania, building this unit would increase transmission efficiency. Furthermore, the power plant would have the opportunity to

offer district heating to the residents of Korça, utilizing heat further and providing a better heating alternative for the population. Perhaps the most attractive fact in the offer was that the company would build and operate the power plant entirely privately, with no need for state subsidies or binding purchase contracts. However, the Environment Ministry has not provided the company with the necessary permits. This is why Ivicom has filed a lawsuit against Albania (Politiko.al, 2022), claiming an amount of EUR 150 million in compensation for their losses. The lawsuit is still to proceed.

Another recent project is floating power plants. In January 2022, KESH announced a bid to provide mobile thermal power plant capacities to be deployed by the existing Vlora TPP, with a capacity between 110 and 130 MW. This power plant would have to run on heavy oil, connect to the existing 220 kV grid, and be deployed for two years. Two bids came, out of which the chosen one was a consortium between the US Excelerate Energy and the Italian Renco (KESH, 2022). According to this bid, two floating power plants with a capacity of 110 MW, made in 1997 and registered in Panama, and running on Wärtsila diesel engines, will be towed from their current location to Vlora, expected to be operational by 1 July. Fuel oil is to be brought via trucks, which will be loaded in the nearby oil port. If the price of oil does not fall significantly, it can be hoped that this decision made in this difficult situation will not be as unthought-of as the construction of the power plant back in 2004. It is also interesting to note that KESH has not revitalized the current power plant yet, and it is lending these floating power plants instead. Whether it is the technical problems that are too difficult, the Vlora TPP is deemed unfeasible in the long run, or something else is the reason behind this, still remains a question.

The Situation in Kosovo

Existing Capacities

In Kosovo, the picture of generation is quite different (Annual Report, 2021). Practically all production is based on lignite, with two power plants (Kosova A and Kosova B) providing the backbone of the system. The first

power plant has five units originally, but the oldest two are permanently out of function; the remaining ones, A3, A4, and A5 originally have installed capacities of 200, 200, and 210 MW, respectively, but in reality their net capacities are now only 144 MW each. A similar picture appears in the other units: both B1 and B2 originally have an installed capacity of 339 MW each, but currently their net capacity is only 264 MW. This brings the total lignite-based net installed capacity to 960 MW out of a possible 1,288 MW. With this capacity, most of the needs are met, with imports and exports balancing the system. A major upgrade might be aimed for, which is what the Kosovo Electroenergetic Corporation (*Korporata Elektroenergjitike e Kosovës*, KEK) wants for the B units. As for the A units, long-term strategies have called for their phase-out after the construction of another power plant, although until this power plant is built, their phase-out is completely unrealistic. Large investments in the A units are less likely, considering their older age and their worse environmental performances.

There are also a number of other sources, including hydro, wind, and photovoltaic. Apart from a few older hydro sources (notably the Ujmani, a 32 MW power plant), most other sources are indeed very new, having been put into use in the past five years. Their capacity, however, is still very low, not even reaching 300 MW; even more so is their production, which, due to the low capacity factor these renewables inherently have, provided only 7% of generated electricity in 2021.

Possible Future Sources

There has long been an intention to construct a new lignite power plant, the Kosova e Re, in Kosovo. Earlier optimistic ideas called for a 2,000 MW complex that would completely substitute the current plants, provide enough supply for future rising demands, and allow exportation as well. With time, these plans were scaled down, with the last project being a 500 MW power plant, announced in 2015 to be built by UK-registered Contour Global. Financing plans from the World Bank were cancelled in 2018, but the project seemed to continue. However, after the victory of the Albin

Kurti-led Self Determination (Lëvizja Vetëvendosje) in 2020, Contour Global finally pulled out of the project, citing the unfavourable political situation regarding this project (Barbiroglio, 2020). It should be noted that despite the environmental arguments against the project, the projected price with which the company would sell to the distributor (80 EUR/MWh) was deemed to be too high by many. KEK, for example, manages to stay afloat even though it sells energy at 29 EUR/MWh (KEK, 2021).

Another interesting new project is a pumped-storage hydro power plant. The 2021 annual report of the Energy Regulatory Office mentions that an application for a 250 MW pumped-storage hydro power plant is being reviewed. The applying company, a Turkish group, intends to build close to Prizren, using the White Drin as a water source. The idea behind such power plants is that to smoothen daily load variations, water is pumped to a higher elevation using cheaper electricity at night, and during the day, when demand is higher, this water is released to produce electricity. Typical efficiencies for one cycle are about 70%. It will be very interesting to see if this company intends to realize this project as a completely private investment, meaning that they believe the market prices will have such large oscillations, or if they want to lure the government into providing them with subsidies.

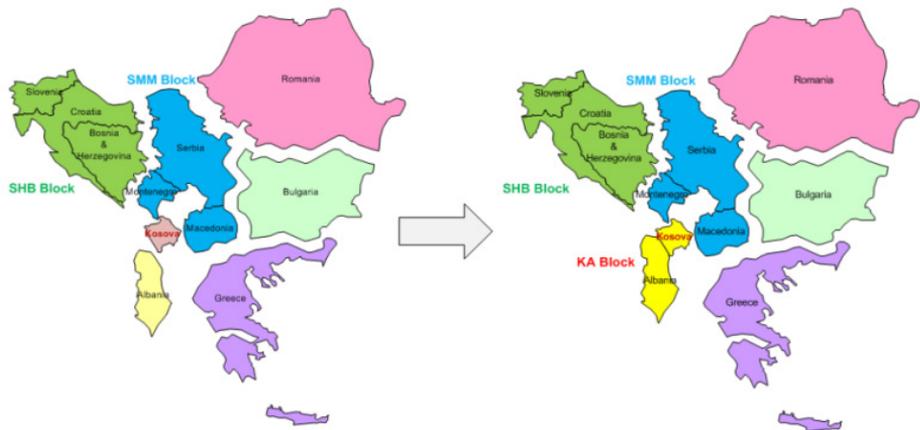
The Integration of the Two Markets

Interconnections, the KA Block

Both Albania and Kosovo are well interconnected with their neighbours: Kosovo to Serbia, North Macedonia, and Montenegro, and Albania to Montenegro and Greece. A power line connecting Albania to North Macedonia is under construction; after its completion, both Albania and Kosovo will be connected to all their neighbouring countries with high-power 400 kV interconnections. More importantly, Albania and Kosovo are well connected with each other, as up to 900 MW can be transmitted between them. The backbone of the interconnection is a

new 400 kV line, which has caused quite a few disputes. Constructed in 2016, it could not be put into use until Kosovo became a part of ENTSO-E, the union of European Network of Transmission System Operators. It took years of diplomatic efforts, most notably involving Germany, whose Development Bank (KfW) had funded the project, to get Kosovo to obtain the management of their interconnection capabilities, thus being able to get the interconnection to use in 2021. Now not only can Kosovo and Albania exchange power in much larger quantities between each other, they have also created a common Load Frequency Control (LFC) area. This means that the responsibility for balancing production and load in order to keep the frequency stable in the same synchronous grid (covering almost all of Europe) will now be shared between the two countries. In practice, this will reduce financial losses for both countries.

Figure 5
LFC areas in the Balkans before and after Kosovo joining the KA block.



Regarding interconnections, Albania has missed an opportunity in not building an interconnection to Italy. Such plans first appeared during the late 2000s, when then-Prime Minister Silvio Berlusconi speculated on the idea of constructing a nuclear power plant in Albania. However

unrealistic this idea might have been, an interconnection was not at all so. Up until the mid-2010s, it seemed that the project would go ahead. Montenegro, on the other hand, was able to strike a deal, and now an interconnection between the two countries is up and running, leaving Albania with no such opportunity. Not only has the country lost an opportunity to trade, and improve energy supply and security, it has also lost the significant investments and operational profits that would come with the project.

Current Cooperation

Both Albania and Kosovo (as well as all other countries in the Western Balkans) are trying to liberalize the energy market to a point where all electricity trades happen in an exchange. This would provide a more competitive environment, eventually leading to lower prices and a more secure energy supply, for which the experience of EU countries is proof. For this reason, Albania and Kosovo have agreed to create a common power exchange, which has been named the Albanian Power Exchange (ALPEX). This power exchange is not yet functional, although not much remains to be done. The contractor providing the bidding and power exchange monitoring platform will deliver the tool by November 2022. This seems to be ahead of other Western Balkan countries, considering that both day-ahead and intra-day markets will be implemented with only a two-month delay.

It will be interesting to see later how the power exchange will shape the future of the public generating companies, KESH and KEK, and how this will affect consumer prices. At the moment, both these companies are made to sell at below-market prices to the suppliers of end consumers. In a purely free market this would not be the case. One can, however, reasonably assume that the governments will still intervene strongly enough to maintain residential consumer prices at a low level, to avoid any possible political consequences.

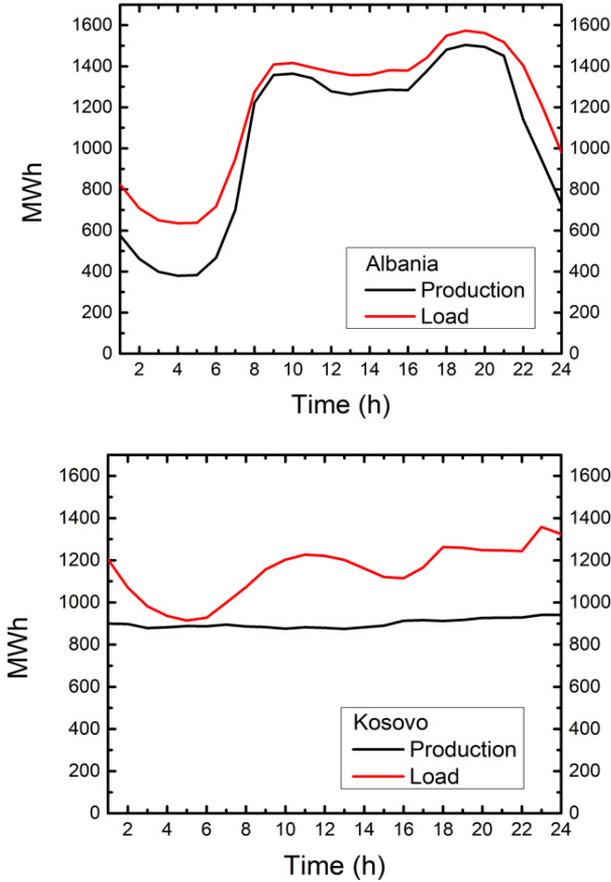
There has been power exchange between the two producers (without any payment). The most publicized instance happened during New Year's Eve in 2022. Largely trumpeted by Albania's Prime Minister via all media channels, this exchange was in fact very low: about 4 GWh for each of the two days. As a comparison, Kosovo's consumption is about 4 TWh annually, meaning that what Albania gave was just about one third of a typical day's consumption. Another exchange happened with KEK providing KESH 85 GWh during the summer, which the Albanian producer will pay back in the winter. These numbers are also small, since considering an annual consumption of around 8 TWh, it is just 1%, or three days' worth of electricity (Bajrami, 2022).

Daily Load Profiles: a Golden Opportunity

Daily load in power systems typically varies, as consumption is higher during specific times of the day and lower at night. Tailoring generation to follow this demand is crucial for power system operators. In most cases – specifically, thermal power plants – this is not something very easy or preferable to do. Inherently, there is too much loss in keeping thermal capabilities up to only run them a few hours a day. This raises costs too much, all the while wearing out the power plant. However, for hydro power plants this is not a problem at all. In order to change the power, controllers only need to open or close the water intake. No energy is wasted if the turbine is not in use; in fact, for the time energy is not being produced, the water accumulating in dams will increase its height, which means that for the same amount of water more energy will then be possible to be obtained.

Since most consumption is residential for both Albania and Kosovo, this variation is even higher in their case. Figure 2 shows both demand and production for both countries on a specific winter day.

Figure 6
Hourly electricity production and load in Albania and Kosovo on 21 January, 2022.

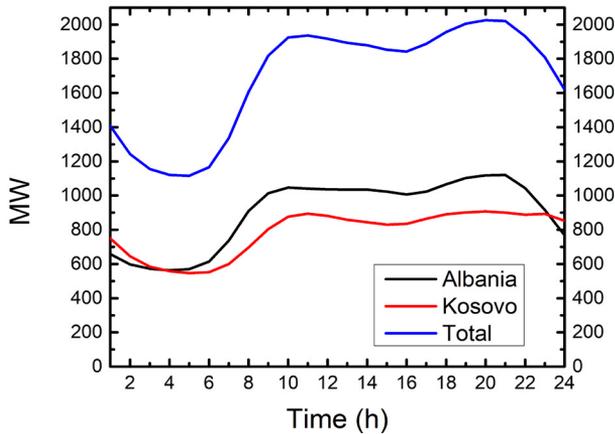


As it can be clearly seen, the Albanian power generators have been able to closely follow the demand pattern, also tailoring the imports so as to be slightly larger at night, when import prices tend to be lower. The same cannot be said for Kosovo: due to the inelasticity of the thermal sources, generation there has practically been constant, no matter the time of day. What can also be noted from the graphs is that for both countries imports play a significant part in supplying the demand. It should be

mentioned, however, that for typical summer days the picture is slightly different. Demand is slightly lower for both countries, with generation also falling in Albania but remaining the same in Kosovo, which also often exports during daytime. This, again, shows the inelasticity of their supply. It is probably safe to assume the reader has by now already asked themselves: is there a way to make these two systems, so opposite in their characteristics, complement each other? The answer would, of course, be yes. Figure 3 shows the demand for both countries, as well as their sum. The difference compared to the previous graphs is that the data is not for a specific date, but instead the yearly average for the year 2021.

Figure 7

Average hourly consumption of electricity in 2021 in Albania, Kosovo, and total.



Having both sources supply both markets complementarily would be advantageous if the lignite power plants in Kosovo provided a constant baseload of around 1,100 MW. This would mean that in times of low demand, such as between 1 AM and 7 AM, the hydroelectric plants in Albania would practically stop producing, accumulating water instead. At other times of the day, they would produce, fulfilling the needs of both countries. Being easy to vary, they could easily follow the pattern of the demand of both countries, reaching any peak as might be needed, for example, around 10 AM or 10 PM, by working close to full capacity.

Such cooperation would not only be useful for intraday complementation, but annual as well. In the summer, demand in Kosovo is significantly lower, while production is lower in Albania due to the low inflow of the rivers. In winter, demand in Kosovo exceeds production capacity, while production in Albania reaches a peak. This means that even on a year's scale, cooperation would greatly improve the two systems: aiding the Kosovo system in the winter, and the Albanian system in the summer.

Possible Merger?

The payment-less capacity exchange mentioned above is well beyond what is possible. Transmitting capacities exist to practically realize the sort of cooperation described in the previous section. The commissioning of the power exchange would surely be a great step towards closer collaboration. It will still be interesting to see how the two generating companies – if they are to function on a pure market-basis – will cooperate. If bidding, they cannot, in theory, arrange for below-market price exchanges. That being the case, what would be the difference between cooperation and simple imports in the free market?

Another possibility might be the two companies merging with each other. Although it might not seem very plausible, it could still be worth a thought. If the two companies are really going to become more independent from their governments, they could indeed think about the possibility of merging and becoming a more important player on the regional energy market. Perhaps a good start would be for the companies or respective governments to buy shares of their counterpart. If the generating companies became one, the hourly profile would be matched for both countries, optimizing as described above.

One more aspect worth considering is that both companies will need to increase generation soon, i.e. they will need investment. In Albania, the Skavica dam might finally be built. That would be a great chance for Kosovo to invest in it, and then be able to profit from the elasticity hydro can offer. Even more importantly, at a time when foreign financial institutions are moving away from coal, but when Kosovo

still definitely needs it, Albania could lend a hand in investing in a new coal power plant. These ideas might seem simply impossible, as none of the countries have the necessary financial means. While the governments do not, we should keep in mind that the corporations each have incomes in the range of hundreds of millions of euros. They are not allowed to sell domestically at market prices, but at a lower level dictated by the government. If they were able to sell at market prices, their net profits would rise to enviable levels. Such a financial situation would make it possible for them to invest in each other, be it in the form of a merger, or as separate entities. In either case, they would both profit tremendously.

Conclusion

Keeping in mind that the economies of both Albania and Kosovo are way behind the regional and European averages, economic growth and therefore an increase in the consumption of energy is expected in the decades to come. The existing hydro power plants in Albania are expected to work for many more decades. No real chance exists for the turning off of the Kosovo A and B coal power plants, especially the latter. With no large new capacities under construction, as the Kosova e Re project has been scrapped, these power plants will probably keep being in use for at least one and two-three decades, respectively.

Concessions in the hydro sector in Albania have been a relative success story. The generating capacity has increased by more than half within a decade. Much more untapped potential remains, but investment has not been progressing fast recently. The most important such untapped potential lies in the Skavica project, which would optimize production in the Drin cascade. An American consortium has expressed interest, and it might at a later stage construct the power plant. Hopefully, we will see this project become reality in the medium rather than the long run. More investment is also expected in other hydro projects in the long run. Concessions are also expected to thrive in Kosovo; however, the potential there is smaller and mostly relies on wind and

solar sources. The latter two have been practically unexplored in Albania, although they are gaining momentum.

Natural gas is expected to become a somewhat important source of generation in Albania, with the adaptation of the Vlora TPP to burn it. Other projects to construct gas TPPs might come up, although it is not clear how realistic their completion will be. Keeping in mind the higher gas price and the abundance of coal, it is highly unlikely for gas to play any role in generation in Kosovo, even in the longer term.

The electrical energy markets of Albania and Kosovo are moving closer together. In the short term, the Albania-Kosovo power exchange will be put to use soon, liberalizing the market further. Exchanges between the two systems will increase, apart from commercial trade, with cashless exchange between the two respective main generation companies. Much more exchange between the two grids would be of interest, since the Albanian hydro-based and the Kosovo coal-based generations complement each other perfectly. This exchange is important in optimizing both the daily and the seasonal load profiles. Furthermore, its importance lies in the diversification of sources: in Albania, stopping the sole reliance on hydropower, while for Kosovo stopping the sole reliance on thermal sources. In the longer term, a merger of the two state-owned generation companies might also become a possibility.

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A CHANGE OF WINDS OR BUSINESS AS USUAL? NON-RECOGNISING EU MEMBER STATES' ATTITUDES TOWARDS KOSOVO

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Abstract: Kosovo celebrates the 15th anniversary of its declaration of independence in 2023. Although Europe's youngest country is alive and well, it sometimes faces difficulties in international relations. As of 2022, 22 out of 27 EU member states have recognised Kosovo as an independent state, while Cyprus, Greece, Romania, Slovakia, and Spain still have not done so. There are geopolitical, economic, and ethnic aspects behind the decision of non-recognition among these five countries, to protect the stability of their own statehood, as except for Greece, they all share fears of secessionism. This paper provides an overlook of Pristina's opportunities in the global arena of international politics, focusing on the relations between Kosovo and the five non-recogniser EU member states between 2008 and 2022. Their position on granting recognition to Kosovo has remained the same; however, while attitudes in Greece, Romania, and Slovakia have shifted towards the softer side of non-recognition, Spain and Cyprus remain hard opposers.

Keywords: Western Balkans, Euro-Atlantic integration, Kosovo, state recognition, EU non-recognisers

Introduction

Kosovo unilaterally declared its independence from Serbia on 17 February, 2008. The states of the international community expressed their opinion about the new-born country: out of the 193 United Nations (UN) member

states, 117 have recognized Kosovo's statehood until 2022, leaving 76 non-recogniser countries globally (Kosovo Thanks You, 2022). Although Kosovo can count on the support of key UN Security Council members like the United States, France, or the United Kingdom, China and Russia remain tough opposers, and by exercising their veto rights they deny Kosovo accession to the UN and influence others' position over the recognition of Kosovo. The European Union (EU) presents a position of status neutrality in that it is up to the member states to decide on their opinion concerning recognising Kosovo as a state.

The five EU member states that do not recognise Kosovo (Cyprus, Greece, Romania, Slovakia, and Spain) have different interests and concerns that shape their position on the issue. Except for Greece, non-recogniser countries are home to ethnic minority groups that are actively trying to secede (e.g. in Spain), or groups that are historically perceived by governments as being prone to do so (e.g. in Romania or Slovakia). Cyprus, on the other hand, already faces a *de facto* state within its territory, and it does not want to provide it with legitimating arguments for its existence by recognising Kosovo as an independent state.

Beside self-interest, bilateral relations with Serbia are also decisive. Cyprus, Greece, and Romania, for example, share religious and cultural values with Serbia and have historically supported each other's national causes. Slovakia, along with Greece, has an interest in the stability of the Western Balkans due to the direct economic rewards stability could bring to them. Additionally, Greece could increase the containment of its regional rival Türkiye. Spain and Cyprus, in addition to the stability of their statehood, have an interest in facilitating the EU integration process, thus they promote a diplomatic solution of the dispute between Belgrade and Pristina. Romania has also tried to appear as a mediator in the past to boost its international reputation. Serbia welcomes the rapprochement of the non-recognising countries, although it voices its dissatisfaction as soon as it detects signs of easing in the policy of the non-recognising countries towards Kosovo. Considering these motives, this paper analyses how the relations between the five EU non-recognisers and Pristina have evolved between 2008, when Kosovo unilaterally declared its independence, and 2022.

Kosovo's Opportunities for Manoeuvre in International Relations

The international community is divided on the question whether Kosovo should be regarded as an independent state (or a state altogether), which presents difficulties for Pristina in the international arena. Non-recognition hinders its accession to international organisations, thus limiting the country's room for manoeuvre in its foreign policy. However, full state recognition is not necessary for a country to be able to participate in international relations. For instance, Kosovo is not a member of the UN, which means that legally the country is not a member of the international community, but in a political sense Kosovo participates in the economic, cultural, and geopolitical dimensions of international politics just as much as the Republic of China (Taiwan), which was stripped of its UN Security Council permanent membership in 1971 and ultimately lost its UN membership. Furthermore, Kosovo is a member of the International Monetary Fund (IMF), the World Bank (WB), and the Olympic Committee, demonstrating that the lack of full state recognition does not mean that Kosovo cannot exist on the international stage.

Beside the fact that Kosovo is not a member of the UN due to the continuous Russian and Chinese vetoes, Pristina's aspirations to become a member state of the European Union and NATO are also challenging in the absence of state recognition. However, considering the criteria of statehood that were laid down in the Montevideo Convention in 1933, Kosovo could be considered a state, since it has a permanent population, a defined territory, a government that controls power in its entire territory, as well as a capacity to conduct international relations.¹ In its Advisory Opinion delivered in 2010, the International Court of Justice (ICJ) concluded that "the declaration of independence of Kosovo adopted on 17 February, 2008 did not violate international law" (ICJ, 2010). Pristina utilises the legally non-binding opinion of the ICJ as a legitimating argument for independence, although the judiciary panel in the Hague merely stated that the way Kosovo declared independence does not violate public international law, nor does customary international law include restrictions regarding a state's ability and ways to declare independence.

¹ Montevideo Convention on the Rights and Duties of States 1933. Article 1.

During the first few years after 2008, Kosovo started to engage in international relations as much as circumstances allowed, first by establishing its own Ministry of Foreign Affairs and Diaspora in March 2008. Most state recognitions in the international community were issued during the first two years after Kosovo declared its independence, after that the process slowed down, resulting in rare instances of progress. The latest step forward was achieved in 2020, when Pristina established diplomatic ties with Israel by opening an embassy in Jerusalem, and Israel has recognised Kosovo's statehood in return for its recognition of Jerusalem as the capital.

As far as membership applications to international organisations are concerned, Kosovo has suffered several losses over the past decade: in 2015, Pristina failed to gain UNESCO membership in a narrow vote, which Serbia celebrated as a diplomatic victory. To gain membership, Kosovo needed to lock in two-thirds of the votes. 142 countries voted, with 92 backing the motion and 50 voting against (including Cyprus, Slovakia, and Spain), while 29 countries abstained (including Greece and Romania) (UN Tribune, 2015). Kosovo's Interpol bid was another unsuccessful membership application, as Pristina was rejected in 2018 because it did not get enough supporting votes for a two-thirds majority (Gaši et al. 2018). On the bright side, Kosovo managed to get a win in sport diplomacy when it was accepted as the 55th member of the Union of European Football Associations (UEFA) in 2016 and later to Federation Internationale de Football Association (FIFA) (Homewood, 2016). Kosovo's latest application was made in May 2022, when Pristina applied for a membership in the Council of Europe, using Russia's exit as an opportunity, which has angered Serbia. Kosovo showed confidence when it suggested that it had sufficient support from the 46 member countries to get the two-thirds majority vote that is required for acceptance. Kosovo's membership in the Council of Europe's Venice Commission is a good start, since it is a related democracy-and-rights advisory body that Pristina joined in 2014 (Cvetkovic, Baliu, 2022).

The EU has played a vital role in Kosovo's state-building, and it has actively sought to facilitate Kosovo's Euro-Atlantic integration and reconciliation with Serbia from the start. In 2008, the European Union Rule of Law Mission in Kosovo (EULEX) was launched to support relevant institutions in the establishment of the rule of law and to promote EU values. After the United Nations Mission in Kosovo

(UNMIK) supervision ended in 2012, EULEX replaced UNMIK and facilitated the Belgrade–Pristina dialogue to promote the peaceful solution of the issues between Serbia and Kosovo. The first success the dialogue brought was the Brussels Agreement, which was signed by the parties in 2013. The agreement addressed the formation of the Association/Community of Serb Majority Municipalities, the integration of parallel structures in the police and the judiciary in North Kosovo, and the commitment not to hinder the parties' efforts to acquire EU membership. Pristina's latest success in the Euro-Atlantic integration process was in 2015, when Kosovo signed the Stabilisation and Association Agreement. The EU took advantage of the full legal personality it had gained with the 2007 Treaty of Lisbon to bypass the condition of the member state unanimity that was required for signature. Consequently, along with Bosnia and Herzegovina, Kosovo became a potential candidate country. However, Pristina is still a long way from EU accession, as membership still requires unanimous agreement of all member states.

Pristina's foreign policy is constantly obstructed by Belgrade, who tries to prevent other states from granting recognition to Kosovo or to encourage the withdrawal of recognition already granted. Additionally, Serbia does its utmost to keep the doors of international organisations closed to Kosovo. Since 2017, Belgrade has been campaigning to accomplish recognition withdrawals, notably among African and Oceanic countries. As a result of the campaign, the first withdrawal happened by Suriname in 2017, whose example was followed by eight countries in 2018. Serbia's aim to delegitimise Kosovo in the international arena met with limited success, since some of the few countries that had assisted Belgrade in its campaign have since revoked their withdrawn recognition (Cakolli, 2020. pp. 19–22.).

Albin Kurti, who came to power for the second time in 2021, promised Kosovo “an active, innovative and principled foreign policy” (Xhambazi, 2022), although so far the results are still to come, as the plans to achieve new memberships in international organisations or recognitions have not advanced. However, it is quite an accomplishment that the leaders of large EU member states such as Germany consider mutual state recognition to be the end of the Belgrade–Pristina dialogue. German Chancellor Olaf Scholz, on a multinational trip to the Western Balkans,

emphasized the need to clarify the question of Kosovo's recognition, as two countries that do not recognise each other cannot become members of the EU (Euronews, 2022).

Kosovo–Cyprus Relations

The Republic of Cyprus (hereafter: Cyprus) is in a rather complex and controversial situation when it comes to the recognition of Kosovo. This is because, according to the Greek Cypriots, Türkiye invaded the country in 1974 and created a *de facto* Turkish state in Northern Cyprus, which then declared independence in 1983, recognised only by Türkiye.² Despite the similarities to the dispute between Serbia and Kosovo, it is problematic to compare it to the case of Cyprus. The “national problem” of Cyprus has predestined its firm stance on not recognising Kosovo's statehood from the beginning. Nicosia strongly disagreed with the EU's visa liberalisation³ intentions with Kosovo and opposed the recognition of Kosovo's travel documents as much as in the case of the Turkish Republic of Northern Cyprus. However, Kosovo's citizens can travel to Cyprus with a multiple-entry Schengen visa. This attitude changed in 2022, after the Minister of Foreign Affairs of Cyprus, Ioannis Kasoulides confirmed Nicosia's support for Kosovo's visa liberalisation in a meeting with Prime Minister Albin Kurti (Office of Kosovo PM, 2022). When it comes to applications to international organisations, there is no change in approach: contrary to Greece, who stayed neutral, Cyprus voted against Kosovo's UNESCO membership proposal (Ioannides, 2017. p. 48.).

2 Kosovo does not recognise the Turkish Republic of Northern Cyprus and therefore does not have any formal relations with it.

3 The European Commission launched the visa liberalisation dialogue with Kosovo in 2012, and although in 2018 the Commission confirmed that Kosovo met all the criteria, the visa facilitation process stalled due to a lack of approval by the European Parliament and the Council. Consequently, Kosovo citizens remain the only ones in Europe who cannot travel visa-free to the European Union. France has given reassuring signals to withdraw its vote against Kosovo so that the visa liberalisation process can move forward, paving the way for Pristina to join the visa-free zone. MEPs have called on the Council to proceed with the adoption of a visa-free regime for Kosovo, but no progress was made in June 2022 during the EU–Western Balkans summit in Brussels.

Nicosia's foreign policy is strongly based on valuing international law and human rights (as they refer to it, its "position of principles"), thus it supports the resolution of the dispute within the framework of international law, through dialogue and negotiations between Serbia and Kosovo. Cyprus was granted EU membership in 2004, despite having an open bilateral conflict and not exercising sovereignty over its entire territory. The Annan Plan has failed to reconcile the parties and could not establish a reunited Cyprus, although the EU membership pertains to the island as a whole. The body of common laws, rights, and obligations that bind all the member states together within the EU (otherwise known as the *acquis communautaire*) is limited to the areas on the island where the government of the Republic of Cyprus exercises effective control. On the territory of the Turkish Republic of Northern Cyprus, the application of EU law has been suspended. To avoid such complications in the future, the EU tries to promote reconciliation among potential future members. Consequently, the resolution of bilateral differences was made a precondition for accession after Nicosia joined, like in the case of Greece and North Macedonia, or Serbia and Kosovo. Even if Belgrade and Pristina did come to an agreement, Cyprus would not necessarily recognise Kosovo as a state. While Cypriot foreign policy understands the motivation behind Greece's attitude towards Kosovo regarding a high level of cooperation, Nicosia would not join its ally in supporting recognition even if the Belgrade–Pristina dialogue ended with success, due to the complications of how that would be interpreted in the case of Northern Cyprus.

Today the positions have softened compared to 2008, since (in principle) Cyprus is willing to recognise Kosovo if Serbia does so. Cyprus is also a firm supporter of Serbia's EU accession. This transformation of foreign policy is the result of becoming more united with the EU foreign policy and trying to be a constructive member rather than the 'odd one out', who solely pursues its own national interests. In this spirit Cyprus did not hinder the establishment of the EULEX mission in Kosovo, although it does not participate in it actively, either (Ioannides, 2017. pp. 49–50.).

Bilateral relations with Serbia (along with Greece), are historic, owing to mainly cultural and religious ties that share Christian Orthodoxy. Cyprus has always been a supporter of Belgrade's standpoint that Kosovo belongs

to Serbia. Furthermore, at the grassroots level the Greek-Cypriot population also sympathises with the Serbs. According to the Embassy of the Republic of Serbia in Nicosia, the Serbs living in Cyprus do not feel like foreigners because the two nations share the same religion, have a similar culture, and they share the struggle for the preservation of their respective territories. Nenad Bogdanović, who is the President of the Serbian-Cypriot Friendship Association, also underlined this when he stated that “Greek Cypriots see Serbs as a brotherly people and all the relations we have experienced in Cyprus were like with our own people” (Embassy of the Republic of Serbia in Nicosia, n.a.).

Other than cultural ties, Serbia is the only country from the Western Balkans region that has noteworthy trade and tourism relations with Cyprus, along with cooperation in education and security (Embassy of the Republic of Serbia in Nicosia, n.a.). At the political level, Cyprus has opened its only embassy in the Western Balkans in Belgrade to facilitate maintaining relations, while other diplomatic missions function with parallel accreditations to neighbouring countries to the region, such as Greece or Hungary.

While economic ties between Cyprus and Kosovo are virtually non-existent, and cooperation between civil societies is limited, there have been efforts to establish connections: in 2014, the British Council arranged a visit for the first-ever delegation of representatives from various Kosovar NGOs, think tanks, and media outlets to Cyprus. This visit helped break down misconceptions about Kosovo and started a slow process, with a reciprocating visit by a Cypriot delegation the following year (Fazliu, 2016a). Lacking real economic interests, the way to recognition might be mostly dependent on diplomacy, but the process has evolved slowly since the first steps that were taken in the mid-2010s, and with Türkiye backing Pristina to push its own agenda forward in Northern Cyprus, Nicosia refrains from recognising Kosovo.

Kosovo–Greece Relations

After Kosovo declared its independence, instead of expressing a firm rejection given its historical and religious bonds with Serbia, Greece remained neutral. Greece formulated a rather diplomatic stance on

the issue, underlining that both parties must refrain from escalating the situation, which could ultimately cause war and destabilisation in the region (Krisafi, 2018. p. 161.). Over the years, Greece has transformed its initially neutral standpoint on the matter according to its own geopolitical interests, which align with the security of the region: Athens is invested in EU enlargement in the Western Balkans. As Greek Foreign Minister Nikos Dendias has highlighted, if Europe sits idle and does not accelerate the integration process, rival forces will step in and try to gain influence in the region, undermining EU–Western Balkans relations (Maček, Radosavljevic, 2022). This has led to the current foreign policy stance, which still does not recognise Kosovo as an independent state, although Greece is the only country among the five EU non-recognisers that seemingly has no internal issues with minorities concentrated in substantial numbers in a given region of the country (because the Greek Constitution does not recognise ethnic and religious minorities) and consequently, it is not exposed to the risk of separatism. The primary concern for Athens is mainly about avoiding giving the Turkish Republic of Northern Cyprus an argument against the Republic of Cyprus by granting recognition to Kosovo.

In 2009, the Greek standpoint was that recognition would only happen after Serbia and Kosovo mutually agree on a solution within the framework of international law, emphasizing that this is the only acceptable way of dealing with the issue to conserve the stability of the region. In 2017, during a visit to Serbia, Greek Prime Minister Alexis Tsipras assured Serbia of its support on the matter along the principles expressed in 2009, which was repeated five years later (Trkanjec, 2022a). Despite the lack of recognition, Greece has been a very cooperative partner to Kosovo: it has recognised Kosovo's passports and conducted many high-level diplomatic meetings with it, but when it comes to meetings at the level of foreign ministers, Kosovo is not represented as a state but as an economic partner. Greece also backs Kosovo's visa liberalisation progress (B92 Net, 2021) and has not impeded Kosovo's attempts to join international organisations (Fetahu, 2021).

Greece, unlike the four other EU non-recognisers, is diplomatically represented at ambassadorial level in Kosovo by the Liaison Office in Pristina, accredited by the UNMIK, and it participates in EULEX and NATO's KFOR missions. Moreover, being an advocate for promoting the economic development of the Western Balkans, viewing international trade as a tool for maintaining peace and stability, has enabled Kosovo to establish an Economic and Commercial Affairs Office in Athens (Hellenic Republic Foreign Affairs website, n.a.). Greece is fairly active in the economic aspect of bilateral relations with Pristina, having substantial investments in Kosovo mainly in food-related sectors, such as beverages, but Greek companies are present in the production of construction materials, petroleum products, and waste management as well (Hellenic Republic Foreign Affairs website, n.a.). According to the Kosovo Agency of Statistics, Kosovo's exports to the EU in 2021 amounted to EUR 237.7 billion (31.5% of total exports), with Germany (8.2%) the main export destination in the EU. As for imports, EU countries accounted for 44.3% of total imports in 2021, worth approximately EUR 2 billion. Greece accounted for a 4.4% share of imports in Kosovo, coming third after Germany (13.1%) and Italy (5.9%). Imports from non-EU countries amounted to 36.6% of all imports or EUR 1.7 billion, 12.5% of which originated from Türkiye, which was the highest share in the group of countries outside the EU (Kosovo Agency of Statistics, 2022). As the statistics show, Türkiye's presence in Kosovo's trade in terms of imports is thrice the volume compared to that of Greece.

Greece has renewed its interest in the Western Balkans to counter Türkiye's ambitions in the region because Ankara pursues an active foreign policy with Serbia, Albania, and Kosovo. Foreign Minister Nikos Dendias has expressed that the future of the Western Balkans cannot be along the idea of 'neo-Ottomanism' (MacroPolis, 2022). Türkiye has also offered help as a mediator in solving the political crisis in Bosnia and Herzegovina by intensifying its diplomatic efforts. The close economic and military cooperation between Türkiye and Serbia is tangible proof of Ankara's success in the region, which was emphasized in 2021, when bilateral relations between Türkiye and Serbia reached their best level, according to officials from both countries (MacroPolis, 2022).

With the growing economic role of Athens in the Western Balkans, Kosovo has become an important partner in terms of energy diplomacy and energy sector investments. Greece is in favour of connecting the Western Balkans

to the Trans Adriatic Pipeline (TAP) to support the gas supply of the region through interconnecting pipelines. While it does not exclude traditional energy supply sources, Pristina would like to embrace a forward-looking policy that combines renewables with fossil fuels (Trkanjec, 2022b). Greece in the past couple of years has engaged in dialogue with Kosovo about investment opportunities in the field of energy, particularly regarding petroleum products, wholesale, and retail trade (Jakupi, 2021).

In April 2022, the Foreign Affairs Ministries of Greece and Kosovo signed a cooperation agreement on boosting trade relations and economic efforts, which underlines Athens' interests in terms of investing in innovation, tourism, and the energy sector of Kosovo (DTT-Net, 2022). The latter could present various promising opportunities for Greek investors, since Kosovo aims to boost the share of renewables in electricity consumption by 2031 (Todorović, 2022).

Along with the economic connections, academic exchanges and several projects of research-related cooperation between civic groups have also intensified (Ker-Lindsay, Armakolas, 2017). Relations within academia first blossomed during the Yugoslav era, but the 1999 war distanced the two countries from each other, partly owing to Greece's alliance with Serbia. However, after 2008, an era of reconstruction commenced in academia, and Kosovo signed agreements with Greek educational institutions that provide Kosovars with scholarships, allowing students from lower-income families to study in Thessaloniki (Drosopoulos, 2019. pp. 209–210).

Kosovo–Romania Relations

Romania was one of the first countries in the world that clearly refused to recognise Kosovo as an independent state. The decision was made just one day after Pristina's 2008 unilateral declaration, based on a legalist approach, as Romania accused Kosovo of breaching international law. Then in 2010, after the ICJ opinion, Romania took a firm position on supporting Serbia by reiterating its attitude of not recognising Kosovo, highlighting the "limitative approach" of the Court. For instance, the lack of examination whether the declaration of independence had led to the

legal creation of a state and whether international law vested Kosovo with the right to declare independence or a right to secession, and the inability of the Court to examine the applicability of the right to self-determination in Kosovo's case as being beyond the scope of the question, considering the way it was formulated (Ministry of Foreign Affairs of Romania, n.a.).

A fear of witnessing a dangerous precedent of secessionism, which might inspire ethnic Hungarians in Transylvania, contributed to the reasoning of Romania, even though gaining independence seems unrealistic in the current diplomatic setting, as Hungary tries to establish the best relations possible with its neighbouring countries.⁴ Furthermore, Bucharest tends to defend its national interests vigorously by dismissing the objective of granting protection to cultural, linguistic, or other interests of Hungarians in Romania. This defensive approach has come to the fore again when Hungarian President Katalin Novák posted on social media during a visit to Romania that her priority is to represent the interests of all Hungarians, regardless of the country they live in. As a response, the Ministry of Foreign Affairs of Romania issued a statement explaining that Hungary could only have ties of cultural cooperation with ethnic Hungarians living in Romania, but it cannot represent their interests, as Bucharest considers them Romanian citizens even if they have acquired Hungarian citizenship (Manzinger, 2022).

Furthermore, non-recognition is used as a bargaining chip with Serbia when it comes to the dispute about the Romanian minority (Vlachs) in Serbia (Fazliu, 2016b). Despite its non-recognition, Bucharest has contributed to the security mission led by the European Union by deploying a contingent of police and gendarmes to help maintain order and security on the territory of Kosovo (Chiriac, 2015). Moreover, along with Greece, Romania did not hinder any of Kosovo's attempts to become a member of international organisations.

The rigid policy of Romania first changed in 2012, with the change in government: the new Prime Minister, Victor Ponta made it clear that Bucharest would rather support a swift recognition of Kosovo than

4 Considering neighbourly relations, Romania has a fundamentally better relationship with its eastern neighbour, Moldova than with Hungary. The unification of the two countries is a question that arises from time to time, which could be compared to the bilateral relations between Albania and Kosovo.

pursue an inflexible approach of saying no (Troncotă, Beysoylu, 2021). This was the first instance of the Romanian government making such an announcement. In 2013, the year Serbia and Kosovo signed the Brussels Agreement, Victor Ponta hinted that 2015 might be the year when Romania would recognise Kosovo. However, Romanian President Traian Băsescu did not share this opinion, nor did the wider political discourse. Consequently, this occurrence was quickly forgotten when the political landscape became fraught with scandals, and Prime Minister Ponta had to step down. The new technocratic government of Dacian Cioloş did not change the policy on Kosovo. Troncotă and Beysoylu believed that Prime Minister Ponta's announcements were rather a result of external pressure from the US, but these acts could not initiate a substantial change in policy towards Kosovo, since the Constitution grants the President the final say in recognising a state (Troncotă, Beysoylu, 2021).

Under President Klaus Iohannis, Romania proposed to act as a mediator between Serbia and Kosovo to push forward the EU integration process, but Pristina strongly rejected the offer, given Romania's close ties to Serbia. According to Fati (2018), at the time there were press claims about Iohannis preparing to enter the race to become President of the European Commission. He wanted to gain the political capital needed for the position by getting involved as a mediator between Serbia and Kosovo. In 2019, Romania did not oppose Kosovo's Chairmanship in the South-East European Cooperation Process (SEECP), following up on an instance in 2014, when Romania acted positively under its presidency, which made it possible for Kosovo to join a meeting within SEECP (Troncotă, Beysoylu, 2021).

In the changing Romanian political landscape, the topic of Kosovo is not really on the public agenda, it does not appear in the program of any political party, and exchanges at the political or civil sector level are virtually non-existent (Damian, Demjaha, 2019). One thing is certain: the Romanian parties widely support the country's official position on the question, which tries to balance between Serbia and Kosovo in the role of a mediator, who will only change its stance if the two disputing parties settle.

Kosovo–Slovakia Relations

Slovakia considers itself a country close to the Western Balkans, which became a territorial priority of Slovak foreign policy after its EU and NATO accession. Together with the other member states of the Visegrad Group, Slovakia is determined to help the countries in the region towards Euro-Atlantic integration.

Slovakia's attitude towards the Kosovo question is often explained by a fear of setting a precedent to the 422,100 ethnic Hungarians (Statistical Office of the Slovak Republic, 2022) living in the southern part of the country, although a Kosovo-type of event is unlikely, since tensions between minorities and the Slovak state are rare. That being said, in 2006, several incidents took place within a short timespan: an ethnic Hungarian woman was first robbed and beaten up, then her T-shirt was marked with the Slovak nationalist slogan "Hungarians, return to behind the Danube". The next day, three men were arrested for bringing a banner saying "death to the Hungarians!" to a soccer game (Goldirova, 2006). Another, more recent case happened in 2019, when Slovakia's Foreign Affairs Ministry summoned the Hungarian Ambassador to Slovakia as a diplomatic response to Hungarian fans' behaviour of chanting anti-Slovak slogans as well as denigrating state symbols during a football match between Hungary and Slovakia (Bernau, 2019). Slovakia worries that recognising Kosovo might trigger a demand for broader autonomy from the Hungarian minorities, bearing in mind the fact that the language law restricting the use of the Hungarian language contributes to causing tension (Fazliu, 2016c).

Other important factors that influence Slovakia's approach to the Kosovo question should not be forgotten about, either. First, Slovakia is a historical ally of Serbia, which dates back to the nineteenth century and is not only based on the notion of Slavic solidarity but also the existence of a Slovak community of 50,321 people, which accounts for 2.6% of the total population of Vojvodina according to the 2011 census (Bubalo-Živković et al. 2019. p. 33). Second, Slovakia experienced a peaceful secession from Czechoslovakia, which has influenced Bratislava's views on the Kosovo question in that the country does not comprehend the impossibility of reaching a political agreement between Serbia and Kosovo after the armed conflict of 1999 (Nič, 2017. pp. 35–36).

Bratislava conducts active diplomacy in the Western Balkans and views the area as a favourable destination to invest in. However, since Bratislava does not recognise Kosovo as an independent state, Slovakia has not opened an embassy in Pristina, instead it operates a Liaison Office in Kosovo, similarly to Greece (Orosz, 2017. p. 8.), and there is a history of regular contact between the officials of the two countries (even if it is not in the focus of public attention). In civil society, projects such as the Open Kosovo Market, which aims to enhance Kosovo's private sector capacities and grant opportunities for investment, are currently ongoing (Slovak Liaison Office in Pristina, n.a.). Another example of this type of activism is the Pontis Foundation venture called the "Slovak-Balkan Public Policy Fund in Northern Kosovo", which had the objective of contributing to the support of the democratisation process in Kosovo by supporting the civil society, with the "transfer of experience of Slovak civil society from cooperating with local and national government in solving specific themes and contributing to creation of concrete policies" (Activ Society, 2016).

Concerning political engagement, several public debates have been hosted to discuss Kosovo's way forward with Kosovo officials, entrepreneurs, and even artists, with the help of Slovak NGOs, while on the Kosovar side the British Know How Fund in Pristina and the Kosovo Foundation for Open Society (KFOS) have been the main contributors to these programmes. Seeing the success of these events, some have even argued that Kosovo would be soon recognized, which would lead to a domino effect, with other countries like Greece and Romania following (Nič, 2020. p. 164.). Even though Andrej Kiska, who had previously stated on record that he would recognise Kosovo, won the 2014 presidential elections, he did not keep his word in order to avoid confrontations with Robert Fico, who stayed in position as head of government. Despite the changes in political leadership, the attitude did not change, and consequently Slovakia did not come closer to recognising Kosovo. In addition, the Russian annexation of Crimea in 2014 brought the importance of territorial integrity and secessionist challenges back to the fore in foreign policy and diminished the importance of the Balkans in Slovakia's international affairs policy. Slovakia has consistently opposed the illegal secession of Crimea and thus has not changed its policy towards Kosovo (Nič, 2017. p. 38.). Since then, Slovakia merely reassures Serbia from time to time on its position regarding the recognition of Kosovo.

Kosovo–Spain Relations

Spain, being a plurinational and diverse state, has always been an advocate for countries with similar characteristics, thus it supported Yugoslavia's fast-track accession to the European Community to save it from dissolution in the early 1990s. However, the initial policy towards the Western Balkans has changed, and it became reactive with the adoption of so-called red lines as a reaction to secessionism in the region, diverging from the common EU position. Spain has always been reluctant concerning secessionist processes, and no matter the external pressure, Madrid's stance on the issue has always been unshakable (Ferrero-Turrión, 2020. p. 4).

The separatist ambitions of Catalonia and the Basque region are the fundamental reasons why Spain has taken the position of being a hard-line opposer of Kosovo's recognition as a state. It is common to draw comparisons between Kosovo and the Catalan independence movement, although there are several differences that render the comparison pointless. The most obvious one is that Kosovo has already declared its independence, and it functions as a state, while Catalonia is still an integrated region of Spain, with many links to the government in Madrid. Metodiev (2018) highlights the fact that the common argument is that the two cases have a few similarities but also many vital differences. He emphasizes that while the aims are the same for Catalonia and Kosovo, the methods to get results, the main political actors who are involved, and the international realities are rather different.

First, Kosovo encountered and used military force, and organised violence during the struggle for its independence, while Catalans have never done so (it is highly unlikely to happen in the future as well, but it can never be excluded). Second, its economic interests are crucial for Catalonia, while in Kosovo this was not the essential force driving the battle for independence. Finally, a big difference lies in the historic international and regional context of ethnic coexistence that has influenced Spain and Serbia: in the former, people have lived together in Catalonia without division, while in the latter Serbs and Albanians are separated physically and culturally, and they speak different languages (Metodiev, 2018. p. 294.).

The events reflecting separatist ambitions in recent years have shown that the issue is currently present in Spain, making Madrid cautious. Nevertheless, Spain only criticises the procedure through which Kosovo declared independence, opposing the unilateral act of secession, and Madrid does not have a problem with the creation of new countries if independence is gained in harmony with international law. For this reason, Spain granted recognition to Montenegro in 2006 and recognized South Sudan in 2011 (Ferrero-Turrión, 2017. p. 53.). According to Spain, Kosovo's process of gaining independence violated international law, and the government has not recognised Pristina due to this. Madrid has emphasized that the decision had nothing to do with the internal situation of Spain concerning Catalonia and the Basque country, suggesting that the two cases should be treated separately. Throughout the years Madrid has remained consistent about its standpoint, regardless of the political party in power (Demjaha, 2019. pp. 73–74.).

In fact, Spain is not uninterested in solving the question, and it supports the Belgrade–Pristina dialogue and acts proactively, using its good relations with Serbia to push the diplomatic process forward. Spain acted as a key donor in UNMIK and KFOR until 2009, although it refused to play any role in the EULEX mission, since it led to effectively building a state that had gained independence in a way that violates international law according to Spain (Ferrero-Turrión, 2017. pp. 53–54.). There was an instance when the status of Kosovo was questioned regarding its participation in the Body of European Regulators for Electronic Communications (BEREC) in the General Court of the EU in the *Spain vs. Commission* case. Madrid argued that Kosovo could not be considered a third country for the purpose of its participation in BEREC. Since Kosovo does not exist as a state according to Spain, it cannot enter into an agreement with the EU to become a member of BEREC. Spain lost the case and was ordered to pay for the costs (Info Curia, 2020).

Engagement in the academic and civil sectors was initiated by Spanish think tanks, which have invited Kosovar scholars, academics, and activists to contribute to the discussion about the situation in Kosovo in workshops and seminars. The results of the discussions in these events, however, have never been made public, and participation was by invitation only, which

made this a failed attempt to connect the two nations. Furthermore, since Spain does not recognise Kosovo's passports, many invitees had difficulties entering the country (Ferrero-Turrión, 2017. pp. 53–54.).

Spain maintained its firm policy on Kosovo's non-recognition after 2011, but the newly elected government in 2020 was expected to thaw the icy relations, as Spain confirmed its prerequisites for granting recognition. Getting behind the idea of a Western European vision for Kosovo, Madrid has expressed that it would be prepared to recognise Kosovo if a settlement was signed together with Serbia (Mallick, 2020). The Spain–Kosovo relations had hit a low point in Sofia in 2018, when the Spanish Prime Minister refused to sit in the same meeting as his Kosovar counterpart. The current Spanish government has been perceived as more flexible on the issue due to its attending meetings together with representatives of Kosovo (Krasniqi, Rettmann, 2020). In 2020, under the new Spanish government, the virtual meeting of Zagreb was a small step forward, where the terms of Spain's cooperation were to include no flags or country name (Montoro, 2020). After some hope, in 2021 Spain announced in a public statement its international football match with the 'territory of Kosovo', which marked a return to its initial hard-line viewpoint (Trkanjec, 2021).

Conclusion and Outlook

Kosovo's relationship with Cyprus, Greece, Romania, Slovakia, and Spain is truly complex, with the links between these countries influenced by many aspects. The fear of strengthening secessionist tendencies in countries that have considerable ethnic minority groups continues to strongly influence the policies of non-recognition in all the analysed states, except Greece. Geopolitical factors are mostly considered by Greece, since it is the country most connected to Kosovo in terms of economic and political relations. This combines with the Greek interests in countering Türkiye's diplomatic efforts in the region. Slovakia is also a serious player, advocating for the EU accession of the region and supporting its stability while also seeking economic opportunities in Kosovo.

Another key aspect is how close the respective countries are with Serbia: Greece, Cyprus, and Romania can all relate to their shared historic ties of Christian Orthodoxy, while Slovakia has a connection with Serbia that relies on the notion of Slavic solidarity. Spain is the only country that does not have any historic, cultural, or religious ties with Serbia. Naturally, all non-recognisers consider respecting international law and protecting stability in international order to be crucial. Spain and Romania make up for their lack of direct cooperation with Kosovo by being strong promoters of solving the problem diplomatically and through facilitating the Euro-Atlantic integration process.

Experts believe that the deadlock would be solved if even one country chose to recognise Kosovo as an independent state. However, taking the first step is always the hardest, and in this case, recognition could be costly for certain countries. For instance, if Greece decided to grant recognition to Kosovo, Serbia could controversially choose to recognise the Turkish Republic of Northern Cyprus. Such an act would, however, essentially lead to the indirect recognition of Kosovo. Romania uses its non-recognition as leverage for the benefit of its Romanian minority in Serbia, which would be gone but if it recognised Kosovo, and Serbia might make things more difficult for Romanians in the country.

Overall, the initial positions on Kosovo's independence have changed for the better since 2008: Greece and Slovakia have become the two most cooperative countries, easing political opinions on the issue. Romania has also softened its stance, although it still firmly opposes the idea of granting recognition. Only Spain and Cyprus have remained the hard-line opposers they were in 2008. Spain has briefly revealed its flexible side under the current government, while Cyprus still does not have any kind of connection with Kosovo, since it would be fatal for the Cypriot "national problem", although it has given the green light to Kosovo's visa liberalisation.

How the normalisation of bilateral relations between Kosovo and the five non-recognisers will develop in the future is an open question; however, it is most likely that Greece and Romania could have a change of heart to the extent that at least they would not block Kosovo's Euro-Atlantic integration. Although Slovakia voted against Kosovo's UNESCO membership application, Bratislava is positioned closer to the softer stance of Greece and Romania. If Bucharest was to recognise Kosovo, it could encourage Slovakia, who shares the concerns of the (unrealistic) secessionist aspirations of the Hungarian

minorities living on its territory. Spain and Cyprus could remain the two rigid opposers, whose attitude would be more significantly influenced by Kosovo's relationship with Serbia, as they would not continue to object if Belgrade declared its recognition.

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