





DSSH/ASD  
**DITËT E STUDIMEVE SHQIPTARE VI/2019**

albanian studies days / journées d'études albanais

EDICIONI VI

UET / 12-13 April 2019

Konferencë ndërkombëtare shkencore / International scientific conference

**THE KNOWLEDGE SOCIETY:  
DIAGNOSTICS AND PROGNOSSES**

**PROCEEDINGS**

Titulli i librit: **THE KNOWLEDGE SOCIETY: DIAGNOSTICS AND PROGNOSSES**  
**International Scientific Conference.**  
**Ditët e Studimeve Shqiptare VI / 2019**  
**Albanian studies days / Journées d'études albanais.**

Autori: Universiteti Europian i Tiranës

Art grafik: Besnik **FRASHNI**

Libri është pjesë e kolanës "ACTA SCIENTIARUM".

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Universiteti Europian i Tiranës

Shtëpia Botuese Universitare "UET Press"

Adresa: Bulevardi "Gjergj Fishta", Nd.70, H.1, Kodi Postar 1023, Tiranë, Shqipëri.

uetpress@uet.edu.al

www.uet.edu.al/uetpress

Botimet UET Press certifikohen pranë Zyrës Shqiptare për Mbrojtjen e të Drejtave të Autorit.

International Standard Book Number (ISBN) 978-9928-236-98-2

Libri është kataloguar në datën e publikimit pranë Bibliotekës Kombëtare të Shqipërisë dhe Bibliotekës së Universitetit Europian të Tiranës.



Shtëpia Botuese Universitare  
"UET Press" është pjesë e  
Universitetit Europian të Tiranës.

Tiranë, shkurt 2020

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# Content

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Albania's road toward the European Union through security dimension .....	9
<i>Blendi Lami</i>	
Why It Should be Regulated and Which System of Lobbying Regulation for Albania?.....	14
<i>Gerti Sqapi</i>	
Legal Brexit impact and article 50 of the Treaty of the European Union .....	21
<i>Jonida Mehmetaj</i>	
Post-communist Tirana: lost in transportation .....	27
<i>Lutjona Lula</i>	
Overview on virtual property and protection of personal data - the new EU general data protection regulation and its implication in Albania as a non-EU member state .....	33
<i>Megi Kurti</i>	
Political conflict as a solution.....	40
<i>Klementin Mile</i>	
The REBUS project at Volga Tech: on the way towards student-centered learning.....	45
<i>Alexey Fominykh, Eldar Kurbanov, Oleg Vorobiev</i>	
The impact of new media in the promotion of protected areas as tourism destination (Albania) .....	50
<i>Ana Kekezi</i>	
Development of successful entrepreneurial education initiatives enabled by EU funded projects - The case of FH JOANNEUM.....	64
<i>Bojan Jovanovski, Rupert Beinhauer, Elizabeta Valentice, Doris Kiendl</i>	
Network management as a success factor (a comprehensive literature review).....	73
<i>Besarta Vladi, Enida Broca</i>	
Improvement of Entrepreneurial Competences within the context of Mechanical Engineers Education in Montenegro .....	80
<i>Jelena Šaković Jovanović, Filip Pižurica, Zdravko Krivokapic, Aleksandar Vujovic</i>	
Trademark, the marketing name of the business .....	85
<i>Kreshnik Bello, Orkida Ilollari, Sokol Ndoka</i>	
Evaluating entrepreneurship framework through perceived institutional quality.....	92
<i>Ermira Qosja, Ina Keci, Edna Pirani</i>	
Foreign Exchange Risk in Albania.....	104
<i>Besion Kolli</i>	
Rebus approach in training professionals for digital economics through educational information technologies .....	109
<i>D. Kaznacheev, B. Kruk, E. Meteleva, S. Plakidina</i>	
The Efficiency of Fiscal System from the Albanian Taxpayers' Viewpoint.....	117
<i>Elvin Meka, Hysen Muceku</i>	
Assessing export challenges faced by albanian SMEs.....	122
<i>Filip Ruxho, Ismet Voka</i>	
Conservative Treatment of Congenital Clubfoot with Ponseti Method .....	128
<i>Edvin Selmani, Arben Gjonej, Iris Myftiu, Marsida Duli</i>	
Comperativ evaluation of the current albanian health system VIS/VIS the health systems of EU countries.....	129
<i>Isuf Kalo, Qamil Dika, Marsida Duli</i>	
Trajtimi afatshkurtër i fëmijëve me DZHK me jastëk pneumatik abduktor dhe roli i Teknikut të Gipsimit ortopedik në trajtimin e tyre .....	130
<i>Arben Gjonej, Risida Gjonej, Marsida Duli, Iris Myftiu, Edvin Selmani</i>	
Bilanci diagnostik tek alkoolisti kronik .....	131
<i>Bujar Cakani, Gentian Vyshka</i>	
Faktorët e rrezikut koronar.....	135
<i>Fedhon Meksi</i>	
Hernia diskale .....	136
<i>Iris Myftiu, Edvin Selmani, Bujar Cakani, Arben Gjoni</i>	
Financing health care through health insurance in Albania .....	137
<i>Qamil Dika, Marsida Duli</i>	
10 vjet ne mjekimin e semundjes renale kronike ne Spitalin Amerikan Tirane .....	138
<i>A. Dedej, F.Nasto, A.Strakosha, N.Pasho, A.Hodaj, A.Daku, N.Thereska, S.Ersoz</i>	
Probleme te dhimbjes. Dhimbja si nocion .....	139
<i>Prof. Pirro Prifti</i>	
The role of physical activity in decreasing the health care costs for obesity in Albania.....	141
<i>Qamil Dika, Marsida Duli</i>	
Depisitimi i patologjive te prostates me metoden e imunofluoreshences ne matriks nitoceluloze .....	142
<i>Stelijan Buzo</i>	
Diagnoza ekografike e formacioneve nodulare te Tiroides .....	
<i>Tahir Hysa</i>	
Forecasting and Improving Obstetrical Emergencies Management.....	144
<i>Zef Delia</i>	
Aspekte kliniko-bakterologjike të hemokulturës .....	145
<i>Robert Andoni</i>	





# Albania's road toward the European Union through security dimension

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## Abstract

*The current defense doctrine of European Union uses two main concepts regarding the Western Balkans: security and preservation of the status quo. In the absence of a relatively stable security in its periphery, specifically Western Balkan countries, Europe seeks to maintain a special status quo, because it can't allow this space to fall into the other powers influence. In this respect, EU seems to be acting based on specific limited interest. Observing recent moves, the European Union is reluctant to engage in a "geopolitical war" with other powers, which can be avoided by including Western Balkans into EU. The drafting of the strategy for such area (first signs given in the Berlin process) and possible opening the negotiations with Albania and Macedonia will make the EU a stronger geopolitical player, as it is competing with Russia, China and Turkey, but it is also suffering from internal problems – from enlargement fatigue to populist movements, endangering its own existence.*

**Key words:** doctrine, security, euro-skepticism, status quo, geopolitical war

## Introduction

According to a study conducted by the St Gallen University, if the list of criteria for EU accession and implementation of the reforms imposed by Brussels is followed, Western Balkan countries such as Albania and Macedonia will find it difficult to "find European development momentum" and can be accepted in the EU by 2050 (Morgan, 2017). As an obstacle to meeting this goal earlier, the study underscores the chaotic political situations in these countries, and the geopolitical clashes of major powers. Another key point of the study is that enlargement is based on the progress of a country and not on the "expansionist" Union policy" (Böhmelt, & Freyburg, 2017).

There is a fundamental contradiction between EU bodies, as demonstrated in the recent disagreement between the European Commission's recommendation and the decision of the EU Council of Ministers: on the one hand, accession to EU through achieved progress (Albania 2018 Report) and on the other the Commission's political decision (EU to start membership) that finally has a broader, longer-term vision for building a future Europe.

The Commission came to the conclusion that Albania's place is in Europe and the invitation should be materialized in concrete projects, which means that 2050 may be approached through stricter EU supervision.

According to Juncker, this would bring two advantages: first, "it would be dangerous to leave EU aspirant countries in strategic uncertainty, despite challenges in the Union"; and secondly, "a rejection of the 'open door' policy would be a big mistake for the European project, because it would activate Russia in the region and affect the loss of confidence of these countries in the European future." For this reason, Juncker says that "I encourage the West to make important strategic decisions" (Borsa, 2018).

## Sovereign countries vs. supranational institution - EU

But the June 26, 2018 report found that sovereign countries are stronger than the supranational institution - the EU, and overturned its decision. It was decided that for a period of one and a half years there would be monitoring of reforms and progress based on the Commission's annual report. The decision to open negotiations with Albania will be made after an Intergovernmental Conference at the end of 2019 if it is judged to have made progress. The reforms will be based on five priorities: public administration reform, judicial reform, the fight against corruption, the fight against organized crime and the protection of human rights. Most likely, Albania will be unable to make the expected progress for many reasons related to Albanian domestic policy (EU to open accession).

There are also reasons deeply rooted in EU policy for Albania not to be accepted at the end of 2019 or later. Due to the post-Brexit membership crisis, the populism that has alarmed politicians in many countries and the Euro-skepticism of some countries, the sovereignty debate at the expense of supra-nationalism has come to the attention of many analysts.

As we demonstrated lately, France, Netherlands and Denmark disregarded the Commission's decision to open negotiations with Albania. In this way, the national interest of these states took precedence over the general European interest. There is an ongoing debate, but it is clear that there is a contradiction between national and supranational interests, which has hampered this process - or Albania's rapprochement with Europe. The "burdens" mentioned above, the objectives that Albania must fulfill in order to be "worthy" of the EU, are relative and interpretable.

In this context, having in mind the possible changes in the security architecture dictated also by the US role in NATO in relation to other allies, Albania may remain outside the area of influence of the European "empire".

Given Juncker's initiative to make a "strategic decision" for Albania, and the way the EU is now exercising its foreign policy, there is a tendency to surpass European Council's decision-making boundaries. According to the current EU Global Strategy, presented by Federica Mogherini in 2016, "no state should oppose external challenges affecting the Union internally" (The EU Global Strategy, 2018).

But the crackdown in the decision-making process between the Union and the member states undermines the European position. This strategy is seen as a necessity in raising the Union's profile in the international arena. Only after defining clear common interests and identifying threats from outside will the EU be able to gain the status as a major power and neutralize other powers, such as the US, Russia and China in its areas of influence. Under this logic, we should emphasize that the Albanian space is considered an important domain in the EU geopolitics.

However, with the decision taken for Albania, Europe has shown that preserving the status quo at the moment is its right move: a curtailed presence and a deadline postponement on paper, but with no guarantee of the future. Apparently, under the conception of the French, the Dutch and the Danes, but also the Germans as the Union's leaders, the Albanian space is not that relevant and is not in their strategic interest. That becomes a very complicated issue.

Under these conditions, the EU can consider Albania a EU partner rather than a candidate country, as it is happening with Turkey. This reluctance of the EU, depending on the future situation and the game of other actors, may provide another scenario for Albania's future: non-EU membership. In this case, EU can propose a different model, such as a privileged partnership or a good neighborliness, simply for the sake of stability on its periphery.

To sum it up, the latest decision shows that, if one day Albania joins the EU, it will happen not for its own sake, but for the benefit of the EU.

## Keeping the status quo - a "clash of titans" in Albania

So Europe wants to continue maintaining a status quo, in terms of security. Two main concepts are today used within the framework of the European Union's doctrine of protection in the Western Balkans: the security and preservation of the status quo. In the absence of relatively stable security, Europe demands a special status quo in the Balkans, its periphery. Simply put: to have as much supervision as its interests go, not allowing this space to fall under the influence of other powers, because doing so would harm Europe itself. Keeping the status quo means a buffer zone, before security instruments are activated. From this point of view, it seems that the EU is acting as far as its interests go.

Considering the latest moves, the European Union appeared to be reluctant to engage in "geopolitical warfare", a clash it had previously feared to wage in the Western Balkans (WB). The drafting of the WB strategy and the opening of negotiations with Albania and Macedonia reinforce the EU role as a geopolitical player. This is true, at a time when the main EU countries use the rhetoric of "enlargement fatigue", due to fear from populist movements.

First of all, the EU fears Russia in the Balkans, after witnessing the event in Ukraine and now Russian undisputed presence in the Middle East. Europe has come to realize that it is no longer Russia of the 1990s, but rather an aggressive power that attempted a coup in Montenegro or continues backing Slavic nationalists in the region. Therefore, for the EU, Russia should be restrained from destabilization of the fragile Balkan countries.

In this regard, the European Council on Foreign Policy concludes that "Russia regards the Balkans as a battleground in its 'political struggle' ... and is seeking to exercise authority in this region ... and by doing so it is aggravating further tensions" (Galeotti, 2018). Additionally, this document issued by the Council states that Russia is limited in its influence in Albania and that Minister Bushati has stated that "Albania is a stronghold against Russian influence in Serbia, Montenegro, Macedonia,

Bosnia and Croatia” (Rettman & Maurice, 2018). Russia is therefore a serious concern, but European officials fear Turkey as well. Currently, Turkey is undergoing strained relations with the EU. It is still unclear whether President Erdogan will fully disclose his agenda in the Western Balkans, while, unlike Russia, has built mechanisms on the ground. The primary danger is the co-ordination of Turkish policies with Russia in the Balkans, as is the case in the Middle East. Therefore, Europe is “rushing” to curb such maneuvers in the Balkans.

Turkey certainly needs to be taken into consideration, especially with its current course of its foreign policy. Its strategic position and historical legacy - applied through soft diplomacy in the Balkans - enables Turkey to become involved in Balkan domestic affairs. Thus, Turkey cannot tolerate losing the Balkans. Not only Turkey needs to use the Balkans as a bridge to the West, but it also intends to exert influence on this bridge (Weize, 2018).

Turkey's intentions in the case of the Balkans are clear: impact on the region and other opportunities towards Europe, because, according to Davutoglu (2001), “an Anatolian country that has no influence on developments in Balkans . . . cannot even maintain integrity over this geopolitical sensitive area, and cannot even be opened to the world”.

Only in recent years has there been serious talk of China in the Balkans. It may be argued that the EU does not consider it a threat, but the first geopolitical risk, set out in the Eurasia Group's 2018 report, is “China filling the vacuum” (Bremmer & Kupchan, 2018). The report in question states that “Trump has renounced the US commitment to Washington-led multilateralism and generated much uncertainty about the future US role in Asia, creating a power vacuum that China can now begin to fill . . .” and “. . . For most of the West, China is not an appealing substitute. But for most everybody else, it is a plausible alternative. And with Xi ready and willing to offer that alternative and extend China's influence, that's the world's biggest risk this year.” Under these circumstances, it should be noted that in the Balkans China is an active player and has set clear long-term objectives. In case of a vague strategy for WB integration to EU, it turns out that China is ready for intervention.

It is worth emphasizing the “One Belt, One Road Initiative” - a strategy proposed by President Xi, which focuses on interconnection and cooperation between European countries and China. With the implementation of this strategy, China has become an important actor in the Balkans. While establishing a network of infrastructure links through Eurasia, the Balkan countries possess a valuable asset: their geographical position. China - like other Eastern powers - considers the Balkans a geopolitical bridge between the Mediterranean and Central Europe, and beyond, between the West and Eurasia. For China, the Council of Europe's Foreign Policy document states that “... it is an ambitious global actor and seeks to gain influence through investment... Even Russia has not achieved in the Western Balkans what China has done so far” (EU Global Strategy, 2018).

We should also mention the undisputed role of the US against the backdrop of European efforts to dominate the Balkans. In relation to the Albanian space, a pro-American space, the US has openly demonstrated strategic interests, especially in security architecture. In this theater of geopolitics, the American - having the role of the show director - paves the way for EU acceptance, considers Russia a strategic opponent, categorizes Turkey as a shaky ally, and regards China as an important global actor, most likely a rival of the future.

As noted at the outset, the EU must become a fierce geopolitical player. If the EU is not vigilant to these wake-up calls (these new geopolitical realities), the strategy of European bureaucrats for WB integration will fail. The main example is the Berlin Process. When the Berlin Process was launched five years ago, it was supposed to trigger a new dynamic to regional cooperation and bringing the Western Balkans closer towards the EU. By circumventing formal institutional structures and bringing in all EU members, the process could avoid excessive duplication of existing structures, but as Bieber (2019) says “. . . much has changed since Berlin . . .” because as this process “has been hijacked by some member states, the EU policy towards the Balkans has been undermined by the shortsighted politicking of members” at a time when the EU is aware that “neglect breeds crises, destructive external intervention and democratic backsliding in the Balkans.”

## FRONTEX: signal of Albania's EU integration through the security dimension

Commissioner for Migration, Home Affairs and Citizenship, Dimitris Avramopoulos, during the ceremony of the launch of FRONTEX in Tirana, declared that “he wants Albania to be part in the European family” (Albania - part of the European family).

It should be noted that FRONTEX is the European Borders and Coast Guard Agency, and is thus formulated by the French “Frontières extérieures” (“External Borders”). This implies that the Albanian borders are already borders *de jure* recognized by the European Union (even external ones), which further implies a step further towards Europe for Albania.

Avramopoulos adds that this is “a step further towards security and immigration challenges”, that “. . . security is at the center of our attention. . .” and that “. . . what is happening in Albania and the Western Balkans affects the European Union, and vice versa” (Lami, 2018).

It is noted that the European Union is gradually overcoming the above mentioned dilemma of how to integrate Albania into the Union, emphasizing security before advancing through the criteria. To put it in another way, Europe is realizing that Albania - even with this political class and culture - cannot unite with the European part of the continent, if it were to fulfill the criteria required by the Commission. And the Commissioner makes it clear that “Albania is part of the European family. Our challenges are common. They know no boundaries. The progress we are witnessing today is yet another concrete action

and evidence of our commitment to bring us closer. To make us stronger” (Lami, 2018). It is important to emphasize that Europe is gradually understanding the priorities: security before criteria.

Let us first explain this dilemma. The Union is confused about Albania’s integration: through meeting standards or through a political decision as a consequence of the security dimension.

Albania, far beyond the wishes of its inhabitants, is far from being a European country. In this sense, reforming to enter Europe – as noted above - is likely to happen by 2050. But with reference to current regional and European security challenges, Albania can become part of the Union first - through supervision by the EU institutions i.e. being fully involved into European security infrastructure. This dimension would then integrate other sectors of Albanian society.

Measures to discipline the various fields have been noted before, and now, this operation is a concrete step towards a closer enlargement: not through the progress of a country, but through the Union’s “expansionist” policy (Blockmans & Wessel, 2013). This depends on the decision-making process of the EU bodies (unlike the June 26, 2018 decision to not open negotiations with Albania; in this case, it turned out that sovereign countries were more powerful than the supranational institution - the EU). Junker at the time stated that “it would be dangerous to leave aspirant countries in the EU in strategic uncertainty despite challenges in the Union” and “encourage the West to make important strategic decisions” (Zalan, 2017).

As part of the FRONTEX mission, the Commission was forced to take action in the wake of the 2015 immigration crisis, in order to improve the security of the Union’s external borders. According to the BBC, it has been demonstrated that this Agency has a limited mandate, insufficient staffing and lack of authority to conduct border management operations (Migrant crisis, 2015). Further, some governments regard the Agency’s mandate as a violation of national sovereignty, mainly Poland and Hungary. But this is an internal problem of the Union and not subject to this paper.

Of course, border protection goes further than the humanitarian crisis of refugees. In such context, there are two other factors directly related to Albania. The first factor is related to the internal stability of the country. The report on the security environment states that “NATO and the EU must be committed to encouraging countries in the region to continue the reform process” (Andreychuk, 2018). The lack of internal stability creates vacuums, which - according to the report - “can be filled by forces with anti-democratic and anti-Western agendas” (Ibid). A crisis in the Western Balkans can bring about severe consequences for European security and stability. This leads us to the second factor which is related to the regional and European stability. The same report states that “NATO’s continued military presence in its Western Balkan partner countries is essential to regional stability” (Ibid).

There is a tendency in the Europe decision making process. EU is being inclined toward strategic decision making rather than maintaining the status quo.

## At a time of an anachronic NATO?

The North Atlantic Treaty Organization (NATO) is at a time when there are strong disputes between the US and its allies over the very existence of the alliance. It is a moment when - according to the Americans - there is no direct threat to Europe. But not for countries that might be targeted by Russia. As Friedman (2019) points out in the article titled *NATO Anachronism*, “Americans have an interest in confronting the Russians, but do not need a NATO war plan to do so.” So we are faced with a reality when the EU has to take its destiny in its own hands.

And EU tends to demonstrate this too in its periphery, where it fears Russia, which sees the Balkans as a battleground in its political clash. It fears Turkey, which apparently has not fully disclosed its agenda in the Western Balkans, while, unlike Russia, has built up its mechanisms on the ground. It also fears China, which is proving to be a successful “predator” wherever there is a vacuum.. Further, Friedman notes that “there is a changing reality”. Under this presumption, Albania should adjust to the new trends. As we refer to this article on NATO, emphasising that:

... this is not an American or European abandonment of NATO. It is simply a reflection of the fact that a military alliance has a mission, and the mission on which NATO was founded is gone. The general principle that brought NATO members together – that Europe and the U.S. have common security interests – will always be set against a realistic appreciation of the situation. Retaining a military alliance that is irrelevant to the reality increases rather than decreases the danger to Europe and the United States. But NATO is an anachronism that has survived long past its original mission.

It is an imperative for Europe to get directly involve in mentoring, monitoring or even supervising Albania, and the latter should imply to the EU’s new doctrines.

## Conclusion

In conclusion, based on Juncker’s initiative to make a “strategic decision” for Albania, but also on the way the EU already exercises foreign policy, there is a tendency to surpass the narrow-minded thresholds of the European Council’s decision-making. This is clearly stated in the current EU strategy, which states that “no external challenges affecting the Union from within should be opposed”.

Based on the arguments given in this paper, some conclusions are worth mentioning. Junker points out that West should make important strategic decisions. And one of these strategic decisions must be that Albania has to be supervised in implementing its reforms.

The deadlock Albania faces from some sceptical countries should be avoided, as security should precede criteria when it comes to EU priorities. These countries should consider – as Mogherini says – that “. . . no state should oppose external challenges affecting the Union from within”.

EU must become a powerful geopolitical player. If it doesn't act so, there will be vacuum, and other powers are ready to intervene. Therefore, the opening of negotiations with Albania, there is a need for a proper strategy for strengthening relations between EU and Albania. When two parties have the same aspirations, this will be easy to be achieved.

Under the credentials of a powerful geopolitical player, EU should follow the lead of creations of empires, which have expansion into their DNA.

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# Why It Should be Regulated and Which System of Lobbying Regulation for Albania?

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## Abstract

*In these 28 years after the transformation of the system from the communist to the democratic one and toward the market economy, the democratization of Albania has faced various problems, which has often led to the loss of public trust in the political class and the political system in general. This loss of public trust, in large part of the cases, has come as a result of the public discovery of various corruption scandals, political clientelism, illicit influences or a political decision-making process that is often conceived as closed and monopoly of those who have been elected or appointed to leading positions. For this purpose, that of channelling and controlling the impacts that particular vested interests exerts on the decision-making process, a good part of countries in Europe in the last years, have begun to consider undertaking regulatory reforms for lobbying in their environments. The main objective of regulating lobbying activity in Albania on a legal basis would be precisely the handling/curbing of such informal relationships that exist at various levels between interest groups and decision-makers and which are often on corrupt and clientelistic grounds. This paper argues that the best system for regulating lobbying in Albania should be that of a statutory type, in which lobbyists on a legal basis be obliged to register in a publicly accessible register and to disclose data on critical aspects of their activity.*

**Key words:** Lobbying, Lobbyists, Interest Groups, Clientelism, Statutory Regulation System Information Disclosure.

## Introduction

Legal regulation of lobbying, though it can still be considered a relatively new practice in different countries of the world (mostly, it has the longest tradition in the US and Canada), it is increasingly attracting the attention of various governments and legislatures to undertake regulatory reforms in this area. This responsiveness has also come as a result of the discovery of various scandals of interest trafficking or the exertion of illicit influences with which various politicians have faced in their countries. In this sense, the lobbying referred to here as the interest groups' effort in influencing public decision-makers about specific issues from which they are affected, is a phenomenon that exists anyway in society, regardless of the different forms, means or degrees in which it appears. In a sense it can be said that the activity of lobbying or the influence in politics is as old as politics: it existed, exists and will always exist. In this paper, we will define lobbying as "the act of individuals or groups, each with varying and specific interest, attempting to influence decisions taken at the political level" (Chari & Hogan & Murphy, 2010: p. 3). Lobbying includes all communications, information or arguments (to persuade) undertaken by a group or individual employed or not by an organization, whether or not receiving remuneration from it to public officials or public service employees regarding specific policies or legislative decision-making on a particular issue.

Twenty-eight years of Albania's experience in the pluralist democratic system and in that of the market economy have sufficiently differentiated the various structures and interests that exist in the Albanian society. These diverse structures and interest groups, which are becoming more and more active and well-placed, have legitimate interests and the right to influence policies and legislation in the respective fields whenever they are affected by them. (Sqapi & Gjuraraj & Lami & Mile, 2018: p.

30). Among the various groups of interest and governance, there are links that tend to develop naturally. Lobbying should, therefore be regarded as a force for good and as an essential element of the democratic process (D.P.E.R. Ireland, 2012: p. 9).

But where lobbying activity is not recognized or regulated legally through regulatory frameworks, these links tend to be consumed away from the public eye, thus also causing phenomena such as interest trafficking, illicit influences, corruption of officials, clientelist relationships formed on mutual benefit basis to the detriment of the public interest. This is especially true of transitional societies (as is Albania) where such corrupt and clientelist relations of politicians and policymakers exist at different levels in each country. It has been argued that such clientelist relationships exists precisely because in periods of transition the political and economic spheres are necessarily intertwined as economic decisions take on an increasingly political nature (Gadowska, 2006). In other words, in transition periods, especially from a former communist system (where the transition is not only in the political plan), economic interests and enrichment in such societies are due to the links developed with politics. For the most part, these links remain informal but are considerably developed, though far from the attention of the public. One of the main goals of a comprehensive framework to regulate lobbying on a legally compulsory basis would be precisely the handling/curbing of the problem of uncontrolled lobbying, or of the informal (or personal) links that exist at different levels between interest groups and decision-makers. By doing so, lobbying regulation can strengthen transparency, accountability and sheds light on the public on the particular interests behind the proposed policies.

## Reasons for Lobbying Regulation

Among the main reasons given in the literature for lobbying regulation, is emphasized that: by regulating lobbying activity through registration and reporting requirements as well as the introduction of a professional code of conduct, the aim is to strengthen public confidence in politics and in the business of government, to increase the accountability of decision-makers and to subject public policy making, and those who seek to influence it, to greater openness, transparency and to the potential for appropriate independent scrutiny (D.P.E.R. Ireland, 2012: p. 5). The main contribution that regulation of lobbying activity can bring is the increase of transparency and accountability in the political process of drafting public policies. This need is even higher in countries like Albania, where interaction relations between interest groups and governance remain poorly developed and in the vast majority of them are informal. "Lobbying regulation is expected to serve a valuable function in promoting openness and transparency, supporting integrity and enhancing the efficiency and ethnicity of the public policy making and decision making processes. Regulation of lobbying renders politicians and government officials more accountable and in and of itself helps promote transparency" (D.P.E.R. Ireland, 2012: p. 10). Shedding light on relationships that exist between particular interests and politicians or public officials should be seen as a significant development in the function of good governance.

Likewise, another valuable function that would perform the regulation of lobbying activity in the country would also be to provide exuberant pieces of information that would come from all stakeholders, and that would make it more well-informed decision-making process. Lobbying provides decision-makers with valuable insights, information, policy perspectives, identification of and debate regarding different policy options (D.P.E.R. Ireland, 2012: p. 9). This role would be far more effective if the lobbying activity would be regulated and the influence of interest groups in the society would be channelled towards the policy-making process. Given the complexity of the political process in undertaking effective public policies, which in itself involves not only the issue of proper formulation, but also the harmonization and finding a balance between competitive interests, as well as the issue of effective implementation when such (strong) interests are at stake, the need for complete and comprehensive information on the feasibility of these policies is vital. Different authors have pointed out this role of lobbying when they emphasize the functional need for additional information and perspectives and better prospects for implementation if concerned interests are involved in the policy stage; political need to "appease social unrests"... and communicate policies to the public (Cummings & Norgaard, 2003). In any case, the benefit that would come from comprehensive information from all parties and broader perspectives from various interest groups would be in favour of a better public decision-making.

Another reason for the legal regulation of lobbying activity is because it would make it possible the creation a level playing field for all the different interests that exist in society, giving all parties fair and equal access in public policy development. The inequality that exists in virtually every free and democratic market society between the various interest groups, either in the resources, capacities or different opportunities that they have, will largely be remedied by granting equal access to influence on the process of drafting public policies. Just as in the first principle of transparency and integrity in the OECD guidelines for lobbying is emphasized: "Allowing all stakeholders, from the private sector and the public at large, fair and equitable access to participate in the development of public policies is crucial to protect the integrity of decisions and to safeguard the public interest by counterbalancing vocal vested interests" (OECD, 2013: p.3). Creating a level playing field for all interest groups that would be made possible by legal regulation of the lobbying activity and by legitimating the influence that any group can exert in the political decision-making process would be one great help for countries like Albania where civil society, almost throughout the period from 1991 to today, continues to remain relatively weak and unorganized. In such an environment, certain interests (say, environmentalists) are even less likely to compete honestly and equally in the face of the most powerful interests, as well as the structural disadvantage of a weak civil society where they lack the mobilization traditions regarding specific causes (however fair they are). Matraszek, but also other neo-pluralist authors of interest groups have noted the disadvantage that some groups enjoy in the face of the most potent groups in capitalist societies: "those interests that are

disorganized, weak or dispersed, such as foreign investors, private entrepreneurs, or consumers, remain disadvantaged in the decision-making process, whether in parliament or in the administration” (Cited in McGrath, 2008: p. 20). Legal regulation of lobbying activity would make it possible for all parties/interests to have equal opportunities to influence public policy development, to have each their voices in this process, and to protect their policy perspectives even in the face of the most powerful interests that may exist in society.

Finally, regulating lobbying activity through a legally compulsory registration and by public disclosure in a lobbying register of some required information (not only by lobbyists but also by the “lobbied” persons, which in this case are public officials: ministers, MPs or officials at various levels of the Civil Service) would minimize the dangers of corruption. In the context of today’s Albanian society where corruption is a widespread phenomenon and where there is a “coffee” or favours culture, most of the interactions between specific interests (groups) and public officials tend to be mostly based on mutual obligations or benefits. This, in turn, has often taken the form of uncontrolled lobbying, thus giving rise to such negative phenomena as officials’ corruption, clientelism, the exercise of illicit/inappropriate influences, etc. Precisely, “unregulated lobbying can give rise to significant public concern about the role of vested interests in policy making and risk that privileged or excessive influence may result in sub-optimal public policy decisions which might be made to suit private agendas to the overall detriment of the community and society at large” (D.P.E.R. Ireland, 2012: p. 10). Legal regulation of lobbying would have as its primary focus precisely shedding light on the relationships/ties that exist between certain interests and public politicians/officials in the form of identification of players and disclosure of interests that seek to influence public decision-making. This, in turn, would only increase transparency in the political process and reduce the premise of corruption and illegal influence on officials.

## Options on Different Types of Lobbying Regulatory Systems

There are different types of regulatory regimes in different countries for lobbying activity. In general terms, different regulatory systems of lobbying activities can be classified in two ways. The first way is to divide these systems into those of a *statutory* type, where lobbyists on a compulsory basis are enrolled and must report data of the activities they undertake; and *voluntary* ones where, although more minimum rules governing lobbying activity exist, it is left to lobbyists or different interest groups to register and report data to the register, thus supporting their self-regulation approach. Another way of classifying the different types of regulatory systems is by dividing them in: Lowly, medium and highly regulated systems. What differentiates these systems in different jurisdictions is the amount, frequency and details of the information that lobbyists need to disclose and report about their activity in a publicly accessible register.

Likewise, if we could mention another approach which includes some countries (such as Great Britain, Australia, New Zealand, etc.), which although not having specific legal rules regarding the behaviour of lobbyists and their activity, it can be said that they recognize lobbying activity as such. The approach in these countries is to regulate the behaviour of the *lobbied persons* (elected politicians and civil servants) and not that of lobbyists. In these countries there are well-defined codes of conduct and norms that guide the behaviour of politicians or officials in relationships/interactions with any interest group or lobbyist, by preventing them from receiving financial gains or any other reward from them, as well as obliging them to declare any possible conflicts of interest they may have in the exercise of their public functions.

In general, it can be said that countries in the function of their needs, characteristics, and goals have chosen different regulatory approaches of lobbying practices in their environments. The most important classification among the regulatory lobbying systems remains one of the statutory and voluntary legal frameworks, and whether they are small, medium or highly regulated systems.

Among the major countries that have statutory rules and regulations for lobbyists and their activities are the United States (since 1946) and Canada (since 1989). Following a tradition inaugurated by James Madison, the US has chosen not to limit the lobbying practice and, generally speaking, the interest groups activities, but to regulate them in order to assure more fairness, transparency, and responsibility (Mihut, 2008, pp. 1-2). Among the key features of the lobbying system in the US [at the federal level], according to the Lobbying Disclosure Act of 1995 (LDA), are: the obligation for lobbyists to register with the Secretary of the Senate and the Clerk of the House, and to make semi-annual reports on their activities; they have to report who their clients were, what house of the Congress or what agencies they lobbied, how much they were paid; the law restricts gifts to officials and obliges the departing members of the Senate to wait for two years before lobbying former colleagues (the former members of the House of Representatives must wait one year) (Mihut, 2008, p. 8). Likewise, another feature of the statutory regulatory approach to lobbying in the US and Canada is that they include broad and comprehensive definitions for the entire range of lobbying activities and lobbyists’ categories, with emphasis on any communication that is undertaken with public officials for influencing public policy formulation or legislative decision-making on a particular matter. In Canada, there is also a Code of Ethics that lobbyists must strictly adhere to in dealing with officials who want to lobby.

Other features of regulatory systems include: clear rules for lobbyist’ registration with details of their activity that should be publicly disclosed in an accessible register; the names of clients for whom they are lobbying; details on the legislative / policy proposals of a draft law on which they are pressing; public officials who are lobbied; the existence of a state agency responsible for overseeing and controlling the entire regulatory system for lobbying and having administrative powers to undertake audits/ investigations of possible violations and to ensure compliance with the rules in force etc. Further, what differentiates statutory



lobbying systems into lowly, medium and highly regulated, is the amount, frequency and details of the information that lobbyists need to disclose and report about their activity. In lowly regulated systems, fewer details are required about lobbyists' activity; no data is needed on the financial costs of lobbies or their employers to be disclosed; targets of lobbyists may be only members of the legislature or their staff [i.e., only the legislative branch of government]; there is usually little implementing capacity by the agency overseeing the regulation system; there is no provision for any "cooling off period" in the legislation for MPs or public officials after leaving their duty<sup>1</sup>. In medium regulated systems, the rules for lobbyists' registration are stronger [usually more data is required for their activity]; the definition of lobbyists also includes the executive branch of government; there is a cooling off period before legislators, having left office, can register as lobbyists. While in highly regulated systems, in addition to the above statutory requirements, more detailed reporting is required on financial expenses by both lobbyists and their clients; the details in the lobbying register should be continuously updated at regular intervals; and the state agency that monitors the regulation system has administrative powers to undertake audits/investigations and punish or exclude possible violators of the rules (Chari & Hogan & Murphy, 2010: pp. 27-28). Table 1 summarizes the requirements for lobbying in different regulatory systems.

**TABLE 1:** The Different Regulatory Systems

	Lowly Regulated Systems	Medium Regulated Systems	Highly Regulated Systems
Registration regulations	Rules on individual registration, but few details required.	Rules on individual registration, more details required.	Rules on individual registration are extremely rigorous.
Targets of Lobbyists Defined	Only members of the legislature and staff.	Members of the legislature and staff; executive and staff; agency heads and public.	Members of the legislature and staff; executive and staff; agency heads and public.
Spending disclosure	No rules on individual spending disclosure, or employer spending disclosure.	Some regulations on individual spending disclosure; none on employer spending disclosure.	Tight regulations on individual spending disclosure, and employer spending disclosure.
Electronic filing	Weak on-line registration and paperwork required.	Robust system for on-line registration, no paperwork necessary.	Robust system for on-line registration, no paperwork necessary.
Public access	List of lobbyists available, but not detailed, or updated frequently.	List of lobbyists available, detailed, and updated frequently.	List of lobbyists and their spending disclosures available, detailed, and updated frequently.
Enforcement	Little enforcement capabilities invested in state agency.	In theory state agency possesses enforcement capabilities, though infrequently used.	State agency can, and does, conduct mandatory reviews/audits.
Revolving door provision	No cooling off period before former legislators can register as lobbyists.	There is a cooling off period before former legislators can register as lobbyists.	There is a cooling off period before former legislators can register as lobbyists.

**SOURCE:** RAJ Chari & John Hogan & Gary Murphy, 2011: pp. 28-29.

While in voluntary schemes of lobbying [or self-regulation] schemes, another approach is followed to regulate lobbyists' activity. Among the key institutions that have a non-compulsory registration system for lobbyists are the European Parliament and the European Commission. Given their particular specifics (especially the democratic deficit that characterizes them, as well as the more limited competences compared to those of a national state or government), these institutions [particularly the Commission] see the interest groups "with a much better eye" and are more open to them in the policy-making process. Consulting with "interested parties" or "civil society organisations" as the Commission prefers to describe such organisations is an important resource from a governance point of view (Institute of Public Administration: p. 11). In its lobbying approach,

<sup>1</sup> See for more on lowly regulated systems of lobbying in Raj Chari & John Hogan & Gary Murphy (2011), "Legal Framework for the Regulation of Lobbying in the Council of Europe Member States", p. 27.

the EP has established a formal regulatory framework [Rules of Procedure adopted in 1996] based on a system of lobbying accreditation, where access permits to the European Parliament are granted to interest groups' representatives in exchange for their acceptance of a code of conduct and registration in a register of data such as the name of the lobbyists, their addresses, the name of the organization they are lobbying and their general interests. From this, it can be seen that the amount of information required to lobby in EP is small compared to those of regulatory systems in other jurisdictions. It should also be noted that the formal regulatory framework for lobbying in the EP provides only the regulation of the lobbying activity that is carried out within the Parliament building [through the permits given to lobbyists] and not what happens outside it, doing that "several of the lobbyists actually active in the EP are not registered" (Chari & Hogan & Murphy, 2011: p. 9). Similarly, another issue which highlighted in the case of lobbying regulation in the EP is "that while names of lobbyists are available to the public, other information stated on the registration form, such as the 'nature of the lobbyists work', the interests for which the lobbyist is acting, and which MEPs may have served as references for the lobbyists, is not available to the public (European Commission, 2006: p. 7).

The European Commission, on its part, has an even more open approach based on self-regulation of lobbying activity, and by setting [in 2008] only a voluntary registration system for interest representatives involved in lobbying. In this 'voluntary database' of interest representation, called CONECCS [Consultation, the European Commission and Civil Society], civil society organisation (including, for example, trade unions, business associations and NGOs) could sign up in order to provide 'better information about (the Commission's) consultative process' (Cited in Chari & Hogan & Murphy, 2011: p. 11). Although the (minimum) rules on the information that lobbyists have to provide in the register exist, this remains entirely voluntary and is mainly done with the only incentive that they will receive alerts from the Commission regarding the consultations taking place in their areas of interest. In the case of the European Commission, the approach followed for the registration of lobbying activities is entirely voluntary, entrusting in the profession of lobbyists and thus encouraging their self-regulation model.

## **A Short Analysis of Lobbying Regulatory Systems and Which System Is Better For Albania**

The approach followed by the European Commission to establish only a voluntary registration for various interest representatives or lobbyists in Brussels, as well as the incentive for the self-regulation of this sector, has its problems. As is generally the case with voluntary regulation systems, most of the lobbying activities in Brussels (or elsewhere, where there are voluntary regulation systems) occur without being registered and without serving the main goals that lobbying should play in the political system: increasing transparency, accountability, and giving to the public the opportunity (through disclosure of relevant information) for an independent scrutiny of lobbying activities of the various influences that are exercised in the decision-making process. In the case of the European Commission, the voluntary registration system, coupled with low incentives for lobbyists' registration (mainly that of receiving alerts regarding consultations in a given field) has made that only a few lobbyists signed up to the voluntary register monitored by the EU Transparency Register Secretariat. Approximately less than 7 per cent of all lobbyists (i.e. less than 1,000 lobbyists of the over 15,000 estimated) signed up to the voluntary registration system (Smyth, 2006). "In other words, lobby groups can attempt to influence the Commission at any time and any place, whether or not they are on the registry" (Cited in Chari & Hogan & Murphy, 2011: p. 11).

The self-regulatory approach and voluntary public register for lobbyists who wish to lobby the European Commission reflects most the need of the latter for the consultation and dialogue with various interest groups (or civil society organizations, as the Commission prefers to call them) to narrow the democratic deficit that characterizes it by making the governance "more open". However, given the various shortcomings that emerged from the operation of the self-regulatory and voluntary registration system of lobbyists (which in the most part undertake lobbying activities to the European Commission even without being registered in the public register), the Commission in turn has left open the possibility of introducing a statutory regulatory system and a compulsory registration for those who lobby at the European level. As in a statement the European Commission says: "In any event, after one year of operation, the Commission will evaluate the register, in particular regarding participation. If it proves to be unsatisfactory, compulsory registration and reporting will be considered"<sup>2</sup> to be established. On his side, the EP since 2008 "was already openly stating that it wished to have a mandatory register for all lobbyists that attempt to influence all institutions in the EU" (Cited in Chari & Hogan & Murphy, 2011: p. 14).

In the same line, many European countries that have adopted legal frameworks for regulating lobbying activities in their jurisdictions have done so by preferring statutory regulatory systems and mandatory registration for lobbyists. In several cases, statutory regulation has been introduced as a direct result of particular scandals in which lobbyists were found to be exercising undue or corrupt influence on public officials (McGrath, 2008: p. 23). Precisely because of the highly sensitive nature of lobbying in the eyes of public opinion, as well as the intent of controlling the exercise of influences by different interest groups, in many European countries statutory regulatory systems were preferred as the best and most efficient way to control and discipline lobbying activities in their environments. Self-regulatory or voluntary lobbying systems are not effective in including the range and the actual level of lobbying activity that occurs in their jurisdictions, making the lobbyists' registration to be only at minimal levels, and thus not serving the general objectives which should have the legal regulation

<sup>2</sup> Taken from [http://europa.eu/rapid/press-release\\_MEMO-08-428\\_en.htm?locale=en](http://europa.eu/rapid/press-release_MEMO-08-428_en.htm?locale=en) Brussels, 23 June 2008. See also in Conor McGrath, (2008), "The Development and Regulation of Lobbying in the New Member States of the European Union", p. 22.

of lobbying activity, that are those of increasing transparency, disclosure of information, accountability and the guarantee of integrity of public policymaking.

“Thus far, mandatory registers of lobbyists have proven to be more successful than voluntary registers in reflecting lobbying activities in a more comprehensive manner and bringing greater transparency to the system” (Ninua, 2012: p. 4). Voluntary or accreditation systems for lobbying (such as the aforementioned European Parliament, but also those in France and Germany) fail to control lobbying activities in the environments where they operate, even because they can never offer enough incentives to encourage lobbyists’ registration as well as due to their lack of legal force to force lobbyists to register and report on their activities. If we refer to a method of analysis (known as Hired Guns), undertaken by the Center for Public Integrity to measure the effectiveness of lobbying legislation in terms of transparency and accountability they promote, we see that the weaker results on a scale from 1 to 100 points, are precisely in the voluntary or in the accreditation systems of the European Parliament jurisdictions (15 points), Germany (17), France (20) and the European Commission (24)<sup>3</sup>. While a completely different picture occurs in the jurisdictions of countries where statutory lobbying systems and compulsory registration are in place (e.g. in the US at states and federal level, in Canada etc.), where the results are much higher. Their high results<sup>4</sup> highlight the effectiveness of their legislation to promote public disclosure of lobbying activities, open access and transparency.

Based on previous experience of regulatory systems operating in other countries, the best international experience in this field, as well as the guiding principles developed by the OECD on transparency and lobbying integrity, in this paper it is argued that the regulatory lobbying system that must exist in Albania, should be of a *statutory* type. In such a system, lobbyists on a legal basis should be obliged to sign up in a register that will be publicly accessible; they have to disclose some information on the important aspects of their activities and must undertake they conform to the legal norms specified in the legislation (Sqapi & Gjuraj & Lami & Mile, 2018: p.32). Such a binding legal scheme for regulation and reporting of lobbying activities both by lobbyists who take them, but also by lobbied persons (politicians or public officials) who are subject to influences from different groups of interest would better serve the main goals and objectives that should be pursued by the law on lobbying in Albania, namely: enhancing transparency in policy-making and decision-making, increasing accountability levels, creating opportunities for an opening and greater participation of the public and stakeholders in the process of drafting public policies; as well as ensuring the integrity and efficiency of public policymaking (Sqapi & Gjuraj & Lami & Mile, 2018: p. 32).

## Conclusion

In conclusion, we could re-emphasize that the reasons for recognizing and regulating lobbying activity in Albania are primarily based on the need to increase and strengthen transparency in decision-making, accountability, and creation of opportunities for greater openness to public and interest groups engagement in the process of public policymaking. Democratic systems in many Western countries (but not only) are increasingly being under pressure to take into account the need to articulate interests from different groups within their societies and to channel them into the political system through practices that are consistent with openness, transparency and equal access. In this sense, legal regulation of lobbying activity in Albania is expected to be a valuable function in promoting openness and transparency in formulating and developing public policies, as well as in strengthening the efficiency of public policy-making and decision-making processes. Likewise, shedding light on relationships that exist between particular interests and politicians or public officials [through obliged legal requirements to publicly disclose information] should be seen as another valuable contribution that legal regulation of lobbying can bring in the function of good governance. This need for public disclosure is even higher in the context of transition countries such as Albania where patterns of social and political relationships that are based on clientelism and corruption are widespread, and the links between different interests and politicians take place more on an informal basis, taking the form of uncontrolled lobbying (Sqapi & Gjuraj & Lami & Mile, 2018: p. 38). The main aim of adopting a legal framework for lobbying activity Albania would be to discipline and control the links between various interest groups and politicians at different levels and to develop these links on formal, transparent grounds and in favour of the public interest and democratic governance.

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<sup>3</sup> See for more in Raj Chari & John Hogan & Gary Murphy (2011), “*Legal Framework for the Regulation of Lobbying in the Council of Europe Member States*”, pp. 23-26. “Hired Guns” is a method for analyzing the lobbying legislation based on a survey that contains a series of questions regarding lobby disclosure. Its main objective is to measure the effectiveness of lobbying legislation in terms of its transparency and accountability. The questions address eight key areas of disclosure for lobbying that has to do with: Definition of Lobbyist; Individual Registration; Individual Spending Disclosure; Employer Spending Disclosure; Electronic Filing; Public Access (to a registry of lobbyists); Enforcement; Revolving Door Provisions (with a particular focus on ‘cooling off periods’).

<sup>4</sup> See countries’ jurisdictions scores in Raj Chari & John Hogan & Gary Murphy (2011), “*Legal Framework for the Regulation of Lobbying in the Council of Europe Member States*”, pp. 25-26.

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# Legal Brexit impact and article 50 of the Treaty of the European Union

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## Abstract

*Article 50 of the Treaty on European Union provides for the possibility of withdrawing a Member State from the European Union. This study aims to address one of the most controversial issues in the EU, attracting a state, and analyzing the only provision that regulates this process. The provision carries a special interest for the study, due to its wording and the impact that this provision has in its application. The paper deals with Article 50 TEU and the possibility of revoking this provision. It also examines the relationship between the EU and Great Britain, as well as the legal framework of withdrawal agreement, along with the treatment of various principles such as the *lex specialis* principle. Different hypothetical scenarios are being debated by academic and institutional actors about the various situations that may arise from this first case in the history of the European Union. One of these cases is the possibility of revocation, that is, whether the revocation is a right provided for in the provision or whether it is a right of the state that requires the withdrawal. The answer to the possibility of revocation, despite various arguments and treatment by law professors, is found in the decision of the European Court of Justice. Attention takes the review of the revocation as a right, as well as the arguments against and pro-revocation. The paper tries to demonstrate the analysis of Article 50 TBE from a European perspective without ignoring and arguing otherwise.*

**Key words:** Brexit, European Union, Article 50 TEU, revocation

## Introduction

Article 50 of the Treaty on European Union regulates *modus operandi* the withdrawal of a Member State from the European Union. The wording of the provision is ambiguous and unclear, perhaps because the drafters of the treaties have believed that such a provision would be unworkable and would never be used. In fact, such an attitude is justified because it was almost unbelievable that one of the member states of the European Union wanted the withdrawal from the EU, while all the states on the European continent endeavored to join and be part of the big family. Some even claim that Article 50 TEU was never meant to be used and that it was compiled in a hurry (O'Brien, 2016). Also that the Article 50 TEU itself is a sparsely worded provision, which raises more questions than it answers, and which is of course wholly untested (Tatham, 2012, p. 128).

While in the 23 June 2016 referendum, most British people voted to withdraw from the European Union. Eurosceptics managed to dominate against unionists who have allocated continuous membership. The United Kingdom Government invoked on March 29, 2017, article 50 of the TEU in the Lisbon Treaty, which would officially initiate the negotiations in June of that year. Britain's final departure from the European Union will be on March 29, 2019, if everything goes according to the projections and the agreement is respected.

However, to understand the British attitude today, it is necessary to understand that the past has also been tensed (Mehmetaj, 2018, p. 21-24). The relationship between Britain and the European Union has not always been a strong relationship. After numerous difficulties and veto by French President Charles de Gaulle, Great Britain became part of the European Economic Communities in its third application. Confirmation of membership in the Community came after the 1975 referendum in



which 67% of the population expressed their will to be part of it, despite the referendum of 2016 year, in which 51.9% of the population decided to leave and to withdraw from the EU. The first tensions between the EEC and Great Britain broke out in 1984 when Prime Minister Thatcher talked fiercely in order to reduce British payments to the EEC budget.<sup>1</sup> Following such attitudes, Britain has followed with reservations, many of the European Union's policies, such as the euro, the Schengen visa, etc., in which Britain has chosen to stay out.

Never before, a provision of EU law as Article 50 TBE has not been so much discussed and recognized in such a short period of time (Eeckhout and Frantziou, p. 695). In the statement held by the European Union structures, they stressed the regret and the unprecedented situation they were in. But through a free and democratic process, the British people have expressed their desire to leave the European Union and its members have no choice but to respect it. The fears of shaking the European foundations were answered by the presidents of the EU institutions, adding that "the unification of the 27 Member States will continue" and that "the union is the framework of their common political future, tied together by history, geography and common interests and will develop cooperation on this basis."<sup>2</sup>

A number of technical and theoretical questions arise from law scholars regarding the interpretation of Article 50 TEU. For the first time in the history of the European Union, we have a state that withdraws from the European Union, in spite of the practice that states are seeking to join in the EU. The provision legitimizes withdrawal without anticipating and without paying much attention to the external effects of EU exit. A series of problems that may bring this new situation to the European Union. Anyway, below will be interpreted in relation to Article 50 TEU, the relationship between the two entities involved and the revocation as a right involved in the process. The paper deals with the possibility of revocation, the arguments for and against this right and the decision of the European Court of Justice together with the opinion of the General Counsel of the ECJ.

## Article 50 of the Treaty on European Union

*Each Member State may decide to leave the European Union in accordance with its constitutional requirements* (Article 50 TEU, Par. 1). This is how Article 50 of the Treaty on European Union begins. Any EU Member State may ultimately withdraw from the EU subject to the procedures laid down in the Treaties. Article 50 TEU has formalized the option of a state's exit, giving it the right to unilateral, unconditional withdrawal, through observance of the established timetable of negotiation. This article for the first time in the history of the European Union has been applied by the United Kingdom, being known as Brexit.

There has been another case that has been removed from the European Union, but this case cannot be used as a precedent. Greenland was not a Member State but a territory belonging to a Member State and therefore the characteristics of the process are completely different (Popcheva, 2016). In the 1980s, the withdrawal of Greenland sparked a debate over whether a state could withdraw from the EEC. Different authors like Taylor (1991), Harhoff (1983) and Akehurst (1979) argue that the EU's *sui generis* nature excludes the withdrawal of a state. The formulation of the first provisions for the departure of a Member State, as set out in Article 240 of the Treaty of Rome, provided that withdrawal from the community could be considered an inadequate initiative and contrary to the true purpose of the treaties (Louis, 1990, p. 74).

But despite the wrong perception that states seek only membership rather than withdrawal from the EU, the courts of member states in their jurisprudence have voiced the sovereign right of peoples to decide whether they want to adhere to or withdraw from an organization, whether even from an entity such as that of the European Union. Thus, the German Constitutional Court<sup>3</sup> and the Czech Constitutional Court<sup>4</sup> in their respective decisions stated that the right of withdrawal is a right which shows the guarantee of the sovereignty of a state.

Withdrawal as well as accession are an expression of the will of the states and the use of their legitimate right as sovereign subjects of international public law. Let's go back to the first paragraph of Article 50 TEU, where any state may withdraw "in accordance with its constitutional requirements". This expression has been discussed because if applied then it would totally depend on national constitutional orders and would not take into account the values or interest of the EU. While proposals for amending the treaty or compatibility with EU values were made early, it was suggested that the phrase "in accordance with its constitutional requirements" be completely removed as it was not in the EU's interest. According to the authors Eeckhout and Frantziou (2017, p. 704), the treaties, conventions and international agreements containing the withdrawal clauses are based on a classical international paradigm that treats States as unitary actors and their constitutional agreements as internal issues that do not belong to international law.

Article 50 of the Lisbon Treaty describes the procedure for the exit from the European Union. It gives the country two years to negotiate an exit agreement and once the process is put into motion, it cannot be stopped except with the unanimous

<sup>1</sup> For further information see: Smith, J. (2017). *The UK's journeys into and out of the EU: destinations unknown*. UK: Routledge.; Macshane, D. (2016). *Brexit: how Britain left Europe*. London: I.B. Tauris.; Birkinshaw, J., P., Biondi, A. (2016). *Britain alone!: The implications and consequences of United Kingdom exit from the EU*. Kluwer Law International.; McCormick, J. (2016). *Why Europe matters for Britain: the case for remaining in*. UK: Palgrave.

<sup>2</sup> See: European Commission – Statement, Joint Statement by Martin Schulz, President of the European Parliament, Donald Tusk, President of the European Council, Mark Rutte, Holder of the Presidency of the Council of the EU, Jean-Claude Juncker, President of the European Commission Brussels, 24 June 2016.

<sup>3</sup> German Federal Constitutional Court of October 12, 1993 in Cases 2 BvR 2134/92, 2 BvR 2159/92 Re Maastricht Treaty [BVerfG 89,155]

<sup>4</sup> Czech Republic Constitutional Court Judgment Pl. ÚS 19/08: Treaty of Lisbon I 2008/11/26

consent of all member states. The withdrawing State Party shall meet the conditions for the notification to the European Council of its intention in accordance with the second paragraph of Article 50 TEU. A joint agreement is then drawn up in accordance with Article 216 (2) of the Treaty on the Functioning of the European Union, which specifies the process for withdrawal and subsequent relations between the two parties.<sup>5</sup> The agreement serves as a legal guideline and sets out measures for UK's regular withdrawal from the EU in accordance with the acts in force.

The negotiation period began on 29 March 2017, when Britain announced to the European Council for the application of Article 50 of the TEU served notice of withdrawal under Article 50 of the Treaty on European Union. The European Council adopted guidelines setting out the framework for negotiations and observance of the EU's general principles.<sup>6</sup> Until the end of this negotiation process, according to the heads of EU institutions, the United Kingdom remains a member state of the European Union with all the rights and obligations deriving from its relations. In accordance with the treaties ratified by the United Kingdom, EU law continues to apply fully in the UK until it is no longer member of the EU.<sup>7</sup>

Given the complexity of the case, Article 50 is a relatively short provision and can not foresee any possible scenarios that may arise from Brexit. According to Hofmeister (2010), in the absence of clear provisions, attention is directed to the general rules of international law. The treaty is a mandatory treaty for both the EU and Britain acting in accordance with international law.<sup>8</sup> According to the authors, the application of the right of withdrawal in Article 50 TEU immediately takes the general rule of international law because of the principle *lex specialis derogate legi generali* (Closa, 2016, p. 3). The *lex specialis* principle not only exists in international law but also applies to national systems as well as within the EU legal order<sup>9</sup>. *Lex specialis* is a legal principle under which special rules are given priority over general rules (Odermatt, 2017). It is a principle of legal interpretation and a method for resolving the conflict of norms. The principle allows the parties to "contract" universal international law in certain situations.

Since Article 50 TEU is part of the international agreement, its interpretation is not governed by English law but by the rules of international law (Sari, 2016). The Vienna Convention on the Right to Treaties as part of the rules of international law can be used as a guide in the case of the legal vacuum created in the interpretation of Article 50 of the TEU. This situation becomes more evident when dealing with another element in the Brexit scenario, such as the revocation of the withdrawal requirement of a member state in the European Union.

## Revocation of the State in accordance with Article 50 TEU

Revocation refers to withdrawal or cancellation from a legal position prior to its entry into force. So, regarding the situation the European Union is experiencing lately, another issue that arises is whether the notice of withdrawal under Article 50 TEU is revocable or irrevocable. The political and legal implications of a possible withdrawal of a member state in the European Union have been interesting issues for academic discussion, from a speculative nature (Papageorgiou, 2018). The case needs interpretation, and after the request for the UK's departure, the doctrine, state and legal structures, primarily the Court of Justice, have interpreted the hypothetical case for a possible revocation of Brexit.

So how can a decision taken in accordance with Article 50 TEU be considered, revocable or irrevocable? So if the UK repents of its decision, can it be considered withdrawal from the revolving one-sided process? The doctrine has held various views on the matter, so professor Stephen Weatherill argues that the requirement under Article 50 TEU cannot be annulled unilaterally, while professor Steve Peers advocates the opposite by stipulating that the withdrawal requirement may be unilateral. The situation changed when this became a reality, the issues that demanded legal solutions were all different. Thus, the issue of revoking a withdrawal notice from the EU received little attention, as it is assumed that a withdrawal decision would be well-defined in the provision.

The voluntary withdrawal from the European Union was presented for the first time in the 2004 Constitutional Treaty during discussions at the European Future Convention. The originally provision appeared in the "framework" of constitutional draft proposed by the Presidium on 28 October 2002, and the final text was presented by the Presidium in its final draft on April 4, 2003 (Papageorgiou, 2018). There have been interpretations that if we can have a revocation, this can be done through a statement addressed to the President of the European Council at any time. But this interpretation failed along with the Constitutional Treaty. Article 50 envisaged in the TEU in the Lisbon Treaty reiterates that of the Constitutional Treaty. During the 2007 Intergovernmental Conference which adopted the Lisbon Treaty and the current Article, there were no substantive discussions on the withdrawal clause, much less a hypothetical case of their revocation.

<sup>5</sup> Article 50 TEU, par. 2: In the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union.

<sup>6</sup> In the negotiation process, Great Britain is represented by British Secretary of the United Kingdom, David Davis, while the EU is represented by Michel Barnier as chief negotiator for the 27 EU countries. Its Task Force in the European Commission coordinates work on all strategic, operational, legal and financial issues related to the negotiations.

<sup>7</sup> See: European Commission – Statement, Joint Statement by Martin Schulz, President of the European Parliament, Donald Tusk, President of the European Council, Mark Rutte, Holder of the Presidency of the Council of the EU, Jean-Claude Juncker, President of the European Commission Brussels, 24 June 2016.

<sup>8</sup> EU Exit Legal position on the Withdrawal Agreement, Presented to Parliament by the Attorney General by Command of Her Majesty, December 2018, [www.gov.uk/government/publications](http://www.gov.uk/government/publications).

<sup>9</sup> Case T-123/99, *JT's Corporation Ltd v. Commission of the European Communities*. [EU:T:2000:230](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:1999T:0000230), para. 50.

This has been an issue addressed recently by the European Parliament entitled “Revocation of the notification of the withdrawal under Article 50 TEU.” In this article by author Papageorgio (2018), it is explained that Article 50 TEU does not explicitly address the revocation of a withdrawal notice, but it is the Court of Justice that will issue an authoritative ruling whether it will be possible or not. However, he also notes that, *given the fact that Article 50 TEU makes no reference to revocation issues, both parties to the argument can be protected* (2018, p. 16-23).

While among British scholars, there is a prevailing attitude that a unilateral revocation is within the law of the United Kingdom. Moreover, if we refer to the democratic criterion, pose the question, that, are not in the states right to change their minds? If, perhaps as a result of a new referendum, or perhaps following a choice leading to a change of government, the people of that state have clearly stated that they want to stay in the EU, according to various authors it makes no sense to apply Article 50 to prevent what expresses the will of the people. Paragraph 5 of Article 50 TEU, provides only for cases where the State has finally come out of the European Union, and if that State requests re-accession, its application shall be subject to the procedure provided for in Article 49 TEU. The procedures applying to all new states for membership in The European Union.

However, such a procedure is not so simple, because a country that wants to withdraw within the meaning of Article 50 TEU and then wants to change its mind, the costs it faces are enormous. Revocation unilaterally in accordance with Article 50 TEU will not depend entirely on the requesting state, but in accordance with the agreement with the other 27 EU member states. On the basis of that agreement the repentant state may be required to pay the costs of his election. Normally the party that caused or created the costs should pay for those costs. In the European Parliament report titled “Revocation of withdrawal of withdrawal notice under Article 50 TEU”, author Papageorgiou (2018), summarized arguments which are in favor and against the revocation.

Thus, arguments in favor of revocation are: *first*, the first group of arguments is based on the *mutatis mutandis* application of the relevant provisions of the Vienna Convention. These arguments seek to apply Article 68 of the Vienna Treaty<sup>10</sup> as a complement to the provisions of Article 50 TEU. *Secondly*, another set of arguments gives rise to an implied revocation right because of the absence of a clear provision contrary to the treaty. *Thirdly*, a third line, which can be described as ‘teleological’, interprets Article 50 TEU in the context of the more general objectives of the Treaty, *inter alia*, to create an ‘ever closer union’ and in this context help the states stay within the European Union. *Fourthly*, another argument states that if the United Kingdom decides to change its mind, its notification under Article 50 would no longer be in accordance with Article 50/1 which provides that a State may withdraw “in accordance with the requirements its constitutional” and consequently the notification would be invalid. *Fifthly*, a final argument was also put forward by former European Parliament deputy Andreu Duff, according to which the EU is based on a common culture of the right “what is not prohibited under the Treaties is permissible” (Papageorgiou 2018).

Arguments against the right of revocation are either legal or political. *First*, the legal argument states that the lack of a specific reference to the Treaty means that the right of revocation should not lead to the presumption that the revocation is permitted unless it can be inferred from the context. This line supports the fact that there is no such conclusion in that specific article on the right to revoke a notice and therefore cannot be assumed the possibility of revocation. *Second*, in addition, the same legal argument states that Article 50 TEU is short, but the full provision which describes the whole process of withdrawal. According to this reading, the attractive state that wants to maintain the EU connection has two alternatives: either to require a two-year extension, or to re-apply for membership. This argument therefore states that the Treaty has covered the possibility of a change of mind in the state of attraction and condition, as a solution to this, the possibility of a new application. *Thirdly*, the political argument refers to the argument of “moral hazard” discussed in the Convention on the Future of Europe, namely a possible right to revoke a withdrawal notice would change the nature of the article. This may become a possible blackmail by any Member State that can successfully use the notifications and revocations in order to reinforce its capacity to negotiate (Papageorgiou 2018).

In the cases decided before the ECJ, no reference is envisaged and no condition has been established that a preliminary ruling should be declared inadmissible.<sup>11</sup> According to General Advocate General Manuel Campos Sánchez-Bordona of the ECJ, the issue being raised is not only academic, neither premature nor excessive, but of obvious practical relevance and essential for resolving the dispute. He adds that the power to interpret Article 50 TEU in a definitive and uniform manner lies solely with the Court of Justice, which must carry out significant interpretative work to determine whether revocation is allowed unilaterally or not.

So on 19 December, 2017, an application for judicial review was presented at the Session Court (Scotland, UK), in which the applicant in the main proceedings seeking a declaration that specifies when and if it can be revoked notice of withdrawal. Applicants, supported by two other Members of the Parliament of the United Kingdom, requested the interpretation of Article 50 TEU for unilateral annulment before the expiration of the two-year term laid down in that provision. They asked the Session Court (Scotland) to ask a question on this matter to the Court of Justice for a preliminary ruling. In response, the Secretary of State for the Exposition in the European Union argued that the issue was hypothetical and academic, given the stated stance of the Government of the United Kingdom that the notification would not be revoked.

<sup>10</sup> Article 68 of the Vienna Convention on the Treaties: Revocation of Notifications and Instruments, “The notice or instrument provided for in Article 65 or 67 may be revoked at any time before it enters into force.”

<sup>11</sup> Court of Justice of the European Union, Press Release No 187/18, Luxembourg, 4 December 2018, Advocate General’s Opinion in Case C-621/18 *Wightman and Others v Secretary of State for Exiting the European Union*, Advocate General Campos Sánchez-Bordona proposes that the Court of Justice should declare that Article 50 TEU allows the unilateral revocation of the notification of the intention to withdraw from the EU, <http://www.curia.europa.eu>.



In response to a question from the Scottish Court, the Advocate General proposes that the Court of Justice in its forthcoming judgment should declare that Article 50 TEU allows the bias of the revocation of the notice with the intention of withdrawing from the EU until the Agreement the withdrawal ends formally. Provided that a decision on revocation is taken in accordance with the constitutional requirements of the Member State, it is officially notified to the European Council and does not include an abusive practice.<sup>12</sup> By the decision of 8 June 2018, the first instance judge of the Court of Justice refused to make a reference to the Court of Justice and rejected the request for judicial review on the basis of the two elements, first, that the matter was hypothetical regarding the Government's position and because the facts on which the court would seek answers could not be determined and, second, that the issue violated parliamentary sovereignty and was outside the jurisdiction of the national court<sup>13</sup>.

Having regard to all of the foregoing, the answer to the question referred, is that: when a Member State has notified the European Council, in accordance with that article, its intention to 'withdrawn by the European Union, this article allows that Member State - as long as a withdrawal agreement concluded between that Member State and the European Union has not entered into force. If no such agreement has been concluded, in the period of two years, as provided in Article 50 (3) TEU, possibly extended in accordance with that paragraph, has not expired - to cancel that notification unilaterally, clearly and unconditionally, by a written notification addressed to the European Council, as the Member State concerned has taken the revocation decision in accordance with its constitutional requirements (Case C-621/18). The purpose of this revocation is to confirm the EU membership of the Member State concerned under conditions that are unchanged regarding its status as a Member State and that the revocation concludes the withdrawal procedure (Case C-621/18).

The interpretation of Article 50 TEU by the lawyer focuses on these elements. *First*, the conclusion of an agreement is not a prerequisite for its withdrawal. *Secondly*, Article 50/2 TEU states that a Member State which decides to withdraw must notify the European Council of its 'intention' rather than of its decision. *Thirdly*, the unilateral nature of the first phase of the procedure under Article 50 TEU, namely the withdrawal of the Member State in accordance with the requirements of its constitution, is foreseen at a later stage (for negotiating the conditions for withdrawal thereof with EU institutions), so that if the withdrawal decision is revoked in accordance with the constitutional procedures of the leaving Member State, its constitutional basis will disappear. *Lastly*, refusing revocation in practice will bring the force of the EU out of a state which, according to the recent jurisprudence of the Court of Justice,<sup>14</sup> continues to be an EU Member State in all respects. It would be illogical to oblige the Member State to withdraw from the EU in order to then negotiate its acceptance.

## Conclusions

As a conclusion we can add that Article 50 TEU is one of the most discussed articles and that the process of attracting a member country to the EU is a process characterized by many difficulties. The right of states to withdraw lies within the full powers of each state as subject and holder of sovereignty. Similarly to the right of states to join. The withdrawal of a state establishes a rather complex situation, and in the interpretation of Article 50 TEU, the doctrine also underlines the principles of international public law and the Vienna Convention on the Right to Treaties. Thus, in addition to EU law and English law, Article 50 TEU is part of international agreements and as such the rules of international law stand in any legal vacuum created in the interpretation of Article 50 TEU.

Regarding the revocation of the state, both arguments of the thesis, pro and against can be protected. So the author Papageorgiou has made a summary of the arguments. In favor of arguments he adds that revocation is permitted because it is provided for in the international convention as a right and is not specified in the treaty the opposite. For this reason, in the case of revocation, the will of the state should be taken into consideration in accordance with the democratic criterion. While in favor of arguments against it, it can not be supposed to be revoked unless such a thing is allowed, moreover if such a thing is accepted then the nature of Article 50 TEU will change, which is the article that regulates the withdrawal of a member state in the EU. But despite the doctrinal arguments, the European Court of Justice should be the one that makes the final interpretation of the provision. And according to the court and the General Advocate, the revocation of the state is permissible as long as it respects the procedures provided by the provision, and that the revocation will mark the end of the withdrawal process of the member state.

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<sup>12</sup> Case C-621/18 Wightman and Others v Secretary of State for Exiting the European Union, para. 11.

<sup>13</sup> Ibid.

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# Post-communist Tirana: lost in transportation

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## Abstract

*In this paper I will present the current situation in Tirana related to international buses and the lack of the bus station. The city has experienced changes and development after the fall of communism, trying to catch up with Western neo-liberal cities. One of the main features of globalization and contemporary cities is mobility of people, goods and information. In Tirana the mobility of people as such exists, but unlike other cities even in the region there is not a central bus station that regulates the information about travelling. I will try to analyse this phenomenon by focusing on the transition period and urban planning and to see what actually this tells about the capital city and its citizens. The methodology used is desk research and observation, by using the city as a case study. The paper mainly uses concepts of Auge, Lefebvre and Amin and their theoretical approaches to analyse cities.*

**Key words:** Tirana bus station, space, non-space, post-communist transition, South Eastern Europe, transport, urban planning.

## Introduction

It has often occurred to me to meet people who were doing their Balkan tour and to get surprised that most of them wanted to visit Albania, but could not, unless they were driving their own car, or taking a flight. And as I was always trying to convince them by offering my help, I realized that some of the travellers avoided traveling to Albania because of the lack of information. Since I spent almost all my life in the country, I could not grasp what they were referring to as “lack of information about public transportation”. As Massey points out, order and chaos are relative concepts since they depend on the individual and their everyday interaction. (Massey: 2005) What the tourists always complain about and refer to as chaos is the lack of a main bus station in Tirana. This is true, the city does not have a main bus station, and therefore one must be a local in order to have the information about inter-city and international transport.

In this paper I will analyse how Tirana dealt with the process of urban changes during transition, taking as case study the lack of a central bus station. How do citizens access the necessary information? What kind of relations are at stake? What does the lack of the station as geographic public space effects local citizens? How is the city situated in the process of globalization? In order to answer these questions, I will use secondary resources such as academic papers, books and scholar publications. Secondary resources will be combined with my experience and will be used to explain certain processes that are taking place in the city.

In this paper I will take into consideration also the issue of post-communist cities and the transformation that happened after the fall of communism. More specifically, I will write about urban transformations that occurred in Tirana after 1991. The city faced rapid changes that were supposed to bring the citizens closer to Western World. However, because of the uniqueness of the previous regime, compared even to other socialist states, changes in the capital city of Albania have some special features.

The paper will mainly use concepts of Auge, Lefebvre and Amin and their theoretical approaches to analyse cities. Firstly, there will be presented the general frame of transition in post-communist countries and the effect in cities, with a focus on

Tirana. Further, the paper will take into consideration the case study of Tirana and the absence of the bus station. Finally, I will try to see how this informal bus station affected mobility and what its political and economic effects are for citizens.

## Transition and the city:

The fall of communism in Albania, as well as in other Eastern European countries was followed by quick political and economic reforms. "Like the ambitions of most uprisings in history, the goal of the 1989 revolution was to undo the old system by tearing down the tenets of a crumbling political structure." (Stanilov, 2007: 21) Transitions in post-communist Europe have a similar feature: the main focus was put in economic and political issues. Cities in these countries faced a rapid growth of population, since migration within the country became a common feature. The new comers in the city settled in the suburbs, where new buildings were constructed. In the case of Tirana, the city has faced an increase number of population. "Since the fall of communism, according to official statistics, Tirana has doubled in population. However, this total only includes formally registered residents. Unofficial sources estimate this figure at one million<sup>1</sup>." (Pojani: 2)

The capital city faced quick increase in informal areas. The surface of the inhabited city area almost doubled, but the main face of post-communist urbanization of Tirana, are the informal areas. This refers to the fact that after the fall of communism the living area of the city expanded in the suburbs, but this process involved illegal construction. One of the biggest problems of the city is the unregistered inhabitants, therefore until recent years basic services such as addresses and postal services were almost impossible. Inhabitants had to count on local postmen and their abilities to know where the inhabitants live in that neighbourhood, although this has been challenging. The areas now after all these years are registered and have street names.

Another feature of the post-communist city is directly related to the change of the previous political system. Economic and political reforms in post-communist Europe had to deal with processes of privatization. So, the cities dealt with a decrease in public services, while private sector is still boosting. The developments do not occur in the city centre but in the periphery. "Just as the socialist government preferred to direct its attention to the urban periphery, where the majority of the large housing estates and giant industrial zones sprung up, most of the energy of the post-socialist growth has been channelled to the suburban outskirts, where new shopping centres, office parks, and clusters of single family residences have popped up, leaping over the belt of socialist housing estates." (Stanilov, 2007: 8) The economic reform requires a renewal of private property, which in Albanian communist state was totally erased. Differently from some Eastern communist systems, the Albanian one was one of the most isolated and totalitarian one. Therefore, private property was totally erased.

"The illiteracy in the country immediately after World War II was as high as 80%... This is related to the existence of a traditional and very patriarchal society in pre-war Albania, where female illiteracy was 90% ... The country's economy was totally rural and backward." (Gjonca, 2001:44)<sup>2</sup> The communist regime brought the massive industrialization process. Most of the cities took the shape that they have today during the early phase of the communist regime. Tirana was of course in centre of attention; since the first university was build there. Also, the modern architecture and functionalist buildings, related to the concept of Le Corbusier, were spread all over the country. Growing and fast industrialization required creation of small cities evolving around the factory. The main connections between the cities were the railways. Private cars and buses were not an option for citizens. So the main national public transportation was arranged through trains.

When it comes to movement of goods and people Tirana and Albanian cities experienced a severe system of control and surveillance. Movement from one city to another where mainly by bus and train. However, it was not always easy to commute from one city to another. Some special cities, which were developed after the fall of communism, were serving only as military basis. In order to travel into border areas of Albania, the citizen must have a special permit. Therefore, the direction and surveillance of citizens' movements were regulated by the state. The most, important feature is that trains were used to travel only inside the country. Even nowadays there is no railway that connects Albania with neighbouring countries. The only international one build in 1980 with Montenegro was used only for freights. Stanilov while citing Dingsdale is very appropriate to explain the lack of railroads with neighbouring countries "Urban form has been often described in social theory as a passive element of our social existence, a mirror reflecting past and present socio-economic conditions, or a "text" serving as a basis for their interpretation." (Stanilov, 2007: 5)

The fall of communism and the transition brought back the private property, but as well as the shift from "the big brother" <sup>3</sup> as the state, into "big brother" as the market. Travelling within the country was shaped by the "chaos" of the new system. Railroads and train stations were rarely used and until now, nothing is done to renovate this sector. A new order within this chaos took place: travelling by using local social interaction. The lack of informational screens does not seem to stop the flow of travellers. Thus, the idea that airports and stations are "non-places" seem to be challenged by this practice, which shows to be "place" and "non-place" at the same time.

<sup>1</sup> [https://www.academia.edu/2098755/Urbanization\\_of\\_Post-communist\\_Albania\\_Economic\\_Social\\_and\\_Environmental\\_Challenges](https://www.academia.edu/2098755/Urbanization_of_Post-communist_Albania_Economic_Social_and_Environmental_Challenges), last accessed 20 January 2015

<sup>2</sup> Sentences in between these sentences were deleted by me in order to show the point of my argument.

<sup>3</sup> I borrow the concept of "big brother" introduced firstly by George Orwell in his novel "Animal Farm" (1946), in order to refer to the surveillance of citizens, which I consider to be present in both communist and capitalist society but performed by different authorities. First one refers to the state and its apparatus and second one to market forces.

## How is the space divided: factual information?

The concept of the station as we use it in our everyday life has already gained an association with a certain building. So, there should exist some sort of physical boundaries that represent the place called station. Secondly, temporality of the people in the place is crucial. Stations are transit points; this is the specificity of it as a place. "The specificity of place is continually reproduced, but it is not a specificity which results from some long, internalized history." (Massey, 1993: 69) So the specificity of every space is its everyday reproduction. The area in Tirana used as a bus station reproduces itself as such, through new interactions that take place there.

In the image below, it is presented one of the sides of the Boulevard "Zogu I", which starts from the National Museum towards the old train station. It is in this street that all travel agencies are located and the buses, according to the hours are staying in specific parts of it. From 2017, Tirana has changed the system and there are three main terminals the one for buses traveling to east south, North and South. Nevertheless, there are still no information on schedules and only few information about the location on online forums and travels portals.

There are no big screens with information, but the role of screens is played by travel agencies and also direct contact with drivers. This shows actually that in terms of this kind of transportation, kinship is important or at least acquaintances. Some tourists have tried to put information according to their experience in travel forums. This particular space of Tirana serves mainly for this purpose. Exchanges, tourist agencies and small fast food and bars, hotels can be found in that street. This shows how the place got shaped as a typical station, which would have most of these elements coordinated by a central authority.

The place is socially produced through the movement of bodies, if we use the terminology of Lefebvre. "Rhythm analysis plays an intrinsic part in exposing the social production of space for Lefebvre. Indeed, rhythm analysis seeks to capture empirically the embeddedness of social relations in the sensory make up of space." (Edensor, 2010: 24) So during transition this area saw the emergence of market forces and the authority (state and municipality) did not intervene with any urban planning. The place keeps producing itself as such and most of drivers refer to it as the station, which shows that relations and interactions actually construct the identity of the place.

## The plaza as space and non-space

"Place and non-place are rather like opposed polarities: the first is never completely erased, the second never totally completed; they are like palimpsests on which the scrambled game of identity and relations are ceaselessly rewritten." (Auge, 1995: 79) The urban anthropologists' concepts will be necessary at this point of my analysis, given the fact that his concepts are directly connected to areas like airports, railway stations and so on.

In his book "Non-Places, Introduction to an Anthropology of Super modernity. Cultural Studies", Auge introduces us to the new concept of non-place, by taking into consideration also the difference between space and place concepts, firstly introduced by Michael de Certeau. Auge brings into the theoretical debate an interesting approach to analyse flows and the concepts of place in our everyday life. Auge differentiates the concepts of geographic place as we refer for example to the bus station geographically, and anthropological place. (ibid: 78) This is the revolutionary momentous that Auge brings into the field of studies.

Anthropological place as a concept refers to human relations and interaction with the place and in the geographic place. Auge in his book defines that "place is completed through the word, through the allusive exchange of a few passwords between speakers who are conniving in private complicity." (ibid: 77) Auge explains that non-place is the measure of time and our interactions within it. Therefore, travelling and constant movement is the ideal version of this non place. "The traveller's space may thus be the archetype of a non-place." (ibid: 86) Deducting from Auge's conclusion, one can simply claim that stations, airports and these transitional spaces are actually non-places too. But what does this say for Tirana and the lack of the main bus station, but a well-functioning connection with neighbouring capital cities?

As it is mentioned in the previous section of this paper, during transition the main train station was almost out of use and citizens started using buses, operated from private companies. These private companies, especially the ones that travel to Skopje, Greek cities <sup>4</sup> and Prishtina have almost a common meeting point. This has the city centre and precisely the plaza behind the National Museum until 2017 and currently speaking the Palace of Sports. The lack of a main regulatory institution, which will deal with logistical problems of the "typical" order in a main station, does not seem problematic.

Typical order of a main bus station consists on having an information desk, ticket desks also, specified departure places for specific buses. Moreover, the necessity of a regulator is more present when it comes to information about bus numbers and gates. Of course, for tourists a website is necessary. All these regulatory features of a bus station are lacking in the case of Tirana, which should not create to the reader an image of a less industrialized capital city compared to other cities in the Western Balkans. Order is actually put by the private travelling companies and citizens' needs to travel. "As Lefebvre has pointed out urban is the area where 'claiming the right to the city' takes place." (Kuyumlu, 2013: 1) Given the fact that not even the most current master plan of the city<sup>5</sup>, which includes a project for tramway in Tirana, has not mentioned anything about

<sup>4</sup> Massive migration in Greece and Italy was another feature of Albanian transition. Mostly, migration was illegally done, but as soon as emigrants were settled and had regulated their stay, the need for connections with Albania was born. So, private companies started operating connecting Tirana with all big cities in Greece. Offices and departure places are in the same segment of the Boulevard.

<sup>5</sup> <http://grimshaw-architects.com/project/tirana-masterplan/> last accessed 28<sup>th</sup> January, 2015



bus station, means that citizens approve this order imposed both by their need but also by companies. "The main direction of urban spatial restructuring could be defined as a transfer of assets, resources, and opportunities from the public to the private realm." (Stanilov, 2007: 10)

The struggle for information that tourists have to deal with was unfamiliar to me, until the point I found myself as a tourist in my own city. I then realized that for foreigners it is even more difficult to access the information. I got to know the "ghost" station while I was trying to get some information about buses that go to Skopje and Prishtina. As I was walking in that part of the Boulevard starting from the museum until the old train station, realised that actually that space is the real bus station. Every company has a specific spot in the street, and the destinations are also split pretty logically.

Considering the concepts of Auge, I would argue that this space in city centre is actually both place and non-place. It is a geographic place, but also an anthropological one. Given the fact that place is about relations this "ghost" bus station functions well and apparently effectively thanks to the personal relations with drivers or acquaintances that had some previous experience. On the other hand, during a normal day one can observe the travellers with luggage and their flows the same as ones in a normal station.

## Questions of urban planning: Consequences of a missing plan

In this final section I will analyse the issue in terms of urban planning of the city. Urban planners in modern cities face different challenges. Moreover, in post-communist transitional cities, urban planners need to equilibrate between new economic reforms and social justice. New system where the city needs to operate imposes changes to cities, on the other hand mobility flows of people requires settling of the new comers in the city. Tirana dealt with this issue after the fall of communism. However, urban planners failed during these years to deliver any concrete proposal regarding a main bus station, which would connect the city with other cities. Furthermore, the connection with neighbouring cities in the region is of an extreme economic importance.

Post-communist cities faced a phenomenon that Stanilov explains as the period of difficulties for urban planners. Basically, politicians took advantage of the situation. "Thus, urban development became characterized by a highly individualized and a rather permissive approach to managing investment decisions, which severely undermined the ability of planners to advance coherent strategies for city growth." (Stanilov, 2007: 414) This spatial conflict between social justice and new needs raised the question of the developments in the city. While, local politicians were dealing with informal areas of Tirana and immediate problems such as informal buildings, unemployment and internal migration, the need to travel was shaping Tirana's centre. Early year of transition faced illegal economy, common feature for post-communist country. This activity influenced also transportation section, but this paper takes into analyse the actual period when informal activity related to transportation be it urban, inter-urban or international, is already fixed.

Harvey (1996) discusses the issue of city and social justice. His main thesis is that social justice rather than universal is local and contextual varying in terms of individuals, time and place. How does Tirana's bus station stand in terms of these two concepts: social justice and modernity? The fall of communism did not only increased mobility within the country, but for the first time after 46 years Albanian citizens could travel abroad. The old system never saw the need to build a bus station as the ones we see in Zagreb, Belgrade, Skopje and also Prishtina. However, going from an isolated country to a liberal democracy requires market economy and a relocation of Tirana in regional and global market relations. Communication is the key to re-integration. Also, communication and transportation, according to Sterne go together. "Communication is best conceptualized as organized movement and action. All movement has a symbolic dimension, to be sure, but movement is also a constructive physical phenomenon." (Packer, 2006: 118)

Harvey takes into consideration seven arguments in order to dissolve the conflict presented above. Given the fact that the plan for the city is missing, I would use Harvey's arguments to argue that the actual functioning does not help the improvement of the city. The economic growth argument (Harvey, 1996: 203) would be of great importance even to local politicians, since the municipality budget would benefit from taxes and fees paid in the station. Not only is the economic argument at stake but also the social justice one itself. Such system based in social interaction that has the form of kinship, damage new and small entries in the market.

Furthermore, this practice represents an opposite model of "a good city" as Ash Amin claims in this book. While reading Amin the reader can notice four elements that according to the author make the city a good one. These elements are called the four R-s: Repair, Relatedness, Rights and Re-enchantment. (Amin, 2006) However the author says that the answers to his questions would require an "urban utopianism" (ibid: 1013) I will give briefly an explanation of the four R-s. Firstly the Repair relates with the facilities that help circulation. Bus stations, tram stops, and public transportation routes seem to fall in this category. I think that this practice of Tirana shows how the city is not good in this direction. If transportation is about facilitating mobility, communication and so on, the city partially failed to do so.

Secondly, Relatedness is connected with the concept of equality. Although relatedness is more connected to the welfare state and the excluded, the public plaza behind the National Museum seem to impose itself even to the ones who are excluded from the information access. "The result is an equal duty of care towards the insider and the outsider, the temporary and the permanent resident." (ibid: 1015) Relatedness relates to everyone in the city and the tourist, new comer, or even one as a first-time traveller. Therefore, information networks cannot be considered as such.

My experience with the station in Tirana can testify that the city in terms of Amin's criteria can hardly be classified as a "good city". The third element that Amin uses in order to define a city as a good one is "Rights". His concept of rights is

also connected with the one introduced by Henri Lefebvre. "The right to participate presumes having the means and the entitlement to do so." (ibid: 1017) Amin would argue in a situation like that present in the capital city of Albania, as a situation where the means are there but being used by people who have access to the information. This practice denies the right of new comers, new drivers and foreigners.

Finally, Amin presents us the fourth R, which is "Re-enchantment". "Re-enchantment in the history of urban utopian thought has tended to focus on a paradise to come, usually around grand projects designed to engineer human life materially, morally and ethically." (ibid: 1019) re-enchantment is not about urban planning rather than sociality. In order for this to become present the public space is needed. The station as the place of social interaction is a form of public space; however, it is the public space similar to ancient agora. It excludes certain categories, which actually do not know how to enter this specific public space.

In another work of Ash Amin, where the author deals with urban public space more specifically, the concept of culture is at stake. (Amin: 2008) Collective culture is produced in public spaces if the latter is well-organized. "Public space, if organized properly, offers the potential for social communion by allowing us to lift our gaze from the daily grind, and as a result, increase our disposition towards the other." (ibid: 6) The ghost bus station in Tirana is a public space, well organized within its internal logic. However, the lack of a visible and formal structure of public space station as such tells us about the collective culture produced in that area.

Firstly, and most obviously is the consumption culture, which is totally in line with the logics of a modern liberal city. Transportation is communication and they both are forms of consumption in our society. Secondly, what does this say about the values of commons? The plaza where the buses wait for passengers is becoming the common area of drivers and passengers, passers-by and people who are drinking something in the terraces. This common space is based on social interaction and getting information from acquaintances. This half form of kinship does not produce a critical view in this public space because as Durkheim has pointed out, the solidarity here is the mechanical one. Organic solidarity is required in order to produce participation of citizens as such in public space. This lack of collective culture can explain why this problem is not even being addressed publicly. As I already mentioned above, there is no master plan that involves building such station, but there have not been any massive protests from the drivers or citizens related to the issue. This is because the informal station produces itself everyday through interactions but does not produce the collective culture necessary to turn this place into a place of sociality.

## Conclusion

The issue of the lack of Bus station in Tirana has always intrigued me. I always wondered what kinds of relations were produced to keep the transportation and mobility alive, but on the other hand no action was taken to improve it. Given the fact that now after transition period the city is integrated in regional economy the need for an organized station is more urgent. Public spaces have a real say about the way we are located in world economy and globalization process. I consider everyday practices of Tirana in this direction as produced by market forces, citizens' needs and maintained by a set of certain interaction. These interactions do in fact produce the same practices as those we face in a normal bus station in other capitals of the region. However, in Tirana inclusiveness is at stake.

Tourists, new comers and new travellers who do not have a previous experience with this practice find themselves lost in transportation, unless they get some information from other people. I have observed most of travel forums and blogs online to see the opinion and experiences of other travellers, especially foreigners. These forums are actually playing the role of the official website that normal bus stations have. It is surprising to see how this system of interactions maintains itself and how online information is making it easier for foreign tourists at least. However, what is disturbing is the local production of this space for the citizens.

Taking into account efficiency and market criteria this space is not able to take the best out of it. Administration of a bus station would make municipality expand the budget, but also ease the flow of tourists, since tourism is the main service Albania is focusing on nowadays. On the other hand, if we leave aside this liberal logic and focus more on the citizens and their relations to the public sphere, this area is constantly reproducing itself with the same logic, but it is not producing a common collective culture of participation. Given the fact that these needs are not being addressed publicly shows that for citizens this is not yet perceived as a problem. Yet, it is from this experience that we understand where Tirana stands in this global network of communication and transportation, which is not by the side of Western cities as most of citizens would expect after transitional period ended.

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# Overview on virtual property and protection of personal data - the new EU general data protection regulation and its implication in Albania as a non-EU member state

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## Abstract

*Nowadays, virtual property issues as well as the technological developments in business relations in the digital area have raised new legal interpretations among lawyers. Such interpretations are analyzed per se along with the data protection rules. The EU General Data Protection Regulation (GDPR) has brought a new perspective of business liability in complying with this Regulation. The scope of GDPR regarding enterprises which operate among EU countries, as well as those operating in non-EU countries such as in Albania, raises a fortiori many questions on their responsibilities while collecting and processing personal data. Since the entry into force on May 25th 2018, the first case brought on a national court in Germany has applied GDPR while interpreting its articles regarding the questions raised by the parties on personal data, setting this way just the first of the many cases that the courts faced on this first year since the entry into force of the GDPR as of many other cases that the courts will face. The impact of GDPR lies in many other fields of private law. The protection of personal data is considered to be an important human right interpreted so far under the scope of Article 8 of the European Convention of Human Rights. Inter alia, the GDPR sets specific rules on the protection of personal data. Notwithstanding the aim of the GDPR on harmonizing data privacy laws across Europe, the main innovation is the broaden jurisdiction of its application, with regard to the non- EU member states, such as Albania. In this respect, this paper consists in an overview of the concept of virtual property and its relation with the data protection rules, as well as a brief analyze of the current legislation in Albania regarding data protection and the challenges in harmonizing our legal frame with the GDPR provisions.*

**Key words:** data protection, harmonization, personal data, virtual property

## Methodology

In order to elaborate the aim of this research paper, it is implied the qualitative methodology, which tries to give answer to questions such as: How? Why? In which way? In itself, the qualitative methodology also includes the research methodology, descriptive methodology, the comparative methodology and the interpretative methodology.

The research methodology which consists in finding the sources of information regarding virtual property and data protection is part of the first steps in preparing this paper. Through this method was also possible to find both the doctrinal background, legal background and the case law on the issues treated in this paper.

The descriptive methodology is one of the methods used in order to refer and explain legal matters with regard to virtual property and data protection regulations in EU as well as in Albania, following by the comparative methodology which is important to analyze the current regulations on data protection in Albania compared to the EU data protection rules. This helps to find the gaps in our legal regulations of data protection in order for this field to comply with the EU legal regulations.

Lastly, the interpretative methodology is the method that has helped to relate the legal regulations with the case law regarding the data protection. Furthermore, it has been implied to give personal arguments and opinions on various issues

that have been pointed out in this paper, trying to modestly contribute to give an original overview on the data protection rules and the future challenges in this regard.

## Introduction

One of the latest debates among the European Union (EU) institutions is related to personal data handling and processing. With the new forms of technology which have come in our way, new legal challenges are presented in every member state of the European Union (and not only within the EU, but in non-member states as well) to revise the legal framework with respect to the protection of personal data.

As a new field of law, in the meaning of the new challenges, developments and the more importance that data protection has gained last years, the more the technology evolves the greater is the need to protect personal data, as well as the greater are the challenges which lie in every legal system. Regulation (EU) 2016/679 of The European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, (General Data Protection Regulation) replaces Directive 95/46/EC of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data. The GDPR entered into force on 25<sup>th</sup> May 2018 and the first court decisions based on its application and interpretation have been released just a few months after the entry into force of the GDPR. The decision was revealed by some national courts such as a German court, Würzburg Regional Court, which issued on August 2018 an *interim* injunction against a lawyer who provided an incomplete Privacy Policy on her website as well as an unencrypted contact form. The court considered both the missing Privacy Policy and the lack of encryption of the website to be violations of the GDPR. But still, it is too early (at the time this paper was written, May 2019) to have a full interpretation of the whole EU GDPR provisions by the European Union Court of Justice, although there are several debates at the EU level.

Any processing of personal data in the context of the activities of an establishment of a controller or a processor in the Union should be carried out in accordance with this Regulation, regardless of whether the processing itself takes place within the Union. In *Haec Verba*, this concept means that if companies which are established in the EU have branches or otherwise collaborate in any kind of way with companies that are not located in an EU member state and if they process personal data they have to comply with the provisions of this Regulation as well, leading to new interpretations of the “connecting factors” from the private international law perspective.

Technology has digitalized at a wide range our everyday working processes, facilitating the communication of information and data through it. However, these developments and other concepts such as “big data” present to us, as legal scholars and practitioners, new challenges regarding the protection of data. The information we access is a transcript presented in a way that we, as human beings are able to understand, when actually it is written by software developers by using different codes of different programming languages. As a result, Artificial Intelligence is, in fact, a way to show us the very complex methods and routes through which our data are registered, collected, processed and stored by these systems which are at the end managed by a group of IT engineers and probably controlled by their supervisor or the company that is responsible for. That is how many subjects have access to our personal data. These data may be used by companies which collect personal data as part of their business activities or as part of a contractual agreement, for many purposes, which may or may not be according to, or serving the aim and purpose for which they were collected in the first place. In this regard, Article 23 of the GDPR calls for controllers to hold and process only the data absolutely necessary for the completion of its duties (data minimization), as well as limiting the access to personal data to those needing to act out the processing. In that case, if these technological systems still store and have access to our information and personal data without any reason and purpose which we have agreed to, we are facing a concrete situation of a data protection breach and the whole burden lies within the company (i.e. the controller), which according to the GDPR may be subject and therefore responsible for huge fines. Therefore, the legal instrument protecting personal data came on May 2018 in the form of a regulation, replacing the previous Directive. As a regulation it gives personal data protection more importance, since it is directly applicable to all member states. However, the novelty of the GDPR in this regard is its extraterritorial application, meaning that there is a need to have a harmonized legal framework not only in every state that these data are transferred to, but also in other non-member states such as Albania.

The growth of foreign business investments in Albania, as well as the establishment of trade relations between Albanian and foreign enterprises, require the implementation of easing technical measures in the framework of business and commercial transactions, thus creating not only challenges for updating the legislation in this context, but also the need for training of legal practitioners and legal advisors of businesses in this field, which (businesses) due to their relationship with foreign entities, are more or less subject to the application of new legal interpretations. In this regard, only for the year 2016 there were 5,637 foreign enterprises operating in the territory of the Republic of Albania and the number of foreign enterprises that exercise economic activity in our country was increased by 11.6% in 2017, compared to 2016.

Businesses from different parts of the EU want to be sure that the legislation in the countries where they are investing is in compliance with these data protection rules, otherwise the fines will create a huge loss for their capital investments, requiring both the attention of legal scholars especially those of corporate Lawyers (that assist such businesses on daily basis) to these new regulations on processing personal data. The concept of virtual property

Although a universally accepted definition of virtual property is hard to come by, we may state that virtual property is still property, and it exists even though it is intangible. It includes (amongst other things) website addresses and email addresses as well as certain other accepted immaterial property objects such as bank accounts, stocks, options and derivatives. Indeed, one can go so far as to include digital goods, such as digital versions of books (e-books), computer or smartphone programmes or apps, television series and movies as well as digital music (albums and tracks) as objects of virtual property. However, the focus in this paper is to understanding of the concept of virtual property in general.

Usually, virtual property is linked with intellectual property. While, intellectual property has other regulative legal basis, virtual property is difficult not only to understand, but also to be categorized in an existing legal field. In my opinion, it is also more difficult to be accepted by the lawmakers in order to regulate its aspects by a specific legal instrument.

Moringiello explains how and why it is problematic to equate virtual property to intellectual property. Typically, when lawyers hear the term virtual property, they immediately think of intellectual property. Courts tend to think in the same way. To illustrate this she discusses the US domain name case of *Dorel v. Arel* which dealt with the question, can a judgement creditor reach a domain name by means of garnishment? The problem was that under the applicable statute that applied, only a property right could be garnished. In order to make the outcome fit the facts, the court looked to trademark law as a subset of IP law for help. The court then concluded that if a domain name is eligible for trademark protection, it is seen as property and therefore also garnishable; if not, then it is not property and hence not garnishable. Moringiello then explains the problem in the following way. If a domain name is eligible for trademark protection, it cannot be transferred without the goodwill of the business to which it is attached, and as result is of nearly no use to the creditors. On the other hand a generic domain name which is incapable of being protected by trademark can be extremely valuable to creditors, because it can be transferred for a substantial amount of money. In other words, it is clear that by trying to squeeze in a domain name under the category of a trademark, it loses all its value to the creditors. Thus, one needs to look at redefining it as a virtual property right that is capable of subsisting on its own. Now that aside, the problem to identify here is the fact that disputes that take place only in a virtual world tend to mirror disputes which take place in the real world. As such, they tend to be solved in the virtual world in a manner analogous to the way in which the real world would have dealt with them. To be able to deal with disputes relating to virtual world assets in the real world one should de-conceptualize them from the fact that they have to do only with intangibles. Moringiello sums the situation up by saying that we ought to put aside tangibility as a determining factor in viewing virtual property, and concentrate rather on the other aspects of property rights.

To analyze virtual property I suggest we start from the basic meaning of “property” first. Property is the right to peacefully enjoy, possess and to dispose the objects under the limitations provided by the law. Under the European Convention of Human Rights it is prescribed the protection of this human right: “Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.” In a cumulative interpretation of the above stated provisions and with regard to the new developments in the digital area, in my opinion it is time to review such concept in our Civil Code. Article 149 refers explicitly to the “objects” one has the right to. While the ECHR refers only to the “possessions”. In a world that is in a continually change the legal instruments should also reflect these changes. While in a *lato sensu* interpretation Article 1, Prot. no. 1 of the ECHR may be interpreted as also referring to virtual property, our definition of property in the Civil Code is not to be relevant with the new challenges.

In my argumentation, in a world that is more and more presented “online” the business relations, various contracts and legal agreements, purchases of a whole range of products and a lot of other elements are found and concluded online. But how? We leave some footprints wherever we “click” through our mobile phones or our PCs. We have a personalized amount of digital elements that identify us in our online activities. In most of the times, we have to enter and use our very personal information to conclude an activity online, for example we have to enter our credit card’s data to purchase online. What happens with these data after we have once registered them is not easy to understand for those who do not have technical knowledge on it. Therefore, all of the information we set online that identifies us or that it is able to identify us for who we are, is defined as personal data, as it will be further elaborated in this paper. In my opinion, personal data must be considered as our property that we have virtually. We have the right to enjoy, to possess in different online transactions as well as to dispose them, to destroy and forever request the delete of our personal data (the right to be forgotten). Moreover, with the new developments in contracts, smart contracts are the new forms of contracts. Cryptocurrency as well has expanded its usage in a lot of transactions which make the processes easier, efficient, transparent, but with the risk of unknown usage of our personal data.

In this regard, the dynamic IP addresses have also been pointed out by the ECJ court that they are considered as personal data. Businesses should note that if they have sufficient information to link an IP address to a particular individual (e.g., through login details, cookies, or any other information or technology) then that IP address is personal data, and is subject to the full protections of EU data protection law. For many businesses, this is likely to require a review of how IP addresses are handled in the context of activities such as customer engagement, website analytics, targeted online advertising, and so on.

Therefore, I consider virtual property in this regard very important and that new regulations should be made in order to legally regulate its function as an institute of law. With the entry into force of the GDPR new regulations have been set for EU member states as well as those non-Member states.

## **Innovations and the territorial scope of the General Data Protection Regulation with regard to its implication in Albania as a non-EU member state**

Some of the new aspects referring to the GDPR.org, that the GDPR has brought consist of:

### ***Broadening the territorial scope of its legal effects.***

Perhaps the biggest change in the regulatory landscape of data protection comes with the expanded jurisdiction of the GDPR's effects. Previously, the territorial application of the Directive was unclear. The GDPR makes its applicability very clear. The GDPR will be applicable to the processing of personal data by controllers and processors that are located in the EU countries, regardless of whether or not the processing is carried out in these countries.

### ***Strengthening the criteria for granting consent.***

There is a new approach to the concept of "consent" according to the GDPR. In the new Regulation, concrete practical aspects of consent and other related aspects are dealt with such as consent of minors or consent by electronic means.

### ***New Rights:***

#### ***Right to be forgotten.***

This right means the subject of it has the right to require the controller to delete the personal data about him or her, without delay, and the controller has the obligation to delete personal data based on the reasons set out in the EU Regulation;

#### ***Data Transferability Right - Data Portability.***

The data subject has the right to obtain personal data that he or she has provided to the controller in a structured, widely used, and automatically readable format and those data are transferable to another unhindered controller.

### ***Strengthening accountability***

The GDPR brings about a strengthening of accountability in relation to data processors. Controllers are required to show more attention to respecting the principles of protection of data and rights at each stage of data processing by creating a culture of monitoring, reviewing, and evaluating processing procedures or increased sanctions against non-enforcers of the law on the protection of their data.

### ***Increasing transparency***

The principle of transparency requires any information that is directed to the public or to the data subject to be concise, easily accessible and easy to understand in a plain and clear language.

### ***Protecting the Data of Children***

Children deserve specific protection regarding their personal information as they can be less aware of the pertinent risks, consequences, warranties and rights with respect to the processing of their personal data.

### ***Strengthening the independence of the Authority for the Protection of Personal Data.***

The GDPR guarantees the full independence of the Personal Data Protection Authorities, suggesting increased human and financial resources.

### ***Creating a Data Protection Officers Network (DPO)***

The GDPR introduces as an innovation the obligation to designate Data Protection Officers who should be assigned to the purpose of monitoring the compliance of the data controllers or data processors with the GDPR and other data protection laws

### ***Certification of data controllers - data processors***

Pursuant to Article 43 of Regulation 2016/679, certification of controllers is a required protection of data at their request. In this sense, the supervisory authority must have created the necessary legal conditions for: - Drafting and approving the legal or sub - legal act "On Certification of Systems information security management, personal data and their protection";

***Accreditation of the certification body; - Certification of controllers. The purpose of this objective is to harmonize the entire existing legal framework for the protection of personal data with the best EU practices in order to guarantee this right.***

On the other hand, infringements of some provisions in the Regulation shall be subject to administrative fines up to 20 000 000 EUR or, in the case of an undertaking, up to 4 % of the total worldwide annual turnover of the preceding financial year, whichever is higher.

As it can be seen, the novelties of the GDPR are numerous. Although Albania is not part of the EU yet, not only as a country aspiring to integrate, but also because of the extraterritorial principle as well as the cumulative liability regime of Article 82 (4) of the GDPR reflects the general principles of tort law regarding multiple tortfeasors and when any of the processes of personal data has taken place in Albania territory, it should follow the trend of harmonization



national legislation with the *acquis communautaire*. The general principle is that any of them: “the controller” who is liable for any processing activity under its control or/and “the processors” who should be directly liable towards data subjects, may be sued. It is a cumulative liability regime, in which the data subject has a choice whether to sue the controller, the processor, or both, at least in cases where both controller and processor are at least partially responsible for the damage.

## The territorial scope interpretation

“*This Regulation applies to the processing of personal data in the context of the activities of an establishment of a controller or a processor in the Union, regardless of whether the processing takes place in the Union or not. This Regulation applies to the processing of personal data of data subjects who are in the Union by a controller or processor not established in the Union, where the processing activities are related to: (a) the offering of goods or services, irrespective of whether a payment of the data subject is required, to such data subjects in the Union; or (b) the monitoring of their behavior as far as their behavior takes place within the Union. 3. This Regulation applies to the processing of personal data by a controller not established in the Union, but in a place where Member State law applies by virtue of public international law.*” This is *expressis verbis* the territorial scope of the Regulation as prescribed in its Article 3. This means that even in states such as Albania, a non-EU Member State, if processing and storage of personal data are taking place, the Regulation will be applied.

The *Google Spain and Google* case presented such a situation where the dispute in the main proceedings concerned the personal data of a Spanish national resident, Mr. Costeja González, appearing in links to the daily newspaper *La Vanguardia*. He was mentioned in relation to a real estate auction which had a connection with attachment proceedings concerning the recovery of social security debts. He requested that his personal data be removed or that this personal data no longer appear in the links to *La Vanguardia*. The CJEU was requested to give a preliminary ruling and one of the questions was regarding the territorial scope of Directive 95/46/EC, since this Directive also refers to the same concept more precisely the interpretation of Article 4(1)(a) Directive 95/46/EC was also requested.

The national court started with asking whether an entity is to be considered as an “establishment” when “the undertaking providing the search engine sets up in a Member State an office or subsidiary for the purpose of promoting and selling advertising space on the search engine, which orientates its activity towards the inhabitants of that State”. The Court noted that Article 4(1)(a) should not be interpreted restrictively and that the provision prescribes a particularly broad territorial scope. The court’s reasoning was mainly focused on determining the meaning of “in the context of the activities” of an establishment, instead of the notion of ‘establishment’.

The Court stated that “carried out in the context of the activities” in Article 4(a) of the Directive cannot be given a restrictive interpretation, since the provision needs to be read in light of the objective of Directive 95/46/EC. Furthermore, the Court noted that the goal of this Directive was to ensure the effective and complete protection of the fundamental rights and freedoms of natural persons, and in particular their right to privacy, with respect to the processing of personal data.

Similarly, the objective of the Regulation is the same and, in this regard, we can interpret that if the same case were to be brought before the Court after the entry into force of GDPR, the interpretation of territorial scope would still be the same and would be even more detailed. It is also important to note that the GDPR applies when the processing activities are *related to* either offering of goods or services to data subjects in the EU, or to the monitoring of their behavior. In this case, in my opinion, the term *related to* seems to be a vague notion that does not require any strong connection between the processing activities and the offering of goods or services or the monitoring of the behavior. However, this does not affect cause any problem with the notion of *related to* since it requires that there is a connection between the processing activities and the offering of goods or services or monitoring of the behavior. In this interpretation, if there is a connection between the processing activities with companies that operate in the territory of Albania, then the Regulation applies. Another argument and *ratio* for this application is found at the *Recital 23* of the GDPR itself, “In order to ensure that natural persons are not deprived of the protection to which they are entitled under this Regulation, the processing of personal data of data subjects who are in the Union by a controller or a processor not established in the Union should be subject to this Regulation where the processing activities are related to offering goods or services to such data subjects irrespective of whether connected to a payment. In order to determine whether such a controller or processor is offering goods or services to data subjects who are in the Union, it should be ascertained whether it is apparent that the controller or processor envisages offering services to data subjects in one or more Member States in the Union. Whereas the mere accessibility of the controller’s, processor’s or an intermediary’s website in the Union, of an email address or of other contact details, or the use of a language generally used in the third country where the controller is established, is insufficient to ascertain such intention, factors such as the use of a language or a currency generally used in one or more Member States with the possibility of ordering goods and services in that other language, or the mentioning of customers or users who are in the Union, may make it apparent that the controller envisages offering goods or services to data subjects in the Union.”

## Regarding the legal framework in Albania

We have a dynamic process and reform ahead, with the adoption of the Additional Protocol for the Modernization of Convention 108 of the Council of Europe and the launch of the implementation of the General Data Protection Regulation, which require engagement for adopting reforms in legislation data protection in Albania.

However, some of the most important laws in this regard are governing data protection in Albania are the Constitution of the Republic of Albania; Law No 9887 date 10.03.2008, "On Protection of Personal Data", as amended; Law No 119/2014 "On the right to information"; Law No.9288, date 7.10.2004 "On the ratification of the Convention" On the Protection of Individuals from Automatic Data Processing"; Law No.9287, date 7.10.2004 "On the ratification of the Additional Protocol to the Convention "On the Protection of Individuals from the Automatic Processing of Personal Data, regarding the supervisory authorities and the cross-border transfer of personal data; "Law No. 9918, date 19.05.2008," On electronic communications in the Republic of Albania", as amended; Law no. 8839, date 22.11.2001, "On management of collection and storage classified as state secret information"; Law No.8839, date 22.11.2001 "On the collection, administration and preservation of Classified Police Information"; Law No.10 371, date 10.2.2011 on "Ratification of the Memorandum on the legal Guarantee and legal remedies against the illegal processing of personal data".

The Albanian Constitution in its Article 35 states that *"No one can be obliged, except when required by the law, to disclose information relating to his or her person. 2. Any collection, use and disclosure of the data about the person is done with his consent, except in cases of provided by law. 3. Everyone has the right to be acquainted with the collected data about him, with the exception of cases provided for by law. 4. Everyone has the right to request the correction or deletion of untrue or incomplete data or collected in violation of the law"*.

Comparing to the EU data protection law some of the provisions on our legal frame are structured on the same basis. It starts with the definition of personal data, where the personal data according to our law is defined as *any information relating to an identified or identifiable natural person, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to his physical, physiological, mental, economic, cultural or social identity. "Sensitive data" shall mean any piece of information related to the natural person in referring to his racial or ethnic origin, political opinions, trade union membership, religious or philosophical beliefs, criminal prosecution, as well as with data concerning his health and sexual life.*

All the Albanian organizations/businesses offering paid or unpaid goods and/or services to EU citizens fall under the scope of the GDPR. On 4<sup>th</sup> April 2018, the Albanian Parliament passed a resolution "On the Assessment of the Activity of the Albanian Commissioner on the Right to Information and Data Protection". The Resolution assessed the role of the Commissioner during the year 2017. The Albanian Parliament assesses the role of the Commissioner as an independent institution and responsible authority that oversees and monitors the right to information and personal data protection in accordance with law no. 119/2014 "On the Right to Information" and Law no. 9887, date 10.3.2008, "On Personal Data Protection", as amended. It also assesses the active role of the Office of the Commissioner in raising the awareness of the Public Authorities on the obligations on the design and publication of transparency programs and the provision of public information.

## Conclusions

### Conclusions on strategy of the Office of the Commissioner

As a country aspiring to EU integration, the vision of the Office of the Commissioner and some of the objectives for implementation of the strategy in the legal framework with the entry into force of the GDPR are: 1. Adaption of the applicable legislation to the protection of personal data to comply with regulation EU 679/2016 GDPR and Directive 680/2016; 2. Increase the capacity of the staff of the Office of the Commissioner in the framework of the harmonization of legislation with the acquis. 3. Collaboration and partnership with counterparts from EU countries and state institutions; 4. Data protection in the Information and Communication Technology sector; 5. Recognizing and raising public awareness and public and private controllers on innovations of the new harmonized law; 6. Educating students on the rights and responsibilities of using personal data in the digital environment.

### Conclusions on importance of personal data protection in Albania

Notwithstanding the territorial scope of the GDPR, but also as a country aspiring to EU integration all the Albanian organizations/businesses offering paid or unpaid goods and/or services to EU citizens fall under the scope of the GDPR. In this regard, the Albanian Commissioner on the Right to Information and Personal Data has set up some strategies which focus on the harmonization of the current Albanian legislation on data protection with the GDPR. This is in my opinion a very important step for actually mapping the current issues addressed and regulated by our domestic law in the viewpoint of the GDPR in order to having a harmonized legislation. The harmonization of the legislation with regard to personal data protection will consequently offer a more secure legal environment for foreign investments to collaborate with the Albanian enterprises. The later will also present the need for legal practitioners to be up to date not only with the new harmonized

legislation and the GDPR in general, but also to be up to date with the latest interpretations of the Court of Justice of the European Union, which will final interpret the GDPR provisions that will be applied the same on similar cases.

Raising awareness of the legal practitioners, as well as of the businesses' legal advisors on the harmonized data protection law will help them to implement and respect such personal data protection rules in their businesses and prevent any breach of them, also saving their selves from time-consuming court procedures because of being sued for any breach on data protection. Efficiency is a key element for a successful business.

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# Political conflict as a solution

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## Abstract

*Albanian politics is customarily characterised as producing tension and conflict to serious degrees. There is also the critique that part of this conflict is entirely artificial (i.e. not occasioned by objective reasons that one can find in the reality of society) and could have, therefore, not been generated at all in the first place. This description of politics certainly has its merits, since it directs our attention to a problem that seems to bring along other problems for the society. However, one can also view the production of tension and conflict as solution to a problem, even though this might only be a political problem. Then, this problem runs the risk of not receiving any attention, for all attention is focused on the solution; it remains latent and, because of this, highly productive in undesirable consequences. Here we will use another viewpoint in order to elucidate the phenomenon of political conflict as well as to provide guidelines for solution.*

**Key words:** conflict, semantics, Luhmann, power, democracy

## Introduction

The usual way of treating political conflict is by pointing to regional differences, to differences between nation-states, to listing of characteristics presumed to be unique for a certain national society, hoping thereby to gain understanding of it and possibly some indications for reform. This simply divides the world in developed and undeveloped countries and provides for a semantic of development and modernization. On the other hand, it gives occasion to opposing voices that claim to represent the local truth and the authenticity of local culture (nationalist and terrorist movements for example), while protecting these from attempts at colonization and knowledge produced elsewhere in the so-called developed world. However interesting all this may be, the end result of such procedure is creation of antagonisms that exacerbate tension, indeed transform it into societal conflict (semantically as a conflict between nations, or between cultural groups), which can then no longer be managed at the level of communication, but necessitates the use of destructive technology and violence.

Instead, we start with functional differences. This does not mean disregarding differences between regions, but only repositioning them as not suitable for starting theoretical investigations. The underlying assumption is that regional differences of modern society can be accounted for and their effect can be fully comprehended only by a theory that starts with functional differences. The theory of functional differentiation developed primarily by Niklas Luhmann (Luhmann, 1995, 2012) is better suited for this task.

According to this theory, modern society is differentiated into autonomous function systems such as politics, economy, law, science, art, religion and so on. Modern society is polycentric; it cannot be directed successfully either politically, economically, or scientifically. Politics is just a system among others, with no privileged viewpoint and no superior knowledge of what is best for society. However, in the functionally differentiated modern society, politics realizes a specific function, which cannot be fulfilled by other societal systems: it ensures collectively binding decision-making (Luhmann, 2004: 368). In order to realize this function politics uses its own structures and operations, above all, it uses a specific code for processing information in the



form of political communication. Thus, the medium of power, which is used by the political system for establishing itself and continuing its operations, is codified into superior and inferior power, or as it is the case with organized power, into governing and governed. However, modern politics in the form of democracy uses a secondary code, too: that of distinguishing between government and opposition. This can be described as coding of the authority, i.e. as coding of the governing (Luhmann, 1990: 172-176). Without going into more detailed descriptions of the political system of modern society, we assume that problems of high tension and conflict one observes in Albanian politics ought to be interpreted and accounted for as problems of application of the political code.

## Exclusion of the public from politics

The primary coding of political power divides the world in two halves: governing and governed. Despite their difference in power (whatever the case, e.g. the governing may have all the power while the governed none of it, or the governing may simply have more power than the governed), both parties contribute directly and decisively to political operations, i.e. political actions and political processes. This follows from the concept of the code. The code is always a form with two sides, and in order for the code to be operative in the system the connection between the sides must be preserved. In clearer terminology, one side of the code contains the positive (operative) value; it is used as point for connecting the operations recursively. The other side has negative (reflexive) value. But as it makes no sense to speak of positive without negative, likewise, there is no operation without reflexivity. Thus, the reflexive side of the code serves to put limits to the meaning of the operative side: it works to constrain arbitrary use of operations. For the political system this means that the governing (operative side) must take account of the governed (reflexive side) when operating power. To clarify it further we must have a glance at the concept of the system. Unlike the long tradition that begins with Aristotle, systems theory does not presuppose that a system is an entity, a "thing" that contains a certain substance. Rather, the system is a difference with the environment, a difference that is produced by the systems operations, for which there is no counterpart in the environment (Luhmann, 2006). That is, in order to maintain itself as a system, the system must be able to link operations recursively, thereby producing and reproducing its difference from the environment. In other words, a system is a form with two sides: system and environment. It is the unity of the difference between system and environment. But, in order to link operations recursively, the system must be able to observe and describe itself as different from the environment. Therefore the concept of self-observation becomes central to systems theory. With Heinz von Foerster (von Foerster, 1984, 2003) and second-order cybernetics we now speak of observing systems. These are systems that are able to observe other systems in their environment (politics for example can observe economy), but also themselves (politics can observe and describe itself as conservative politics, or progressive politics, or democracy). However, in order to produce self-observation, a system must produce an image of itself as different from what it imagines as "environment". This calls for application of the mathematical operation that Spencer Brown has named "re-entry" (Spencer Brown, 1972). It means that the form of the system (the distinction system/environment) re-enters itself on one side, the side of the system; as it were, it is copied into it. Thus, the system that is able to observe itself also contains a copy of itself (i.e. an image of itself and an image of its environment). This is how the system produces information that it then uses for performing its operations. As Gregory Bateson put it, information is a difference that makes a difference (Bateson, 1972: 199). Thus, the first system/environment difference that is produced simply by the operations of the system via drawing a clear boundary with everything else that is not a system operation (the environment) brings about another difference occasioned by self-observation, i.e. an image of the system as different from the image of the environment. However, although it appears that the difference remains the same (it is system/environment in both cases), it is actually a different difference. Using traditional terminology we can say that the first difference produced by the system's operations is objective difference, while the second (re-entered) difference produced by the system's observations is subjective difference. Relevant to our argument about the political system, this means that politics constructs an internal environment (as a consequence of the re-entry operation), which is not the same as the external environment. This internal environment is the public, while the external environment of politics is everything else non-political: economy, law, families, health care, education etc.

However, the political system is an historical system and that means that secondary coding of politics has not always been in use. Indeed, it is an achievement of socio-cultural evolution that corresponds to the functional differentiation of society. Functional differentiation postulates an autonomous political system, which is capable of self-organization and self-observation. To realize these, the system needs secondary coding of power as a means of performing re-entry, i.e. of linking one difference to the other, and thus gaining information about itself and its environment. This is typical of modern politics, for it cannot rely on information and observations produced elsewhere; for example, as shown first by Machiavelli, it cannot accept moral observations as premise for correct political action (Machiavelli, 1984).

Before the historical introduction of secondary coding, politics consisted only in those who govern and those who are governed. It could not, so to speak, perform re-entry. It was unable of self-observation and self-description. Therefore, politics could only be observed and described from outside positions, e.g. morally, religiously, or legally. Nevertheless, both the governing and the governed were within the system and could thus contribute to hold its balance.

This situation changes dramatically with the passage from stratification to functional differentiation. Differentiation of politics as an autonomous function system, which only has itself to rely on for operations, observations and descriptions, necessitated a secondary coding of political power for purposes of reflection (Luhmann, 1990: 176-178). Authority (the

governing) is no more the eternal authority justified by divine law and natural law doctrines: it is itself made contingent by providing for political opposition. In the semantic tradition this was celebrated as democracy. Indeed, whatever else a democracy is, as a minimum, it must constitute rules that allow the opposition to compete for power. Alongside these developments was coined the term “public”, and the derivatives “public opinion” and “public interest”.

But this achievement had also a cost. The secondary codification of power in the political system made room within the system only for government and opposition. No further differences were necessary for directing political operations. That means that the governed, now under the name of “public”, were reduced to a non-position, or in logical terms, to an excluded third. The public become the parasite (Serres, 1982) of the political system, and therefore had to be prevented to ever gaining political power. But politics, apart from processing operations in the medium of power, also needs to prove its worth for and in the society. For this reason, it needs the public as internal environment, as an environment constructed entirely politically and only for political aims (King & Thornhill, 2003: 86-91). Therefore, the once excluded public is now included in the political system, but under conditions that neutralize its potential for getting into power. For instance, the public re-enters the system as capable of providing a mirror for political actors, in the form of “public opinion”, where these actors (both governmental and oppositional) could see their actions reflected and evaluated. Also the public is internalized in the system by using certain procedures as voting, whereby the public is transformed into the electorate, who can decide who will be in the government and who will be in the opposition, but cannot itself claim political power.

In light of the above considerations, *the problem of political tension and conflict that one finds in Albanian politics, ought to be related to the need to first exclude and then include the public in the political system.* However, before going into that discussion, we need to explore another issue, which concerns conceptualization of public experience in the face of political operations. It is important to observe our reference problem from both sides, i.e. from the active perspective of political authority (government/opposition), and from the experiential perspective of the public.

## Semantics of political authority

Following Luhmann (Luhmann 1986, 1995, 2012) and Andersen (Andersen, 2003, 2011) we define semantics as condensed meaning that society considers worth preserving for communication in more than one situation and more than once. This definition has important implications. First, it means that semantics serves as a structure for societal operations, i.e. it makes some operations (communications, actions) more probable than others. On the other hand, semantics derive from repeated use of operations and from that follows that they can be changed by them, at least when operations manage to change social structures and expectations attached to them. For example this happens when society changes values, programs, or distribution of roles. Such change of social structure puts pressure on the semantics to adapt accordingly, lest the society suffers from inadequate self-descriptions. Another point to be emphasized is that semantics, as condensed meaning, is expressed through concepts, ideas, images and symbols (Luhmann 1986, Andersen, 2003). One has therefore the possibility of combining the theoretical work of Luhmann with that of Koselleck by focusing attention to the concept of the concept as a key to studying semantics and its relevance for societal investigations. For both Luhmann and Koselleck (Koselleck, 2004), a concept is a form with two sides: concept and counter-concept. A concept condenses expectations in such a way that many different expectations become condensed into concepts. Concepts are never unambiguously definable. A concept is a kind of expectation structure. To use a particular concept in a communication establishes particular expectations about the continuation of the communication. Moreover, concepts are general in the sense that a concept is not identical with its specific use in a specific communication. The concept is generally available to communication but is given, in the communication, a specific meaning and actualizes specific expectations (Andersen, 2003).

When looking at the secondary code of the political system we can easily notice that we are dealing with a concept, i.e. we have the concept “government” and the counter-concept “opposition”. One of the keys to performing semantic analysis relates to the phenomenon of conceptual shift. Although there are many possibilities for realizing conceptual shift, we shall focus our attention to one of them, namely the case when concept and counter-concept remain the same, but the meaning dimension within which the distinction is defined may have shifted (Andersen 2011). Following systems theory, if we distinguish between a temporal dimension, a social dimension and a factual dimension, one may imagine that the form of the concept changes dimension so that a factual dimension is defined as social or temporal. However, first we need to introduce certain distinctions that distinguish the meaning dimensions.

The factual dimension is about the choice of themes and objects for communication and consciousness. Themes and objects are all structured according to the form of the meaning termed ‘thing’ as the unity of the distinction between this and everything else. The social dimension is based on the non-identity between communication participants and constitutes the horizon of possibility in a tension between ‘alter’ and ‘ego’. Thus, it is about that which is not recognized by me as me. In terms of semantics, it is a question of generalized forms of distinction between ‘us’ and ‘them’. Social identities are the unity of the distinction us/ them. Thus the social dimension is the dimension for the semantic construction of social identities, where there can only be an ‘us’ (concept) in relation to a ‘them’ (counter-concept). Finally, the temporal dimension articulates the tension between the past and the future. The temporal dimension is constituted by the fact that the difference between before and after, which can be immediately experienced in all events, is referred to specific horizons, namely extended into past and future. The semantics of temporality is about the way in which we observe and conceptualize the past and the future. The future is a horizon of expectations

and the past a space of experiences, and any present exists only as the tension between the two. What moves in time is past/present/future together, in other words, the present along with its past and future horizons (Andersen 2003).

Now, what conceptual shifts have occurred to the concept government/opposition and what societal problems relate to these shifts? We know that this concept derived from another concept, the one that indicates the primary code of politics: governing/governed. The difference between governing and governed was understood as objective, as essential difference, and therefore it was established in the factual dimension of meaning. That meant that the governed, because of their substantial being, could never be given the chance to govern. It also meant that those in power (the governing), because of their substantial being, could never get out of power. Certainly, this semantic conception corresponded to stratification of society on the basis of rank, and to a morality that since Aristotle divided people into perfect and corrupt beings.

The passage to functional differentiation of society undermined the social support for this semantic conceptualization. Also there were breaches in the field of morality (Nietzsche), where now the road ahead was beyond good and evil, as there were significant changes in the law, which became positive, i.e. changeable. All this was reflected in politics by its secondary coding that defied the unquestionable everlasting of political authority (the monarch, the emperor, aristocracy). Now, those who have been the governed could join the opposition and therefore try their chance to get into power. Having both parties competing for political power, one could no more see the difference between government and opposition as a factual difference. Thus, democracy provided a conceptual shift of the political code away from the factual dimension. The only other options for repositioning this concept remained the temporal and the social dimensions.

Temporality offered some obvious possibilities. It was clear that today's opposition was tomorrow's government and vice versa. This understanding made it possible and, indeed, necessary to focus on certain technical issues. For example, it became indispensable to condition the possibility of rotation. Thus mandates were specified both temporarily and factually and elections were defined as the mechanism for deciding the winner. But besides these technicalities, which provided some structure for the political system, the temporal dimension could not provide an answer to the question of relevance of politics for the society. Actually, this temporal understanding of politics as a simple game of rotation between two players exposed the exclusion of the third player, the public, and risked to turn it into an alienated public. After all, it had to be the latter that would decide the result of the game, by participating in elections. For this reason, the government/opposition distinction cannot be held solely through temporal means. Therefore, it was worth trying to experiment with the social dimension.

That means that the difference between government and opposition had to be constituted as a difference of observational perspectives. So, government and opposition need to be established as different observers who, although referring to the same object (societal reality), would reach different conclusions about it. But as it is well known, in order to reach a conclusion you first need a premise, and then some reasoning process. To this purpose, one could refer to societal values as a starting point and make them into premises by forming ideas. The next step is both logically compelling and historically verifiable: the organization of ideas into ideologies (Luhmann, 2008). Ideologies have the advantage of relating conjunctively several premises with one another and also any of the premises to the conclusion via a deductive operation. Therefore, the difference of conclusions depended above all on the selection of values one started off with. It is interesting to notice that, although there is societal consensus at the level of values, one cannot claim societal consensus at the level of ideologies. Thus ideologies serve to transform unity into difference and to produce from a single observing position (society) a plurality of observing positions (the different ideologies). However, these ideological positions can only be used by systems, as Heinz von Foerster reminds us. In a democracy, this means that observers have to be politically organized systems, i.e. political parties. Therefore the social difference between 'us' and 'them' emerges as a difference of party ideology. Of course, one can form numerous ideologies quite easily, but in order to provide points of orientation in the political system, they are usually aggregated and reduced to left and right, or progressive and conservative ideologies (Luhmann, 1990). At the level of political parties, this reduction plays an important function: that of conditioning coalition formation on the basis of common values and similar ideologies. This paves the way for creation of concepts like "integrity" and "responsibility", which condense expectations about the relation of political parties to a certain ideological position, as well as their relation to the public. However, in order to become credible, party ideology needs to be supplemented by an instrument that provides the means for its realization, i.e. a programme. This means that the difference between 'us' and 'them' must also be articulated programmatically. Party programmes tell the public how 'we' are going to do this in difference to how 'they' would do it. But since a programme is made in the present and refers to the future (which may prove it right or wrong, because no one knows the future for certain), the public usually experiences it as uncertainty and possible cost, rather than as difference between government and opposition. Therefore, the different observers (and their observations) established by the semantics of sociality are undermined by the temporal dimension of meaning and replaced by a single imaginary observer: the future.

*For democratic politics this leaves two options: either making a claim for the future, or objectifying the present.* It is here, in the decision to opt for one of the options over the other that the cultural and historical (i.e. regional) differences make a difference. The argument goes that culture and history indeed do play a significant role by providing structure to this decision situation.

## Albanian democracy revisited

The discussion on Albanian democracy ought to focus on the two points identified as crucial by the conceptual analysis: 1. The exclusion/inclusion mechanism of the Albanian public in the political system; 2. The decision between claiming the future and

objectifying the present. Therefore, on the level of description and relevant to first point, one may raise the following questions: What is peculiar about the Albanian political system's mechanism of exclusion/inclusion? Is the exclusion smooth or noisy? What about the inclusion? Which criteria are used for excluding/including the public in politics? Could it be that some of those who pretend to be excluded are in fact included, and vice versa? On the level of explanation one may ask: What cultural and historical features condition the peculiarities of this mechanism of exclusion/inclusion in politics? Are these features not present in the culture and history of other countries? How does the culturally and historically established Albanian mass media system contribute to forming and/or reinforcing the illusion of inclusion/exclusion? How do the political parties contribute to this?

Regarding the second point, on the descriptive level one may ask: Is Albanian politics demonstrating a preference for claiming knowledge of the future, or is it attempting to objectify the present? Is the present high tension and artificial conflict a symptom of the former or the latter? Could it be that we are witnessing a combination of both options, in a kind of transitional move from the one to the other? If so, from which to which? On the explanation level, accordingly: How do Albania's cultural and historical features constrain the choice of one of the options over the other? How strong is the influence of culture and history in this decision? Could the Albanian political system operate without breaking itself via using the other option?

These are questions that have been merely posed in this article, they all point to the problem of reality of political artificiality, but in order to answer them much empirical work is necessary. However, the aim of this article was to contribute in changing the perspective of studying this problem, thereby, making a programmatic stance for future research.

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# The REBUS project at Volga Tech: on the way towards student-centered learning

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## Abstract

*The paper analyses the impact of the REBUS project (REady for BUSiness) on development of student-centered learning (SCL) at Volga State University of Technology, one of the two Russian universities participating in the EU funded Erasmus+ endeavor to introduce entrepreneurial education for engineering students. Along with mobility, lifelong learning and employability, SCL composes philosophical grounds of a European Higher Education Area. Such tools as ECTS, Diploma Supplement and Qualification Frameworks are all aimed to help students to achieve certain learning outcomes, or statements that describe the knowledge or skills students acquire by the end of a particular assignment, and help students understand why that knowledge and those skills will be useful to them. The authors perceive SCL as a complex phenomenon, representing both a mindset and culture of teaching and learning. In practice, it deploys innovative methods of teaching, and fostering transferable skills such as problem solving, critical thinking and reflecting thinking. The Russian government signed the Bologna declaration in 2003, thus giving path to series of reforms aimed at modernization of national university system, and increase of global competitiveness of Russian higher education institutions. Since that, Russia has taken extensive efforts to adjust its higher education system to the European standards. One of the most prominent steps was move towards Bachelor's - Master's - Postgraduate learning cycles in the vast majority of universities, along with introduction of mobility programmes, ECTS-like credit transfer system and Diploma Supplement. However, not too much has been changed at programme and classroom level to make learning process more student-centered. The authors argue that REBUS project with its intense use of blended learning, personalized tools for validation of competences and skills, and international mobility has created a new type of student-teacher relationship within one piloting programme, and can serve a good example of SCL in practice.*

**Key words:** higher education, student-centered learning, Bologna Process, international mobility

## Student-centered learning: a didactic concept or a political paradigm?

Student-centered learning (or SCL) is a complex phenomenon that is causing vigorous debates among academics in Europe and far beyond. In fact, the Bologna Process did not deal directly with SCL from the outset. Instead, the key principles of SCL are broken down into smaller action lines, and the concept itself was only substantially included in some official communicate (e.g. the Leuven/Louvain-la-Neuve Bologna Process ministerial conference, 2009), and no official definition of SCL for the Bologna Process documents was put forward.

Eventually, however, the Bologna Process has come to include several elements which can help to establish a functioning SCL system. Many of these are tools which offer students increased flexibility and allow for better visibility of the qualifications that students gain, enabling increased comparability and compatibility across the European Higher Education Area. These tools also prove to be helpful in fostering SCL, since Bologna-inspired reforms also provide an opportunity for change,

replacing some of the more traditionally rigid elements in higher education.

In fact, SCL composes philosophical grounds of a European Higher Education Area, as it is embedded into such areas as academic mobility, lifelong learning and employability. Such tools as European Credit Transfer System, mobility support programmes (of which the Erasmus+ is especially noteworthy), Diploma Supplement and Qualification Frameworks are all aimed to help students to achieve certain learning outcomes, or statements that describe the knowledge or skills students acquire by the end of a particular assignment, and help students understand why that knowledge and those skills will be useful to them.

Within the EU, the most serious efforts to rethink the meaning and the future of SCL included the EU-funded project entitled “*Time for a New Paradigm in Education: Student-Centred Learning*” (T4SCL, 2009-2010), jointly led by the European Students’ Union (ESU) and Education International (EI). The T4SCL ideas were further developed in the project entitled PASCL (“*Peer Assessment of Student Centred Learning in Higher Education Institutions in Europe*”). Both projects operated with the developed SCL Toolkit (ESU, & EI, 2010a), which is still the most comprehensive modern manual on basics of SCL and use of it in practice.

There is a general acceptance across Europe that SCL started to be researched and analysed long before the first Bologna Declaration of 19 June 1999 as one of the possible pedagogical approaches for higher education (ESU, & EI, 2010b, p.6). From philosophical point of view, SCL is broadly based on constructivism as a theory of learning, which is built on the idea that learners must construct and reconstruct knowledge in order to learn effectively, with learning being most effective when, as part of an activity, the learner experiences constructing a meaningful product. SCL is also akin to *transformative learning* which contemplates a process of qualitative change in the learner as an ongoing process of transformation which focuses on enhancing and empowering the learner, developing their critical ability (ESU, & EI, 2010a, p.2).

Paul Ashwin and Debbie McVitty (2012) in their approach towards SCL use the concept of student engagement, which can be realized in a variety of formats: in a wide range teaching and learning processes; in the scholarship of teaching and learning; in quality enhancement processes, in decision making processes; in learning communities (Ashwin, P. & McVitty, D., 2012, 344-345). Furthermore, conceptualizing the degree of student engagement, they highlight three broad degrees of engagement: *consultation* in which students engage with a fixed object that is not changed through their engagement; *partnership* in which students participate in the transformation of a pre-existing object of engagement; and *leadership* in which students create new objects of engagement (Ashwin, P. & McVitty, D., 2012, 346).

Nowadays the SCL Toolkit underlines a general acceptance across Europe that SCL is a learning approach, which focuses on the needs of the learner rather than those of others involved in the educational process. It is also widely agreed that SCL ultimately has a far reaching impact on the design and flexibility of curricula, on course-content, on learning methods used and on consultation with students. It is also provides understandable and practically proven checklist to access compatibility of academic programmes with basic principles of SCL.

For the sake of brevity, this article operates definition of SCL given in the Toolkit: “Student-Centered Learning represents both a mindset and a culture within a given higher education institution and is a learning approach which is broadly related to, and supported by, constructivist theories of learning. It is characterized by innovative methods of teaching which aim to promote learning in communication with teachers and other learners and which take students seriously as active participants in their own learning, fostering transferable skills such as problem-solving, critical thinking and reflective thinking” (ESU, & EI, 2010a, p. 4-5; Geven and Attard, 2012, p. 155). Reviewing use of SCL principles in the wider national context (the Russian Federation), and on the local level (university and piloting academic programme) will allow us to reconsider the real meaning of one particular Erasmus+ project – REBUS, which, in fact, occurred to be much deeper in its philosophy than just get the students *Ready for BUSiness*.

## Russia’s higher education system in transition

As a participant of the Bologna process since 2003, the Russian Federation has taken extensive efforts to adjust its national higher education system to the standards and guidelines of the European Higher Education Area. In general, Russian higher education is characterized by a huge number of institutions (more than 700) and a relatively high extent of centralized regulation of the academic programmes’ delivery, structure and learning outcomes.

The Federal Law ‘On Education in the Russian Federation’ (in power since 2013) introduced and set the current multilevel structure for training of specialists with higher education:

*Bakalavr* (Bachelor’s level) — first cycle. Bachelor programmes have a standard duration of four years and are offered virtually in all fields of study with few exceptions (for example, medicine, which still keeps ‘old-fashioned’ five-year *Specialist* Diploma).

*Specialist or Magistr* (Master’s level) — second cycle. The duration of Master degree programmes delivered by Russian HEIs is usually two years. Master level programmes offer students a deeper and a wider perspective on related fields of study, and in-depth specialization in their majors. While Bachelor level programmes are more practice-oriented, Master programmes provide students with competencies they will need for their future research or teaching activities.

*Aspirantura* (“Training of highly qualified staff, or post-graduate studies”) — third cycle. The length of postgraduate training may vary from 3 up to 5 years depending on the profile of the programme. Postgraduate programmes contribute more to students’ broader knowledge in pedagogy, methodology, research and development.



Thus, a typical learning path of a graduate can be realized by the following scheme “Bachelor-Master-Training of highly qualified staff” (Federal Centre for Educational Legislation, 2018).

Though the transition of the Russian HE to the three-cycle system is almost complete, approximately one hundred programmes in the specified majors (Medicine, Arts, etc.) still lead to the *Specialist* Diploma, which is a traditional form of Russian/Soviet higher education, comprising basic education with in-depth specialist training in the chosen area. Regular duration of a full-time programme is 5 years, or 6 years in a distance mode.

The Russian National Qualification Framework (NQF) is currently underway, being a subject for a vivid public discussion between the government, academic community, and business. The first project of the Russian NQF was proposed by the Ministry of Education and Science in close cooperation with the Russian Union of Industrialists and Entrepreneurs in 2007. Since then the framework has been publicly debated and approved in the process of devising occupational (Ministry of Labor) and educational standards (Ministry of Education and Science of the Russian Federation). The proposed framework comprises nine levels, compatible with the eight levels of the EQF, while the ninth (additional) level corresponds to the postdoctoral qualification (a *Doktor nauk* degree). Levels six through eight are relevant to the system of higher education in Russia, where *Bakalavr* (Bachelor) corresponds to level 6, and *Magistr* (Master) and *Specialist* to level 7. The framework also specifies the ways of achieving qualification levels. Each of the qualification levels is characterized by the system of descriptors. Level descriptors fall into the categories of knowledge, skills and competences. These categories are further described in terms of autonomy and responsibility, degree of complexity and knowledge content of a professional activity. The Russian draft NQF mainly serves for the purpose of defining qualification levels as well as for devising occupational standards. Therefore, the learning outcomes as seen in the Russian academic community (and bureaucracy) should be aligned with appropriate occupational standards set by the national Ministry of Labor.

Occupational standard, in turn, determines the qualification an individual should achieve to perform specific kind of a professional activity. The document specifies types of professional activities, general labor functions and qualification requirements for chosen labor functions; moreover, it gives a description of knowledge, skills and competences a person should have to occupy a specific position.

In the absence of NQF, the quality assurance criteria in the Russian higher education are mainly set by the learning standards, or the Federal State Educational Standards (FSES). The FSES is a mandatory set of criteria (descriptors) for all state accredited educational programmes at all levels, from primary to higher education. The FSES actually shape the contents of education and establish the required quality of its content (curricula and syllabi); the teaching and support staff; the information provision of the teaching and research process (sources of information and different types of available support – printed and electronic – which correspond to the content of course programs as well as means of information transmission, storage and use); the actual knowledge and skills of graduates (minimum requirements in regard to the level of knowledge and skills).

The FSES are a subject to regular renewal; in higher education “Generation 3” standards have been in use since 2009, gradually transferring to the “Generation 3+”, and “Generation 4”. The “Generation 4” standard is more labor oriented as the part 7 of the Article 11 at the Federal Law “On Education in the Russian Federation” suggests “...the Federal State Educational Standards should be aligned with provisions of relevant occupational standards in terms of professional competences”.

The FSES system, however, has some exclusions: ten HEIs having the status of “the Federal University” and twenty-nine “National Research” universities, along with the two biggest and oldest Lomonosov’s Moscow State University and St. Petersburg State University enjoy the privilege to develop their own educational standards at all levels of higher education, although their learning standards cannot be below the corresponding requirements of the FSES. At the same time, these three groups of stronger HEIs, along with affiliated representatives of the academic community and employers now develop the FSES.

Thus, despite serious transformations since joining the EHEA, the higher education system of the Russian Federation is still strongly centralized, and gives almost no (if any) autonomy to HEIs in defining learning outcomes of their academic programmes. Even being practice oriented and using modern ways and technical tools of teaching, the existing system is, in most cases, very teacher centered, and constrains dissemination of other Bologna innovations, such as student-centered learning, or student engagement. Under such circumstances, international, especially European inter-university cooperation projects is one of the few windows of opportunity left to experience SCL.

## Volga Tech in the REBUS project

Volga State University of Technology (Volga Tech), established in 1932, is a nationally recognized public university under the jurisdiction of the Ministry of Higher Education and Science of the Russian Federation. As a state-run establishment, Volga Tech follows the national guidelines for higher education development policies set by the national (federal) legislation on education, which, in turn, includes Russia’s obligations within the framework of the European Higher Education Area and the Bologna process.

Within a changing structure of national higher education system Volga Tech remains its status of a ‘regular’ public university, operating primarily as a school of engineering, and facing the challenges of stiff competition both at local and national levels, where huge new entities such as Federal and National Research universities started to expand since 2006 and 2009 respectively, having priority funding from the government. Budget cuts for education made the government strengthen its yearly monitoring of HEIs activities and efficiency that also makes regional HEIs be more flexible in their educational and economic policies, and more internationally open. With its student population (2018) of about 9,000 (of whom about 5,000

are full-time, and more than 960 are international) Volga Tech is a mid-sized university, typical for a regional capital city like Yoshkar-Ola (population 260,000). Its structure includes two branches (in small towns Mariinski Posad and Volzhsk), and two autonomous sub-divisions (the Higher College “Polytechnic” and Yoshkar-Ola College of Agriculture), providing academic programmes in professional training (fit to levels 4 and 5 of the EQF and draft NQF of Russia).

As most of the Russian state universities, Volga Tech has accomplished its transition to the three-cycle system (Bachelor-Master-Training of highly qualified staff), and to academic credit system required by the “Generation 3” of FSES. Since 2011, Volga Tech has developed its own model of the European Diploma Supplement to promote mobility of its staff and students (however, like in most of HEIs throughout Russia, it is still issued on demand at the costs of an applicant).

Having a solid background of four implemented Tempus joint European projects (since 2005), and being the very first Russian school of engineering to open its Jean Monnet Center of Excellence (2016), Volga Tech joined the REBUS consortium with a serious intent to widen the scope of applications of the European expertise and practices, as well as to expand the range of its international partnerships (see List of Tempus projects (2019)). The Erasmus+ REBUS project (REady for BUSiness: Integrating and validating practical entrepreneurship skills in engineering and ICT studies) was considered a logical continuation of series of international endeavors – predominantly EU funded – aimed at further integration into the European Higher Education Area, enhancing the quality of teaching, and gradual turn to the SCL.

## REBUS goes student-centered

As Volga Tech always had forestry and environmental science among its study and research priorities, the Master’s degree programme “International Cooperation in Forestry and Nature Management” was chosen to perform in a new Erasmus+ capacity building project: a standing out application in comparison with the majority of other REBUS applications from Russia and Western Balkans. The programme teaching staff took part in series of trainings, both online and on-site (in Sarajevo, Vienna, Palermo, and Essen). The core target group comprised 14 students of this particular programme (including 7 internationals – citizens of Uzbekistan).

From the very beginning, it was clear that the REBUS would bring a lot of innovations in the didactic approaches, making the programme more student centered. The REBUS component of the Master’s programme was aimed to bring the key elements of entrepreneurship and innovation to the programme curricula, partly as ‘regular mode’ classes (lectures and seminars), and partly in e-learning format, using the computing equipment and software purchased and provided within the project (*Mahara* and *Level 5*). Worthy of note, the REBUS team at Volga Tech actually could not intervene into already existing (linear) curricula of any Master’s degree programme; therefore, it was only possible to offer the entrepreneurship related courses and classes only as electives. In practice, some key topics raised within REBUS were quite smoothly incorporated into the syllabi of several subjects, taught almost exclusively by the project team members.

Keeping in mind the focus of all three Master’s degree programmes on Environmental Issues, Environment Protection, Forestry and Ecology, etc., the set of themes covered within REBUS should have include eco-tourism, sustainable urban forestry, sustainable forest management, monitoring of environment and natural resources, economics of forest complex (e.g. timber production, forest protection, forest infrastructure), international ecological certification, wildfires monitoring and protection, use of renewable energy sources (e.g. biofuel), and many other. The project team has developed a didactic framework, which implied that by the end of the project students should be able to detect and assess the entrepreneurial opportunities in the field of forestry, nature management, landscape design and architecture. They should have also obtained the skills necessary to implement their own entrepreneurship projects, such as needs analysis, strategic and operational planning, time management, financial issues, other ‘soft skills’ (proposal writing and presentation, communication skills (including command in English), team work); basics of copyright and patenting their innovative ideas and products. The successful implementation of students’ entrepreneurial project implied they that had mastered their capabilities in the chosen fields of expertise (such as Forestry, Urban Ecosystems, etc.) during their Master’s study. As for the attitudes, students were supposed to develop their personal motivation for entrepreneurship and innovation, readiness to risk in developing a new product or service, ability to negotiate and debate on their project proposals, flexibility in decision making and finding compromises in troublesome situations.

Within REBUS a stronger accent was made on individual student projects (with opportunity to choose and adjust the topic individually), and incorporation of entrepreneurial vision and innovative approaches towards Forestry and Nature Management in students’ Master’s theses. For example, students could consider the possible applications of their project as a core idea of a start-up; for those who took part in international study visit the latter condition was a must.

Needless to say that the use of e-learning tools within the REBUS project was already a good start for trying more student-centered approaches in teaching and learning. Personalization of students’ profiles in *Mahara* and *Level 5* platforms give the learners a degree of individual academic freedom and the educational environment for self-expression they could hardly obtain during regular classes at the Institute of Forestry and Nature Management. One should also take into consideration the orientation on an individual project (at the end of the course), and healthy competition for being included into the group for international study visit – in case of Volga Tech, to the University of Duisburg-Essen in Germany.

The international study visit was an intense and exciting enterprise that lasted for 10 days but actually became a life changing experience for eleven Volga Tech students. They worked in international teams (Russian-Bosnian-Albanian-Kosovar), studying various aspects of entrepreneurship, innovation and creativity in relation to their field of knowledge. The educational interaction within the groups and with the teaching coordinator was based on the principles of design thinking

- the methodology of creative, rather than analytical solutions for engineering, business and other vitally important spheres.

Every day of the study week was devoted to one stage of design thinking: emphasize – design – ideate – prototype and test. Eventually, students presented their developed, elaborated and tested ideas. So, Volga Tech undergraduates participated in the preparation and public defense of three group projects, one of which, the “Eco-Museum”, won a special prize in the nomination “The best project documentation”. According to the feedback from the participants, they learned a lot of new and interesting things that they would use in their further work and studies. The REBUS team members from Duisburg-Essen, Sarajevo, and Vienna have effectively projected their entrepreneurial mindset on students. As a result, something that initially seemed impossible or unrealistic for learners was gradually turned into real, almost ready-to-sell product.

Hence, participation in REBUS studies and international mobility allowed students to learn and put into practice new methods, technologies, approaches, but what is more important, interaction with students from other countries, search for a common solution to the difficulties arising within co-working, operating in a team altogether contribute to the establishment of friendly relations between young people, and therefore, to some extent, between the countries involved. For 40 students who took part in the REBUS study visit (or three times more, taking into account visits to Graz and Palermo), the world will never be the same again – it has become brighter and friendlier.

The SCL Toolkit gives an opportunity to estimate the depth of changes in learning process of the REBUS piloting student group. Using the “SCL Checklist”, one can assess if learners are really engaged in consultations on the programme content and methodology used, able to give their feedback on the quality of educational process, have a clear vision on learning outcomes and workload (ECTS compatible), and many other options (altogether 45 descriptors) (ESU, & EI, 2010b, 11-14). Such self-assessment shows that fundamental principles of student-centered learning are already in use with REBUS students, if not at the university level but at programme and classroom level.

## Conclusions

Implementing the REBUS project in a mid-sized Russian engineering university like Volga Tech has brought to light serious problems, albeit quite typical for a country, which higher education system is still in transition towards the EHEA, and where principles of SCL are still not in the focus of the national Ministry of Higher Education and Science. Previous Tempus experience of the university project team was of a great value when used in the newly designed Erasmus+ capacity building framework. Measuring the efficiency of the REBUS project should not only include formal outcomes (such as statistics on mobility flows, number of new courses and publications, units of technical equipment purchased, etc.). A project focused on entrepreneurship and innovation must also stress upon intangible outcomes: networking, development of a corporate or professional community culture, changes in attitude and mind set. This is what Erasmus+ has been designed and is working for.

Placing students in the center of the REBUS teaching of entrepreneurship and innovation was probably the most challenging – both mentally and technically – and the most exciting part of the project. Strongly supported by the European partners, Volga Tech has developed new patterns of interaction in the classroom, and new organizational models of student research and practice. At least thirty students went through REBUS related courses, of whom eleven used their opportunity to study in Europe, although for a short while. However, as student feedback shows, for many of them it was a life changing experience. Moreover, engaging not only Russian (domestic) but also Uzbekistani (international) students into the REBUS activities, and giving them a unique chance to be placed in the center of study process, Volga Tech has promoted dissimulation of SCL in Central Asia.

Indeed, Volga Tech – or, at least, the REBUS team – has experienced a true *capacity building*, as during the course of the project all teachers, administrators and students involved have increased their capacities in programme planning, course design, use of distance learning tools, foreign languages, to say nothing about intercultural communications. Some of the key REBUS elements, such as unique modes of (self) validation of entrepreneurial skills and competences, represented a novelty for Volga Tech, even though the Volga State University of Technology enjoys the reputation of one of the most advanced HEIs throughout the Russian Federation in using e-learning tools and technologies.

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# The impact of new media in the promotion of protected areas as tourism destination (Albania)

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## Abstract

*Tourism sector have become lately a key sector for the Albanian economy. Promotion and marketing are identified as main pillars to tourism sector. Protected Areas as a tourism destination is a new concept to Albanian citizens and stakeholders given isolation of these areas during communism regime. On the other hand the promotion of PAs to enhance tourism is also a new practice followed by government and stakeholders, during the last decade only. A crucial phenomena of the present decade reshaping the world, is the worldwide accessibility to the internet. New media is increasing immensely its usage and is gaining significant ground each year toward traditional media. This study will bring light on how new media influence and impacts the promotion of PAs in Albania as tourism destinations, as researchers have called for further studies in developing countries on this field of study.*

**Key words:** Protected area, new media, social media, domestic tourism, promotion

## INTRODUCTION

### Introduction

*“Albania is truly blessed with spectacular natural and cultural heritage, the backbone of its tourism sector, a sector which has shown impressive growth over recent years,” UNWTO<sup>1</sup> Secretary-General, Taleb Rifai, December 2014*

Worldwide recently seems to have a reallocation of media investments away from “traditional media” channels as TV, radio, print or OOH. Nowadays in Albania, new media, as per the findings of studies done by researchers and business companies, is considered a key tool on promoting the products and services, but also other forms of communication. eMarketer reports that, total digital media spend increased from \$16.9 billion and 6% of total media investment in 2007 to \$83 billion and 36.7% in total media investment in 2016, according to eMarketer. McCann Tirana (2018)<sup>2</sup> reported for this research, that ad budget share of digital media at national level has increased from 3% in 2012 to approximately 12 % in 2017, by their agency estimations based on the monitoring data. The tools of new media in country are rapidly embraced even from central and local government, public sector and their high ranking representatives. In a mapping done this study all Ministries in Republic of Albania do have a public page in Facebook and Twitter, and all 61 Municipalities in country do have a public page in Facebook.

Tourism in Albania is set a key priority sector by the Albanian Government<sup>3</sup>, given the crucial direct impact tourism gave to the Albanian economy on the recent years. Albanian Government (September 2017) proclaimed as main direction the urge of tourism as an important economical and development source. The main goal set is a sustainable tourism in 365 days. One of the five pillars the Albanian Government have supported the program 2017-2021 for tourism chapter is the marketing

<sup>1</sup> World Tourism Organization (UNWTO), UN agency

<sup>2</sup> McCann Tirana, Advertising Agency, part of McCann Group global network, contributed for this research with their data and statistics

<sup>3</sup> Republic of Albania, The Government Program 2017 – 2021 [accessed February 2018 <https://kryeministria.al/files/PROGRAMI.pdf> ]



and promotion through digital and social media at regional and international level. Which clearly shows, that new media is identified a real potential for the promotion of this prior sector of the Albanian economy, but also identifies that the domestic tourism is not considered yet a priority.

## Tourism impact in Albanian Economy

*"Located in the Mediterranean region, Albania could well be Europe's last tourism secret."* Export.gov 2017<sup>4</sup>

European Commission (June 2017) reports that Albania is experiencing a gradual economic upturn that is expected to continue in 2017-2019. Since 2014, Albania's economy has steadily improved and economic growth reached 3.8% in 2017<sup>5</sup>. The trade balance improved thanks to the good performance of tourism. In economic development for 2016 the World Bank reports that Albania's economy expanded 3.4% in 2016, supported by robust domestic demand. Net exports contributed 2.1 % points, driven by tourism services exports<sup>6</sup> that expanded significantly in 2016 from a relatively low base and is expected to continue performing well.

The tourism is one of the key contributors on the Albanian economy in several directions as growth of GDP, new work places, exports and investments and relative contributor on other sectors. World Travel and Tourism Council (WTTC) forecasts that Albania in a decade (2018 – 2028) can be able to turn tourism as the main contributor of the GDP.

WTTC (2018) reports the data of Travel and Tourism contribution for 2017. The direct contribution of Travel & Tourism to GDP was 8.5% of total, and is forecast 9.3% by 2028. While the total contribution of Travel & Tourism to GDP was 26.2% of GDP in 2017, and is forecast to be by 28.9% of GDP in 2028. In 2017 Travel & Tourism directly supported 93,500 jobs (7.7% of total employment) and is expected to 111,000 jobs (8.8% of total employment) in 2028. While total contribution 24.1% of total employment (291,500 jobs). This is expected to rise to 344,000 jobs in 2028 (27.3% of total). Visitor exports generated 54.2% of total exports in 2017 and is expected to go in 2028, 62.2% of total. Travel & Tourism investment in 2017 was 7.5% of total investment and forecasts to go in 2028, 8.2% of total.

The tourism law has been going through many changes during the period of post-communism. The actual Tourism Law, December 2017, Article 1 as the main scope of the law the promotion of Albania, as a touristic destination for foreigner and domestic visitors, relying on the development of a sustainable tourism.<sup>7</sup>

Cvetkoska & Barišić (2017) findings show that the most efficient country in the period of six years (from 2010 to 2015) was Albania among all countries of Balkans studied in their research.

The government have been "aggressive" during recent years in promoting tourism regionally and internationally, and the statistics show that this strategy has offered a good result.

### Risks and Challenges

Yet tourism strategy path in country seems to be unclear and unsafe. "From 1990 up to date many strategies proposed by international donors have been refused or not approved, and the ones that have been considered were partially implemented due to lack of capacities, expertise or willing" said a representative officer of one of the biggest international donors in country for tourism sector.

She emphasized that the shifts government does from a strategy to a new one, costs money and extent lack of trust among stakeholders. A high ranking representative in the Ministry of Tourism and Environment (MTE) recognize the situation and claim that due to the new tourism law entered in force December 2017, a new strategy is need.

IMF (2017) reports that though Albania has benefitted from the recent tourism boom in the region, the outlook for exports remains challenging. On the other hand, European Commission (EC) reports that the services sector development contributes 70% of the gross value added. EC emphasizes tourism sector in particular is identified with significant development potential, but is impeded by a number of challenges linked to the lack of skills of tourism professionals, low accessibility of tourism services, the absence of a sustainable natural and cultural offer, etc. The measure to standardize the tourism sector, if implemented successfully, could be a driving factor for competitiveness.

The bank industry in country see a high perspective on the sector. 'Tourism has high potential, but and a masterplan for the development of the tourism would give access to a structured development' suggests Blanc, Frederic (2017)<sup>8</sup>. EU Delegation in Albania (2018) also seek a Master Plan for sustainable tourism in country. EU Ambassador in Albania Romana Vlahutin, underlined that "a national Tourism Master Plan is a must".<sup>9</sup>

"The government have no official strategy for tourism yet. This means lack a clear vision for the sustainable development of sector. There can't be marketing and promotion, if there is no strategy" said Rajmonda Lajthia, Executive Diretor of ATOA<sup>10</sup>

<sup>4</sup> <https://www.export.gov/article?id=Albania-Travel-and-Tourism>

<sup>5</sup> The World Fact Book – CIA [accessed March 2018]

<sup>6</sup> World Bank "Albania-Snapshot-Fall2017" <http://pubdocs.worldbank.org/en/805501507748388634/Albania-Snapshot-Fall2017.pdf>

<sup>7</sup> Tourism Law, Republic of Albania [accessed February 2018] [http://www.qbz.gov.al/Ligje.pdf/turizem/Ligj\\_93-2015\\_,27072015\\_%20perditesuar\\_%202017.pdf](http://www.qbz.gov.al/Ligje.pdf/turizem/Ligj_93-2015_,27072015_%20perditesuar_%202017.pdf)

<sup>8</sup> Blanc, Frederic, CEO, Societe Generale Albania Bank, Interview for Monitor.al Magazine

<sup>9</sup> Round table "Support to Tourism companies in Albania, organizer European Bank for Reconstruction and Development (EBRD)

<sup>10</sup> Rajmonda Lajthia, Executive Director, Albanian Tour Operator Association (ATOA), Interview with Ana Kekezi, March 2018, Tirana

## A shadowy domestic tourism

At the heart of tourism is the excitement of new cultural experiences <sup>11</sup>

The statistics from the National Institute of Statistics (INSTAT) report that 5.1 million foreign visitors visited our country in 2017, + 8.1 % more tourists than the previous year (2016). Monitor.al (2018) reports that the boom of 2017 from foreigner visitors and tourist may not be stable and on the other hand WTTC (2017) has defined Albania as a high risk country, as it has a poor infrastructure network in quality and quantity, a threat for the development and sustainability of tourism.

On MTE's Draft Strategy of Tourism 2018 – 2022 is identified that aiming a sustainable development in this sector leads the strategy. Though a clear direction for domestic tourism was not identified.

WTTC (2018) reports that domestic travel spending generated 24.6% of direct Travel & Tourism GDP in 2017 compared with 75.4% for visitor exports. On the other hand, Bank of Albania (2018) reports that 1.3 billion euro have been the spending of Albanians outside country, +11% increase comparing year 2016. INSTAT (Institute of Statistics, Republic of Albania), reports that 5.18 million Albanian citizens have traveled outside country, +12% comparing 2016. Figure 1 identifies a low interest of domestic visitors in cultural attractions.

**FIGURE 1: Visitors in cultural attractions 2014- November 2017**

Visitors	2014	2015	2016	Nov. 2017	2017 vs 2014
Domestic	198,536	148,669	185,878	202,557	2%
Foreigners	156,446	238,187	282,157	349,390	123%
Total	354,982	386,856	468,035	551,947	55%

Source: Ministry of Culture, Republic of Albania, Jan 2018

The Albania Tour Operators & Travel Agencies Association (ATOA) reports that given the non-secure path the Albanian tourism is having on attracting the foreigner visitors, a proper mid-term strategy is urgent need, to attract Albanian citizens to domestic tourism. They claim that the Bank of Albania reports should be taken in consideration and proper evaluation is need, to understand how much money can stay in-home<sup>12</sup>.

ATOA concerns are connected mainly to a low seasonality of Albanian tourism, even though a high touristic potential for 365 days tourism and the potential of niche segments, to encourage and attract domestic visitors. RisiAlbania (2014 p. 4) has identified why Albania agonizes from a short seasonality. In their finding country suffers from a numerous limitations such as poor or absence of infrastructure, absence of information for market, poor customer service, and absence of the set standards, poor marketing and a touristic product that often does not meet the expectations of the customers. There is no survey on domestic tourism and efforts are needed to improve the business register (EU, 2016)<sup>13</sup>. GIZ (2016) reports that 98% of tourists who have been interviewed; have responded positively to the expectations of accommodation in Albanian Alps, but in their research is not defined either they are foreign or domestic tourists. While on the survey done for this study 64% of the respondents of Q1 answered that accommodation quality vs price is the main reason, they do not prefer to choose domestic tourism.

On the Q2 survey participants on this research, 16 out of 16 responded that focus on domestic tourism should be immediate from the government and public sector and 11 out of 16 responded that government has worked far better with the promotion on foreign tourist's target.

Leonard Maci said that domestic tourism will be on National Agency of Tourism (NAT) focus, but he acknowledged that yet NAT have not worked with a proper strategy or plan on this direction. He claimed that the efforts and tools of NAT during (2013 – 2017) have been focused to reach the market beyond borders, as a good economic potential.

## Internet fast penetration

During the last decade Albania has witnessed an outstanding level of access to internet. Albanian Institute of Media (AIM, 2015) identifies that the real growth of internet in Albania started after the privatization of ALBtelecom Company in 2007. The Albanian Government vision on access to internet has been a primary goal since 2010. Two main priorities set (2010) "Internet for all" and "Albania in the Internet age".

Electronic and Postal Communications Authority (AKEP) on the Annual Report of 2010 estimates that the number of families that have broadband internet access until the end of 2010 is about 110 thousand or about 13.7% of families, while it is estimated to be over 10.000 business subscribers. Based on these data, the number of broadband lines per 100 inhabitants is about 3.7%, compared to 2.5% that was by the end of 2009. AKEP(2018)<sup>14</sup> reports that the number of active users Broadband

<sup>11</sup> Theunissen, P., Mersham, G., & Rahman, K. (2010). Chapter 5: The New Media, Cultural Transformation,

<sup>12</sup> Scan TV ,Studio Interview with Kliton Gërzhani, Chairman ATOA (March 2018)

<sup>13</sup> European Commission, Albania 2016 Report

<sup>14</sup> <https://www.akep.al> [accessed March, April 2018]



in internet from mobile networks on (Oct-Dec 2017) was around 2 million, with an increase of +20.4 % with same period in 2016 and an increase of approximately +124% vs. 2014. The number of customers Broadband accessed in Internet from fix line networks was around 295.000 having an increase of +10.6% with same period of 2016 and approximately +42% comparing with 2014. This data show the fast penetration of internet, especially the increase from mobile networks. Internetworldstats.com (2018) reports for Albania that 1.932.024 or 66.4% of population are internet users and 1.400.000 are Facebook users<sup>15</sup>

## Protected Areas in Albania

We aim to have the Albanian tourism in a real development industry (Blendi Klosi 2017)<sup>16</sup>

A protected area (PA) is a clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long term conservation of nature with associated ecosystem services and cultural values. (IUCN Definition 2008)

Albania a small sized country is very rich in biological diversity. The tremendous diversity of ecosystems and habitats supports about 3,200 species of vascular plants, 2,350 species of non-vascular plants, and 15,600 species of invertebrates and vertebrates, many of which are threatened at the global or European level (Ministry of Environment, *Annual Report 2015* Republic of Albania).

On the first Forestry Law, Republic of Albania (1923), there are clear elements that define protection and special for various species and fauna and for controlled hunting. National Agency of Environment (NAE) (2014) reports that in 1940 Kune-Vain, Lezhë was proclaimed hunting reserve and as per the IUCN definition, this one may be identified as the very first PA in Albania.

The legal, political, economic and social contexts for tourism in and around protected areas vary widely across the globe, yet there are many common elements and a diversity of experiences that can enrich the understanding of those involved (IUCN 2018).

The first law of Protected Areas in Republic of Albania<sup>17</sup> entered in force in 2002 and was reviewed in 2017<sup>18</sup> to align with the EU directives and allow to reach the goal of 17% PAs of the country territory by 2020.

The National Agency for Protected Areas (NAPA)<sup>19</sup> manages the national system of protected areas in Albania, whereas day-to-day management is delegated to 12 Regional Administrations for Protected Areas (RAPA)

As per the categories set internationally by IUCN (International Union for Conservation of Nature), in country there are actually 798 PAs extended in a total of **460,060 ha or 4.600 km<sup>2</sup>** of the country territory.

**FIGURE 2: Protected Areas in Albania, Year 2017**

Category	Description	No.
I	Restricted areas	2
II	National Park	15
III	Natural Monument or Feature	750
IV	Habitat/Species Management Area	22
V	Protected Landscape/ Seascape	5
VI	Protected area with sustainable use of natural resources	4
		798

Source: National Agency of Protected Areas (NAPA)

NAPA reports that Albania has recently made significant progress in expanding the network of PAs from 5.2% of the country's territory in 2005 to 16.02% of the country's territory in 2017. The majority of them have been designated in the category nature monument (750), but National Parks do cover approximately 210,501 ha or 46% of the total.

Stynes (1997) suggests that economic impact is part of a group of analyses that can be used to evaluate tourism in PAs (other analyses include: fiscal impact analysis, financial analysis, demand analysis, benefit cost analysis, feasibility study and environmental impact assessment). In this study, such factor is not taken in consideration given the primary aim of the study and on the other hand the gaps PAs face in this perspective. The official data of MTE provided for this research show that 6.000 euro are the PAs incomes generated for year 2015 and only 48.000 euro for year 2017. Considering the visitor statistics of NAPA, there is a discordance between data and money generated. "PAs in Albania are facing many challenges and none of them have ticketing system, except National Park of Butrint, protected by UNESCO" stressed a high ranking official of MTE.

<sup>15</sup> internetworldstats.com, statistics reported for June 2017

<sup>16</sup> Minister of Tourism and Environment, Mr. Blendi Klosi, Press Statement, 06 October 2017

<sup>17</sup> <http://www.qbz.gov.al/doc.jsp?doc=docs/Ligj%20Nr%208906%20Dat%C3%AB%2006-06-2002.htm>

<sup>18</sup> Law 81/2017 [http://www.qbz.gov.al/botime/fletore\\_zyrtare/2017/PDF-2017/116-2017.pdf](http://www.qbz.gov.al/botime/fletore_zyrtare/2017/PDF-2017/116-2017.pdf)

<sup>19</sup> The Agency was established by Act of Council of Ministers, February 2015

Natura 2000 (2016)<sup>20</sup> on the assessment conducted has identified tourism as a potential risk for Albanian PAs. In their research infrastructure development for tourism purpose have been identified as a threat in 27 protected areas (50%), though at a low level. Threats from recreational activities and tourism were reported for 31 protected areas in Albania (76%).

## Marketing strategies for the PAs as Tourism Destination

NAPA since it was established on 2015 is missing a promotion and marketing strategy for PAs as tourism destinations, a high ranking official confirms.

Leonard Maci, Director of Marketing, National Agency of Tourism(NAT)<sup>21</sup> said that on the promotion and marketing strategies to regional and international markets, PAs have been promoted as a competitive advantage due to a unique experience, the wilderness, virgin landscapes, flora and fauna richness they offer. Rajmonda Lajthia, ATOA also confirms that tour operators never avoid PAs on their touristic guides, even on daily ones.

Villa Jose (2018) argues that the marketing industry has been focused — and somewhat obsessed — with digital for the better part of the last decade. The discussion and insights offered in the segmentation sections of the report, highlight the importance of using a robust segmentation strategy in order to understand visitors and potential visitors and the experiences they see (Reid 2008). “We do not have yet a marketing and promotion strategy short-term or middle-term one. The actual communication plans applied by NAPA, do not rely on a segmentation strategy or any previous research done for this purpose” said Denisa Xhoga, Communication Specialist, NAPA<sup>22</sup>.

Reid (2008) proposes that information promoting national parks is disseminated by a wide range of organizations, including protected area agencies, visitor information centers, tour operators, state tourism organizations, regional tourism organizations and corporate businesses.

NAPA has clearly identified as main target the domestic visitors. The NAPA statistics show that 2/3 of the total are domestic visitors and 1/3 are foreigners. The Agency has supported the raising awareness and promotion and in two main directions (i)Media communication and promotion and (ii) extensive collaboration with local communities of the PAs. (NAPA, Annual report 2017). NAPA reports that on 2015 there were not any information center or infopoints accesable. “Only promotion and marketing can make domestic visitors attracted to Albanian tourism. The potential our country is huge, but unfortunately albanians are not awared yet of this potential.” said Fation Plaku<sup>23</sup>

NAPA statistics reports (see Figure 3) a boom of visitors in PAs sites. NAPA reports that for 2017 statistic 62.8% are of daily visitors and the rest accomodates at least one night. The most visited category by 50% of visitors is Category II, national parks.

**FIGURE 3: Number of Visitors in PAs**

Visitors	2015	Jan-Sept 2017
Domestic Visitors	359.937	1.489.815
Foreign Visitors	112.080	552.101
Total	471.967	2.041.916

Source: National Agency of Protected Areas (NAPA)

Denisa Xhoga claims that the rangers at national level are offering free guides to visitors as a promotional tool to make them come back and spread their experience. “NAPA have no annual bugdet for pure advertising on traditional media or new media. These are considered up to date as free of charge promotional tools” said Denisa.

Rajmonda Lajthia, ATOA claims that the tour operators, as main stakeholder on the sector have been clear with their demands and their proposals for the development of PAs as tourism destinations, but they remain doubtful if government implement them on the strategy.

## A “cool, many to many media” for the promotion of PAs

Digital transformation is a journey, not a one off-event. McLuhan (1964) is well known for the postulate “the medium is the message”. He proposes that the media, not the content that they carry, should be the focus of study. McLuhan (1964) identified two types of media: “hot” media and “cool” media. As per the definition the author proposes, cool media, a more hearing focus, are the ones that need high participation from users, due to their low definition (the receiver/user must fill in missing information). Conversely, hot media, a more visual focus, are low in audience involvement due to their high

<sup>20</sup> Natura 2000 is the largest coordinated network of protected sites in the world. [www.natura.al](http://www.natura.al)

<sup>21</sup> Leonard Maci, Marketing Director, National Agency of Tourism (NAT), Interview with Ana Kekezi March 2018, Tirana

<sup>22</sup> Denisa Xhoga, Communication Specialist, National Agency of Protected Areas (NAPA), Interview with Ana Kekezi, March 2018, Tirana

<sup>23</sup> Fation Plaku, Travel & Tourism Influencer, Interview with Ana Kekezi, March 2018, Tirana

resolution or definition. Where new media stands? The researchers suggest that new media in the way it engages its audiences to fill the gaps and create a fuller picture, may be defined with no doubt “cool” media.

New Media is new concept in marketing theory and developed after 1991 the www was presented to the world.<sup>24</sup> Nowadays industry seeks to gain from the advantages of two-way dialogue with consumers primarily through the Internet. Manovich, Lev (2002) proposes new media in 8 perspectives, arguing that new media is born in early 1920, differently from now, where information and technology are the basement with base on Web 2.0 technology. Törenli, (2005: 159) suggests that one of the main characteristics of new media, the flows of information can be possible between user groups or individual users. Piontek, Dorota (2014) proposes that new media, especially the Internet, can be defined as a channel of communication in terms of technology or as a platform of resources, co-created by all users. Piontek reveals that in new media there are three types of them: institutional (similar to the traditional model), social - the different social actors that through access to new media have become independent from institutional media agency, and individuals - each user of new media, who has the need to actively co-create them. Crosbie, Vin (2002) described on his study three different kinds of communication media. (i) Interpersonal media as “one to one”, (ii) Mass media as “one to many”, and (iii) New Media as Individuation Media or “many to many”.

This paper uses the term “new media” with the meaning which is widely accepted among researcher. Social media maybe the most well-known tool of new media is accepted by researchers to have two main concepts: Web 2.0 and user site (Rouse, 2013). Web 2.0 applications support the creation of informal users’ networks facilitating the flow of ideas and knowledge by allowing the efficient generation, dissemination, sharing and editing of informational content (Constantinides & Fountain, 2008). User generated content can be defined as information that users provide or share on a website. The information might be a photo, video, blog or discussion forum post, poll response or comment made through a social media web (Constantinides, E., & Fountain, S. J. (2008). There are still many ongoing debates and discussions regarding social media’s universal definition; as social media has been transforming and merging into the evolving development of New Media (Solis 2010).

“Lately, the marketers in Albania are mostly focused on social media comparing other tools of new media” said Elvin Civici, Online Account Manager<sup>25</sup>. Nevila Popa, tourism expert, emphasizes the usage of online tools, social media networks, blogs etc are determinative for Albanian tourism; not only as destination, but also for the foreign investments<sup>26</sup>. Rajmonda Lajthia stress the importance of social media in the promotion of domestic tourism. She claims that social media gain weight during last years, as per the high time consuming spent in social platforms. She identifies that most of tour operators in country have shifted from traditional media in online marketing, having a positive outcome. McCann Agency report that for 2017 Albanians consumed 143 minutes/day on social media and 91 minutes/day on online news portals.

## METHODOLOGY

### Methods applied

This research adopts a mixed method approach to achieving its objectives. For this research are used primary and secondary data. Piontek, Dorota (2014) suggest that in researching new media, all methods and techniques developed for examining old media, are useful, especially the quantitative and qualitative content analysis. The insights that generated from the qualitative data collected in field were highly beneficial to the process of data analysis and interpretation. Triangulating the findings provided evidence for the study to make sense of phenomenon under study (Mathison 1988, p. 15)

#### *Data Collection Tools*

Primary data are significant information to lead this research; and secondary data have been employed as valuable especially the governmental and public sector statistics, reports and data.

The following methods of primary data were employed to carry out the research:

- a) Observation (conducted in sites of 2 PAs Divjak-Karavasta National Park, Fier RAPA & Shebenik-Jabllanicë, Elbasan RAPA in natural settings, February 2018)
- b) Semi-structured interviews with 14 participants (9 employees/civil servants in MTE, NTA, NAPA and RAPAs; 1 official of UNDP Albania, Denisa Xhoga, communication specialist, NAPA; Leonard Maci, Director of Marketing, NAT; Rajmonda Lajthia, Executive Director of ATOA; Elvin Civici, Online Account Manager, McCann Tirana )
- c) In deep interviews with 3 participants (Ardian Koci, Director, RAPA of Fier; Fatmir Brazhda Former Director, RAPA of Elbasan; Fation Plaku, Photographer, travel and tourism Blogger and Influencer)
- d) Online Surveys; Q1 (109 citizen respondents); Q2 (16 respondents employee/civil servants in central and local government bodies directly related to tourism sector); Q3 (6 participants; 3webdesigners 3 online content experts), Q4 (6 participants Influencers & Bloggers living in Tirana)

<sup>24</sup> The World Wide Web was invented by **Tim Berners-Lee** and **Robert Cailliau** in 1990.

<sup>25</sup> Elvin Civici, Online Account Manager, McCann Tirana, Interview with Ana Kekezi February 2018, Tirana

<sup>26</sup> Interview for Monitor.al, January 2018 [accessed February 2018 <http://www.monitor.al/turizmi-ne-2018-ne-trend-pozitiv-problem-infrastruktura-2/> ]

- e) Observation of Internet sites (webportals, blogs, Facebook, Twitter, Instagram, forums, photo and video sharing) (similar to netnography proposed by Kozinets, R. but simpler)
- f) Official data and documents for this research by MTE, NAPA and NAT

## Challenges & Limitations

*Confidentiality* – Ethical considerations are critical in research. Many of participants in interviews required to protect their identity in this research. Working on central and local government make them uncomfortable to reveal their identity. This barrier may present difficulties to other researchers to understand in deep the primary data.

*Time Barrier* - The surveys conducted for this research were questionnaires' sent electronically in random citizens, assuming them as potential domestic visitors. The sample of 109 respondents is considered a limited size and the Q1 maybe would have given a better result, if it would be conducted with visitors in PA's sites.

*Data analyses* – No data measurements or any research at national level was identified to support this study.

## COOL MEDIA IMPACT ON ALBANIAN PROTECTED AREAS

### Not military zones: Protected Areas as touristic destinations

*"Protected areas before '90s have been considered by state as isolated areas. Recently the government, stakeholders and community in country agreed, that access to them will assure sustainability and development to the economy and bring boost to the domestic tourism"* Lefter, Koka (2016)<sup>27</sup>.

PAs in Albania during communism regime and even in post-communism (1990-2005) have been considered as isolated areas, to be protected and conserved. "The mentality and actions of stakeholders on development and sustainability in PAs begun changing during the last decade" a high ranking official of MTE said. Recently the decision makers and stakeholders in PAs have been proactive to develop strategies toward a sustainable path for PAs along with access to tourism. Articles suggests that in developing countries the new conceptualization of tourism which incorporates sustainability and community participation as dominant elements is favorable to an alternative theoretical framework of development. A high ranking NAPA's staff claims that to fight the mentality of open access to PAs as tourism destinations have been quite a challenge to NAPA staff themselves. It is clear that promotion through all stakeholders of hospitality and tourism can give to PAs, the opportunity to grow and raise awareness on the unique experience they do offer for visitors. MTE (2018:9) in the draft national strategy reports that the product of ecotourism (where PAs are included) has increased with 10%-20% /year.

Fatmir Brazhda<sup>28</sup> emphasizes that in the early promotional activities (2013), their moto used to be "A protected area is not a military zone". "Protected areas were perceived few years ago, by administration staff itself, as isolated perimeters to guard" said Ardian Koci, Director of Elbasan RAPA 2018<sup>29</sup>).

#### *Destination Image*

Destination image has been identified as a crucial aspect of tourism, recreation and leisure (Hall, Croy & Walker 2003; Croy 2004). The greater the exposure to images of the destination, the greater the familiarity and complexity of the image held (Smith & Croy 2005; Croy & Wheeler 2007). The greater the complexity of the image, the more knowledge of the specific decision-making factors (Croy & Wheeler 2007). The formation of a positive perception is determined by evaluative components of image. In this process, from awareness, to availability, through to deciding on an evoked set, destination image is the deciding factor (Lawson & Baud-Bovy 1977; Richardson & Crompton 1988).

Given the increased reliance of tourism providers and destinations on their online reputation (Marchiori & Cantoni, 2011), it is critical for them to not only understand what drives social media promotion or effectively manage it. On Q1 survey 109 out of 109 respondents confirm that image is important getting their attention and curiosity on PAs, they haven't visited before. 109 out of 109 on Q1 visit PA sites at least 2 times in year. 84% of respondents of Q1 confirm they do further searching on internet on the site, if the image attracts them. Ardian Koci, sharing his experience said that at the very beginning the team staff were profane on social media use, and image was not their focus; but the experience improved their skills. Image is identifies as a key element on MTE Draft Strategy of sustainable Tourism 2018-2022.

Stakeholders and decision makers are working with no data or researches. On Q2 11 out of 16 responded that PAs are preferred most by foreign tourist, while the official statistics of NAPA opposes this. On the other hand 50.5% participants of Q1 respond that have little knowledge on the touristic potential of domestic PAs, but only 17 out of 109 have responded they are not satisfied or are little satisfied with what PAs offer.

<sup>27</sup> Former Minister of Environment, Republic of Albania (2013-2017) media statement, OraNews TV Interview 2016

<sup>28</sup> Fatmir Brazhda, Former Director, RAPA of Elbasan, incl Shebenik-Jabllanic National Park, Interview with Ana Kekezi, 2018, Librazhd

<sup>29</sup> Ardian Koci, Director, RAPA of Fier, incl. the National Park of Divjaka, Interview with Ana Kekezi, 2018, Divjakë



## The many to many media need for domestic tourism

“One click in your profiles, photos, videos or share from the coast, Alps, Tirana, Berat, Gjirokastra, nature, culinary or history of Albania has the a much higher impact than dozens of fairs, official meetings, or money spent for promotion. This is a good thing that you can do to Albania, to Albanian tourism.” (Blendi, Klosi, 2017)<sup>30</sup>

‘The world narrated’ is a different world to ‘the world depicted and displayed’. (Kress, 2003:2) *The world told* is a different world to *the world shown*. Kress (2003:2) considers that the effects of the move to the screen, as the major medium of communication and argues that this will produce far-reaching shifts in relations of power, and not just in the sphere of communication. Andreasen (2003) reminds us that social marketing met with resistance when it first emerged, blinking in to the academic world like a new-born baby. Researchers suggest that ‘Social marketers’ turning the power of marketing to social good, thereby compensating for its deficiencies with better outcomes (e.g. Kotler, Levy, Andreasen).

It is fact that state is orienting their vision and strategies toward new media, as a key tool to promote Albanian tourism, but how and what will be the process and roadmap seems unclear yet. 109 out of 109 respondents of Q1 consider new media tools (social media and newsportals) as very important to get information on tourism. Denisa Xhoga admits that NAPA set as a main promotional goal the focus on new media tools, considering them as a “free” tool. 10 out of 16 official of Q2 see the use of new media tools as extremely important for the promotion of domestic tourism.

Albania is facing a rapid digitization of media channels. The annual ad spending data show that Out-of-home (OOH) advertising is “disappearing” and same way the print media. Elvin Civici, McCann Tirana claims that for advertisers print media as traditional media has “dead”, while the biggest journals in country merely sells an average of 1.000 copies /day. Journal print shifted their battleground in online. Albanian Media Institute (2015) suggests that Albanian news media evaluate the role of the social media as an important means to boost the audience through the referral traffic deriving from these media.

Constantinides, E., & Fountain, S. J. (2008) present the consumers with a whole array of options in searching for value products and services and finding exactly what they need and want with minimum effort, in line with the current customer desire for personalization, individual approach and empowerment. There is evidence that customer reviews posted in different forums or online communities, Web blogs and podcasts are much more powerful as marketing tools than expert product reviews (Gillin, 2007); the influence of blogs and podcasts is increasing because of the fast expansion of the audience and contributors. 16 out of 16 participants of Q2 respond that to promote their work they use mostly new media tools (social networks and online news portals). 78% of respondents of Q1 confirm that when deciding to visit a destination, they get information from social media, while 94.4% are daily users of social media with at least 1 hour access in them.

## The cool media impact on Albanian PAs promotion

Manovich (2001) on his research on new media states that the identity of media has changed even more dramatically than that of the computer. “The statistics confirm that new media is growing its popularity in Albania and some of its components are becoming part of the mainstream” said Elvin Civici.

The latest articles and studies from the sector report an increasing attention globally on new media tools impact in Protected Areas promotion. Sinanaj, Shkelqim (2016) on his findings on a research conducted for tourism in Vlora Region, Albania suggests that the tourist’s loyalty is impacted by the elements and the platforms of social media. The role of social media in tourism is particularly significant and the impacts of social media use by tourists, destinations and tourism providers are manifold (Gretzel, 2018; Sigala & Gretzel, 2018). Fatmir Brazhda, former Director of Elbasan RAPA claim that + 90% of visitors that accessed the park, tag, post, comment in their social media accounts their experience in Shebenik-Jabllanicë National Park.

The researchers propose that new media require a shift in marketing thinking – consumers have become highly active partners, serving as customers as well as producers and retailers, being strongly connected with a network of other consumers (Thorsten, 2010).

Whether it be the traditional editor with a viewership, a micro-influencer with 5 thousand followers or a celebrity/politician with over 1 million followers, each individual has the ability to shape the industry by sharing their own opinions amongst their communities.

AIM (2015) refers that the very first social platforms Albanians were introduced was Facebook, which is actually a leading social platform in country (Socialbakers.com)

11 out of 16 of Q2 survey participants would highly recommend mostly new media tools (social networks and online news portals) to promote PAs. None of them recommended traditional media tools such as newspapers and outdoor.

## Mapping Websites and social media accounts of tourism entities

The emergence of new digital channels has allowed stakeholders to build their own “media” through which they can reach their final audience directly. Owned media, is simply defined as those channels the stakeholders own and control content for

<sup>30</sup> Blendi Klosi, Minister of Tourism & Environment, Speech during launching event of ODA, January 2018 <http://www.javanews.al/shpallet-nisma-per-turizmin-rrejet-blogeresh-per-promovimin-e-shqiperise/>

(including social, blog, etc.) has acted as a pull medium to achieve this goal and ultimately transform consumers into brand advocates and loyalists. A major challenge for Web site designers involves the functional complexity of the Web site's content. De Jong & Wu (2018) propose that functional complexity is considered when communication is intended to serve more than one goal or address more than one stakeholder group simultaneously.

The official online channels of central government bodies (MTE, NAPA and NAT) are observed in this study and confronted with the opinion of 6 professionals, 3 web designers and 3 online content experts (Q3).

6 out of 6 participants of Q3 evaluated the websites of MTE ([turizmi.gov.al](http://turizmi.gov.al)) and NAT as poor. Image is skipped and not considered as a key element. They do identify that the 2 official websites of NAT (<http://wp.akt.gov.al/> and <http://albania.al>) are not appealing, have poor content. From the observation these two websites exclude the domestic or foreign visitors as one is in English language only and the other in Albanian language only. The <http://wp.akt.gov.al/> is considered for all 6 participants as unprofessional. On the contrary, they claim that social media accounts (Facebook, Instagram, YouTube and Twitter) are professional and appealing. While NAPA's website <http://akzm.gov.al/> is identified from 6 out of 6 participants as an accurate website, but they would suggest much focus on image with higher quality photos, to motivate and appeal better a potential visitor. NAPA Facebook page as the only social account of NAPA is also evaluated as accurate but yet missing strong appeal, as often it loses focus from image.

12 RAPAs at national level do have websites and on social media Facebook accounts only

The websites of RAPA are only informative, not aiming promotion and marketing through this tool. The mapping of Facebook pages of 12 RAPAs found a correlation between the most visited PAs and the activity in their Facebook Pages.

The observation on Facebook and Instagram pages of actual Minister of Tourism and Environment (September 2017 – January 2018)<sup>31</sup> and former Minister of Environment<sup>32</sup> show that posts related to PAs or nature in general, seems more likable to the virtual community getting a higher number of likes, comments and shares, comparing other posts.

### Web portals as “purely online media”

Articles suggest that alternative media was presented in the begging of 21th century from the journalists who decided to become independent from traditional media and provide to public a diverse perspective of the information from another point of view. In Albania this is a trend embraced by many well-known journalists in country as Armand Shkullaku & Andi Bushati with [Lapsi.al](http://Lapsi.al), Rudina Xhunga with [Dritare.net](http://Dritare.net), Blendi Fevziu with [Opinion.al](http://Opinion.al), Ylli Rakipi with [Tpz.al](http://Tpz.al), Mentor Nazarko with [Konica.al](http://Konica.al), Mustafa Nano with [Respublika.al](http://Respublika.al), Enkel Demi with [27.al](http://27.al) and others. At present, the corps of “purely online media” is being shaped as one of the most dynamic in the Albanian online space, leading to increasingly frequent novelties and developments (Albanian Media Institute, 2015:18)

Denisa Xhoga and Elvin Civici claim that articles on purely online media have high impact and more credibility than paid online ad. Denisa Xhoga stress the fact that NAPA has focused her work with journalists mainly on web portals, as virtual community tends to engage and share the information. Webportals are considered for 109 out of 109 of Q1 respondents, as the fastest way to get information.. Whether 56.9% of them confirm that when deciding to visit a destination they get information from online news media. On the other hand, 16 out of 16 respondents of Q2 consider internet as the highest influencer to their work.

### Word of Mouth in online context

Word-of-mouth represents a highly influential information source for potential visitors and is therefore of great interest to tourism marketing professionals.

Kotler & Keller (2007) suggests that word of mouth Communication (WOM) is a communication process for the provision of advice either individually or in groups for a product or service that aims to provide personal information. Communication by WOM is considered very effective in expediting the process of marketing and be able to provide benefits to the organization. Other researchers confirm that customers prefer to seek advices from the people who have already visited that particular destination than merely trusting the conventional advertisements from the suppliers. (Crompton, 1992; Decrop & Snelders, 2005; Gligorijevic & Luck, 2012; Hyde & Laesser, 2009; Park, Lee & Han, 2007; Seddighi & Theocharous, 2002; Woodside & Lysonski, 1989). Ring, & Dolnicar (2016) on their research found that tourists share both verbal and visual word-of-mouth content. They do suggest that stakeholders have the possibility to leverage word-of-mouth.

87.7% of respondents of Q1 trust more a recommended destination by a friend/relative rather than from other forms. 100% of them consider the online comments, posts and suggestions of their friends/familiars equal trustable as the traditional WOM. Ardian Koci claimed that +70% of domestic visitors in Divjaka National Park have been referred by a relative or friend, or a person they do follow in social media. Particularly as surveys indicate that word-of-mouth generally plays an important part in influencing visitation to national parks (Eagles & McCool 2002). 77 out of 109 respondents of Q1 used word-of-mouth sources to make destination choices.

<sup>31</sup> <https://www.facebook.com/klosiblendi/>; [https://www.instagram.com/blendi\\_klosi/](https://www.instagram.com/blendi_klosi/)

<sup>32</sup> <https://www.facebook.com/lefterkokapolitikan/>



## Wiki Platforms & Blogosphere

Wiki platforms are new media tool. Albanian language has its own space and as reported by Wikipedia. The community consists of 102.780 registered users, 296 of them have contributed with at least an editing during the last months. The information on Albanian language, for Albanian tourism and protected areas from observation seem extremely limited comparing with the one offered in English language. Also many bio links provided in Albanian language section of Wikipedia are not functional.

85.2% of the respondents of Q1 use Wikipedia as 2<sup>nd</sup> source of search, after Google. Another finding was that 55.6% of respondents of Q1 were using even social media (such as Facebook, Instagram or YouTube) as searching vehicles for tourism destinations. The largest number of blogs in Albania are created and hosted by Wordpress and fewer Blogspot platform. But it is hard to track in Albania bloggers or any blog for traveling, hospitality and tourism. Albanian bloggers and influencers are mostly focused on culinary and fashion.

## Bloggers and Influencers

Social media also support the emergence of influencers that occupy a middle ground between consumers and commercial users (Kozinets et al., 2010). eMarketer 2018, reports that for Influencers, Instagram is the clear-cut favorite and nearly 80% consider it their primary platform for collaborations. 6 out of 6 participants of Q4 members of ODA's network claimed for this study that they prefer better Instagram, while advertisers they collaborate prefer to use both Instagram and Facebook. None of them had a Twitter account. Only 9.1% of respondents of Q1 confirmed that they were not noticing or ignoring the destination of a post done/tagged by a VIP/public person (they fan/like and follow in social media).

## Albanian ODA<sup>33</sup> - the bloggers' network

A 2015 survey by Tomoson<sup>34</sup> emphasizes how influencer marketing can be highly lucrative for those brands who engage in it. Businesses are making \$6.50 for every \$1 spent on influencer marketing. Most businesses get solid results from influencer marketing, with just the bottom 18% failing to generate any revenue. 59% of marketers intend to increase their influencer marketing budget in the next year.

ODA – the Albanian blogger's network was an initiative of MTE launched in January 2018, to promote Albanian tourism. Over 200 Albanian representatives of art, culture, business from Albania and beyond borders are part of this network. "Jehoje dhe ti"<sup>35</sup> was a 60 second promoting video of the Albanian tourism that was posted firstly on the Minister Blendi Klosi social accounts, and after posted or shared by 200 bloggers. This video became rapidly a viral one. Marketers suggest that influencer marketing is about data, not celebrity deals. "We have not done yet any measurement or analyze on "Jehoje dhe ti" promotional video" acknowledged a civil servant staff of NAT.

## Own Media

*"It's a pity Albanians overestimate what neighbors offer. It's matter of culture and mentality. The Albanians does not grow since childhood with the love for nature, as other citizens worldwide do. I am surprised that most Albanians have discovered their country lately, mainly from social media"* Fation Plaku, 2018

Influencer marketing in travel and tourism builds on the importance of word-of-mouth in the travel context (Litvin, Goldsmith & Pan, 2008). Studies suggest that in the age of social media, consumers move from being fans to being producers of promotional content for brands, and from occasional endorsers to micro-celebrity-seeking social media influencers (Hearn & Schoenhoff, 2016).

Fation Plaku, whom passion for nature, have "transformed" him on photographer, a blogger and mostly identified as a key Influencer, while sharing his thoughts for this research admitted that he desired to make people visit the beauty of Albania nature, but he didn't know how. New media tool or "his own media" as Fation refers to his website and social media accounts (Facebook, Instagram, YouTube and Twitter) opened a real window to him. He started to share and shoot his unique moments for fun and from many years now he is doing it professional way. He also confirms that his favorite and most followed channel is Instagram. Fation claims that this is the first time he is interviewed/approached for study purpose. Same claimed even the 6 participants of Q4. Researchers admit that there is a lack of research that investigates the travel and tourism influencer marketing phenomenon Gretzel, U. (2018).

## PAs success stories; cheers to cool media

Social media allow destinations to contact visitors at relatively low cost and higher levels of efficiency that can be achieved with more traditional communication tools (Kaplan and Haenlein 2010). M.E. McCombs, D.L. Shaw (2004) suggest that those

<sup>33</sup> ODA word in Albanian language means room

<sup>34</sup> Survey 2015 "Influencer Marketing Study" [Accessed 10 March 2018 <https://blog.tomoson.com/influencer-marketing-study/>]

<sup>35</sup> Jehoje dhe ti - Echo even You – a direct appeal to the users, to make share the video, Video launched on January 2018

topics which are the most frequently covered by the media are seen as the most important. The crossing of secondary data and statistics of NAPA “decided” on the 2 success stories of this study (see figure 4 and 5).

As the outcome of the increasing influence of tourism, natural and protected area management is evolving from one primarily focused around onsite management and conservation, to one that more broadly encompasses a greater range of holistic recreation and tourism experiences. In dealing with this evolution, national parks and protected area managers are now required to balance onsite interpretation activities with marketing and demand management activities. (Reid, Mike 2008). Natura2000 Albania (June 2016) in their assessment findings emphasize that protected area managers complained, that they are often not informed about or involved in research activities, and that researchers do not address their management priorities and needs. In the assessment is also reported, that in some protected areas in country, research has not been conducted for a long time. IUCN reveals that the continuing and dramatic increase in both international and domestic travel poses significant opportunities for managers of the globe over 100,000 protected areas.

**FIGURE 4 :** Visitors in Shebenik-Jabllanicë National Park

Year	2015	2017
Visitors	400	13.000

Source: RAPA of Elbasan

**FIGURE 5:** Visitors in Divjak-Karavasta National Park

Year	2015	2017
Visitors	1.500	383.000

Source: RAPA of Fier

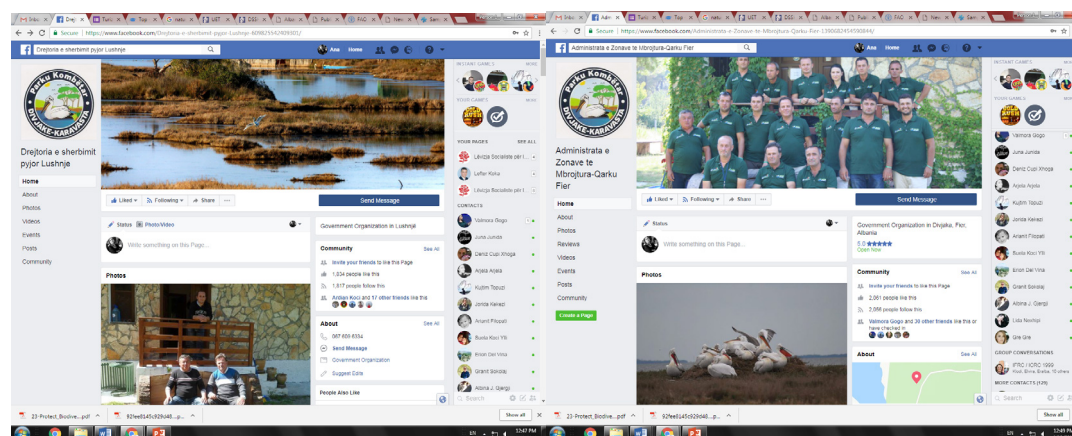
### Divjakë-Karavasta National Park – The shelter of Curly Pelicans

Divjakë-Karavasta National Park, managed by RAPA of Fier is well known, as the Shelter of Curly Pelicans (Dalmatian Pelican). 97 out of 109 respondents of Q1 identified this PA with the colonies of curly pelican and 100 of them have visited it at least once.

On the internet mapping (online portals, TV chronicles and social media posts) done for this PA found that many journalists, government high ranking officials and public personalities, contribute the success of the Shelters of Pelicans to the passion and dedication of Ardian Koçi, Director, RAPA of Fier.

Ardian, managing RAPA of Fier for 5 years is a profound passionate, eager to attract visitors. He states that he found Facebook, as the only way to have visitors in park. On 2013 the agency of PAs was not established yet by law and PAs were managed under the sector of forestry. “In 2013 I was appointed Director of Regional Directorate of Forestry of Fier. Few visitors were coming” said Ardian. He said that the decision to open a Facebook page (see figure 6, left) was the best step ever took. “People were annoyed from tagging, but I didn’t gave up” confirms Ardian.

**FIGURE 6:** Left Drejtoria e shërbimit Pyjor, Fier (created 2013); Right RAPA of Fier (created 2015)



Source: Facebook, Screenshot 2018

Statcounter Global Stats (2018) report that, Facebook leads with 93.4%, followed by YouTube with 1.64% for April 2017-March 2018 period, social media in Albania. Ardian claim that the National Park was not visited at least once, even by citizens that live next to Divjaka. He identified Facebook as the only free of charge tool he had in power, to raise awareness of the park and make people visit the lagoon. The page he opened back time in 2013 is still active, and with the establishing of NAPA by law 2015, Ardian activated a new page (see figure 6, right). Ardian claims that it was Facebook that attracted the journalists and reporters to promote the lagoon and raised interest in tour operators.

Healya and Wilson (2015) propose that host hospitality social media experts suggest that engagement on social media improves customer service and brand awareness, but they cannot validate if it influences buying behavior. Ardian claim that behavior of visitors has radically changed. "The domestic visitors' main attraction during 2013- 2014 was culinary, now we can clearly identify that this trend changed for good. The culinary have altered as an extension, while main motivation and hours spent from domestic visitors are dedicated to lagoon and other areas of the Park" confirmed Ardian. He aims that the park be perceived by domestic tourists as a brand.

### ***Shebenik-Jabllanicë National Park – The biggest national park***

"Shebenik-Jabllanicë National Park<sup>36</sup>, managed by RAPA of Elbasan is a new discovery to key stakeholders; media, citizens and tour operators" claims Fatmir Brazhda, Former Director, RAPA of Elbasan. The park is known in online media, as the biggest national park in country, but yet not clearly identified by potential visitors. 76 out of 109 respondents of Q1 have heard of the park, and only 22 out of 109 have visited it.

Shebenik-Jabllanicë during 2013 was on a critical stage of brand awareness, given the fact that it was a brand new National Park. "The role of media have been vital to make the introduction of our Park. On early stages, we started with a Facebook page (2013) and after that focused on local media and community" state Fatmir. In the Facebook page mapping of this park<sup>37</sup>, it shows that the authority of influencers is adopted as a tool to promote the PA. Denisa Xhoga confirmed that national TV and newspaper journalists/reporters never heard of Shebenik-Jabllanicë, when she joined NAPA in 2015. Fatmir claims that social media is crucial to attract potential visitors, but success on delivering the experience in the Park is considered decisive that visitors go back or return "Shebenik-Jabllanicë ambassadors".

## **Conclusions and recommendations**

Zeng & Geristen 2014 call for future research into social media in tourism and in developing countries suggesting that this may provide productive research environments. This study gave some important findings for impact of new media tools in protected areas as tourism destination in Albania as a developing country, where PAs have been lately considered by stakeholders as a high potential for tourism sector.

Findings of this study opposes the finding of Gover & Kumar 2007 in global rank where they identified that the role of internet was less important than was expected considering the population sampled. In this study internet and new media tools are key players to promote domestic tourism in PAs but also to get and share information.

First conclusion is that if protected areas and especially national parks who have more potential for accommodation units and recreation activities creation, need to become knowledgeable about marketing strategies and tools, and be competitive both from a product as well as a communication perspective.

Second conclusion is that perceptions of the brand and value of PAs as tourism destinations strongly relate with the promotion on new media tools.

Another finding is that protected areas can leverage their owned media channels to speak directly to their fan base. Word of mouth in traditional and mostly on online context, have been a promoter and amplifier to spread the message and raise brand awareness of PAs. The influencers can be lucrative to PAs (destination image)- when it's done correctly and when proper measurements are done. New media is important to Albanian citizens for getting information and having a decision on their next destination

Use modern and digital promoting tactics is one of the main recommendation. New media tools are suggested given the fact that tourism is a cluster very influenced by new trends. New media tools are advice, also as cost effective ones. Suggestions from this research are new media tools are swimming in rapid change environment, therefore they do need a continuous and persistent update.

The study identified existing barriers in the tourism sector, which should be resolved by active involvement of different stakeholders. Effective marketing strategies may foster competitiveness of Albanian tourism to domestic tourists.

It should be noted that many departmental websites are quite general and do not necessarily focus on promoting particular parks, but are rather a functions tool to access the department. This often makes them difficult to navigate and not consumer friendly.

In the literature review by Hawthorne (2014), only 25% organizations measure in detail the influences social media content marketing. This study suggests that in Albania none of the governmental or public sector has done any measurement on this

<sup>36</sup> In 2008 declared by law National Park

<sup>37</sup> <https://www.facebook.com/ShebenikJablanicaNationalPark/>

context. For promotion and marketing strategies on domestic tourism is important to know the needs, desires and expectations of domestic visitors, therefore researches and deep analyses are highly recommend to lead to better results and understanding.

Another recommendation as other researchers found is that a tailor-made social media marketing approach targeting specific market segments would be critical to attract potential tourists in PAs (Zeng & Geristen 2014)

The research highlights the need for further studies into the impact new media have on destination decision-making and the actual use and experience of different communication tools. It is significant to encourage investigation about the positive impact of social media marketing on the development aspects of a sustainable tourism. Further research is needed to integrate and complete the analysis with various methodologies, to deepen the impact of the new media in tourism cluster in developing countries and more specifically in protected areas.

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# Development of successful entrepreneurial education initiatives enabled by EU funded projects - The case of FH JOANNEUM

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## Abstract

*This paper presents the lessons learned from different formal and non-formal entrepreneurial education initiatives at the University of Applied Sciences FH JOANNEUM in Graz, Austria conducted in the period 2016-2019. Four projects funded through the European Commission provided the opportunity to explore a variety of teaching and learning methods to develop the “sense of initiative and entrepreneurship” as one of the key competences for life-long learning set by the European Union. While the target groups were different and the objectives were manifold, all of these projects aimed at fostering this key competence for students to effectively develop and implement creative and market-oriented ideas. Different entrepreneurial education methodologies have been developed, customised for the requirements of the target group and setting. This paper analyses them using the “Learning by sharing model” by Thijssen & Gijselaers. The analysed teaching methods and approaches have different efficiency for alternative target groups or objectives. The Business Case Challenge allows to involve intercultural student groups in intensive case work, with real live cases. A blended approach which combines a MOOC, face-to-face teaching, presentations and mentoring by a role model has proven to successfully provide entrepreneurial competences to athletes. A moderated MOOC for intrapreneurship including interactive teamwork and professional moderation to keep participants to be consciously active, resulted in high completion rate on an offline level. Finally, action learning sets and development of business models for case studies through e-communication are presented as an alternative learning model for international teams. Based on the in-depth analysis of these cases, the authors have proposed four factors which may serve as a frame for development of successful entrepreneurial education initiatives in various education and training environments. The frame offers additional fifth factor, student career development, specifically significant for formal education institutions.*

**Key words:** Entrepreneurial learning, Entrepreneurial attitudes development, Teaching methods, Erasmus+ for development, Learning by sharing, EntreComp.

## Introduction

The study of entrepreneurial formal and non-formal education offered by higher education institutions (HEI) is a very challenging research area both in the field of development of entrepreneurial skills and behaviour, as well in the field of education development. Many sources indicate significant intensifying of the general offer of entrepreneurial education especially for non-business students in the last two decades (Polenakovik, Jovanovski, Velkovski, 2013; Kabongo, Okpara, 2010; Ulvenblad P., Berggren E., Winborg J., 2013; Bridge, 2017). One of the strategic goals of the EU policies, the policies of its member states, as well as the policies of the countries in the pre-accession phase is the development of the high quality, widely available entrepreneurial education. This chapter presents a literature review on relevant lessons learned from entrepreneurial education.



## Entrepreneurial education initiatives

The existence of entrepreneurial education has been put even higher in the political and educational agendas after the European Parliament and the Council of the European Union (2006) set the “Sense of initiative and entrepreneurship” among the 8, equally important key competences for lifelong learning. Nevertheless, a recent research (OECD/European Union, 2017) shows that two thirds of youth in the European Union identifies lack of entrepreneurial skill as barrier for business creation.

A vast variety of entrepreneurial education approaches, methods and techniques is available. Some of these are presented as robust one-size-fits-all, while some are targeting specific, clearly defined target groups. In this paper we are presenting selection approaches, target groups and goals that will provide a notion of the different experiences gained in the implemented initiatives.

Siivonen, P., Brunila, K. (2014) argues that the adult education is limiting the participants, shaping their activities into a frame constructed by entrepreneurial discourse. In that regard Kiendl D., Kirschner E., Wenzel R., Niederl A., Frey P. (2019, pp.96-97) conclude that the main focus needs to be introduction of entrepreneurial education as soon as possible, proposing gamification and other learning through practice methods.

Ozdemir, Dabic & Daim (2019) conclude that medical students are motivated to develop entrepreneurial learning skills. They prefer a flexible way, such as internet resources combined with networking activities and learning from experienced entrepreneurs. González-Serrano (2019) analyses the progress of sports persons achieved through entrepreneurial training. The results are clearly stating that even in an apparently homogenous target group the personal characteristics and the background of the participants have to be taken into consideration in the phase of designing of the courses. Cummins (2016) identifies a gap between the offer of entrepreneurial education and the role it needs to play in the university curricula. Furthermore, this gap is significantly higher for non-business students. According to Friedl & Zur (2018) there is significant need of networking and entrepreneurial skills training also for employees with entrepreneurial mind-set, creative ideas and a proactive attitude.

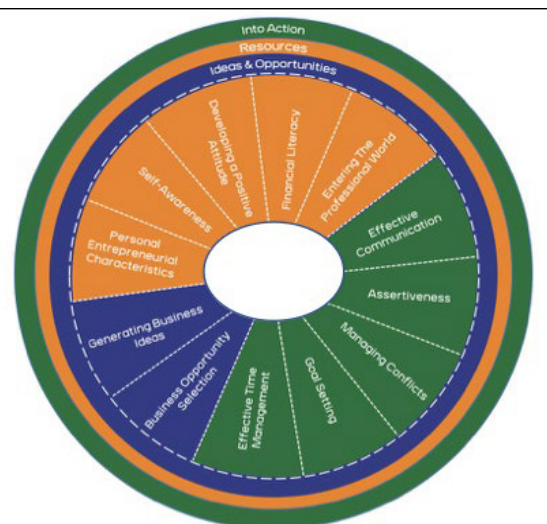
The main findings of the literature analysis suggest that entrepreneurial education should start as early as possible and need to be tailored to meet the requirements of the target group and even of the specific participants.

## Entrepreneurial competence framework

In the beginning of this chapter, the role of the European Commission in promotion and development of the entrepreneurship and entrepreneurial skills and competences, is highlighted. As one of their main contributions is currently the most influential tool for development of entrepreneurial education, the Entrepreneurship Competence Framework (EntreComp) (Bacigalupo, M., Kampylis, P., Punie, Y., Van den Brande, G., 2016). It has been developed through a mixed-methods approach, based on review of both academic and grey literature, analysis of case studies, desk research and stakeholder consultations. Developing the “sense of initiative and entrepreneurship” as a key competence, Entre Comp has the aim to raise consensus among all stakeholders and to establish a bridge between the worlds of education and work. It consists of three competence areas: ‘Ideas and opportunities’, ‘Resources’ and ‘Into action’. Each of the areas is made up of 5 competences. It develops these 15 competences along an 8-level progression model resulting in a comprehensive list of 442 learning outcomes. The framework can be used to design curricula and learning activities or for the definition of parameters to assess these competences.

Although EntreComp was presented three years ago, it is already in the main focus of many researches, EU funding schemes and it is the most used conceptual base for development of concepts, programmes and teaching materials in formal and non-formal entrepreneurial education.

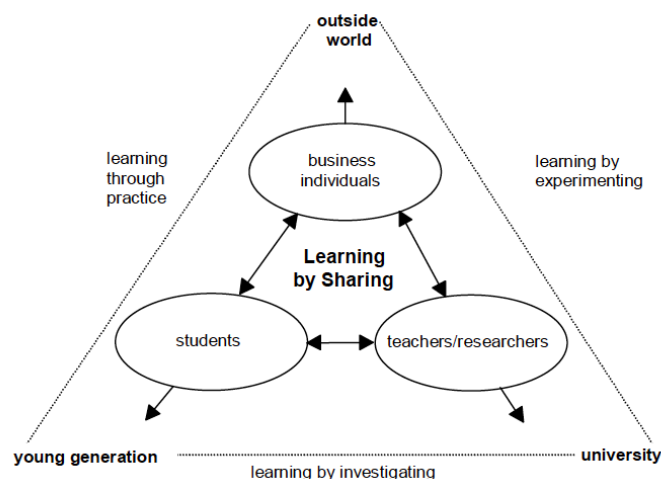
**FIGURE 1.** Areas and competences of the EntreComp conceptual model



## Learning by sharing model

As it was presented, different authors have analysed different learning models and approaches. In order to structure and benchmark the learning approaches in the analysed entrepreneurial education initiative the available theoretical models were analysed. Connecting teachers/researchers with students and practitioners the Learning by Sharing model presented by Thijssen & Gijsselaers (2006) has been selected as a most suitable (figure 2). The model includes three learning styles: learning through practice, learning by experimenting and learning by investigating.

**FIGURE. 2** The adapted Learning by Sharing model (Thijssen & Gijsselaers, 2006)



The Learning by Sharing Model (Thijssen, Maes, Vernooy, 2002) has been developed by the University of Amsterdam. It is modelling collaborative learning activities. “Teachers, researchers, students and practitioners join forces to establish learning communities. Its main improvements on existing learning models are the systematic introduction of the external world into the learning process and the reciprocal nature of the interactions involved.” Thijssen & Gijsselaers (2006) The main principle is that all actors learn through the shared experience.

## Implemented entrepreneurial learning initiatives

This chapter presents the entrepreneurial learning initiatives developed and implemented in the scope of various funding schemes in the frame of the Erasmus+ programme.

### REBUS – Ready for Business

“REady for BUSiness - Integrating and validating practical entrepreneurship skills in engineering and ICT studies” is Erasmus+ Joint project supported through the action Capacity Building in Higher Education.

The project aims at developing, testing, validating and mainstreaming holistic and needs driven open learning modules to promote entrepreneurship competences of ICT and engineering graduates at the interface of academic education and learning in practice business contexts. (REBUS, 2019)

The competences related to initiative and entrepreneurship play a paramount role in EU neighbouring countries simultaneously tackling two key challenges: unemployment and competitiveness, simultaneously converging with EU economic and social standards. Despite the significant improvement in the social acceptance and recognition of entrepreneurial activities, in the Western Balkan countries and Russia the employment in public institutions and enterprises is still considered as most preferred career choice. The project is based on that notion, focusing on improvement of the sense of initiative and entrepreneurial attitude particularly of ICT and engineering students. This target group has been identified as a result of the gap between the importance of these competences for their career development and the lack of its development during the formal university education.

The main approach developed in the project was the study visit organised at the European universities, hosting students from the non-EU universities. The University of Applied Sciences FH JOANNEUM hosted 40 students from Kosovo, Albania and Russia. The hosting team used the flexibility of the study visit methodology to extend it to a student challenge, aiming to develop an Intercultural and Entrepreneurial Mindset. It was organised in September 2018, including undergraduate students in the third semester from the degree programme International management at the host university, including 109 students in total. The foreign students are IT students. Used cases involve questions, which concern both technical and business

competences, which can be best solved in an interdisciplinary team.

As proposed by the learning by sharing model from Thijssen & Gijsselaers (2006) entrepreneurs from partner enterprises were directly involved. They have provided real live cases, for which they needed solutions. Teaching staff at FH JOANNEUM acted as coaches and moderators for the whole event providing the third side of the learning by sharing model - teachers/researchers. The cases provided were screened by the involved teaching staff and adapted to the level of competence the students had already acquired, in order to provide a challenge but no unsolvable problems. The challenge was organised in the frame of intensive two weeks' programme. The first week was mainly aiming at briefing from the case providers, team building and business trainings for the incoming (mainly engineering students). The second week was focused on teamwork with at least one consultancy session with the teaching staff. At the last day, a grandiose final was organised.

Each team presented their elevator pitches – a summary of their findings and suggestions, which could be presented in no more than two minutes. A jury consisting of experts from the case-providers and the university selected the best two pitches for every provided case, the selected groups presented their 15 minutes' presentations and for each of the cases a winner was selected. All finished presentations were completed with detailed comments, uploaded to the platform and of course provided to the case providers.

## AtLETyC

“AtLETyC – Athletes Learning Entrepreneurship – a new Type of Dual Career Approach” is an Erasmus+ project in the program line ERASMUS+: SPORT/COLLABORATIVE PARTNERSHIPS.

The project objective is to promote and support good governance in sport and dual careers of athletes:

The overall objectives of AtLETyC are:

- To promote and support Dual Career of Athletes to accomplish the EU Guidelines on Dual Careers for Athletes.
- To combine Athletes top-level sporting achievement with a new career possibility to strengthen their transition from sport into the labour market.
- To support the creation of flexible learning pathways with the Athletes needs and objectives.
- To strengthen cooperation and create networks between institutions and organisations active in the field of sport.
- The specific objectives of AtLETyC are:
- To develop, implement and transfer an innovative MOOC-based e-learning modular education program in different European countries, involving Universities and sport organizations and to enhance digital learning.
- To develop a vocational and/or higher education course on Entrepreneurship Athletes which will be offered in modules?
- To develop tailor-made arrangements as the best solution (EU Guidelines of Dual Careers of Athletes). (AtLETyC, 2019)

Promotion of healthy and active lifestyle is imperative for all countries across Europe. The professional athletes are the main ambassadors of sport having most significant role in its promotion in a social cult and motivator for practicing sport as recreation. Unfortunately, the devotion to the career in sports comes with price for most of the professional athletes, leaving them with no sufficient finances and lack of applicable skills for activity at the labour market after the retirement from professional sport (Wylleman et al., 2004).

Many elite athletes want to use their skills, networks and profile to start their own business during or after their sporting career. Elite athletes have an outstanding potential to become successful business men and women. In their sport career, they acquire extraordinary skills that are also crucial to entrepreneurial success (Williams & Reints, 2010):

- Leadership and team spirit
- Goal-orientation and determination (Strategic thinking and drive)
- High Motivation and commitment (strive continuously for achievement and success)
- Never-give-up attitude and performance under pressure
- International mind-set and cross-cultural competences
- Desire for competitiveness and resilience

However, due to their busy schedule, they often miss out on specific education. In this regard, AtLETyC developed a programme specialised for elite athletes giving them the opportunity to combine top-class sport and top-level entrepreneurship training. The innovative aspect is that we developed a MOOC, where elite athletes have the possibility to learn location and time independently. This didactic concept proved as very useful for professional athletes as it facilitates them to find easier time for learning in their busy schedule.

In the form of a partnership between European higher education institutes and sport governing bodies, AtLETyC (see [www.atletyc.eu](http://www.atletyc.eu)) provided an entrepreneurship training specifically tailored to the needs of athletes. The blended-learning concept represented a combination of a face-to-face training and a 6-week-MOOC (massive open online course, see [www.atletycmooc.eu](http://www.atletycmooc.eu)) within a compact 3 ECTS qualification. To further inspire the participants for the topic of entrepreneurship, former European athletes and now entrepreneurs contributed to the content of the course by sharing their own experience. The

project was run successfully in 6 European countries, with 127 athletes with both academic and non-academic backgrounds completing the programme. After the project, the demand for a follow-up project was both evident and expressed by the athletes.

## BizMOOC

“BizMOOC – Knowledge Alliance to enable a European-wide exploitation of the potential of MOOCs for the world of business” is Erasmus+ project funded through the Knowledge Alliance action.

The European-wide Knowledge Alliance “BizMOOC” project started on 1st of January 2016 and run over a period of 3 years. The EU-funded project tackles the European challenge of enabling businesses, labour force and universities to increase their activities and exploitation (economies of scale) of the MOOC potential. It focuses on work force & HEI-training and the acquisition of labour market key competences through applying new methodologies for online teaching & learning. This will be achieved by creating common standards & frameworks on MOOCs by integrating the experiences from Higher Education and the business world. (BizMOOC, 2019)

The intrapreneurship MOOC has been designed within a joint partnership of 11 full partners and 3 associate partners out of 11 countries, composed of both universities and industry partners. The Austrian University of Applied Sciences (FH JOANNEUM Graz) led the development team consisting of University of Economics Cracow from Poland, the Hasso-Plattner-Institute Potsdam from Germany and AVL List GmbH, Austria’s most innovative company in terms of patents. The MOOC platform mooc.house has been provided by the Hasso-Plattner-Institute.

The first step was the definition of the target group. As intrapreneurship implies the identification and exploitation of business opportunities within established companies, the course was addressed to all business actors: managers of all levels, employees and trainees. The primary target group was identified as young employees, bottom and middle level managers who are the critical actors of intrapreneurship. External learners such as students, people between jobs, or just interested in the topic are targeted as well.

Next, the learning outcomes were defined so that learners after having completed the course will:

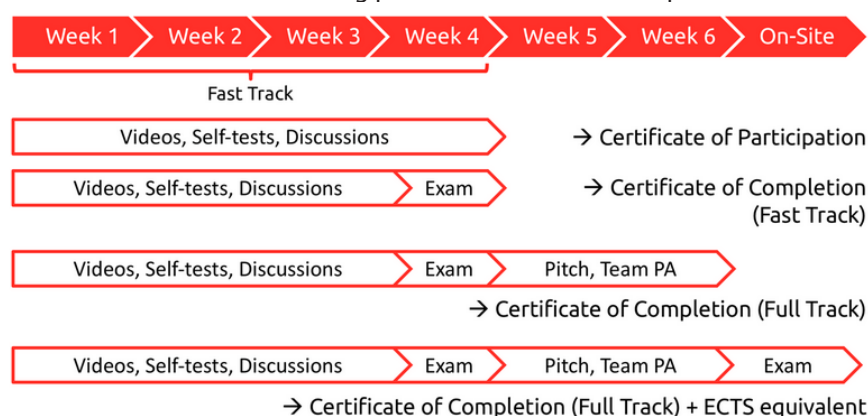
- understand the concept of intrapreneurship,
- familiarize with numerous examples of entrepreneurial organizations and intrapreneurship projects,
- identify opportunities at work and convert challenges into opportunities,
- identify stakeholders, target groups and sponsors of intrapreneurial projects,
- enhance their ability to form coalitions around new business ideas,
- develop and deliver a pitch to various audiences, including the board of directors.

After defining the course objectives and envisaged learning outcomes, the partners began the Learning Design process coupled with regular online meetings. Two video recording sessions took place in Graz and Potsdam.

The course was delivered in weekly modules with approximately five hours’ study time per week. It offered different course tracks with four certification options, including an on-site exam (Figure 3). Keeping in mind that the course targets employees, many of whom working full time, schedule flexibility was a clearly important feature.

Depending on course track, the course lasted 4 to 7 weeks in total, including videos, readings, quizzes, tests and forum discussions. Additionally, seven e-tivities stimulated active user participation following the e-moderation concept by Salmon (2004). Extensive and multi-stream participant exchange in the discussion forum resulted in the creation by the learners of an exchange and cooperation platform, where people gave each other advice, suggestions and recommendations. The e-tivities cumulated in an online team work assignment where participants had the opportunity to bring in their own ideas, work on them in international teams and develop a pitch. The course was finalised with interesting pitching event whose number of participants and quality has exceed the expectations.

**FIGURE 3.** Training process and certification options



The course was open and free for everyone and conducted completely online. After implementing the moderated version (26.2.18-23.4.18), the course is available in a self-paced mode without certification and team work option: <http://mooc.house/bizmooc2018/>

## EmindS

EmindS aims to develop entrepreneurial mind-set of HE & VET students based on the EntreComp competence, through the application of a systematic methodology using student centered innovative approaches.

The methodology consists of several independent but interlinked stages.

The specific objectives of the project are:

- To validate EntreComp and use it as the framework
- To develop 2 assessment tools in 2 different EQF levels to assess the Entrepreneurship Competence of HE & VET students
- To identify and use innovative student centered learning approaches to be used for the education of HE Students and VET. Such approaches are the Action Learning Sets and the ENTRE-Challenges which are challenges to be resolved in an experiential way
- To develop materials to be used in non-traditional learning environments, using student centered approaches
- To develop a system guide to describe the systematic approach for the development of the entrepreneurship competence

EmindS aims to develop the competencies of EntreComp through the development and pilot testing of student centered approaches.

A) EmindS will validate EntreComp through focus groups to ensure that:

- 1) All necessary competences are there (the framework has been published in 2016, so although it is based on robust methodology and long research, materials have not yet been developed based on it). Validation of the framework and adapting it where necessary will ensure the robustness of the current project results.
- 2) The descriptors provided describe adequately the competences.
- 3) Descriptors are provided for each of the competences that are sufficient for understanding the competence but may be more detailed descriptors are necessary for developing it.
- 4) Translation of competence into learning outcomes.

B) EmindS will continue to develop the 15 competences identified in EntreComp through 2 student centered approaches:

- 1) Action learning sets that will be implemented with groups of students from different disciplines but from the same university or VET.
- 2) Challenges (EntreChallenges) that will be implemented with students from different disciplines and different countries.
- 3) Materials will be developed for both approaches in two EQF levels (Level 6 for HE Students & Level 5 for VET Students)

At the 1st stage of the process, i.e. Action Learning Sets, support & facilitation will be provided by academics & VET trainers. At the 2nd stage of the process ie EntreChallenges mentoring will be provided both by Academics or Vet trainers & the Industry.

C) Assessment tools and System Guide

- 1) Two assessment tools will be developed in order to assess the entrepreneurship competence for HE Students (assessment tool EQF Level 6) and VET Students (assessment tool EQF Level 5). These assessment tools will be pilot tested in different stages (before action learning, after action learning, after EntreChallenges).
- 2) A system guide will be developed to guide other universities or vet providers to install it for the development of the entrepreneurial mind-set of their students.

## Limitations

The analysed cases are representing selected recent examples from different funding programmes. Based on that the literature review is focused only on the relevant frameworks and models, not providing wide state of the art analysis.

This case analysis based methodology offers clear presentation of the selected cases, the activities implemented and the results achieved. However, it does not offer comprehensive overview of the entrepreneurial learning initiatives implemented with support of Erasmus+ projects nor from the initiatives implemented by the team of the Institute of International Management at the University of Applied Sciences FH JOANNEUM.



## Discussion

Each of the analysed project cases have been developed under different Erasmus+ funding programmes, presenting experience in Capacity Building in Higher Education, Sport/ Collaborative Partnerships, Knowledge Alliances, and Strategic Partnerships. The analysed target groups vary between Vocational Education and Training (VET) and High Education students for mainly non-business faculties to adults working in different environments (company employees and professional athletes. Additional influencing factor in the development of the education initiatives' methods and approaches were their objectives: development of entrepreneurial mind-set, developing skills for starting and running an own business and develop skills and motivation for entrepreneurial behaviour in the workplace. Overview of the main features of the analysed cases is presented in table 1.

**TABLE 1.** Overview of the implemented EL initiatives

#	Project	Programme	Target group	Objective	Method
(1)	Rebus	Capacity building in Higher Education	High education non-business students as non-curricular and international management as curricular activity	To develop entrepreneurial mind-set	Business case challenge – based on real-life cases
(2)	AtLETyC	Sport/ Collaborative Partnerships	Adult education for professional athletes	To develop skills for starting and running an own business	MOOC and face-to-face teaching and presentation, mentoring by at least one role model per country - former athlete who is successful entrepreneur.
(3)	BizMOOC	Knowledge alliance	Adult education for managers of all levels, employees and trainees	To develop skills and motivation for entrepreneurial / intrapreneurial behaviour	Moderated MOOC for intrapreneurship. Interactive teamwork motivating participants to be consciously active, resulting with high completion rate, high number of submitted ideas and great pitching organised.
(4)	EmindS	Strategic partnership	Higher education Students and VET students	To development entrepreneurial mind-set	Action learning sets and development of business models for case studies in international teams, mainly through e-communication.

**(1) The business case challenge** was developed to cover all three learning styles defined in the learning by sharing model, developed by Thijssen & Gijsselaers (2006). Learning through practice was realized by providing real live case, which have been presented by real entrepreneurs. Direct interaction between students and entrepreneurs was additionally fostered through a questions and answers session in the second week and by involving the case-providers in the evaluation process. Learning by investigating was supported by providing the counselling sessions. The student – teacher interaction proved to be essential in this set-up. The students could develop solutions and explore them in the counselling sessions, without any need to follow a pre-defined path from the beginning. Learning by experimenting was supported by the connection between the teaching staff and the entrepreneurs, first by the common design of the cases for the students and the necessary interaction between the actors, secondly by providing the detailed results and discussing future possibilities of co-operation in realizing them.

**(2) MOOC and face-to-face blended approach for starting a business** has also covered all three learning styles. The professional athletes were focused on learning by investigating though both face-to-face interactive teaching and online (MOOC) teaching. Additionally, they were offered an insight in the entrepreneurial world through close cooperation and mentoring by former professional athletes who are currently successful entrepreneurs. The active participation of these entrepreneurs and the close cooperation with the teachers are closing the learning by sharing triangle.

**(3) Moderated MOOC for intrapreneurship (corporate entrepreneurship)** offered learning by investigating through moderated and independent online learning. This combines the benefits from both classical face-to-face teaching and MOOCs, motivating and creating a community through personal engagement of participants with very high flexibility. The learning through practice was fostered through the development of entrepreneurial ideas for which business models were generated and pitches prepared and conducted. The high quality vs ease ratio resulted with very high completion rate, high number of submitted ideas and great pitching event.

**(4) Action learning sets and EntreChallenges.** The mix of these two methods has been designed to provide participants with essential knowledge and skills in an interesting interactive way. The evaluation design aims to precisely track the progress of participants in each of the steps (before and after each stage).

In all of the presented cases, a fourth important interaction has been actively developed and fostered, participants work in teams, learning with and from each other. The benefit of this interaction does not arise only from the shared knowledge and experience between the participants, but primary from the exchange of ideas and peer pressuring into continuing their personal and professional progress. These collaborations are additionally contributing for development of community of practice which is often crucial for potential entrepreneurs which lack individual with entrepreneurial aspiration among their acquaintances. Such communities are also important for the other target groups since they foster further development of the entrepreneurial mind-set and skills.

As an addition to the entrepreneurial education, these initiatives impact much wider objectives. Each of these initiatives include international teams across Europe and fosters their close collaboration contributing to higher cohesion in the European Union and with its partner countries. Additionally, supporting the development of sense of initiative they are contributing to develop the involved participants into create active citizens.

## Conclusions

Each of the analysed initiatives contributes to the improvement of the entrepreneurial mind-set and skills for the aimed target groups and is highly valued by the participants. As main factors for their success are:

1. Understanding of the target group  
Each target group is driven (motivated and engaged) based on certain minimum requirement elements such as: topic of interest, ease of access (including flexibility), amusement of the programme, etc.
2. Adaptation of the programme  
Tailor made methods and approaches supported by adapted teaching materials are often crucial for the success of the initiative. In a dynamic time of easy access to information, participants are expecting to receive well dosed information, covering their needs and interests, exactly.
3. Real-world experience  
In each of the projects there is a connection to the business world and the real-world challenges, which are very important for both motivation and development of the target group. This also develops the implementing team, supporting development of innovative initiatives and continuous improvement.
4. Quality  
Experienced interdisciplinary team for development and implementation of the initiatives is necessary to cope with all these requirements. The creation of the consortium for each initiative has always significant impact of the expected success of the project.

The **students' career development** has been identified as an additional factor, specific for the development of the curricular entrepreneurial education offered by formal education institutions. It is an obligation of each modern formal education institution which needs to have a special place in the development and the implementation of a new entrepreneurial education initiative. It is important to be noted that this does not apply only for entrepreneurial topic courses aiming to prepare students for establishment and managing of own businesses. On the contrary, it is crucial in embedding the entrepreneurial and intrapreneurial skills and attitudes in other disciplines, in both non-business and business study programmes. As a result, the institution will develop initiatives and entrepreneurial graduates prepared to make positive changes in their working environment, increasing the competitiveness of the companies and societies.

## Acknowledgement

This paper was not going to developed without the "REady for BUSiness - Integrating and validating practical entrepreneurship skills in engineering and ICT studies" – REBUS project supported by the Erasmus+ Capacity Building in Higher Education, which enabled the implementation of the activities and supported the conference. Additionally, we would like to stress the gratitude to the Erasmus+ projects without which the analysis and discussion in this paper were not be possible: "AtLETyC – Athletes Learning Entrepreneurship – a new Type of Dual Career Approach", "BizMOOC – Knowledge Alliance to enable a European-wide exploitation of the potential of MOOCs for the world of business", and "EmindS-Development of an Entrepreneurial MindSet in Higher Education".

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# Network management as a success factor (a comprehensive literature review)

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## Abstract

*The economy and the focus of organizations are heading more as it goes towards human resources. The challenge of global companies is to create recognitions and to being coherent with individuals of similar fields or successful people. The main task of such organizations is to manage the relationships with the latter. As founder of Moz, Rand Fishkin said: "Don't build links, build relationships". The research question which this paper attempts to answer is: How does the network management affect the success of an organization? Our hypothesis laid ahead suggests that the focus of companies in network management, guarantees the long-term success of the organization. According to the review studies of this paper, Silicon Valley is the best example to understand the importance of network management especially in innovation. "Shared creativity" suggests that best problem solving is retained through sharing, diversity skills collaboration and experiences, targeting the achievement of a common goal. Leaders and the companies, including Albania, which are focused on this area have achieved excellent results in total revenues as well as knowledge. In this paper, we aim to design a framework for a successful implementation of the network-oriented business strategy, key ingredients of which, are human resources strategy, network competence and innovation success.*

**Key words:** network management, Innovation success, Strateg

## Introduction

Network management has become one of the key words of organizations inside and outside of Albania. Organizations are facing different challenges on day to day basis, where as one of them is the management of good relationships with the right individuals so we use them at the right time. Network management is embraced by relatively large companies as it is seen as one of the key factors for their success. Building relationships not just creating links is one of the leading principles that organizations are following nowadays. Robert Kiyosaki said: "The richest people in the world look for and build networks, everyone else just looks for work." Proper network management practices have the goal of enhancing the organization's performance, enriching the internal environment, and internationalizing the organization. We know that the characteristics that make an entrepreneur are some born, and some gained during their lifelong experience. If we ask individuals of an organization individually for a business idea, the responses would be not being satisfying, but if we would put them through brainstorming, we would get more qualitative results. Building long-term connections are the bridge between individuals and organizations. Network is the skill which some of the employees use to adapt in the market as well as it is a special ability that some of them use it to share experiences and build profitable relationships.

## Research question, hypothesis and methodology of the paper

In this paper, the focus will be on the importance and the positive impact that network management has, given that organizational challenges are becoming more and more frequent and the global market needs to be implemented as effectively as possible.

This paper aims to highlight the advantages that a company will have if it's able to manage good network relationships, which is based on relevant literature and in some successful case studies.

Explicitly, the research question of this paper is: How does network management affect the success of an organization? The assumed hypothesis states that network management guarantees the organization's long-term success globally.

In the first part of the paper, theoretical aspects of what is "network management" are discussed and how this process is realized. The rest of the paper consists of case studies which show us how this approach works in some organizations. Further, successful techniques to reach long-term market success that organization must implement them in their organization have been listed.

## Network management definition

A network can be defined as 'a complex, interconnected group or system', and networking involves using that arrangement to accomplish tasks. As we've suggested innovation has always been a multiplayer game and we can see a growing number of ways in which such networking takes place. The conception of network has become the keyword for a lot of organizations, in the era of innovation. It has a lot of benefits for the organization and the employees. But we must mention that the network has some imperfection effects.

Different studies from various authors, approve different characteristics about network strategy and implementation. The academics on Europe, have the attitude focused on institutional, geographical and social condition of networks and the convenience in innovation area. In contradiction, we found that in Anglo-Saxon theories is very critical the way of identifying how to manage and to profit from networks. (Tidd & Bessant, 2009)

According to (Tidd & Bessant, 2009) a network determines the members in two ways. The first one is about sharing information and experience through network. The second one the role of actors is accepting the differences to turn them into power. The network has an amazing importance according the strategy of each organization, and this influence in relationships. This achievement has some sources for example: technology, trust, economic advantage and validity. Network relationship can be loose or stable, indicated from some factors as quality (concentration); quantity (number) and type (proximity to organizational activities) of the links.

Management is planning, organizing, managing and controlling human resources and other resources to achieve organizational goals efficiently and effectively. Organizational resources include assets such as people and their skills, technical knowledge, and experience, machinery; raw material; computers and information technology; patents, financial capital, loyal customers and employees. A manager's goal is achieving high performance. One of the most important objectives that organizations and their members attend to achieve is to offer that product - or service - that the client wants. A network manager aims to internationalize the company and create relationships with third parties. It is very difficult to find the ways for this goal, but through the valuable links and the

Such links are more than individual transactions and require significant investment in resources over time. Networks are appropriate where the benefits of co-specialization, sharing of joint infrastructure and standards and other network externalities outweigh the costs of network governance and maintenance. Where there are high transaction costs involved in purchasing technology, a network approach may be more appropriate than a market model, and where uncertainty exists, a network may be superior to full integration or acquisition. Historically, networks have often evolved from long-standing business relationships. Any firm will have a group of partners that it does regular business with – universities, suppliers, distributors, customers and competitors. Over time mutual knowledge and social bonds develop through repeated dealings, increasing trust and reducing transaction costs. Therefore, a firm is more likely to buy or sell technology from members of its network. Firms may be able to access the resources of a wide range of other organizations through direct and indirect relationships, involving different channels of communication and degrees of formalization. Typically, this begins with stronger relationships between a firm and a small number of primary suppliers, which share knowledge at the concept development stage. The role of the technology gatekeeper, or heavyweight project manager, is critical in this respect. In many cases organizational linkages can be traced to strong personal relationships between key individuals in each organization. These linkages may subsequently evolve into a full network of secondary and tertiary suppliers, each contributing to the development of a subsystem or component technology, but links with these organizations are weaker and filtered by the primary suppliers. However, links amongst the primary, secondary and tertiary supplier groups may be stronger to facilitate the exchange of information.

## The importance of network management at SMEs

According to Hammami et al (2003) networks of firms are defined in terms of specific co-ordination modes between market and organizational hierarchy by emphasizing the necessity of collaborative tools needed in order to regulate their activities fairly and to limit opportunism. Other authors as Lin and Zhang (2005) in explain that in the conditions of high competition outlined by agility, compliance and innovation the role of networking is crucial. Since 1997 the role of network in small and medium enterprises was outlined by Raymond and Blili, by explaining that in the new conditions of the era of globalization competitively is changing and customer expectations also have new trends so, networks help managing the synergy and



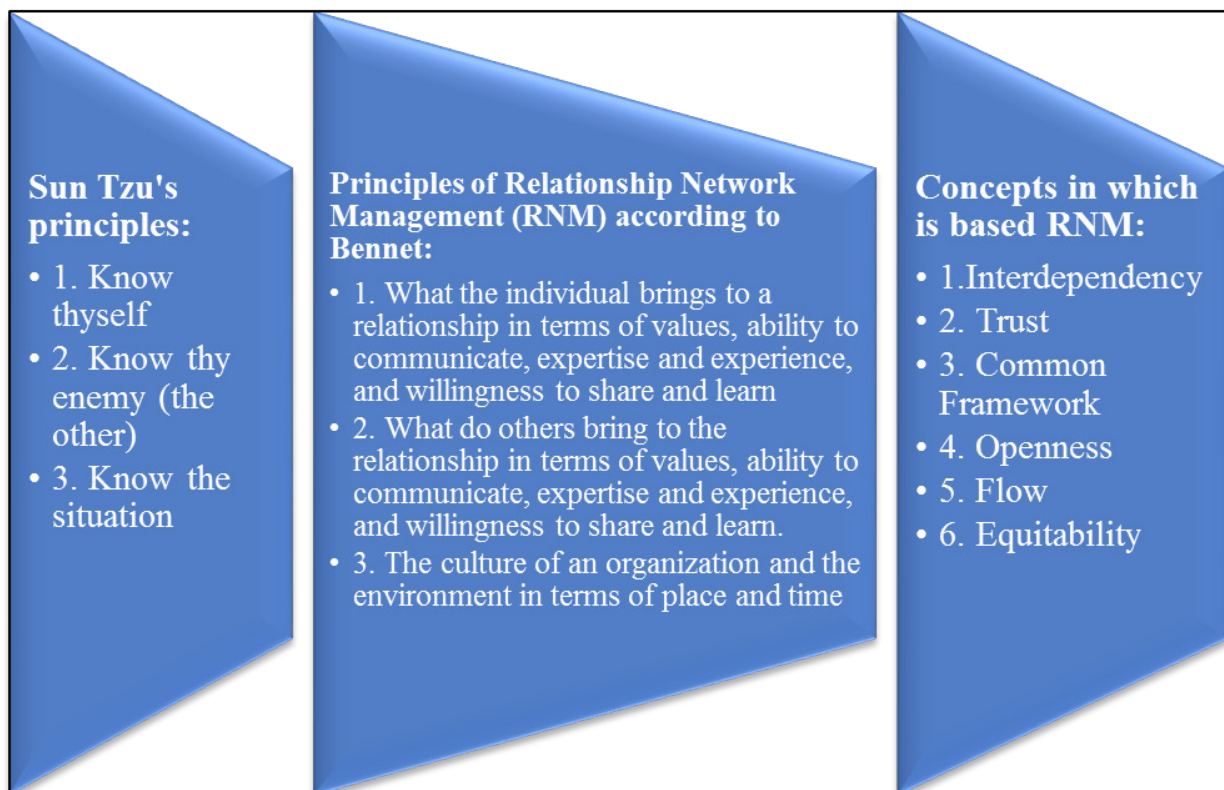
dynamism of new business environments. Mezgar et al., (2000) argue the importance of networks by explaining their aspect as an appropriate approach for small and medium businesses to employ their bounded resources and to compete adequately. According Chetty and Holm (2000) the networks contribution is described in terms of new opportunities exposed, new knowledge and new experiences learned. In the same line, Gils and Zwart (2004) analyse the contribution of networks to lead efficiency and competitiveness through accessing diversified capabilities, achieving external knowledge and learning.

According to Bennet (xxxx) the concept of relationship management network focuses basically in the use and increase of the social capital of the organization. Bennet (xxxx) explicates the relationship network as “matrix of people that consists of the sum of a knowledge worker’s relationships, those individuals with whom the knowledge worker interacts, or has interacted with in the past, and has a connection or significant association”. The author also explains that the main units for managing networks for a company are teams and communities. Also, Bennet asserts that the impact of organizational networks which cross the organization is reflected in terms of increased organizational awareness, reduced repetition and increased organizational agility and flexibility. By representing the concept of Mesh<sup>1</sup>, the author explains the “Principles of Relationship Network Management” based on parallelism with Sun Tzu’s fundamental principle of success in warfare.

## Sun Tzu’s Theory

As we know, Sun Tzu is undoubtedly one of the most famous Chinese military strategists in history, mostly known for the “Art of War,” a treaty on military strategy. This act left his legacy a legendary figure in the history of the Chinese army and continues to have a significant impact on global history and culture. The Chinese general lived in the 4th century before the birth of Christ. There is a little knowledge of heroic acts in the Sun Tzu war, but he was so passionate about the war that he wrote “The War Art”, the book of best war strategies ever written. This early book is back in the manual of many of the modern war tactics, implementation is found in strategies of organization for networking and globalization. The graphic below defined the Principles of Sun Tzu in analogy with the Principles of Relationship Network Management (RNM):

**FIGURE 1.**



Source: Adapted from Relationship Network Management by Alex Bennet ([www.mountainquestinstitute.com](http://www.mountainquestinstitute.com))

As described by the author the successful relationship network management is built upon six basic concepts: Interdependency, Trust, Common Framework, Openness, Flow and Equitability.

Interdependency is a cause-effect relationship that connects two actions to each other. Every part of this relationship is responsible for the mutual success that pretend a very positive result in long run.

Trust is a critical case even between people, furthermore in business relationships where the profit is the main goal. Trust

<sup>1</sup> a network of interconnected communities of practice across the Federal, State and local governments

is depending on stability and compatibility, doing what you think is the best for leading the market. It is a value for individuals and organizational, and this is confirmed by consumer behaviour. Trust takes time to produce results, but it lasts for a prospect achievement.

Common Framework which offer the possibility to share and exchange different information and helps the creation of knowledge. Some of the characteristics of this common framework include: a common language (developmental, useful, organizational); shared values and moral requirements; shared goal; shared stories and vision. Diversity of knowledge is an advantage of organization, where ideas and thinking manners add values to have a creativity environment.

Openness is a continuous process that derivates from trust and collaboration. Theories prove us that organization which “huge” new ideas are more successful than organizations which only follow the rules. Cooperation with others gives the opportunity to have value and make the aim of organization lead by “Knowledge shared is power squared”.

Flow is based on active discussion integrated with knowledge, data and information to complete a circle of a large group of people sharing experience progress and regress through team interaction, events and association. This full circle is relative to organization and specifically. This flow is vertical and horizontal and consists of two-way link between key factors of the connection in organization. This means the bridge between decision makers employs and the executive strategy employs, that is essential for organization prosperity, in the framework of network.

Equitability is about a reasonable relation, which is outlined by propriety, honesty and integrity. The principles of natural justice include the profit gained by this synergy of new ideas, real contributes and openness of creating relationship in organizational environment.

Supervising all these concepts: interdependency, trust, common framework, openness, flow and equitability is not the effective way. All the organization can do is create healthy relationships between people and companies, by interacting and building carefully the belief in this circle. It is very important the history of interactions for a continuous process.

## Why Networks?

There are some reasons Why Networks, according to (Tidd & Bessant, 2009) , four major arguments pushing for greater levels of networking in innovation:

- Collective efficiency – in a complex environment requiring a high variety of responses it is hard for all but the largest firm to hold these competencies in-house. Networking offers a way of getting access to different resources through a shared exchange process – the kind of theme underlying the cluster model, which has proved so successful for small firms in Italy, Spain and many other countries.
- Collective learning – networking offers not only the opportunity to share scarce or expensive resources; it can also facilitate a shared learning process in which partners exchange experiences, challenge models and practices, bring new insights and ideas and support shared experimentation. ‘Learning networks’ have proved successful vehicles in industrial development in a variety of cases – see later in the chapter for some examples.
- Collective risk taking – building on the idea of collective activity networking also permits higher levels of risk to be considered than any single participant might be prepared to undertake. This is the rationale behind many pre-competitive consortia around high-risk R&D.
- Intersection of different knowledge sets – networking also allows for different relationships to be built across knowledge frontiers and opens the participating organization to new stimuli and experiences.

## What skills should have an effective networker?

Donna Messer is a speaker, a journalist, an author, a coach, a trainer and a lot of other words that describe her perfectly. She is a leader at page Connect Us Canada, and she is “The queen of networking”. In her work paper “Effective Networking Strategies”, Donna Messer (Messer), listed three essential skills:

- *creative visualization*
- *lateral thinking*
- *artful listening*

When you have mastered these skills, you can network effectively and creatively.

### Creative Visualization

Visualization means to make perceptible to the mind or imagination. Visualization is drawing human thought or other logical data with the help of combined electronic and informational tools in a plan. Through this action, it is possible to present and combine the human peculiarities. It is very important in networking, being so creative. You must think positive and to think

that your organization will be on the top of ranking companies. Only by thinking in this way you can achieve your goals. To visualize the different issues make you more attractive to set goals and find ways to accomplish them. This system allows the entrepreneurs to have successful strategies, a well thought planning, a clear vision and an achieved target.

### **Lateral Thinking**

In 1967, Dr. Edward De Bono evolved the term lateral thinking. This means to solve problems in a different way, that consist of giving solution not by traditional methods but with intuition. Lateral thinking defines of using pictures to advance thoughts and this can happen in business and organization too. As Edward De Bono said, “when something negative happens, try to think of a way to turn it around.”

### **Artful Listening**

Listening is an art, and this is found in business too. You must be creative and learn how to be a good listener to achieve your goals. To make connections you must learn what information is valuable, because this affects the network. If a person feels free to express the new ideas, then there is a tendency for a success in networking process. Artful Listening helps in creating atmosphere between the different people, to share experience and to find new manners to achieve the organizational goals.

## **Advantages of network management**

We start by presenting some core aspects of the success perspective on network management. (Möller & Halinen, 1999)

Companies are in relevance with the dependency in resources. Any single organization is dependent from some factors, that cannot control independently in long term. These factors may be suppliers, employees, customers, market etc. The condition of the organization makes the relationship dependent with other companies. This interdependence has several management implications.

Möller & Halinen (1999) emphasizes that two of the most important elements which enable an appropriate and best way of managing an organizational network are the understanding of the relationships that constitute the network and the creation of a network vision. As clear as possible the network vision a firm has the greater are the opportunities to predict the strategic changes initiated by specific actors of the network. While the role of the network vision it refers to the evaluation of the actor's actions on the network. The author explains that network relationships represent the results of investments that managers do during the time they work and are investments of financial resources. But in conditions of limited resources the manager role is develop an “optimal set of relationships” meaning that they must be able thorough visioning to use the windows of opportunity that are offered in a network. Also, it is noted the importance of creating flexible organizational structures that sustain the learning capability of the organization, by empowering the perspective of knowledge-management view. And finally, according the authors, is the mobilization of the network actors in the right way.

According to Mallidi et al., (1999), the fundamental prosperities of network management implementation are approach to new markets, optimizing capacity of organization, enhanced utilization and expanded productivity.

In order to reach sustainable progress, small and medium entrepreneurship, where the network is a key word, arrange much financial efficiency, conform to Moore and Manring, (2009). In extension of this, Gilmore et al., (2006) claims that managers or owners could benefit from the diversity of market, human resources and various information, by adapting efficacy activities.

## **Network management (Case Studies)**

### **A. Silicon Valley**

Silicon Valley has long been labelled as the Mecca of the start-up world. With its entrepreneurial history, an infrastructure that helps small companies thrive, and a host of resources - such as talents, investors, and networking events - look like icebergs for the founders of new companies.

Silicon Valley represents a significant example of a successful network management, because of symbiotically coexistence of large firms and start-ups; high financial returns for the network actors (Successful entrepreneurs and early employees); an extremely deep human resources pool; a business infrastructure; the most competitive venture capital market; the government; Globally top-class research universities; Top talent from all over the world; Labour mobility; culture and cooperation with failure;. In this paper we are going to explain all the characteristics above, to define what are the success factors in network management, as Silicon Valley practice.

1. *Symbiotically coexistence of large firms and start-ups*, means that Silicon Valley is an academy where the start- ups convert in large firms, by the assistance of this network in human capital and different expertise.

2. *High financial returns for the network actors*, determine the opportune cost of leaving a large organization job to become an entrepreneur with high risk and high profit.
3. *An extremely deep human resources pool* represents people all over the world with profound competence in every stage of the process since basic startup to accelerated expansion. In this network environment people aim long run vision, clear objectives and ambitious long careers.
4. *A business infrastructure* which provides value to entrepreneurs and startups. It means the variety of large firms inside Silicon Valley, where every company can collaborate and create a place, in which firms can assist startups by the legal and financial methods.
5. Silicon Valley has *the most competitive venture capital market*. Not only does the amount matter, but the extra value that venture capitalists provide such as interpersonal networks for startups' initial employees and staff, and introductions to potential customers and buyers of the firm are all important value-added functions they provide beyond financing.
6. The role of *government* cannot seem to be a potential partner for innovators, but it has been seen that great things happen when entrepreneurs and policymakers are on the same table. Leaders are not just about the success of startups in the civil sector - they are also the protective word when they encounter bureaucracies and environmental regulations that many entrepreneurs encounter.
7. *Globally top-class research universities*, in order to share the innovation into the region, there are a lot of universities and academic researcher as Stanford University, University of California, UC San Francisco Medical Center etc., which anchor Silicon Valley in scientific analysis.
8. *Top talent*, there is a huge number of participants from all over the world that contribute in network of Silicon Valley, by different backgrounds and different regions. We can list some Albanians, recently have become part of it.
9. *Labor mobility* one of the Silicon Valley's power of success is the Labor mobility which is managed in a perfect form in order to avoid the movement of talented human resources to other companies, which in fact is one of the biggest problems in information technology industries. The way in which how it works the labor mobility in this company is related with the absorption of talents thorough startups. They have revised their salaries by raising them considerably to avoid the loss of talented talent through start-ups
10. *Culture*, in different meanings for example the culture of accepting failure as a positive experience and learning from it is very important in the continuous steps of networking Culture express the diversity from various country and the huge spirit of collaboration into researchers, entrepreneurs and employees.

Silicon Valley is the outstanding case study in networking management, it defines the era of innovation and the success is worth of all above key elements in fuelling the effectual cycle.

## B. Datacorp

We are going to introduce some case studies according to (Håkansson & Snehota, 1995). This case concerns an international company, Datacorp, and its way to handle some of its major relationships and customers. Datacorp's relationships are part of a network characterized by rather rapid technological development. The case shows how, in the context of complexity and change, the different actors within the network read each other's identity and how they perceive the changes and trends in the network. Conflicting views tend to survive side by side. The point that is nicely illustrated in the case is how the different ways to 'read the change' in the network actually promote changes in the relationships as the different views are confronted in interaction between actors. It thus illustrates discrepancies in the network logic among various actors. Another issue raised in the case is how a company can react when faced with the differences in interpretations of what is happening and what various companies in the relevant network stand for. The case offers also some examples of how revolutionary changes in the network are intertwined with the mundane steps taken in the individual relationships.

## C. Inteq

This case concerns the company, Inteq, and describes the developments in its relationships to some of the most important customers. The case is a good illustration of how dependent the relationships are on how different actors specialize and change the way they are related. It contains several examples of how the development within a certain relationship is affected by what is going on in general in the network. A key question for Inteq is, for example, how one extremely important part of the network (customers in the automotive industry) will choose to solve their demands in the future. The case also provides a good example of conflicting tendencies in some of the developments which makes the problem of directing the future strategy of the company even more difficult.

It deals with the developments in a rapidly changing information technology network within which operates the Japanese company Fujitsu. It illustrates how long-term relationships can be useful if combined with a set of more short-term or task-oriented relationships or if some flexibility is built into them. A company within such a network must be extremely adaptive, which in turn means that it must be good at managing the learning and unlearning. At the same time the case suggests the importance for a company of being able and daring to follow its own route. An issue highlighted in the case is how control of change, as much as attempts to induce change, always requires alliances among actors.



## Conclusions and recommendation

Nowadays, entrepreneurs face a market where it is extremely difficult to achieve long-term success and penetrate through the international markets. Network management is one of the challenges that companies must face and those that are able to implement good network management, have achieved high results as well as a diverse internal organization environment. The way organizations choose to manage networking is almost the same. A network management starts from the mission, vision and philosophy of the organization. A product/service company that focuses on maintaining profitable relationships is most likely a successful company.

If we refer to Albania, network management is the first step, because businesses are still under development and our country's economy is also developing. If we refer to foreign companies that follow this strategy, we can say that they have a profit both in the company's income as well as the company's goodwill.

In the world we live today and where the knowledge economy is very important, we say that the human resources of a company are the most valuable asset for every company and that is the starting point of learning how to treat relationships with third parties. Getting to manage a network in an organization guarantees the organization's long-term success in the national and international market. However, this strategy requires adapting to the factors such as the country, culture, habits or size of the organization. Diversity is always a competitive advantage for an organization and network management does this best. Network management aims to reveal and approach the boundaries between organizations and individuals.

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# Improvement of Entrepreneurial Competences within the context of Mechanical Engineers Education in Montenegro

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## Abstract

*The paper is focused on the process of development and validation entrepreneurial and intercultural competencies of the mechanical engineering students, created through Rebus project. There is shown the way of choosing and teaching group of students, as a piloting unit for testing the innovative teaching and learning approach, aimed at developing entrepreneurial and intercultural competences. In this direction, blended learning concept is shown as very useful tool. Special attention is paid to entrepreneurial and intercultural practical training of students in Palermo and to the results of improving their competences.*

**Key words:** entrepreneurial competences, intercultural teamwork, spotting ideas and opportunities

## Introduction

Entrepreneurship can be seen as the symbol of business tenacity and achievement and a vital source of change in all facets of society. The entrepreneurship process begins with the analysis of the current business environment and the invention of an innovative idea that creates a new product or service or makes a profit within the existing organization.

Hisrich (1990) defined entrepreneur as “someone who demonstrates initiative and creative thinking, is able to organize social and economic mechanisms to turn resources and situations to practical account, and accepts risk and failure”. For Peter Drucker (1970) “entrepreneurship is about taking risk”.

People usually mixed term of an entrepreneur and a manager. Key differences between entrepreneurs and managers, which can be found in the literature, are given in Table 1.

**TABLE 1.** Key differences between entrepreneurs and managers

Entrepreneur	Manager
Creates idea	Realises idea
Prefer a discontinuous process	Prefer a continuous process
He has the original authority	He has acquired authority
Focused on knowledge and ability	Oriented to the profession
Changes the environment as needed	Adapts to the environment

Even there are no specific, universally accepted entrepreneur's characteristics; few traits that most successful entrepreneurs possess are [A. Pahuja, R. Sanjeev (2015)]:

- **Motivation;** Entrepreneurs are passionate, highly self-motivated, have high energy levels and are always willing to take initiatives.
- **Risk Tolerance;** The entrepreneur has large appetite for assuming risk. The most common risks are: operational, market, credit, cultural, economic and political.
- **Vision;** The entrepreneur should have a strong vision.
- **Mental ability and Creativity;** Successful entrepreneurs have the creative ability to recognize and pursue opportunities, looking out for new ways of doing things, launching new products, providing new services etc.

Critics of the transition reform drive in the Western Balkans point to a disconnect between education and economic policy, and particularly the lack of entrepreneurship skills of young people as they exit the learning system (OECD et al., 2016).

According to that, the Erasmus REBUS project is established with aim to enable strong support to address a challenge of bringing entrepreneurship into HEIs and establishing the interface between higher education and practical business context based on cooperation network of EU and Western Balkan [REBUS aims and objectives (2018)]. The main objective of the project is to enforce young generation to create their own business because the fact is that in the Western Balkan countries, young generation prefers "safe" employment at public enterprises much more than establishing their own business.

The project is predominantly focused on developing intercultural teamwork and entrepreneurial learning (called spotting ideas and opportunities) among students of technical and ICT studies. These students are considered to have the greatest capacity and creativity for developing their own business.

Intercultural training has gained prominence in recent years due to the fact that the need for communication skills in the context of international encounters has become more widely acknowledged [Moljević et al. 2018]. More than a work-related skill, intercultural communication can be envisioned as a life skill which allows one to function effectively in his or her day-to-day activities (Chiper, S., 2013).

## Entrepreneurial education at the Faculty of Mechanical Engineering

The theme of Entrepreneurship within the context of Mechanical Engineers Education was learning selectively through particular teaching courses. However, this topic did not systematically studied within the Mechanical Engineers Education before the starting Rebus project. During the implementation of Rebus projects, some of ECTS teaching courses have been changed and an entirely new teaching course, called "Innovation and Competitiveness", has been created in the 3rd semester of Bachelor studies in the Traffic Road program.

In the school year 2017/2018, 30 selected students of the Faculty of Mechanical Engineering is involved in the Rebus Project, in order to pass a comprehensive training in the field of entrepreneurship. The realization of the training of selected students in accordance with the recommendations of the Rebus Project was carried out through the following ways of learning:

- F2F (face to face)
- e-learning and
- learning projects

In addition to the general theory in the field of entrepreneurship and innovation, training also included learning on the application of various tools and techniques of quality, marketing, project management, process improvement... The initial knowledge of students, was very diverse, because they came from different study years and different study programs. Accordingly, professors who were trained through Rebus project, gave them a number of F2F-type lectures about entrepreneurship, innovation and general tools and quality techniques.

Students also registered through project platform called Mahara (<http://mahara.learningrebus.net>) which supports the REBUS blended learning approach. Each student created his own profile and was able to connect with other students through the system. Professors engaged in the project (trainers), trained by the EU partner, have created their profiles and own presentations that were put on the platform.

These students had different level of initial competences about methods and techniques useful for the development of entrepreneurial competencies, achieved through various study courses. They created teams according to their initial knowledge and interests. Each team studied on some topic, prepared presentation and present it to other students. They also put the presentations on their profiles in Mahara, which were further available to other students registered in Mahara. In this way has fully respected the approaches of F2F training and e-learning recommended by Rebus.

During the work with students, special emphasis was put on enhancing team work. Accordingly, students created teams and defined business ideas, which will be developed on the basis of knowledge gained during F2F and e-learning and later on the basis of practical training in Palermo. The creation of teams and the definition of business ideas were realized with the mentorship of the professors of the Faculty of Mechanical Engineering.

After that, 14 students of 30 were selected for 11 days training on learning projects at the University of Palermo. Selection

was based on test, English knowledge, quality of presentation, quality of defined project and average mark on study. Students of the University of Montenegro attended training together with students from the Faculty of Mechanical Engineering Sarajevo and the University of Elbasan.

## Entrepreneurial education during students study visit

### Phase 1.

During first phase, main goal was for students to get to know each other. To boost their self-confidence and to “break the ice”, students were purposely mixed into five groups, and each group consisted an equal number of students from Montenegro, Albania and Bosnia and Hercegovina. Each group was given about half an hour to get to know each other and pick the leader of the group. After leader was chosen, each student was asked to write a word that first comes to their mind on a separated paper. Papers were collected and mixed. Then the leader of each group had to pick the three new words from mixed pile. Now groups were assigned with task of creating a business idea consisting of those three words, later that ideas were presented by the team leaders and were evaluated by every group.

### Phase 2.

New groups were created, but this time knowledge of English language of each student was taken in consideration, therefore students who had lower level of English don't end up in the same group. In following days students attended classes that were given by the professors from University of Palermo. The emphasis was placed, not on students trying to find jobs right after studies, but on shaping their thoughts on creating their own business ideas and bringing those ideas to life. With quality staff students were taught how to use different kinds of marketing analysis to evaluate their ideas, but also the process of creating unique and different business ideas. To help them with creative thinking and to boost their entrepreneurship spirit, students visited some of the leading companies in Sicily, where they were educated about lifespan of the companies and how they became leaders.

### Phase 3.

Each student was asked to come up with one business idea and to share it within the team. After ideas were collected they were published on Mahara platform, so that it was available to each participant of rebus studies. In following period of time, student used knowledge from second phase to pick three best ideas out of six, and those ideas were presented in a business canvas model. By the end of the third phase, each group analyzed their business canvas models and has chosen main idea, that they considered the best.

### Phase 4.

**FIGURE 1.** Product prototype of the winning idea (navigation for blind people)



In this phase groups were assigned with a task of creating five minute presentation of the main idea. Presentation consisted of product prototype, marketing analysis and the general benefit of the idea. Each group then presented their ideas in front of all participants. After ideas were pitched, every student voted for the best idea in three categories, which were best idea, best teamwork and best documentation. The winning idea is presented on figure 1. Winning idea is product prototype for navigation for blind people.

## Validation of competences

According to Rebus project a competence is defined as ability to apply a synthesis of

- Knowledge,
- Skills and
- Attitudes

After all types of trainings (F2F, e-learning and learning projects) students carry out self-assessment of all these categories as it shown in Table 2 (REBUS Learning Approach, 2018). The assessment technology is based on the use of the LEVEL5 program (tool) that allows to rate on a five-point scale the following parameters: "Knowledge", "Skills", "Attitudes".

**TABLE 2:** Levels of self-assessment

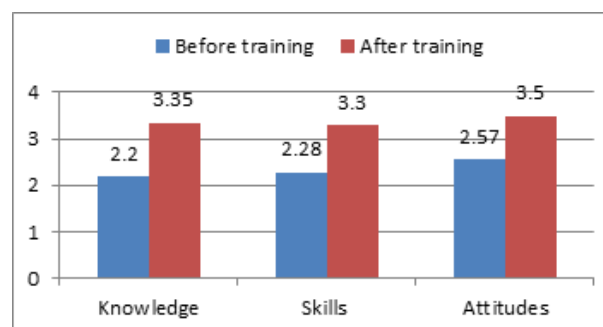
LEVEL	KNOWLEDGE	SKILLS Capabilities	ATTITUDES Emotions/Values
5	Know where else...	Transferring	Incorporation
4	Know when...	Discovering	Commitment
3	Know how...	Deciding	Appreciation
2	Know why...	Imitating	Perspective taking
1	Know-that...	Perceiving	Neutral

Students of the University of Montenegro have been tested on the basis of 2 competencies:

- intercultural teamwork and
- spotting ideas and opportunities

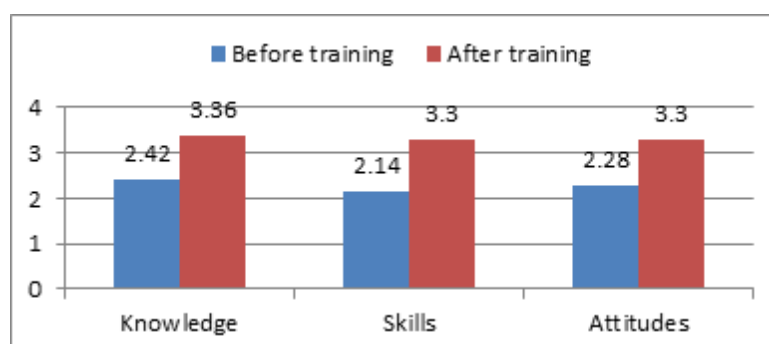
Students performed self-assessment of their own competencies, through Level 5 system enabled by Rebus project, before and after education and training. Results of their self-assessment before and after they passed Rebus training showed significant progress and improvement of student's competencies for both competences. The results of the first and second self-assessment of Intercultural teamwork are shown in Figure 2.

**FIGURE 2.** Results of the assessments of competence: Intercultural teamwork



The results of the first and second self-assessment of Spotting ideas and opportunities are shown in Figure 3.

**FIGURE 3.** Results of the assessments of competence: Spotting ideas and opportunities



Analyzing the previous figures, we can notice that significant progress has been made in the field of knowledge within competence “intercultural teamwork”, while the best results within competence “Spotting ideas and opportunities” is achieved in the field of skills.

We also made a comparative analysis of the success of students of postgraduate and bachelor studies, and found that postgraduate students had better initial competence assessments, greater progress in all analyzed fields of competences, and thus gained even greater final competences. These results can be considered as expected because the students of postgraduate studies had more opportunities to get more knowledge about this issue through teaching courses at the faculty, student practice, practical teaching, and preparation of seminar works....

## Conclusion

In the paper is presented the Rebus approach of development and evaluation of entrepreneurial and intercultural competences within the context of Mechanical Engineers Education in Montenegro. Group of 14 students were learning about entrepreneurship and intercultural communication, through blended learning approach, which is shown as very useful way. We found that students really need to improve their personal competences in order to increase their employability but through more flexible method of learning. An intercultural training for students was held at the University of Palermo for students from Montenegro, Bosnia and Herzegovina and Albania. Training in Palermo was significantly contributed to strengthening team spirit intercultural competencies.

Through system for validating competencies, called Level 5, students were realized self-evaluation under supervision. Students performed first self-evaluation before Rebus training and second self-evaluation after the training, for 2 competences (Spotting ideas and opportunities and Intercultural teamwork). Comparative analysis of these two evaluations has shown significant progress in improving these competencies among students.

The next generation of students, will pass similar training in order to improve their creativity and entrepreneurial competences, because there is shown that students have great ideas and really want to establish their own business.

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# Trademark, the marketing name of the business

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## **Abstract**

*Any sign which is „capable of distinguishing“ the products or services of one business from the products or services of another business is capable of constituting a trademark. As the essential function of a trademark is to exclusively identify the commercial origin of products or services, any sign which fulfills this purpose may be registrable as a trademark. The symbol (™) is a symbol to indicate that the preceding mark is a trademark. It is usually used for unregistered trademarks, as opposed to the registered trademark symbol (®) which is reserved for trademarks registered with the appropriate government agency. Trademarks and the rights they grant, are seen as one of the most important issues in the strategic management of the business organizations. Under this general framework, it is important for us to understand the role of mark in the marketing of product/service, the level of importance of the trademarks and their rights management, in business organizations in Albania. So, the purpose of this research is to investigate the role of mark in the marketing of product/service in business organizations in Albania, as well as to find out if a relationship between role of mark in the marketing of product/service and other specified managerial issues, is present in such organizations. The research is based on the testing of the main Hypothesis, expressed as: H0. Trademark does not play an important role in the marketing of product/service in the business organizations in Albania; and on the testing of six other Sub-Hypotheses, trying to find out if a relationship, between role of mark in the marketing of product/service and other specified variables, is present in such organizations. The research is based on primary and secondary data collection. Some conclusions are also specified at the end of this paper.*

**Key words:** Trademark, Role of mark in the marketing of product/service, Management of Trademark, Business Organizations in Albania

## **Introduction**

In the second half of the 19<sup>th</sup> century, the demand for international protection of marks and inventions began to be felt. In fact, foreign exhibitors refused to attend the International Exhibition of Inventions in Vienna in 1873 because they were afraid their ideas would be stolen and exploited commercially in other countries. This incident resulted in the birth of the Paris Convention for the Protection of Industrial Property in 1883, the first major international treaty designed to help the people of one country obtain protection in other countries for their intellectual creations. Such protection took the form of marks, patents (invention), and industrial designs.

The crux of the convention was the principle of national treatment, that is, equal protection between nationals and foreigners. This principle is best defined, in the original text of the Paris Convention, by the provision on national treatment in Article 2.

In the first one hundred years since the establishment of the Paris Convention, we have seen growth in the protection of marks, inventions, and other objects of industrial property at the international level. In these first hundred years, we have also

seen the early development of cooperation among states in the field of industrial property.

A man named McDonald is wondering why he can not open a restaurant called McDonald (Stim, 2016). Whereas a trademark is a registered brand or trade name, a brand name identifies a specific product or name of a company. A brand is an offering from a known source (Kotler & Keller, 2012). Because of a brand name's importance, many companies want to protect it through trademark. For example, the Nike Swoosh is a registered trademark.

The ™ symbol may be used when trademark rights are claimed in relation to a mark, but the mark has not been registered with the government trademarks office of a particular country, while the ® is used to indicate that the mark has been registered. It is not mandatory to use either symbol, although the force of convention is such that the symbols are widely used around the world. However, in various jurisdictions it is unlawful to use the ® symbol in association with a mark when that mark is not registered.

## Mark management as a marketing concept

A trademark, trade mark, ™ or ®, is a distinctive sign of some kind which is used by an organization to uniquely identify itself and its products and services to consumers, and to distinguish the organization and its products or services from those of other organizations.

Conventionally, a trademark comprises a name, word, phrase, logo, symbol, design, image, or a combination of these elements. A trademark is any device (name, word, phrase, logo, symbol, design, image) that is being used to identify a business's goods or services in the marketplace and that has not been registered with a state government or Trademark Office (Fishman, 2016). There is also a range of non-conventional trademarks comprising marks which do not fall into these standard categories.

The term *trademark* is also used informally to refer to any distinguishing attribute by which an individual is readily identified, particularly the well known characteristics of celebrities. Such trademarks can be a style of haircut (Elvis Presley's distinctive ducktail), articles of clothing or accessories (Elton John's oversized sunglasses), facial hair (Groucho Marx's mustache), or even breast size (Pamela Anderson).

Trademark law protects marketing signifiers such as the name of a product or service, or the symbols, logos, shapes, designs, sounds, or smells, used to identify it. This protection can last as long as the company uses the trademark in commerce (Stim, 2016).

According to TRIPs (Agreement on Trade-Related Aspects of Intellectual Property Rights), any sign which is „capable of distinguishing“ the products or services of one business from the products or services of another business is capable of constituting a trademark. Under this definition, trademarks such as Microsoft's slogan „Where do you want to go today?“ are generally considered registrable.

Furthermore, as the essential function of a trademark is to exclusively identify the commercial origin of products or services, any sign which fulfills this purpose may be registrable as a trademark. However, as this concept converges with the increasing use of non-conventional trademarks in the marketplace, harmonisation may not amount to a fundamental expansion of the trademark concept.

Mark management is a key set of concepts, methods, and processes designed for aligning the marks of the firm with its business strategies and objectives. In most cases the individual trademarks and other protected assets are intended to generate near-term income. Trademark management involves much more than merely filing applications. It has greatly expanded and involves areas such as trade dress, domain names, famous marks, marketing, packaging, and unfair advertising (Chadirjian, 2018).

Trademark strategies are particularly helpful when they outline the strategic objectives of the firm and its related mark activity. Lacking the foundation of a mark management system, firms typically do not extract the degree of value from all of their marks (intellectual capital) they otherwise would be capable of.

Because of the increased value of marks in particular, companies must ask themselves whether they are using these valuable assets to their best advantage. How are these assets being managed? How are they being exploited to improve the firm's position in the marketplace? How are they being used to improve the firm's position in relation to that of its competitors? The management of a complex series of activities, requires a system and a systematic approach. Anything less leads to chaos, misunderstanding, and wasted effort.

The extent to which a trademark owner may prevent unauthorized use of trademarks which are the same as or similar to its trademark depends on various factors such as whether its trademark is registered, the similarity of the trademarks involved, the similarity of the products and/or services involved, and whether the owner's trademark is *well known*.

If a trademark has not been registered, some jurisdictions (especially Common Law countries) offer protection for the business reputation or goodwill which attaches to unregistered trademarks through the tort of passing off. Passing off may provide a remedy in a scenario where a business has been trading under an unregistered trademark for many years, and a rival business starts using the same or a similar mark.

If a trademark has been registered, then it is much easier for the trademark owner to demonstrate its trademark rights and to enforce these rights through an infringement action. Unauthorised use of a registered trademark need not be intentional in order for infringement to occur, although damages in an infringement lawsuit will generally be greater if there was an intention to deceive.

For trademarks which are considered to be well known, infringing use may occur where the use occurs in relation to products or services which are not the same as or similar to the products or services in relation to which the owner's mark is registered.

## Methodology of the research

Marks and the rights they grant, are seen as one of the most important issues in the strategic management of the business organizations. Under this general framework, it is important for us to understand the role of mark in the marketing of product/service, the level of importance of the marks and their rights management, in business organizations in Albania.

The purpose of this research is: *to investigate the role of mark in the marketing of product/service in business organizations in Albania, as well as to find out if a relationship between role of mark in the marketing of product/service and other specified managerial issues, is present in such organizations.*

The objectives of the research are:

- To indicate the role the mark plays in the marketing of product/service in the business organizations in Albania
- To indicate the level of importance of the mark as an asset of business organizations
- To indicate the level of management of the mark within companies
- To indicate any presence of relationship between *role of mark in the marketing of product/service* and other specified variables like: change in the attention of company management, policy of the company to manage mark, strategy of the company to manage mark, formal structure of the company to manage mark, application for protection (registration) of the mark.

The research is based on the testing of the main Hypothesis, expressed as:

*H0:* Trademark does not play an important role in the marketing of product/service in the business organizations in Albania.

*Ha:* Trademark plays an important role in the marketing of product/service in the business organizations in Albania.

and on the testing of six other Sub-Hypotheses, trying to find out if a relationship, between role of mark in the marketing of product/service and other specified variables, is present in such organizations.

*H1:* There is a positive correlation between "role of mark in the marketing of product/service" and "level of importance of mark as an asset for the business".

*H2:* There is a positive correlation between "role of mark in the marketing of product/service" and "change in attention of company management".

*H3:* There is a positive correlation between "role of mark in the marketing of product/service" and "existence of policy to manage mark".

*H4:* There is a positive correlation between "role of mark in the marketing of product/service" and "development of strategy to manage mark".

*H5:* There is a positive correlation between "role of mark in the marketing of product/service" and "creation of formal structure to manage mark".

*H6:* There is a positive correlation between "role of mark in the marketing of product/service" and "application for protection (registration) of the mark".

The methodology used for the research has its own dimensions like: *specification of the research subjects, tools used for the research, sampling, implementation plan, ethical issues and presentation of the research findings.* The research is based on primary and secondary data collection.

## Specification of the research subjects

After defining the hypotheses, we started out the work about specification of the subjects that could be compatible to the purpose of this research. After distinguishing a number of companies of interest (big businesses in the Tirana-Durres region of Albania), we started to collect the required information from the managers of these companies. The data for the study were collected from business organizations with activity in areas like: manufacturing, service, construction, trade, etc. The respondents were senior managers. This category was considered to be the best to target, because these individuals have the tendency to be closely associated with the practice of the application for protection (registration) of the mark, and its respective managerial decision making.

## Tools used for the research

In order to collect the necessary information, analyze the data, and draw conclusions, a questionnaire composed of some basic questions were developed and delivered. The questionnaire was prepared to collect important data on different aspects

of mark management practice. The analyses of the collected information would give us the necessary level of understanding about the issue in discussion. Data are analysed using SPSS program.

## Sampling

Our original sampling consisted of 42 managers, in 42 companies, in the Tirana-Durres region of Albania. 42 questionnaires were delivered, and the questionnaires' return rate was 83.3%, or 35 collected questionnaires. However, the collected data could be considered as being representative.

## Implementation plan

The way we were organized helped us in reducing the time and costs required to perform the interviews. Data were collected during the year 2018, comprising a period of five years. Collected data were processed in order to prepare the findings and draw conclusions. There were not present any difficulties in distributing and collecting the questionnaire.

## Ethical issues

The information collected from the respondents was very important for analyzing and interpreting the findings. The names of the respondents (companies' managers) due to ethical obligations were not disclosed in this paper.

## Results. Presentation of the research findings

In this section research findings are presented.

### Role of the mark in marketing of the product/service (Univariate analysis)

In order to test Hypothesis 0, Descriptive analysis is used. In regard with the role of the mark in the marketing products and services, the results of the analysis are as following:

To the question "Are you aware of the concept of mark", 100% of respondents answered "yes", clearly indicating that all companies are aware of the concept of mark.

To the question "Do you know how to gain legal protection of the mark", 100% of respondents answered "yes", clearly indicating that all companies know how to gain legal protection of their mark/s.

To the question "Do you think that your mark has played an important role in the marketing your products and services, over the last five years", 80% of respondents answered "yes", 17.1% of respondents answered "no", 2.9% of respondents answered "do not know", indicating that many companies see the mark as an important factor in the marketing of their products and services.

To the question "What is the level you think that the mark is an important asset for your business", 88.6% of respondents answered "very important", 11.4% of respondents answered "important", and only 0% of respondents answered "not important", indicating that most of the companies are aware of the importance of their marks as business assets.

To the question "How did the attention of company management in regard with mark (mark management), change over last five years", 82.9% of respondents answered "increased", 11.4% of respondents answered "did not change", 5.7% of respondents answered "decreased", indicating that in most companies management is continuously being focused on mark/s (mark/s management).

To the question "Are there any policies of your company (management) to manage its mark, over the last five years", 40% of respondents answered "yes", 51.4% of respondents answered "no", 8.6% of respondents answered "do not know", indicating that most of the companies do not own any policies to manage their mark/s.

To the question "Did your company (management) develop any strategies to manage its mark, over the last five years", 42.9% of respondents answered "yes", 45.7% of respondents answered "no", 11.4% of respondents answered "do not know", indicating that in many companies mark is becoming part of their business strategies.

To the question "Did your company (management) create any formal structures to manage (that is, to identify, to protect, to promote or to commercialize) its mark/s, over the last five years", 34.3% of respondents answered "yes", 60% of respondents answered "no", 5.7% of respondents answered "do not know", indicating that a few companies own formal structures involved in the management of their mark/s.

To the question "How many applications for registration of the mark/s has your company filed, over last five years", 71.4% of respondents answered "zero", 25.7% of respondents answered "one", 2.9% of respondents answered "two", indicating that not all the companies applied for registering their mark/s during the specified period.

By using Arithmetic Mean, Standard Deviation and Variation Coefficient (CV) (as a standardized measure of dispersion of the above answers' frequency distribution, expressed as a percentage, and defined as the ratio of the standard deviation  $\{\sigma\}$  to the mean) of the results above, based on a scale of three values, "positive", "indifferent" and "negative" (indicating the relativity of answers above), we see that the lowest value of the CV corresponds to the scale "positive", with 63.5% of the business organizations. The results of the analysis above clearly indicate that hypothesis *H0: Trademark does not play an important role in the marketing of product/service in the business organizations in Albania*, is invalidated, that is, alternative hypothesis *Ha: Trademark plays an important role in the marketing of product/service in the business organizations in Albania*, is validated.

## Relationship between "role of mark in the marketing of product/service" and "other variables" (Bivariate analysis)

In order to test Hypothesis 1-6, Chi-squared test is used. First the Crosstabulations between the variables are computed in order to quantitatively analyze the relationship between variables, and then Chi-square test is used in order to attempt rejection that the data (variables) are independent.

**TABLE 1.** Variables to be crossed.

No	Variable 1	Variable 2
H1	role of mark in the marketing of product/service	level of importance of mark as an asset
H2	role of mark in the marketing of product/service	change in attention of company management
H3	role of mark in the marketing of product/service	existence of policy to manage mark
H4	role of mark in the marketing of product/service	development of strategy to manage mark
H5	role of mark in the marketing of product/service	creation of formal structure to manage mark
H6	role of mark in the marketing of product/service	application for protection (registration) of the mark

For the crosstabulation "Do you think that your mark has played an important role in the marketing your products and services, over the last five years" and "What is the level you think that the mark is an important asset for your business", values of the table below show that significance of the chi square value is greater than  $(0,762 > 0.05)$  accepted error value, indicating that there is a significant association between the two. The value of the correlation is 0.522, indicating a (semi-strong) positive relationship between the two. Hence hypothesis *H1: There is a positive correlation between "role of mark in the marketing of product/service", and "level of importance of mark as an asset for the business"*, is validated. That is, since mark plays a role in the marketing of product/service, it has been seen as an important asset for the business.

**TABLE 2.** Chi-Square test for H1.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	,481	2	,762
Likelihood Ratio	,772	2	,672
Linear-by-Linear Association	,379	1	,522
N of Valid Cases	35		

For the crosstabulation "Do you think that your mark has played an important role in the marketing your products and services, over the last five years", and "How did the attention of company management in regard with mark (mark management), change over last five years", values of the table below show that significance of the chi square value is greater than  $(0,371 > 0.05)$  accepted error value, indicating that there is a significant association between the two. The value of the correlation is 0.813, indicating a (strong) positive relationship between the two. Hence hypothesis *H2: There is a positive correlation between "role of mark in the marketing of product/service" and "change in attention of company management"*, is validated. That is, since mark plays a role in the marketing of product/service, it has caused a change in the attention the company management pays on it.



**TABLE 3.** Chi-Square test for H2.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4,333	4	,371
Likelihood Ratio	4,511	4	,355
Linear-by-Linear Association	,060	1	,813
N of Valid Cases	35		

For the crosstabulation “Do you think that your mark has played an important role in the marketing your products and services, over the last five years”, and “Are there any policies of your company (management) to manage its mark, over the last five years”, values of the table below show that significance of the chi square value is greater than  $(0,125 > 0.05)$  accepted error value, indicating that there is a significant association between the two. The value of the correlation is 0.136, indicating a (weak) positive relationship between the two. Hence hypothesis *H3*: There is a positive correlation between “role of mark in the marketing of product/service” and “existence of policy to manage mark”, is validated. That is, since mark plays a role in the marketing of product/service, it has required the existence of a policy to manage it, in the company.

**TABLE 4.** Chi-Square test for H3.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4,058	2	,125
Likelihood Ratio	5,580	2	,055
Linear-by-Linear Association	2,391	1	,136
N of Valid Cases	35		

For the crosstabulation “Do you think that your mark has played an important role in the marketing your products and services, over the last five years”, and “Did your company (management) develop any strategies to manage its mark, over the last five years”, values of the table below show that significance of the chi square value is greater than  $(0,517 > 0.05)$  accepted error value, indicating that there is a significant association between the two. The value of the correlation is 0.484, indicating a (semi-strong) positive relationship between the two. Hence hypothesis *H4*: There is a positive correlation between “role of mark in the marketing of product/service” and “development of strategy to manage mark”, is validated. That is, since mark plays a role in the marketing of product/service, it has required the development of a strategy to manage it, in the company.

**TABLE 5.** Chi-Square test for H4.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1,376	2	,517
Likelihood Ratio	1,760	2	,401
Linear-by-Linear Association	,477	1	,484
N of Valid Cases	35		

For the crosstabulation “Do you think that your mark has played an important role in the marketing your products and services, over the last five years”, and “Did your company (management) create any formal structures to manage (that is, to identify, to protect, to promote or to commercialize) its mark, over the last five years”, values of the table below show that significance of the chi square value is greater than  $(0,283 > 0.05)$  accepted error value, indicating that there is a significant association between the two. The value of the correlation is 0.149, indicating a (weak) positive relationship between the two. Hence hypothesis *H5*: There is a positive correlation between “role of mark in the marketing of product/service” and “creation of formal structure to manage mark”, is validated. That is, since mark plays a role in the marketing of product/service, it has required the creation of a formal structure to manage it, in the company.

**TABLE 6.** Chi-Square test for H5.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2,568	2	,283
Likelihood Ratio	3,683	2	,147
Linear-by-Linear Association	2,020	1	,149
N of Valid Cases	35		

For the crosstabulation “Do you think that your mark has played an important role in the marketing your products and services, over the last five years“, and “How many applications for registration of the marks has your company filed, over last five years“, values of the table below show that significance of the chi square value is greater than  $(0,0828 > 0,05)$  accepted error value, indicating that there is a significant association between the two. The value of the correlation is 0.615, indicating a (strong) positive relationship between the two. Hence hypothesis H6: There is a positive correlation between “role of mark in the marketing of product/service“ and “application for protection (registration) of the mark“, is validated. That is, since mark plays a role in the marketing of product/service, it has required the application for protection (registration), in the company.

**TABLE 7.** Chi-Square test for H6.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	,364	2	,828
Likelihood Ratio	,605	2	,725
Linear-by-Linear Association	,274	1	,615
N of Valid Cases	35		

## Conclusions

Many companies in Albania are aware of the concept of mark and they know how to gain legal protection of their mark/s. Almost all the companies see their mark/s as an important factor in the marketing of their products and services, and most of them time after time have been applying for protection (registration) of the mark. Most companies see their mark/s as very important for their businesses and in these companies management is continuously being focused on mark/s and mark/s' management. Despite the fact that many companies see their mark/s as very important, many of them do not own any policies to manage their mark/s. Despite the fact that in many companies mark is becoming part of their business strategies, some of them own or created formal structures involved in the management of their mark/s.

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# Evaluating entrepreneurship framework through perceived institutional quality

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## Abstract

*The aim of this paper is to emphasize the crucial role of the perceived institutional quality at entrepreneurial intention. Relying on literature review of institutional theory, competitiveness theory, and referring to the first pillar of Global Competitiveness Index (GCI) this study brings an assessment of public and private institutional framework, as an incentive to entrepreneurship action and behavior. The paper investigates the institutional perceived framework from a sample of 72 business in several cities in which are concentrated business and entrepreneurship activities in Albania. By using a quantitative methodology the data collected through the survey of GCI, are processed by conducting descriptive statistics analysis in order to evaluate the institutional quality related with country competitiveness. The findings are in accordance with the literature description for efficient driven economies, and they contribute for policymakers which must take into account all the instruments in improving the institutional quality for its essential role in promoting entrepreneurship.*

**Key words:** Competitiveness, Entrepreneurial incentives, Economic growth

## Introduction

One of the most important reasons behind a good competitiveness framework is the attempt to rise prosperity. In perfect and the most preferred conditions the competitive economies create the appropriate environment which is able to grow sustainably and inclusively, by offering for all the parts of society a lot of welfare. Several studies have emphasized the importance and role of institutional quality as a factor of economic growth (Acemoglu et.al., 2002; North 1990; Scot 2005). According Wennekers et al., (2010) the relationship between entrepreneurship activity in the economy and the economic growth follows the U-shape. Schwab and Sala-i Martin (2013) define competitiveness as the set of institutions, policies and factors that determine the level of productivity of a country. Our aim in this study is to investigate the role of country institutions in terms of creating a favourable environment for business and entrepreneurs to grow effectively and sustainably. Based on the literature that explains the role of institutions in promoting economic growth and providing the framework for competitiveness, our research question is: How is evaluated the country institutional environment as a provider of economic growth and sustainable development from entrepreneurs?

In order to answer our research question in this study, we rely on Global Competitiveness Index developed by Sala-i-Martin and Artadi (2004). The World Economic Forum (WEF) ranks the world's nations according to the Global Competitiveness Index since 2004, by producing yearly reports which explain the nations rank based on the macro and micro economic aspects

of competitiveness. GCI as set of indicators named 12 pillars is classified in three groups in order to measure the country competitiveness. The first group is related to the basic requirements in institution, infrastructure, macroeconomic stability, health and primary education. The second group represents the sources of efficiency, higher education, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size and business sophistication. The third group includes innovation and business sophistication factors. In this study we will focus only to the first element of the first group index, and the method used to evaluate the institutional quality in Albania it refers to the first group of GCI.

Referring to the Theory of Entrepreneurship and Innovations is distinguished and underlined the link between competition process and entrepreneurship. According Schumpeter (1950) competitiveness is defined as the ability to create new solutions and the predisposition to take risks associated with testing them in the market underline. Differences both in the level of innovative capacity and entrepreneurship result in differences in the competitive position of any economic agent. In the following sections of this paper we will provide a literature review explaining the role of institutional quality in economic development of a country and its role as a promoter of favourable environment for entrepreneurship. In the third section is explained the study methodology and then the study results, limitations and conclusions.

## Literature review

Institutions are defined by North (1990) and Scott (1995) as “rules of the game” which limit and enable the behaviour of the actors in a society by creating the structure of social interaction. According North (1990) the most important role of an institutional framework is referred to the reduction of transactions cost and the reduction of risks and uncertainties in order to provide stable expectations for interacting actors.

According to North (2003) the main components of institutions which contribute to the definition of economic performance are a set of formal rules, a set of informal rules (norms) and compliance and implementation mechanisms. Acemolugu and Robinson (2008) emphasize that the first step in modelling institutions, is to consider the relationship between three institutional characteristics: (1) economic institutions; (2) political power; (3) political institutions.

Dai and Si (2018) based on strategic choice theory and institutional theory offer a point of view which explains that favourable entrepreneurial perceptions for government policies lead to a higher level of entrepreneurial orientation. The result of author's study argues that the greater the perceived effectiveness of new policies by entrepreneurs the more likely they will be engaged in entrepreneurial activities.

Sambharya and Musteen (2014) have studied the impact of institutional environment on two types of entrepreneurial activities—necessity- and opportunity driven entrepreneurship. They find that the cognitive dimensions of institutional environment are strong predictors of the opportunity-driven entrepreneurial activity across countries. In contrast, the normative and cognitive pillars of institutional theory appear to be better predictors of necessity-driven entrepreneurship. They suggest that policy makers who seek to implement policies that encourage entrepreneurship in their countries need to understand that the cognitive (i.e., cultural) influences appear to have the most profound impact.

Fuentelsaz, L., et al (2018) in their study try to provide a detailed framework of the relationship between institutions and the level of opportunity entrepreneurship. Authors explain opportunity entrepreneurship as a dependent variable, affected by the interaction between formal and informal institutions and country level variables as control variables. In their study informal institutions are represented by considering the two dimensions of Hofstede that are more closely related to entrepreneurship: individualism versus collectivism and uncertainty avoidance. While formal institutions are described through a set of six indicators developed by Kaufmann et al., (2010) that include: voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption. Fuentelsaz, L., et al (2018) confirm that, in countries with a more individualistic orientation, the relationship between formal institutions and opportunity entrepreneurship is more intense, as happens in societies with lower levels of uncertainty avoidance.

Crnogaj, K., et al (2016) examine the effect of specific institutional factors on entrepreneurial activity. Through econometrics business methods, authors explain that greater economic freedom in the institutional context of a country affects the extension of productive entrepreneurship, while the individual's decision for the entrepreneurship is conditioned significantly by the prevailing cultural and social norms. Authors examine the institutional environment in the light of three dimensions: economic, political and socio-cultural environment in which an entrepreneur operates and influences his or her willingness for the socially-productive entrepreneurship.

In this study institutional structure is measured by authors through the index of economic freedom, arguing that a higher freedom creates the conditions for the economic growth to a greater extent, as it motivates the productive entrepreneurial activity. Study results show that the freedom of government spending and financial freedom influence the early-stage entrepreneurial activity in a significantly positive way.

Yay, T., et al (2017) have studied the relationship between institutions and entrepreneurship from the perspective of institutional economics, they investigate through an econometric analysis the role of formal institutions on formal and informal entrepreneurship. According to the work and studies of Matthews (1986); North (1990) and Williamson (2000), the structure of institution are reviewed by Yay, T., et al (2017) as a composition of three groups: (1) informal institutions (norms, customs, tradition, culture, and religion); (2) the formal rules (constitution, law and property rights) and (3) institutions of governance which is concerned with defining and enforcing contracts in the relevant laws and aligning them with contractual

transactions. Their study results find that formal institutions and governance stimulate formal entrepreneurship, but they are negatively associated with informal entrepreneurship. Authors argue that institutions have heterogeneous impacts on entrepreneurship. In particular, institutional development gives incentives to entrepreneurs to migrate from informal (destructive/unproductive) to formal (productive) sectors, which stimulate economic growth

## Methodology

The method used to collect data for this study is a survey questionnaire, which is composed by two sections. The first section uses questions from Executive Opinion Survey (World Economic Forum, 2016-2017) referring only to the part that includes the first dimension of Global Competitiveness Index developed by WEF since 2004, the second part it refers to demographic data like the gender of study participants, country in which is allocated their business activity and the education level of participants. Sample selection was random and it includes 70 participants from different cities of Albania in order to represent as much as possible the businesses of the country.

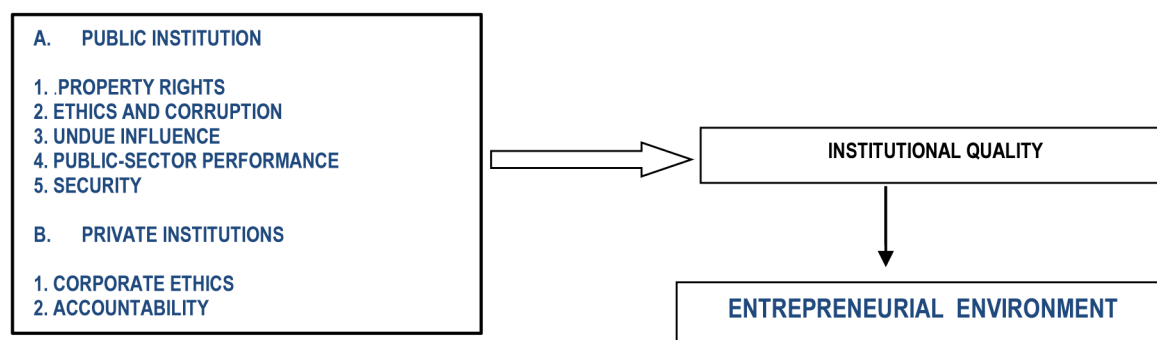
The reason why we rely on GCI index, is the fact that it one of the most distinguished indicators that evaluates the countries competitions at national levels, is an index that encompasses a wide range of dimensions and is published every year by the World Economic Forum (WEF). Institutions the first dimension of this general index, which is the first part of our questionnaire construction, it refers to the legal and administrative framework within agents of society interact between each other and the quality of this framework has a very important influence on competitiveness, growth and sustainable development of an economy.

In the following table are represented the detailed data related with sample composition and its demographic characteristics.

Gender	Frequency	Valid Percent	Education							
Valid			High School	Valid Percent	University	Valid Percent	Master degree	Valid Percent	Phd	Valid Percent
Female	24	35.3	4	16.7	4	16.7	14	58.3	2	8,3
Male	44	64.7	8	18.2	9	20,4	27	61,4	0	
Missing	2									
Total	70	100%	14	20%	13	18,5%	41	58,5%	2	3%

The dependent variable of the study is institutional quality which serves as a positive or negative incentive for entrepreneurial behavior and activity. The determinant variables are a set of 7 composed dimensions each of them detailed in components. All the composed variables are categorized in two groups: the first developed in order to evaluate the quality of public institutions, and the second developed for the assessment of the quality of private institutions. The methodological model used in this study is configured like the figure below:

**FIGURE 1** Methodological model, source authors



The table below describes the detailed indicators and variables and the questions related with each one detailed variable.

**FIGURE 2** Study Indicators, Source: GCI Report (World Economic Forum) 2016-2017

Perceived Institutional Quality		
General Group of Indicator	Detailed Indicator	Question
A. Public Institutions Quality Indicators		
1. Property rights	1.01. Property rights	Q01
	1.02. Intellectual property protection	Q02



2.Ethics and corruption	1.03. Diversion of public funds	Q03
	1.04. Public trust in politicians	Q04
	1.05. Irregular payments and bribes	Q05, Q06, Q07, Q08
3.Undue influence	1.06. Judicial independence	Q09
	1.07. Favoritism in decisions of government officials	Q10
4.Public sector performance	1.08. Wastefulness of government spending	Q11
	1.09. Burden of government regulation	Q12
	1.10. Efficiency of legal framework in setting disputes	Q13
	1.11. Efficiency of legal framework in challenging regulations	Q14
	1.12. Transparency of government policymaking	Q15
5.Security	1.13. Business cost of terrorism	Q16
	1.14. Business cost of crime and violence	Q17
	1.15. Organized crime	Q18
	1.16. Reliability of police services	Q19
B. Private Institutions Quality Indicators		
1.Corporate ethic	1.17.Ethical behavior of firms	Q20
2.Accountability	1.18. Strength of auditing and reporting standards	Q21
	1.19. Efficacy of corporate boards	Q22
	1.20. Protection of minority shareholder's interests	Q23

There are 23 questions in total and all the collected data are in the form of attitudes that are held to the respective proposition, and each participant in the study chooses his/her attitude in a range of seven likert scale. Likert scale is a 5- or 7-point ordinal scale used by respondents to rate the degree to which they agree or disagree with a statement. Based on the fact that an attitude can be described in preferential ways of behaving and reacting in specific circumstances around an object, a subject or a concept acquired through social interactions, likert scales are created in order to quantify the subjective preferential thinking, feeling and action in a validated and reliable manner (Schwarz et.al.,2001).

The statistical procedure used to analyze the collected data it refers to descriptive statistics for both public and private institutions as dependent variables. The descriptive results are provided by SPSS, and “the rule” in evaluating the total institutional quality perceived is that every dimension is equally important and affects the performance of the other dimensions. In attempt to answer to our research question “How is evaluated the country institutional environment as a provider of economic growth and sustainable development from entrepreneurs”, the study hypothesis to be investigated are:

$H_0$ : Entrepreneurs have a positive perception for institutional quality in Albania.

$H_1$ : Entrepreneurs have a negative perception for institutional quality in Albania.

In the following sections will be presented the reliability analysis and descriptive statistics in order to evaluate if it is proven the first or the second hypothesis. Detailed information related with study questionnaire, reliability analysis and descriptive statistics are in the last section appendix.

## Results and Discussion

Before examining the percentages of descriptive in order to control the study hypothesis, the reliability analysis will be performed to evaluate the internal validity and to see if all variables will need to be included in the subsequent analysis.

Reliability			
Case Processing Summary			
		N	%
Cases	Valid	67	93.1
	Excluded <sup>a</sup>	5	6.9
	Total	72	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.859	.872	23

The first table we need to look at in our output is the Reliability Statistics table. This gives us our Cronbach's alpha coefficient. We are looking for a score of over .7 for high internal consistency. In this case,  $\alpha = .859$ , which shows the questionnaire is reliable. The *Item Total Statistic Table* (appendix B) can help us to decide whether any items need to be removed from the questionnaire to make it more reliable. Our current score is  $\alpha = .859$ , the rule is: if this score goes down if we deleted an item, we want to keep it. But if this score goes up after the item is deleted, we might want to delete it as it would make our questionnaire more reliable. In this case, deleting Question 12, 15 and 16 would increase our Cronbach's alpha score to  $\alpha = .859$ , so deletion should be considered. All other items should be retained.

The study hypothesis are tested by using percentage.

**FIGURE 3** Study results for all the indicators according GCI index (GCI Report World Economic Forum 2016-2017)

Perceived Institutional Quality	ATTITUDE	Evaluation +/-
<b>A. Public Institutions Quality Indicators</b>		
1.01. Property rights	To some extent protected	- Negative
1.02. Intellectual property protection	To a small extent protected	- Negative
1.03. Diversion of public funds	Illegal diversion usually occurs	- Negative
1.04. Public trust in politicians	Ethical standards extremely low	- Negative
1.05. Irregular payments and bribes	Very commonly occurs	- Negative
	Occurs	- Negative
	Usually occurs	- Negative
	Usually occurs	- Negative
1.06. Judicial independence	Judicial system not independent	- Negative
1.07. Favoritism in decisions of government officials	Usually occurs to make undocumented extra payments to obtain favorable judicial decisions	- Negative
1.08. Wastefulness of government spending	Public funds to a great extent spent inefficiently	- Negative
1.09. Burden of government regulation	Excluded from the analysis Q12	
1.10. Efficiency of legal framework in setting disputes	Neutral	- Neutral
1.11. Efficiency of legal framework in challenging regulations	Neutral	- Neutral
1.12. Transparency of government policymaking	Excluded from the analysis Q15	
1.13. Business cost of terrorism	Excluded from the analysis Q16	
1.14. Business cost of crime and violence	Neutral	- Neutral
1.15. Organized crime	Neutral	- Neutral
1.16. Reliability of police services	Neutral	- Neutral
<b>B. Private Institutions Quality Indicators</b>		
1.17. Ethical behavior of firms	Neutral	- Neutral
1.18. Strength of auditing and reporting standards	Neutral	- Neutral
1.19. Efficacy of corporate boards	Neutral	- Neutral
1.20. Protection of minority shareholder's interests	To some extent protected	+Positive

Using the likert scale, we have taken different entrepreneurs consideration for institutional quality where it is shown that Albania's formal institutions according to six indicators of GCI including: voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption have a major impact on the entrepreneurship perception and how it is applied.

Having a non-so effective legal framework, businesses face major challenges, where as many of them cause that new business wanting to join the market, with a low chance of survival survive. As described above, we take in consideration that some indicators found in 'Public Institutions Quality Indicators' are not very reliable and very much needed for our study because of their low scale results hence we will not take them in consideration.

While testing the hypothesis through the percentages on the table shown above, we have emphasized some of the questions which have shown high validation that can be included in public institutions, Ethics and Corruption. According to our results, entrepreneurs have a negative perception about the quality of Ethics and Corruption used in formal institutions, which include

illegal diversion of public funds, extremely low ethical standards of the politicians, illegal payments and extra bribes regarding import and export as well as with public utilities.

Taking a look at the overall framework we see that the overall perception of entrepreneurs for the institutional quality in public institutions is negative so our is proven to be right. Regarding to the private institutions, the entrepreneurs seem to have a neutral perception and uncertainty of their quality and how they operate.

## Conclusions

The purpose of this study was to provide an assessment of the perceived efficiency of both public and private institutions of the country. Based on the fact that the legal and administrative interaction between individuals, firms and governments impacts growth and competitiveness, and also based on the fact that great and favorable private institutions have a considerable influence in the sustainable development of a country economy this topic's results represent a significant importance for policymakers. The positive perceptions of entrepreneurs related with institutional framework, have a substantial importance to influence investment decisions, and entrepreneurial incentives.

Institutions the first dimension of GCI it refers to the legal and administrative framework within agents of society interact between each other and the quality of this framework has a very important influence on competitiveness, growth and sustainable development of an economy. The aim of this dimension of GCI index is to assess the ability of national economies to ensure and guarantee high levels of prosperity in order to offer sustainable economic development. As described and analyzed in the previous section, it results a low level of perceived institutional quality for the public institutions and also a low level of perceived institutional quality for private institutions, although for public institutions the comparative assessment is lower. Those attitudes and perceptions describe not a very favorable framework to be promotional for competitiveness and entrepreneurial incentives.

One of our study limitations is the number of participants included in the study, a larger number of participants would enable a more accurate overall outcome of the study population. Also we think that the study model would be more completed and comprehensive, if it could be incorporated more elements of country competitiveness (other components of GCI) and some variables to measure the change in entrepreneurial activity and incentives. This study offered a specific view of only one of the GCI components and a more completed model remains a starting point for another more extensive study.

The reported attitudes and perceptions related with institutional quality in general talk about an environment in which is needed more attempt in order to guarantee an environment that encourages entrepreneurship. One of the reasons why business have this kind of perceptions related with institutional quality of the country are explained by the levels of trust they have for the country institutions. This low level of trust it may be result of previous experiences related with the relationship between them and institutions and also may be result of the very slow improvement of the work of these institutions in guaranteeing the competitive environment and the promotion of entrepreneurship. Those assumptions in order to explain the entrepreneurs attitudes are based on social capital theory, and cast a new light on the broader review of this study incorporating this theory into a more extensive and up-to-date work.

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## Appendix

	Scale Mean if Item Deleted	Item-Total Statistics Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Q01	70.7313	288.260	.383	.639	.855
Q02	71.0149	289.530	.352	.610	.856
Q03	71.6567	286.592	.537	.504	.851
Q04	71.8507	289.371	.516	.600	.852
Q05	71.2537	280.556	.533	.794	.850
Q06	71.4328	280.825	.554	.815	.850
Q07	70.4179	277.914	.503	.661	.851
Q08	71.1194	281.076	.497	.648	.851
Q09	71.3433	272.199	.653	.794	.845
Q10	71.3284	293.739	.351	.682	.856
Q11	71.4627	289.555	.600	.686	.851
Q12	70.7761	299.237	.113	.437	.868
Q13	70.4030	283.668	.558	.590	.850
Q14	70.8060	294.553	.264	.464	.859
Q15	70.1343	293.512	.261	.562	.860
Q16	68.3881	295.908	.172	.741	.865
Q17	69.8358	281.291	.423	.654	.854
Q18	70.1493	279.765	.443	.660	.854
Q19	70.0299	281.302	.531	.609	.850
Q20	70.1194	283.713	.578	.683	.850
Q21	70.0746	280.828	.614	.668	.848
Q22	69.3731	286.025	.409	.642	.855
Q23	70.0299	293.211	.326	.635	.857

### Frequency Tables

#### PROPERTY RIGHT

- In your country, to what extent are property rights, including financial assets, protected?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	13	18.1	18.1	18.1
	To a small extent	15	20.8	20.8	38.9
	To some extent	17	23.6	23.6	62.5
	Neutral	15	20.8	20.8	83.3
	To a moderate extent	8	11.1	11.1	94.4
	To a great extent	2	2.8	2.8	97.2
	To a very great extent	2	2.8	2.8	100.0
	Total	72	100.0	100.0	

- In your country, to what extent is intellectual property protected?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	14	19.4	19.4	19.4
	To a small extent	24	33.3	33.3	52.8
	To some extent	15	20.8	20.8	73.6
	Neutral	11	15.3	15.3	88.9
	To a moderate extent	3	4.2	4.2	93.1
	To a great extent	2	2.8	2.8	95.8
	To a very great extent	3	4.2	4.2	100.0
	Total	72	100.0	100.0	

## 2. ETHICS AND CORRUPTION

- In your country, how common is illegal diversion of public funds to companies, individuals, or groups?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very commonly occurs	25	34.7	34.7	34.7
	Usually occurs	27	37.5	37.5	72.2
	Occurs	11	15.3	15.3	87.5
	Neutral	6	8.3	8.3	95.8
	Almost doesn't occur	1	1.4	1.4	97.2
	Does not occurs	1	1.4	1.4	98.6
	Never occurs	1	1.4	1.4	100.0
	Total	72	100.0	100.0	

- In your country, how do you rate the ethical standards of politicians?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely low	34	47.2	47.2	47.2
	Somewhat low	19	26.4	26.4	73.6
	Low	11	15.3	15.3	88.9
	Neutral	6	8.3	8.3	97.2
	Somewhat High	1	1.4	1.4	98.6
	High	1	1.4	1.4	100.0
	Total	72	100.0	100.0	

- In your country, how common is it for firms to make undocumented extra payments or bribes connected with imports and exports?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very commonly occurs	27	37.5	37.5	37.5
	Usually occurs	10	13.9	13.9	51.4
	occurs	14	19.4	19.4	70.8
	Neutral	13	18.1	18.1	88.9
	Almost doesn't occur	6	8.3	8.3	97.2
	Does not occurs	1	1.4	1.4	98.6
	Never occurs	1	1.4	1.4	100.0
	Total	72	100.0	100.0	



- In your country, how common is it for firms to make undocumented extra payments or bribes connected with public utilities?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very commonly occurs	28	38.9	38.9	38.9
	Usually occurs	16	22.2	22.2	61.1
	occurs	12	16.7	16.7	77.8
	Neutral	9	12.5	12.5	90.3
	Almost doesn't occur	3	4.2	4.2	94.4
	Does not occurs	3	4.2	4.2	98.6
	Never occurs	1	1.4	1.4	100.0
	Total	72	100.0	100.0	

- In your country, how common is it for firms to make undocumented extra payments or bribes connected with annual tax payments?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very commonly occurs	14	19.4	19.4	19.4
	Usually occurs	11	15.3	15.3	34.7
	occurs	15	20.8	20.8	55.6
	Neutral	11	15.3	15.3	70.8
	Almost doesn't occur	9	12.5	12.5	83.3
	Does not occurs	10	13.9	13.9	97.2
	Never occurs	2	2.8	2.8	100.0
	Total	72	100.0	100.0	

- In your country, how common is it for firms to make undocumented extra payments or bribes connected with public contracts and licenses?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very commonly occurs	24	33.3	33.8	33.8
	Usually occurs	14	19.4	19.7	53.5
	Occurs	13	18.1	18.3	71.8
	Neutral	6	8.3	8.5	80.3
	Almost doesn't occur	11	15.3	15.5	95.8
	Does not occurs	2	2.8	2.8	98.6
	Never occurs	1	1.4	1.4	100.0
	Total	71	98.6	100.0	
Missing	999.00	1	1.4		
Total		72	100.0		

### 3. UNDUE INFLUENCE

- In your country, how common is it for firms to make undocumented extra payments or bribes connected with obtaining favorable judicial decisions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very commonly occurs	24	33.3	33.3	33.3
	Usually occurs	25	34.7	34.7	68.1
	occurs	7	9.7	9.7	77.8
	Neutral	3	4.2	4.2	81.9
	Almost doesn't occurs	4	5.6	5.6	87.5
	Does not occurs	9	12.5	12.5	100.0
	Total	72	100.0	100.0	

- In your country, how independent is the judicial system from influences of the government, individuals, or companies?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not independent at all	18	25.0	25.4	25.4
	Not independent	22	30.6	31.0	56.3
	Dependent	15	20.8	21.1	77.5
	Neutral	10	13.9	14.1	91.5
	Somewhat Independent	5	6.9	7.0	98.6
	Independent	1	1.4	1.4	100.0
	Total	71	98.6	100.0	
Missing	999.00	1	1.4		
Total		72	100.0		

#### 4. PUBLIC SECTOR PERFORMANCE

- In your country, how efficiently does the government spend public revenue?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	To a very great extent no efficient	17	23.6	23.6	23.6
	To a great extent no efficient	25	34.7	34.7	58.3
	No efficient	18	25.0	25.0	83.3
	Neutral	12	16.7	16.7	100.0
	Total	72	100.0	100.0	

- In your country, how efficient are the legal and judicial systems for companies in settling disputes?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	To a very great extent no efficient	4	5.6	5.6	5.6
	To a great extent no efficient	16	22.2	22.5	28.2
	No efficient	17	23.6	23.9	52.1
	Neutral	20	27.8	28.2	80.3
	Efficient	8	11.1	11.3	91.5
	To a great extent efficient	5	6.9	7.0	98.6
	To a very great efficient	1	1.4	1.4	100.0
	Total	71	98.6	100.0	
Missing	999.00	1	1.4		
Total		72	100.0		

- In your country, how easy is it for private businesses to challenge government actions and/or regulations through the legal system?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely difficult	14	19.4	19.4	19.4
	Difficult	15	20.8	20.8	40.3
	Somewhat difficult	16	22.2	22.2	62.5
	Neutral	17	23.6	23.6	86.1
	Somewhat easy	6	8.3	8.3	94.4
	Easy	2	2.8	2.8	97.2
	Extremely easy	2	2.8	2.8	100.0
	Total	72	100.0	100.0	

## 5. SECURITY

• In your country, to what extent does the incidence of crime and violence impose costs on businesses?						
				Frequency	Percent	Valid Percent
Valid	To a very great extent imposes huge costs			7	9.7	9.7
	To a great extent imposes huge costs			12	16.7	16.7
	To a moderate extent imposes huge costs			9	12.5	12.5
	Neutral			14	19.4	19.4
	To some extent imposes huge costs			10	13.9	13.9
	To a small extent imposes huge costs			13	18.1	18.1
	Not at all			7	9.7	9.7
	Total			72	100.0	100.0
• In your country, to what extent can police services be relied upon to enforce law and order?						
			Frequency	Percent	Valid Per- cent	Cumulative Percent
Valid	Not at all	3		4.2	4.2	4.2
	To a small extent	16	22.2	22.5	26.8	
	To some extent	10	13.9	14.1	40.8	
	Neutral	21	29.2	29.6	70.4	
	To a moderate extent	9	12.5	12.7	83.1	
	To a great extent	11	15.3	15.5	98.6	
	To a very great extent	1	1.4	1.4	100.0	
	Total	71	98.6	100.0		
Missing	999.00	1		1.4		
Total		72		100.0		
• In your country, to what extent can police services be relied upon to enforce law and order?						
			Frequency	Percent	Valid Per- cent	Cumulative Percent
Valid	Not at all	3		4.2	4.2	4.2
	16	22.2		22.5	26.8	
	10	13.9		14.1	40.8	
	21	29.2		29.6	70.4	
	9	12.5		12.7	83.1	
	11	15.3		15.5	98.6	
	1	1.4		1.4	100.0	
	71	98.6		100.0		
	Missing	999.00	1	1.4		
Total		72		100.0		

**PRIVATE INSTITUTIONS****1. CORPORATE ETHICS**

- In your country, how do you rate the corporate ethics of companies (ethical behavior)?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely poor	6	8.3	8.5	8.5
	Poor	5	6.9	7.0	15.5
	Fair	17	23.6	23.9	39.4
	Neutral	21	29.2	29.6	69.0
	Good	18	25.0	25.4	94.4
	Very good	4	5.6	5.6	100.0
	Total	71	98.6	100.0	
Missing	999.00	1	1.4		
Total		72	100.0		

**2. ACCOUNTABILITY**

- In your country, how strong are financial auditing and reporting standards?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely weak	6	8.3	8.3	8.3
	Weak	7	9.7	9.7	18.1
	Somewhat week	15	20.8	20.8	38.9
	Neutral	23	31.9	31.9	70.8
	Somewhat strong	12	16.7	16.7	87.5
	Strong	9	12.5	12.5	100.0
	Total	72	100.0	100.0	

- In your country, to what extent is management accountable to investors and boards of directors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	3	4.2	4.3	4.3
	To a small extent	6	8.3	8.6	12.9
	To some extent	8	11.1	11.4	24.3
	Neutral	19	26.4	27.1	51.4
	To a moderate extent	11	15.3	15.7	67.1
	To a great extent	16	22.2	22.9	90.0
	To a very great extent	7	9.7	10.0	100.0
	Total	70	97.2	100.0	
Missing	999.00	2	2.8		
Total		72	100.0		

- In your country, to what extent are the interests of minority shareholders protected by the legal system?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not protected at all	2	2.8	2.8	2.8
	To a small extent protected	13	18.1	18.1	20.8
	To some extent protected	21	29.2	29.2	50.0
	Neutral	15	20.8	20.8	70.8
	Protected	10	13.9	13.9	84.7
	Protected to a great extent	10	13.9	13.9	98.6
	Protected to a very great extent	1	1.4	1.4	100.0
	Total	72	100.0	100.0	

# Foreign Exchange Risk in Albania

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## Abstract

*Foreign exchange risk is the potential for loss due to an adverse change in foreign exchange rates, and applies to all exchange rate-related products whose positions are valued in a currency that differs from the bank's reporting currency. Eventual movements in the exchange rate are a risk for investors and businesses with international operations. Therefore, they adopt strategies to minimize the impact of eventual adverse movements. This is known as hedging, and it involves using financial instruments to increase protection against currency fluctuations. Hedging makes transactions, cash flows and cost structures more stable and predictable. There are different strategies which are designed to manage foreign exchange risk. Each of them, however, is constructed under specific assumptions, for a specific risk profile. The question arises as to which strategy would be expected to yield the best results in a given scenario. The first part of the current study describes how do banks measure and hedge the foreign exchange risk by using a set of simulated foreign exchange cash flows to compare the profits resulting from the use of different foreign exchange risk management strategies. The key risk metrics to measure the foreign exchange risk considered for this study are: Value at Risk and Stress Testing. The risk management strategies considered to hedge foreign exchange risk for the study are: forward currency contracts, currency options, and currency swaps. The study analyses and evaluates these foreign exchange risk management strategies to find out which of the strategies is appropriate in particular situations for banks and for non-financial corporates. The second part gives some statistics about open foreign currency position and the risk appetite in the Albanian banking market and how non-financial firms could use financial derivatives to hedge the foreign exchange risk.*

**Key words:** foreign exchange risk, risk management strategies, forward currency contracts, currency options, currency swaps

## Introduction

The foreign exchange market is an over-the-counter (OTC) marketplace that determines the exchange rate for global currencies. Participants are able to buy, sell, exchange and speculate on currencies. Foreign exchange markets are made up of banks, forex dealers, commercial companies, central banks, investment management firms, hedge funds, retail forex dealers and investors.

Foreign exchange risk most often affects businesses engaged in exporting and importing products or supplies. It also applies to businesses that offer services in multiple countries and individuals who invest internationally. Any time an investor must convert money into another currency to make an investment that face potential changes in the currency exchange rate between their home currency and the currency of their investment. These changes will affect the investment's value or the business' bottom line. A business exposes itself to foreign exchange risk by having payables and receivables affected by currency exchange rates. This risk originates when a contract between two parties specifies exact prices for goods or services, as well as delivery dates. If a currency's value fluctuates between when the contract is signed and the delivery date, it could cause a loss for one of the parties. (<https://www.investopedia.com/terms/f/forenexchangerisk.asp>)

The issue of foreign exchange risk management for non-financial firms is independent from their core business and is usually dealt by their corporate treasuries. Most multinational firms have also risk committees to oversee the treasury's strategy



in managing the exchange rate risk. This shows the importance that firms put on risk management issues and techniques. (Papaioannou, 2006)

This paper reviews the different type of risk management strategies of exchange rate risk, examines best practices on exchange rate risk management from the banking system, and analyses the advantages and disadvantages of various hedging approaches for non-financial firms. It concentrates on the major types of risk affecting firm's foreign currency exposure, and pays more attention to techniques on hedging transaction and balance sheet foreign exchange risk.

## Literature Review

### Foreign Exchange Risk Measurement

#### *Value at Risk*

A crucial aspect in a firm's exchange rate risk management decisions is the measurement of these risks. At present, a widely used method is the value-at-risk (VaR) model. Broadly, value at risk is defined as the maximum loss for a given exposure over a given time horizon with  $z\%$  confidence. (Papaioannou, 2006). VaR is probabilistic, and gives a risk manager useful information on the probabilities associated with specified loss amounts. By comparison, many traditional measures (e.g., duration–convexity, Greeks, etc.) only give us the answers to 'what if' questions and don't give an indication of likelihoods (Dowd, 2005). One of the negative side of this type measurement is we don't know what happens in  $100\%-z\%$  of the cases

#### *Stress Test*

Stress tests supplement value-at-risk (VaR). VaR is used to provide a probability-based boundary on likely losses for a specified holding period and confidence level (for example, the maximum loss that is likely to be experienced over one day with a 99% level of confidence). Firms employ VaR prospectively, to assess the risk of potential portfolio allocations, and retrospectively, to assess the risk-adjusted performance of individual business units. (Bank for International Settlements, 2001)

A stress test simulates extreme or unfavourable, yet plausible, economic and financial conditions in order to study the consequences on both the performance of the entity and its ability to honour redemption requests, even at a discounted net asset value.

Primarily, stress tests are tools that help to analyse the strength of the strategies that have been put in place. They provide periodic scenario analyse in order to address risks arising from potential changes in market conditions that might adversely impact the profit and loss. During normal periods, the stress test identifies the weaknesses of a management strategy and helps the firm to prepare themselves operationally for a crisis; during crisis periods, the stress test helps to direct crisis management and resolution strategy. Based on this risk mapping, the implementation of a stress test involves defining scenarios that represent the risks then introducing a regular schedule for calculating the impact of these scenarios on the profit and loss of the entity. Once the scenarios are in place, their results are calculated periodically and used by the risk management teams and/or managers as a decision-making tool in order to detect anomalies (thanks to predefined alert thresholds) and monitor extreme risk. Lastly, the results of the stress tests should be conveyed within, in particular to executive and decision-making bodies, so that any corrective measures can be taken. (Financial Markets Authority of France, 2017)

### Hedging Strategies

Firms that consider any residual exposure to exchange rate fluctuations undesirable often choose to explicitly purchase insurance using financial derivative contracts. The main types of derivatives used in hedging are foreign exchange forward contracts, cross-currency interest rate swaps, and foreign exchange options. (Becker & Fabbro, 2006)

#### *Forward currency contracts*

A simple way to limit risk surrounding exchange rate fluctuations is a commitment to an outright purchase or sale of currency at a specified future date, for a predetermined price. For firms expecting to receive or make foreign currency payments at a specific future date, forwards are a flexible and readily available hedging instrument. (Becker & Fabbro, 2006)

#### *Currency Options*

Currency options give the holder the right, but not the obligation, to purchase ('call') or sell ('put') an amount of one currency for another at a given future date, for a prearranged exchange rate ('strike'). Importantly, the holder of the instrument has discretion over whether or not to exercise his right to transact, allowing for a greater degree of flexibility than forwards, and leaving open the possibility of gaining from favourable exchange rate movements. This flexibility comes at a premium built into the price of the option.

#### *Currency Swaps*

A swap is a financial operation in which two parties agree to an exchange of cash flows. There exist different categories of swaps: interest rate swaps, equity swaps, commodity swaps and currency swaps. A currency swap, as the name indicates, is

an exchange, by two foreign borrowers with opposing needs, of a certain amount of currencies via a financial intermediary (usually a bank). The main goal of a currency swap is to decrease the cost of financing for both firms involved. It requires that: 1) their financial needs are opposed and 2) there exists an absolute (or a comparative) advantage in borrowing for one (both) of the firms involved in the transaction. (Morel, 2004)

## Data and Methodology

The management of foreign exchange risk involves three questions. First, what exchange risk does the firm face, and what methods are available to measure foreign exchange exposure? Second, based on the nature of the exposure and the firm's ability to forecast currencies, what hedging or exchange risk management strategy should the firm employ? And finally, which of the various tools and techniques of the foreign exchange market should be employed: forwards, options, or any other tool?

The effects of using hedging strategies such as forward currency contracts, currency options on the revenues of firms were calculated and compared. The objective of the study was to identify strategies which not only hedged against foreign exchange risk, but also yielded good returns, and to suggest conditions under which these foreign exchange risk management strategies may be preferable over others.

The data for the purpose of this study were gathered from secondary source like websites, books and reports etc. The research period selected is 2017 – 2018. Spot rates of the EUR/ALL exchange rate were analysed in for different timeframes: daily, weekly, monthly and quarterly frequency for the period of 2017- 2018 (24 Months).

The company selected were companies like call centre and textile companies which their revenues is in euro and is generating by producing or offering services entirely for the Italian Market. Data about the open foreign exchange exposure of the Albanian banking market are retrieved from the Bank of Albania Statistical Reports. This data is crucial to see how much space bank have in engaging in foreign exchange transaction with their clients. An analysis between the open foreign exchange position between banks and non-financial is done to emphasize the changes in how foreign exchange risk is managed differently by the two types of companies. A set of 20 individual interviews was done with 20 Owners of construction companies on how they manage the foreign exchange risk.

The following foreign exchange risk management strategies were considered for the quantitative analysis:

*Without hedging:* This represents the base series of cash flows in LEK, when the transaction is not hedged. This is the most risky way of handling international financial exposure. According to this strategy, transactions will take place at the corresponding spot exchange rate.

*Hedging with forward currency contracts:* According to this strategy, the trader will enter into forward currency contracts at the beginning of the planning period to hedge the expected cash flows. The forward rates were calculated considering Interest Rate Parity.

*Hedging with currency options:* According to this strategy, the trader will enter into a currency options contract at the beginning of the planning period to hedge the expected cash flows. A series of outflows of foreign currencies can be hedged by buying currency call options, while a series of inflows of foreign currencies can be hedged by buying currency put options. The model used to calculate the option price is the Black Scholes Model.

For the two hedging strategies we will be analysing not only the firm side but also the bank side.

## Data Analysis and Results

The foreign exchange open position of the banking market during March 2014 – February 2019 was in average 8% and reaching maximum 13.7%. The regulatory limit set by the bank of Albania is 20%. This situation gives plenty of space to the banks to engage in derivative transactions.

According to the results of interviews with the owners of building construction firms they use what is called “natural hedging” to manage the risk of the foreign exchange. They import most of the building materials in euro and also sell properties in euro thus limiting the impact from the fluctuations of the exchange rate in the local market.

According to Monitor, sector sales in 2017 are estimated to be about ALL 50 billion, according to data from the Enterprise Survey 2016 and operators for the growth rate in 2017. While losses due to the euro's depreciation by 5% are All 3.5 billion, or 27 million euros.

Let's take the below example to see what happens for a company that at 31.12.2017 sign a contract to deliver products in the Italian Market in June 2018. The payment for this products will be 1.000.000 Euro and will be paid from the Italian Counterparty. Spot Rates for EUR/ALL at end of December 2017 : 132.95

Spot Rate for EUR/ALL at end of June 2018 : 125.93

*No Hedging.* The firm decide to use only spot rates available on end of June. The loss from this strategy are 55.000 Euro

*Hedging with forward currency contracts.* The firm decide to negotiate a forward rate to lock the EUR/ALL exchange rate. Therefore, the forward exchange rate is just a function of the relative interest rates of two currencies. In fact, forward rates can be calculated from spot rates and interest rates using the formula  $\text{Spot} \times (1 + \text{domestic interest rate}) / (1 + \text{foreign interest rate})$ , where the 'Spot' is expressed as a direct rate (ie as the number of domestic currency units one unit of the foreign currency can buy). So we have the below situation :

- Spot Rates for EUR/ALL at end of December 2017 :132.95
- Spot Rate for EUR/ALL at end of June 2018 :125.93
- Forward Rate for EUR/ALL at End of June 2018 :134.08

Using the hedging strategy with forward contract the firm would have made around 60.000 Euros. The problem with this strategy is if the exchange rate would have gone up the firm couldn't make a profit in comparison with the spot rate at end of June 2018.

**Hedging with currency options contracts.** The Black-Scholes formula (also called

Black-Scholes-Merton) was the first widely used model for option pricing. It's used to calculate the theoretical value of European-style options using current stock prices, expected dividends, the option's strike price, expected interest rates, time to expiration and expected volatility. The formula, developed by three economists – Fischer Black, Myron Scholes and Robert Merton – is perhaps the world's most well-known options pricing model. It was introduced in their 1973 paper, "The Pricing of Options and Corporate Liabilities," published in the Journal of Political Economy. Black passed away two years before Scholes and Merton were awarded the 1997 Nobel Prize in Economics for their work in finding a new method to determine the value of derivatives (the Nobel Prize is not given posthumously; however, the Nobel committee acknowledged Black's role in the Black-Scholes model). According to the calculations made. We have the below situation: Spot Rates for EUR/ALL at end of December 2017 : 132.95 Spot Rate for EUR/ALL at end of June 2018 : 125.93 Forward Rate for EUR/ALL at End of June 2018 : 134.08 Put Price : 3.2 ALL

Effective Exchange Rate =  $134.08 - 3.2 = 130.88$

With this strategy the company generates a profit of 39.300 Euro.

Now let's look to a different scenario where we have the following spot rates for EUR/ALL :

Spot Rates for EUR/ALL at end of December 2017 : 132.95 Spot Rate for EUR/ALL at end of June 2018 : 140.00

**No Hedging.** The firm decide to use only spot rates available on end of June. The profit from this strategy are 50.000 Euro

**Hedging with forward currency contracts.** The firm decide to negotiate a forward rate to lock the EUR/ALL exchange rate. Therefore, the forward exchange rate is just a function of the relative interest rates of two currencies. In fact, forward rates can be calculated from spot rates and interest rates using the formula  $\text{Spot} \times (1 + \text{domestic interest rate}) / (1 + \text{foreign interest rate})$ , where the 'Spot' is expressed as a direct rate (ie as the number of domestic currency units one unit of the foreign currency can buy). So we have the below situation :

- Spot Rates for EUR/ALL at end of December 2017 :132.95
- Spot Rate for EUR/ALL at end of June 2018 :140.00
- Forward Rate for EUR/ALL at End of June 2018 :134.08

Using the hedging strategy with forward contract the firm would have made a loss of potential profit not achieved of 42.300 Euros.

**Hedging with currency options contracts.** The Black-Scholes formula (also called

Black-Scholes-Merton) was the first widely used model for option pricing. It's used to calculate the theoretical value of European-style options using current stock prices, expected dividends, the option's strike price, expected interest rates, time to expiration and expected volatility. The formula, developed by three economists – Fischer Black, Myron Scholes and Robert Merton – is perhaps the world's most well-known options pricing model. It was introduced in their 1973 paper, "The Pricing of Options and Corporate Liabilities," published in the Journal of Political Economy. Black passed away two years before Scholes and Merton were awarded the 1997 Nobel Prize in Economics for their work in finding a new method to determine the value of derivatives (the Nobel Prize is not given posthumously; however, the Nobel committee acknowledged Black's role in the Black-Scholes model).

According to the calculations made. We have the below situation: Spot Rates for EUR/ALL at end of December 2017 : 132.95. Spot Rate for EUR/ALL at end of June 2018 : 140.00 Forward Rate for EUR/ALL at End of June 2018 : 134.08 Put Price : 3.2 ALL

Effective Exchange Rate in the case of not exercising the option is=  $140.00 - 3.2 = 136.8$ .

Below is a summary of the three strategies.

Values in EURO	Scenario 1 (Exch Rate goes down)		Scenario 2 (Exch Rate goes up)	
Strategy	Profit(Loss) in comp- with Dec 2017	Profit (Loss)in comp with Jun 2018	Profit(Loss) in comp with Dec 2017	Profit (Loss)in comp with Jun 2018
No Hedging	-55.000	-	+50.000	-
FX Forward	60.000	9.000	9.000	-43.000
FX Options	39.000	-16.000	27.500	-23.000

## Limitations

A major limitation of the study was in considering only a two foreign exchange risk management strategies, under a stringent set of assumptions. For example, the strike price used in the study for the options strategy was set at the exchange rate at the beginning of the planning period, but in practice, a range of strike prices is usually available. Other currencies, especially the USD, could have been investigated too. There is a vast scope for further research in this area. Furthermore, several other foreign exchange risk management strategies, including currency swaps, risk-sharing, and risk-shifting could also be used to hedge foreign exchange risk. Another limitation is that the study did not address a fundamental and technical study of currencies, which would have helped in better implementation of the strategies. In particular, there is scope for further research into the relationship between optimal foreign exchange risk management strategies and the fundamentals and technical analysis of different currencies. Finally, the study has used historical data to compare the strategies, so that the inferences that have been drawn can only hold for a similar trend in exchangerates.

## Conclusions

It is always dangerous to remain unhedged against foreign exchange rate fluctuations. There are several foreign exchange risk management strategies available, but it is very important to select that which best suits one's risk profile. This in turn depends on the how the situation is analysed. From the results of the study, using currency options, one should be careful in selecting the right strike price. On the other hand, for currency inflows, hedging with forward currency contracts was found to result in highest returns whenever there was a decreasing trend in the exchange rate and hedging with currency options contracts was found to result in highest returns whenever there was a increasing trend in the exchange rate.

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# Rebus approach in training professionals for digital economics through educational information technologies

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## Abstract

*The development of the digital economy raises issues of harmonization of students' knowledge, skills and competences with actual social challenges. In this regard, educational institutions around the world actively investigate innovation approaches to teach disciplines of higher and additional professional education. The approach of the European educational Erasmus+ REBUS project represents one such approach, in the frames of which a course "Digital Entrepreneurship" is taught at SibSUTIS. Experience in teaching the course showed that student training in the learning environment Mahara with the use of such tools as Moodle and LEVEL5 allows students to acquire additional education of the European quality by developing new competences in a quicker and more effective way. Moreover, REBUS approach allows to develop, implement and teach new courses for students of telecommunication and infocommunication profiles. In the light of global trends in the development of digital technologies, and also in order to logically continue the trend of cooperation between SibSUTIS and universities of the European Union, it is necessary to consolidate and develop the competences achieved by students through the design on further educational programs and commercially successful cases of Russian and European IT companies in the field of e-commerce, Internet of Things and Artificial Intelligence. The relevance of the study of commerce in the digital economy is due to the fact that information and communication technologies (ICT) are becoming increasingly important for businesses, consumers and governments in all sectors of the economy and around the world. The Internet of Things Entrepreneurship program allows to improve an ability to develop business plans, manage projects on computer networks of devices. The Artificial Intelligence Entrepreneurship program aims to improve an ability to develop business plans, manage projects on creation of networks that can correctly interpret external data, learn from these data and use the results to achieve specific goals and objectives through flexible adaptation.*

**Key words:** digital economics, information society, additional professional education, educational IT-technologies, learning environment, self-assessment, e-commerce, Internet of Things, Artificial Intelligence

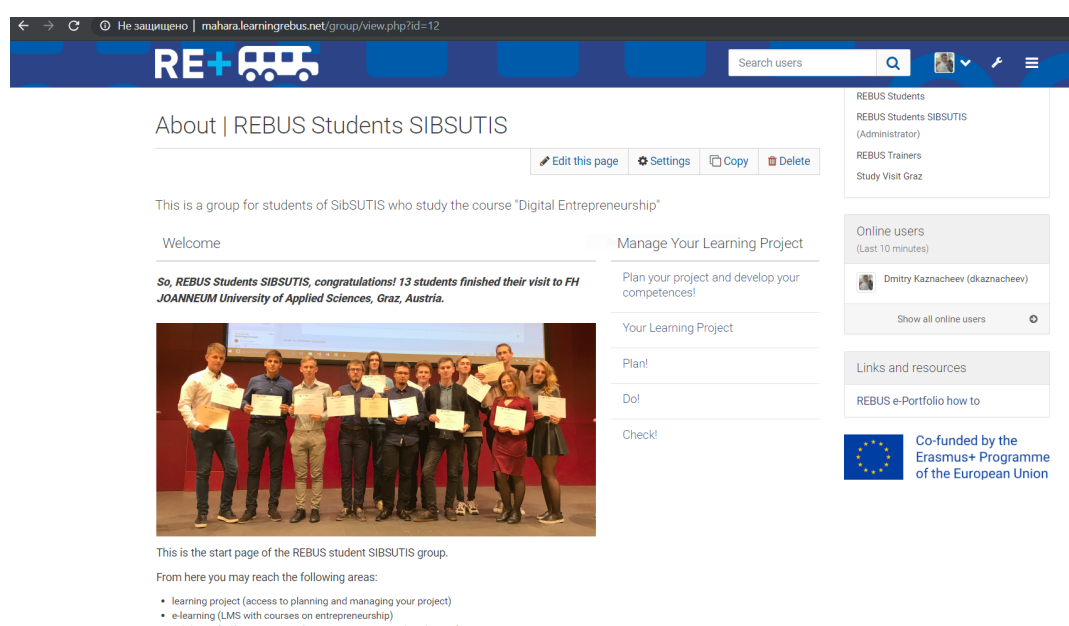
Educational standards of different countries prescribe to implement a competency-based approach in higher education [1, 2]. In pedagogical literature competence is defined as a compliance with the requirements for employment, the ability to perform specific employment functions, i.e. competence is a characteristic given to a person as a result of evaluating the effectiveness of his actions aimed at resolving a certain number of significant tasks for this community [2]. The term "key competences" indicates that they serve as a basis for more specific and subject-oriented competences. Using the competence model in the education requires fundamental changes in the organization of educational process, in the pedagogical activity, in the methods of evaluation of educational results. The acquisition of competences becomes the main goal and result of the educational process.



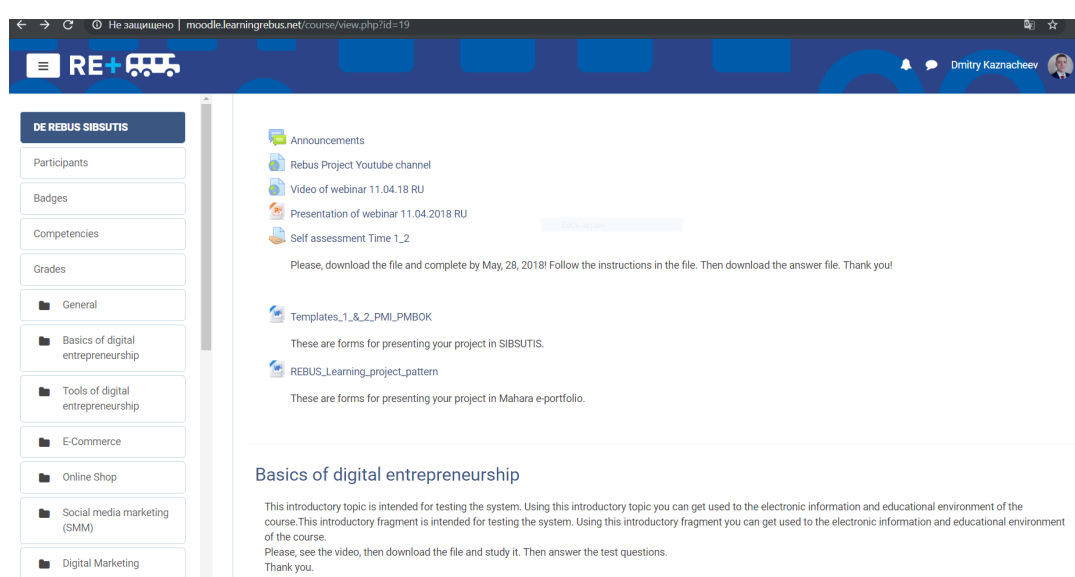
The educational standards also set strict requirements to the educational IT-technologies and electronic information educational environment. It should provide a complex of services: access to didactic materials, possibility to organize all types of training including evaluation of learning outcomes in computer laboratories, access to electronic library systems containing learning resources, transparent communication and interaction between participants in the educational process in virtual classrooms, recording of midterm and final performance results, forming of students' e-portfolio [2].

The above mentioned requirements are fully met by the European educational Erasmus+ project REBUS approach by using the Mahara environment which is also an important part of the implementation of the competency-based approach as well as the automated assessment of the levels of competences [3]. This system is a learner-centered form of organization of the personal learning environment: personal information, past and present achievements, assignments and projects, goals for the future [4]. In fact, it involves the social networking principle in the educational project. Technically, Mahara is a stand-alone system that can be integrated into a wider virtual learning framework. Mahara's architecture is provided with the modular, extensible architecture of Moodle [5]. Examples of using Mahara in training "Digital Entrepreneurship" course are shown in figures 1 and 2.

**FIGURE 1.** The home page of the REBUS Students SibSUTIS group in Mahara



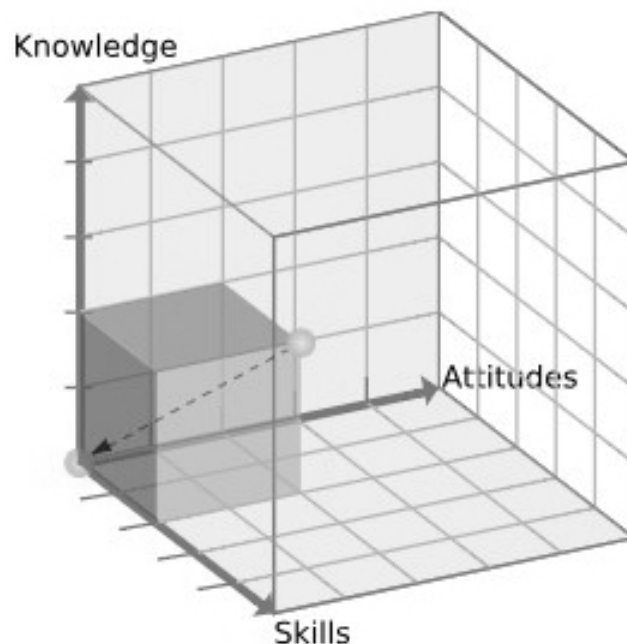
**FIGURE 2.** Summary of the Moodle course «Digital Entrepreneurship» in Mahara



Mahara will continue to evolve as a "pluggable", modular ePortfolio system intended for use by various web services. ePortfolio is a generic term encompassing as wide a range of types and products as there are reasons for using them. The assessment technology of the Mahara environment is based on the use of the LEVEL5 program (tool) that allows to rate on a five-point scale the following parameters: "Knowledge", "Skills", "Attitude and emotions". The system allows to visualize the

levels of a selected competence in the form of a three-dimensional model - a cube (Fig. 3). With its help you can see the current assessments of the user and get a visual representation of how well the user developed the selected competence in the complex. It is a learner-centered personal online space that allows to manage the life of users, identify their goals, present themselves to potential employers and to complement applications for research funding.

**FIGURE 3.** Three-dimensional model of development of a selected competence in the LEVEL5 system



At the same time, the method of self-assessment of competence development based on the use of the software LEVEL5 has significant shortcomings. The level of competence development given by students built on the principles of self-assessment is frequently not relevant to the real one. In evaluating their abilities and skills level by themselves, students provide an example proving the descriptor of the chosen level that commonly leads to the following error due to the lack of experience: when students measure the level of competence development at “5” but the evidence is equivalent to the descriptor “4”, the level “4” will be relevant. To avoid such misjudgments of students working on the methodology of LEVEL5 for the first time, the support of a teacher able to help with harmonizing levels and examples is highly required [6, 7, 8].

Nevertheless, on the basis of the approach described above and in an effort to address some of its weaknesses several additional educational programs were developed for students of IT specialties at SIBSUTIS. The duration of the course is 72 hours. According to the REBUS methodology the training program consists of 3 main phases involving the use of various educative technologies. Thus, phase 1 “Introduction and theory” implied the face-to-face lectures with the use of video material, webinars, discussions, group work, distance learning in the learning environment Moodle as well as testing. Phase 2 “Practical work” included primarily the work with cases and examples using the learning environment Moodle, collection and analysis of information in open sources, screening and discussion of video material, completion of practical tasks, selection of project themes, project development. Phase 3 “Feedback” involves the presentation of projects, their justification and evaluation of student performance, final assessment and attestation paperwork. Brief summary of each program is shown in tables 1-3.

### **Additional educational program “Commerce in the digital economy”.**

*Program objective* – mastering and (or) acquisition of new competences required for a successful professional activity in the field of commerce in conditions of the establishment and development of the digital economy.

The program aims to develop the following general professional competences: ability to efficiently create and manage a commercial activity in the digital economy; ability to establish and maintain professional communication with business subjects in the digital economy.

The learning outcomes of the first competence are:

- knowledge – principles of organization and management of commercial activities in the digital economy;
- skills – project prototyping, project management in the field of commercial activities in the digital economy, use of modern information technologies in commerce;
- abilities – collection, analysis and interpretation of data needed to organize and manage commercial activities in the digital economy.

The learning outcomes of the second competence are:

- knowledge – basics of modern business communication using various information technologies;
- skills – maintenance of business communication with the use of information technologies;
- abilities – establishment of sustainable business communication using various information technologies.

In the framework of the program students learn the following topics:

- Basic notions of commerce in digital economy;
- Tools for commercial activity in digital economy;
- Participants in commercial activity in digital economy;
- Features of commercial transactions with the use of digital technologies;
- Logistics and goods movement in conditions of digital economy;
- E-commerce strategies;
- Integrated marketing communications;
- Information security in commercial activity within the context of digital economy;
- Socio-cultural, ethical principles of commerce in digital economy.

**TABLE 1.** Summary of the program “Commerce in the digital economy”

Course #1 – Commerce in the digital economy			
Modality	F2F	Project	e-Learning
Phase 1 (duration)	8 hours – Introduction and theory	-	16 hours – Theory
Phase 2 (duration)	8 hours – Group work, brainstorming	16 hours – Project activities	Supporting materials in Mahara and Moodle
Phase 3 (duration)	16 hours – Presentation, discussion, assessment	8 hours – Learning projects, speeches	Profile&e-portfolio in Mahara
Contents	<ul style="list-style-type: none"> <li>· Basic notions (2)</li> <li>· Tools (2)</li> <li>· Participants (4)</li> <li>· Features (4)</li> <li>· Logistics and goods movement (4)</li> <li>· E-Commerce strategies (2)</li> <li>· Integrated marketing communication (2)</li> <li>· Information security (2)</li> <li>· Socio-cultural and ethical framework (2)</li> </ul>	<ul style="list-style-type: none"> <li>· E-commerce projects (8)</li> <li>· Product description (8)</li> <li>· Making presentations (8)</li> </ul>	<ul style="list-style-type: none"> <li>· Theory (16)</li> <li>· Webinars (4)</li> <li>· E-Portfolio (4)</li> </ul>
Activities	<ul style="list-style-type: none"> <li>· Lectures with video</li> <li>· Webinars</li> <li>· Discussion</li> <li>· Round table discussion</li> </ul>	<ul style="list-style-type: none"> <li>· Analysis</li> <li>· Brainstorming</li> <li>· Benchmarking</li> <li>· Planning</li> <li>· Writing</li> <li>· Consultations in-person</li> <li>· Presentation</li> <li>· Speeches</li> <li>· Discussion</li> </ul>	<ul style="list-style-type: none"> <li>· Social network correspondences</li> <li>· Learning projects templates</li> <li>· Assessment</li> <li>· LEVEL 5 self-assessments</li> </ul>

The relevance of the study of commerce in the digital economy is due to the fact that information and communication technologies (ICT) are becoming increasingly important for businesses, consumers and governments in all sectors of the economy and around the world. E-commerce and value chain participation, distance learning and social media, smart cities and e – government, and more - the opportunities are truly endless.

The digital economy is growing at a rapid rate of 10% per year, more than three times the rate of global economic growth. In 2017, the global digital economy generated \$ 24 trillion. In the area of e-commerce, accounting for 30% of all global transactions, many of which were made using mobile devices. In most OECD countries, the digital economy accounts for about 4-7% of GDP. The lowest indices in Austria (3.8%) and Norway (3.9%), while first three positions are occupied by Ireland (to 11.9%), Korea (9.6%) and Japan (8.1%).

Many people understand that the digital economy can contribute to economic growth and sustainable development, but not all countries of the world are moving in this direction equally fast. After analyzing the digital transformation in 50 countries, which account for 90% of global GDP and 78% of the world's population, Huawei has compiled the global connectivity Index in 2016. Countries were divided into three groups: leading, undergoing adaptation and beginners. The first group was led by the USA, Singapore and Sweden. In the middle of the second group are China (23rd place), Russia (26th place) and Brazil (30th place). At the very end of the rating and the third group were Nigeria, Bangladesh and Pakistan.

Increased access to the open and global Internet maximizes opportunities for economic growth, job creation and

e-commerce. These benefits can be facilitated by the adoption of special measures by governments at national and international levels. At the same time, special attention will need to be paid to trade barriers, as well as new risks associated with the protection of private information, data transfers and payment mechanisms [9].

## Additional educational program “Internet of Things Entrepreneurship”.

*Program objective* - mastering and (or) acquisition of new competences required for the development of commercially successful projects on computer networks of devices (things), connected to each other.

The program aims to develop the following general professional competences: ability to develop business plans, conduct a feasibility study on creation of computer networks of devices (things), connected to each other; ability to manage projects on computer networks of devices.

The learning outcomes of the first competence are:

- knowledge – principles and algorithms of developing business plans, conducting feasibility studies on creation of computer networks of devices (things), connected to each other;
- skills – adequate visual presentation of business plans, feasibility studies on creation of computer networks of devices (things), connected to each other;
- abilities – ideation and subsequent implementation of ideas in developing business plans, conducting feasibility studies on creation of computer networks of devices (things), connected to each other.

The learning outcomes of the second competence are:

- knowledge – basics of project prototyping, project management in the field of creation of computer networks of devices (things), connected to each other;
- skills – organization of the team work for creating computer networks of devices (things), connected to each other;
- abilities – collection, analysis and interpretation of data needed to develop and manage projects in the field of creation of computer networks of devices (things), connected to each other.

In the framework of the program students learn the following topics:

- Basics of the Internet of Things (IoT);
- Tools of the IoT;
- The most promising for the IoT;
- Commercial potential of the IoT;
- Project and team work in the field of IoT.

**TABLE 2.** Summary of the program “Internet of Things Entrepreneurship”

Course #2 – INTERNET OF THINGS ENTREPRENEURSHIP			
Modality	F2F	Project	e-Learning
Phase 1 (duration)	8 hours – Introduction and theory	-	16 hours – Theory
Phase 2 (duration)	8 hours – Group work, brainstorming	16 hours – Project activities	Supporting materials in Mahara and Moodle
Phase 3 (duration)	16 hours – Presentation, discussion, assessment	8 hours – Learning projects, speeches	Profile&e-portfolio in Mahara
Contents	<ul style="list-style-type: none"> <li>• Basic notions (2)</li> <li>• Tools (2)</li> <li>• Devices (4)</li> <li>• Commercial potential of the IoT (8)</li> <li>• Project and team work in the field of IoT (8)</li> </ul>	<ul style="list-style-type: none"> <li>• Device project (8)</li> <li>• Product description (8)</li> <li>• Making presentations (8)</li> </ul>	<ul style="list-style-type: none"> <li>• Theory (16)</li> <li>• Webinars (4)</li> <li>• E-Portfolio (4)</li> </ul>

Activities	<ul style="list-style-type: none"> <li>· Lectures with video</li> <li>· Webinars</li> <li>· Discussion</li> <li>· Round table discussion</li> </ul>	<ul style="list-style-type: none"> <li>· Analysis</li> <li>· Brainstorming</li> <li>· Benchmarking</li> <li>· Planning</li> <li>· Writing</li> <li>· Consultations in-person</li> <li>· Presentation</li> <li>· Speeches</li> <li>· Discussion</li> </ul>	<ul style="list-style-type: none"> <li>· Social network correspondences</li> <li>· Learning projects templates</li> <li>· Assessment</li> <li>· LEVEL 5 self-assessments</li> </ul>
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## Additional educational program “Artificial Intelligence Entrepreneurship”

*Program goals* - mastering and (or) acquisition of new competences required for developing commercially successful intelligent devices and software.

The program aims to develop the following general professional competences: ability to develop business plans, conduct feasibility studies on creation of intelligent devices and software; ability to manage projects on creation of networks that can correctly interpret external data, learn from these data and use the results to achieve specific goals and objectives through flexible adaptation.

The learning outcomes of the first competence are:

- knowledge – principles and algorithms of developing business plans, conducting feasibility studies on creation of intelligent devices and software;
- skills – adequate visual presentation of business plans, feasibility studies on creation of intelligent devices and software;
- abilities – ideation and subsequent implementation of ideas in developing business plans, feasibility studies on creation of intellectual devices and software.

The learning outcomes of the second competence are:

- knowledge – basics of prototyping and project management in the field of developing networks that can correctly interpret external data, learn from these data and use the results to achieve specific goals and objectives through flexible adaptation;
- skills – organization of the team work for developing computer networks of intelligent devices and software;
- abilities – collection, analysis and interpretation of data needed to develop and manage projects in the field of creation of intelligent devices and software.

In the framework of the program students learn the following topics:

- Basics of Artificial Intelligence Entrepreneurship (AIE);
- Tools of AIE;
- Spheres of life that are most promising for AIE;
- Commercial potential of Artificial Intelligence;
- Project and team work in the field of AIE.

**TABLE 3.** Summary of the program “Artificial Intelligence Entrepreneurship”

Course #3 – ARTIFICIAL INTELLIGENCE ENTREPRENEURSHIP			
Modality	F2F	Project	e-Learning
Phase 1 (duration)	8 hours – Introduction and theory	-	16 hours – Theory
Phase 2 (duration)	8 hours – Group work, brainstorming	16 hours – Project activities	Supporting materials in Mahara and Moodle
Phase 3 (duration)	16 hours – Presentation, discussion, assessment	8 hours – Learning projects, speeches	Profile&e-portfolio in Mahara
Contents	<ul style="list-style-type: none"> <li>· Basic notions (2)</li> <li>· Tools (2)</li> <li>· Spheres of AIE (4)</li> <li>· Commercial potential of AI (8)</li> <li>· Project and team work in the field of AIE (8)</li> </ul>	<ul style="list-style-type: none"> <li>· AI project (8)</li> <li>· Product description (8)</li> <li>· Making presentations (8)</li> </ul>	<ul style="list-style-type: none"> <li>· Theory (16)</li> <li>· Webinars (4)</li> <li>· E-Portfolio (4)</li> </ul>



	<ul style="list-style-type: none"> <li>· Lectures with video</li> <li>· Webinars</li> <li>· Discussion</li> <li>· Round table discussion</li> </ul>	<ul style="list-style-type: none"> <li>· Analysis</li> <li>· Brainstorming</li> <li>· Benchmarking</li> <li>· Planning</li> <li>· Writing</li> <li>· Consultations in-person</li> <li>· Presentation</li> <li>· Speeches</li> <li>· Discussion</li> </ul>	<ul style="list-style-type: none"> <li>· Social network correspondences</li> <li>· Learning projects templates</li> <li>· Assessment</li> <li>· LEVEL 5 self-assessments</li> </ul>
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A practical necessity in the development of entrepreneurship in the areas of It and AIE is caused by the changes of people's habits. The future when people will come home after work and ask their TV to turn on and the washing machine to wash clothes in the economy mode doesn't seem so distant.

People can already talk to virtual assistants like Siri or Alexa to search for a movie or order a new scarf with delivery to the door. Why not doing the same thing with everything else?

In fact, this is what everyone now calls the Internet of Things which is according to Wikipedia basically the network of physical devices, vehicles, home appliances, and other items embedded with electronics, software, sensors, actuators, and connectivity which enables these things to connect, collect and exchange data [10].

In its essence, the technology of IoT is about devices with built-in sensors, which provide data to one or more central locations through internet connectivity. That data is then analyzed and corresponding actions are initiated.

For any IoT service to be worth buying, such actions must demonstrate true value and yield benefit to the user. Of course, they vary from adequate physical actions (e.g. deploying a taxi to the site) to simply informing users (e.g. sending a message to inform a user that they have run out of milk).

It is here at the data analysis step, that the true value of any IoT application is determined, and this is where Artificial Intelligence provides a crucial role by making sense of data streamed from devices. AI serves to detect patterns in this data from which it can learn to adjust the behavior of IoT service.

Probably the best example of AI and IoT successfully working together is self-driving cars by Tesla Motors. Cars act as "things" and use the power of Artificial Intelligence to predict the behavior of cars and pedestrians in various circumstances. Moreover, all Tesla cars operate as a network. When one car learns something, they all learn it.

Automated vacuum cleaners are a good example of artificial intelligence "embodied" in a robot. For example, iRobot by Roomba controlled through an app can map and "remember" a home layout, adapt to different surfaces or new items, clean a room with the most efficient movement pattern, and dock itself to recharge its batteries.

Another good example of AI and IoT combined together is a smart thermostat solution by Nest Labs. Nest's smartphone integration allows to check and control temperature from anywhere. The device analyzes temperature preferences and work schedule of its users and adapts temperature accordingly.

Applications, where IoT works together with AI, are only growing, creating new markets and opportunities and they are highly unlikely to lose ground in the nearest future.

Thus, the experience of teaching the course "Digital Entrepreneurship" at SibSUTIS in the frames of the European educational project Erasmus+ REBUS showed that student training in the learning environment Mahara using such technologies as the distance learning platform Moodle and self-assessment tool LEVEL5 allows students to form an efficient mechanism of evaluation needed for an adequate perception of themselves as active and creative personalities, develop a critical way of thinking and self-demanding, evaluate objectives and the level of their acquisition; develop new competences quickly and effectively as well as obtain an additional professional education of the European level. In the light of global trends in the development of digital technologies, and also in order to logically continue the trend of cooperation between SibSUTIS and universities of the European Union, it is necessary to consolidate and develop the competences achieved by students through the design on further educational programs and commercially successful cases of Russian and European IT companies in the field of e-commerce, Internet of Things and Artificial Intelligence.

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# The Efficiency of Fiscal System from the Albanian Taxpayers' Viewpoint

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## Abstract

*In order to build an efficient fiscal system, it is important to analyze not only the government's activity in the design and implementation of fiscal policy and fiscal system administration, but also how such activity is perceived by taxpayers, as one of key stakeholders of this system. Fiscal policies implemented by governments over the years are largely focused on the objective of realizing budget revenues, rather than building an efficient fiscal system that produces consistent results. This paper addresses the efficiency of the fiscal system, in the perspective of Albanian taxpayers' viewpoint, by focusing on three main directions: Fiscal burden. What is the fiscal burden and a general information on the fiscal burden in Albania compared to the region countries and the EU, and how the current fiscal burden is perceived by Albanian taxpayers. Fairness (Justice) of the fiscal system. Deals with horizontal justice and vertical justice, the principles of well-functioning of a fiscal system and their implementation in Albania, as well as the perception of Albanian taxpayers on the justice system of the fiscal system. The goods and public services received by the taxpayer in comparison with their contributions. Good public governance offers good and low-cost services and with the right standards. It also looks at how efficient the Albanian governments were in providing public goods and services, and how the taxpayers perceived the benefits they received compared to their contributions. The paper concludes with the main conclusions of the functioning of the current fiscal system and recommendations for improving the system based on the perception of taxpayers.*

**Key words:** taxpayers, fiscal policy, fiscal burden, fiscal justice, public services, fiscal efficiency.

## Introduction

The main objective of fiscal policy is to generate sufficient income to guarantee democracy, public order and the functioning of the rule of law. An efficient fiscal system should be not only a source of revenue for the functioning of the state, but it must ensure that the government actively contributes to achieve its political, economic, social and environmental objectives. The fiscal system is an important tool for redistributing incomes to citizens and social cohesion in society. Taxation is an important instrument that influences the behavior of individuals.

When designing and implementing the fiscal policy, the effective provision and use of resources, particularly public resources, plays an important role, with the aim for the policy to achieve its respective objectives for economic growth and employment. Various researchers emphasize that it is not important to analyze only the impacts of government actions on how to secure and use revenue, but also how these actions are perceived by all stakeholders involved in the process.

## Fiscal burden in Albania and in the Balkans

The main objective of an efficient fiscal policy is to increase revenues, while maintaining the taxpayer's equality, in terms of respective tax burden they bear. The ability to pay taxes is usually measured by the income that a business generates or

produces. The fiscal burden has a significant impact on a country's budget deficit, investments and economic growth.

During recent years, Western Balkan countries, including Albania, have been focusing on a fiscal policy of decreasing income tax, as well as increasing VAT rate, where none of these countries intended to make a fiscal policy that focuses on reforming the tax system. Instead they are focused on some minor changes, aimed at increasing fiscal consolidation, as well as granting tax facilities to certain groups within national economy activities.

The indirect tax base still remains narrow, and this requires a review of model's adaptation to the economic and social environment. Also, it is not concluded that a poor performance in indirect tax collection, should be compensated by an increased direct tax payment, especially the personal income tax.

The percentage of direct and indirect taxes on tax burden has remained unchanged in 2016, when compared to the previous year.

**TABLE 1:** Structure of taxes (in %)

Type of tax	2015	2016	2017
Indirect taxes	65	65	65
Direct taxes	35	35	35

Source: Ministry of Finance, Albania

This indicates for a tax burden that is still maintained by the Albanian consumer, and not from the real economy. On the other hand, this reflects the need for a fiscal policy modification, to shift the burden from consumption to capital, where mostly rich individuals and large businesses should bear the main weight in this regard.

There are three main discussion issues for Albania, in order to achieve a better management and efficiency of indirect taxes, especially of VAT as the main source of tax revenues:

*First*, the VAT registration limit. Changes made by the government to the recent fiscal package, by way of lowering VAT registration limit for businesses, running a total annual turnover of up to ALL 2 million, will expand the tax base by significantly increasing the number of businesses declaring and paying such tax. It is thought that this change will lead to a greater formalization of the economy, but the impact of such reform will be assessed in the following tax periods and this will depend, to a greater extent, by the capability of fiscal administration in managing this tax.

*Second*, imposing progressive VAT rates. During this period, Bosnia and Herzegovina and Albania apply a standard VAT rate of 20% only, whereas all other Balkan countries apply reduced VAT rates. The reduced rates are mainly applied to vital consumption products, such as: health care products, electricity supply, as well as books, magazines and cultural & sports activities. Therefore, even for Albania, applying progressive VAT rates, accompanied with an increasing administrative capacity, would be a move that would lead to an increased effectiveness of such tax.

*Third*, applying VAT exempts for certain supplies. Generally, fiscal policies, a simple tax administration, tax justice (fairness) and economic neutrality of taxation are arguments which support a minimum use of tax exemptions. Various economic, political, social and tax administration situations in Albania and elsewhere have influenced the application of VAT exemptions. As above noted, the case of VAT exclusion for low turnover entities (small businesses with annual business turnover up to ALL 2 million), is a kind of general exclusion of all supplies of goods and services by subjects with a lower turnover than the VAT minimum limit. In many cases it is assumed that "exemptions" result in a VAT reduction burden on supplies. In order to avoid distortions, caused by the failure of VAT deduction for paid purchases, a good policy may be followed by not excluding the supplies that are made for purely business activities.

The fiscal policy pursued by Balkan countries, regarding tax rates, has not had the expected impact on the economic growth of these countries.

**TABLE 2:** Fiscal Burden in Western Balkans for 2014-2018, in % of GDP.

	2014			2015			2016			2017			2018		
	Direct	Indirect	Soc.Sec/ Others	Direct	Indirect	Soc.Sec/ Others	Direct	Indirect	Soc.Sec/ Others	Direct	Indirect	Soc.Sec/ Others	Direct	Indirect	Soc.Sec/ Others
Kosovo	3,4	17,4	3,1	3,4	18,5	3,2	3,9	19,6	2,8	3,7	19,6	2,9	4	20,5	2,3
<b>ALBANIA</b>	<b>4,6</b>	<b>12,2</b>	<b>7,3</b>	<b>4,6</b>	<b>11,8</b>	<b>7,3</b>	<b>5,1</b>	<b>11,9</b>	<b>7,8</b>	<b>5,3</b>	<b>12,3</b>	<b>8,1</b>	<b>6,1</b>	<b>11,6</b>	<b>7,7</b>
Northern Macedonia	3,3	12,4	8,8	4,4	11,8	9	4,2	12,2	8,9	4,4	12,2	8,9	5,7	11,7	9,2
Serbia	7,8	15,9	11,3	7,6	16,1	10,9	7,5	15,9	11,7	7,5	16,7	11,9	8,5	16,7	12,8
Bosnia-Herzegovina	3,4	18,5	15,7	3,5	18,5	15,5	3,7	18,4	14,9	4,1	18,6	15,2	4,1	19,2	15,1
Croatia	5,7	16,40	14,20	5,5	17,1	14,3	5,6	17,5	14,5	5,7	18	14,9	9	18,5	12
Montenegro	8,4	18,9	11,8	7,9	17,2	10,9	8,1	17,3	10,7	5,8	19	11,7	6,2	20,4	11,8

Source: IMF, Ministry of Finance & Economy, ALTAX.

Changes made in the income tax rate, in cases of its reduction, have aimed to an expansion of the taxable base, but with an objective of not affecting budget revenues and fiscal stability. Regarding the income tax, Greece, Croatia, Albania, Serbia

and Romania apply an above-average tax rate, while Montenegro, Kosovo, Macedonia and Bosnia and Herzegovina apply a below-average tax rate.

Studies regarding changes in consumption and capital tax rate show that they are less influential in the economy than changes in personal and labor tax rates, where shifting the tax burden from consumption and capital to labor and individuals is a rather difficult task for governments of these countries.

From the perspective of fiscal policy for Balkan countries, it is not considered as efficient the implementation of a comprehensive reform policy that is not based upon a higher management level and efficient fiscal capacities.

Tax revenues in Albania make up the bulk of budget revenues for 2016 and 2015, just 24.4% and 24.1% of GDP, respectively.

**TABLE 3:** Structure of tax revenues, in %.

Tax revenue	2015	2016	2017
Taxes and Customs	76.1	74.9	73.8
Local government	3.4	4.1	4.6
Social and health insurance	20.5	21	21.6

Source: Ministry of Finance, Albania.

As for the fiscal burden in Albania, tax revenues and customs in 2017 are 73.89% of total tax revenues, with a decrease of 1.1 percent. This decrease in central government income is compensated by local governments' revenues with a weight to the total by 4.6%, where their growth compared with the previous year was 0.5%. Likewise, insurance contributions, in 2017, have a weight of 21.6% of total income. The increase with 0.6% for these incomes results from labor formalization, as well as legal changes regarding the removal of income tax ceiling for health insurance calculating purposes.

The collected revenues, which coincide with central customs & tax administration activities, constitute the main part of tax burden, as 17.9%, 18.3%, 18.7% of GDP for 2015, 2016 and 2017, respectively. This increase is mainly due to increases in income taxes and other taxes on capital, national taxes and increased excise duties.

In recent years there is a declining tendency of indirect tax burden and a slight increase in direct taxes, where the greatest impact is on corporate and personal income tax. This reflects the impact of the government's fiscal policy which aims redistributing revenues by benefiting more taxes from capital gains.

## Fiscal System Fairness

The process of preparing fiscal packages by the government should be subject to a broad discussion with taxpayers, before defining fiscal burden, as taxes need to be properly perceived, in order to guarantee the tax equality, they should pay. This would also significantly increase the taxpayer's tax obligations and the state budget revenues.

During all these years, all governments have not made such a discussion with all stakeholders (taxpayers) and in cases when it has been happening, their opinion has been rarely taken into account.

The basic principle, upon which a fiscal policy is based upon, and the country's fiscal system is built, is the *principle of justice (fairness)*. This principle requires equal treatment of all taxpayers. Justice (fairness) in the fiscal system should be applied in the horizontal aspect, where taxpayers under the same, or similar circumstances, should be treated equally, likewise in the vertical aspect, where higher-income taxpayers must hold a higher fiscal burden, thus placing the fiscal burden progressively, as revenues go up. The principle of justice, in terms of fiscal administration, requires that the law should be applied in a comprehensive, fair and neutral manner, regardless of the taxpayer's status. No one should have preferential, or discriminatory treatment, when implementing the law. Also, the principle of justice implies that tax legislation does not contain any discriminative criteria against taxpayers, or certain taxpayer groups. So, it is not enough just to project the fiscal system equally, but it is very important to function efficiently, since taxation should be guaranteed by procedures that it really works fine.

In the implementation of horizontal justice, equal treatment of taxpayers, still taxpayers in the same or similar circumstances, are not treated equally for various reasons (corruption in fiscal administration, their connections and recognitions, political creeds, etc.) Even in the application of vertical justice it is concluded that, for the moment, labor income is taxed more than capital income, so the labor that is rewarded through wages is taxed more than self-employment, as result of a considerable freedom of action enjoyed by self-employed and professionals, in determining their taxable income. In addition, indirect tax rates, especially for excise goods, vary by increasing the tax burden, whenever the government has problems in realizing tax revenues.

An important principle is that *the fiscal system should be simple, transparent and easy to administer*. Thus, the fiscal system should be easily understandable and applicable, not only by the fiscal administration, but also by taxpayers and their consultants. Transparency should be such as to enable taxpayers to understand the functioning of the system. There are cases in fiscal practice, where the system is difficult to understand and followed by taxpayers themselves, as well as to be administered by tax administration. This not only increases the cost of tax administration for taxpayers and fiscal administration, but it



creates complicated schemes that can lead to tax and fiscal evasion. Another principle is fiscal system efficiency, so that a fiscal system should be designed in such a way as to encourage the maximum of a country's economic development. This is achieved when the tax system affects, as little as possible, the pricing system and competition. Thus, the tax system should equally weigh on different sectors and be neutral, in terms of making business decisions. This requires a functioning system that leads to an accomplishment of pre-defined objectives.

It is important, for the efficient functioning of the fiscal system to respect taxpayers' rights and obligations, which are sanctioned in the law and taxpayer card, such as: (1) *the right of information*, where taxpayers have the right to have continuous information on the functioning of the tax system and the ways of calculating tax liabilities; (2) *the right of appeal* to any tax administration decision, regarding the determination of their tax obligations, or violation of legal and regulatory acts by the officials of fiscal administration; (3) *the right to pay the correct amount of tax and to be treated accurately* by fiscal administration; (4) *providing reasonable and timely assistance from fiscal administration*, in order for the taxpayer to be able to meet the obligations within the deadlines set out in relevant legal and regulatory provisions; (5) *the right of taxpayers to predict the tax consequences of their activity*; (6) *the right of confidentiality*, in order to avoid misuse of information, received by fiscal authorities; and (7) *the right of representation, in relations with the tax administration*. Also, it is important that the taxpayer, in addition to the rights, should meet respective obligations for: *identification, information and enforcement of fiscal legislation*.

Respecting taxpayers' rights from the fiscal administration and the meeting obligations from taxpayers will significantly increase the efficiency of fiscal system's functioning and revenues in the state budget.

## Public goods and services that taxpayers receive compared to their contributions

The main function of public organizations is to provide goods and services to citizens with low cost and in the right quality and standards. Public organizations provide a significant amount of goods and services, which require large financial resources, where the main part of these resources is realized by the fiscal system (taxes).

Public organizations need to make enough efforts to follow good public governance principles in fiscal and budget issues. The better the governance is, the greater the taxpayer's confidence in the government, and the greater their willingness to pay taxes.

The tax system is an important tool for income redistribution to citizens, solidarity and social cohesion in the society. Also, tax is an instrument that influences people's behavior. Contemporary infrastructure, modern healthcare, appropriate education policies, active employment and environmental protection require the use of substantial funds from public finances.

If taxpayers receive a fair compensation in public goods and services, they will be willing to pay the price for it, otherwise they create the idea that their money is not spent properly and, in this way, they will not be willing to contribute properly.

Also, for reasons of social justice, a progressive VAT should be applied, where basic goods and services should be taxed at a lower rate, compared to benefits and other services. In order to protect the living standards of vulnerable groups in society, special care must be taken to ensure that indirect taxes are not overly dominant, in the tax system. Also, from a social point of view, direct taxes should have priority over indirect taxes. Capital income tax should be comparable to personal income tax.

A good governance, in the area of budget and fiscal policies, can only function if there is a supporting behavior culture, in line with public-oriented rules. Creating such a culture requires a long, continuous and gradual process of changing attitudes and governing actions, as the lack of this culture will not create the right trust in government and thus it will be difficult for taxpayers to pay taxes through self-declaration.

## Conclusions

Determining the fiscal burden should be the main purpose of a government's transparency, in drafting and implementing fiscal and budget policies; if this burden is not equally distributed, some economic costs will build up, which will lead to distortions in the economy.

The drafting and implementation of an efficient fiscal policy that stimulates a country's economic resources development should not only be based on changing tax rates but should orient fiscal burden on those segments of taxpayers who have the greatest opportunity. If tax cuts are not conceptualized with policies and other reforms to be undertaken by the government then this will lead to an increase in the budget deficit.

In Balkan countries, including Albania, it is noticed that the fiscal burden is still maintained by consumers and not by the real economy, thus reflecting the need to modify fiscal policy to shift the burden from consumption to capital, where rich individuals and large businesses should be the ones who should bear the main weight of such burden.

The implementation of a comprehensive reform policy is considered efficient if it relies on a higher level of management and efficient functioning fiscal capacity.

The basic principle upon which a fiscal policy is based is *the principle of justice (fairness)*. This principle requires that the law should be implemented in a comprehensive, fair and neutral manner, regardless of the taxpayer's status, so no one should have preferential or discriminatory treatment during law enforcement. It is not enough just to design a fair fiscal system, but it is very important for it to function efficiently, as taxation should be guaranteed by procedures that work in practice. The fiscal

system should be simple and transparent, easy to administer and built in such a way as to stimulate the development of the country's economic resources at the fullest. Also, for an efficient functioning of the fiscal system it is important to define and respect taxpayers' rights and obligations.

In the functioning of an efficient fiscal system it is important how such system is perceived by taxpayers. If taxpayers receive fair compensation in public goods and services, they will be willing to pay the price for it, otherwise they create the idea that their money is not spent properly and, in that way, they will not be willing to contribute. So, the better the governance is, the greatest the trust of taxpayers in the government, and the greater will be their willingness to pay taxes.

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# Assessing export challenges faced by albanian SMEs

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## Abstract

*Nowadays, small and medium-sized enterprises (SMEs) are increasingly being recognized as a vital part of a country's economy. Albania is a country in transition and after the communist era, has been on a difficult path to overcome many social, political and economic difficulties. The purpose of this paper is to analyze and investigate the SMEs in Albania and the levels of exportation as an important element for the EU integration. This study is mainly of investigative and explorative nature, aiming to conclude which industry sector exports the most and to highlight the main partners (in terms of nations) and also to identify or flag the perceived barriers that Albanian companies classify as impediments to exporting goods. The instrument used was a questionnaire of 50 items and the participants where Albanian organizations (N = 163) from different sectors of the economy. Data were analysed using IBM SPSS Statistics 20. The results indicate that the main three barriers that impede them from exporting are: the lack of planning about exportation, the difficulty of finding new clients in EU and the high levels of the accompanying risk. For 30% of the tradable sector, the difficulty of finding new clients in the European market was considered as one of the most challenging, anyway, it should be noted that only 36% of this sector plans to export in the next 1-3 years. Despite their perception towards barriers, most of the organizations were planning to export in the future.*

**Key words:** Export, Albanian SMEs, Barriers, European Union, Financial aspect, Trade Balance

## Introduction

Europe is the world's largest market, this continent offers many business opportunities, but the competition is very strong. If a business strives to be successful it must be well prepared before facing buyers. In total, the Western Balkans in 2016 had 1.3% of the total marketed in Europe (European Commission, 2017). However, the individual contribution of states was very low: Albania (0.12%), the Republic of Macedonia (0.24%), Bosnia and Herzegovina (0.26%), Montenegro (0.03%), Kosovo (0.03%) and Serbia (0.59%).

Albania has been a successful development story in many aspects. Over the last two decades the country has made galloping moves to establish a credible multiparty democracy and market economy, and is rapidly integrating into the international and European community. Since 1998, the Albanian economy has experienced rapid and sustainable economic growth and unlike other Balkan countries and many European Union countries, it has also positively increased growth during the global economic crisis (albeit with significant reductions in recent years) during 2009-2010. Up to nowadays, the impact of the crisis has been felt mainly in reducing the level of remittances and trade.

Albania's performance and challenges in the European integration process is a field of high interest to many scholars (Abazi, 2013; Laci & Hysa, 2015; Spaho, 2012; Turan & Bala, 2014). Membership in the European Union has been the national key and strategic target of Albania since the early 1990s. Albania's EU integration challenges are different and do not necessarily only relate to the country's progress in consolidating democracy, rule of law, and market economy. Albania has been a potential candidate for being part of the EU membership since 2009, later in June 2014, the European Council granted

Albania candidate status. Albania has to accomplish five key priorities for the opening of accession negotiations in order to get the membership status of EU (European Commission, 2016). These five key priorities generally have to do with overcoming previous political polarization, the well-functioning of the juridical and political system, reducing the level of corruption, the intellectual property law, etc. Albania will need to put more efforts on the overall preparations for implementing the EU acquis (European Commission, 2016).

It is important to mention that Albania is moderately prepared in developing a functioning market economy. Some progress was made in improving the budget balance, fighting informality and reforming the electricity sector (European Commission, 2016). It is quite evident that Albania's economy had an accelerated growth and improvement in the market situation, but anyway the unemployment is still high. The public debt continues to be high, meanwhile the investments are still continuing. The financial sector is generally stable, but the bank sector is still burdened with bad loans and credit is growing slowly. The ongoing justice reform is expected to have a material impact on the business environment (European Commission, 2016).

In this paper, integration perspective is seen in the view of the economic criteria, focused on the level of export. Barriers that different companies perceive in competing on the European market are analyzed and also their intention of exporting in the future is measured. It's obvious that this integration would facilitate the lives of Albanians, there would be more chances to study, travel and work abroad, and also in a national level the support would be beneficial. Being part of this community it would improve the level of import and export, and without paying any tariffs. As a result, the market would grow by stimulating more foreign and domestic investors.

## Literature Review

The definition of entrepreneurship involves the creation of value through union of the capital, taking on risk, technology, and human talent. The nowadays propagation of entrepreneurship is so high it gives the impression that it is a twenty-one-century phenomenon, but that is not the case. At the beginning of the eighteenth century, Richard Cantillon (1755), a distinguished economist is known as the first author to use the term entrepreneur. Cantillon (1755) used this term to refer to a person who took an active role in chasing chances. At the end of the eighteenth century, the concept of enterprise expanded, including more than the risk, i.e. planning, supervision, organization, and even ownership of manufacturing factors. The XIX century was a golden time for the entrepreneurial activity because of technological advancements during the industrial revolution a habitat was created suitable for continuous invention and innovation.

At the end of the nineteenth century there were other changes in this conception, because a dividing line was already established between those who provide funds and interest and those who benefit from entrepreneurial skills. During the first period of the twentieth century, entrepreneurship was seen as separate and unlike management. However, in mid-1930 the concept of entrepreneurship developed. This happened when Joseph Schumpeter proposed that the enterprise include untested innovations and technologies, defined as the process in which existing products, processes, ideas and businesses are replaced with their best forms. We cannot say by definition that this concept is now determined, because history goes on, the latest updates may change or derive this concept. In the early years of the 21st century, researchers continued to study entrepreneurship and entrepreneurship. Despite this, there are still no widely accepted theories of these studies.

## The importance of SMEs in the economy

It is true that small businesses do not generate as much money as large corporations, but in any case are a key component and major contributors to the power of local economies. First, small businesses pose new job opportunities and serve as building blocks of corporate firms (Edmiston, 2007). Small businesses also contribute to local economies by bringing growth and innovation to the community in which the business is built (McConnell, McFarland, & Common, 2011). SMEs encourage economic growth by offering employment opportunities to those people who may not be employable by corporations (Brown, 2016; Stan, 2014). They also attract talents that invent new products or implements new solutions to existing ideas. Furthermore, large businesses often depend on small, because the latter perform some business functions through outsourcing.

Many small businesses have the ability to respond and adapt quickly to economic changes, because they are often very customer oriented. Many local consumers are trusted to the small favorite businesses in times of economic crisis. This loyalty means that small businesses often have the chance to resist those periods, which can strengthen the domestic economy. According to Henderson (2015), small businesses lead to community economic growth and tend to be more flexible and innovative compared to larger firms. Attracting, developing and supporting entrepreneurs are an important component of economic development.

Although local-market oriented, small and medium-sized enterprises play an increasingly important role in international exchanges. In the economic literature of developed countries, there are four factors contributing to small and medium enterprises in the market economy:

- i) Contributions to the technological change processes;
- ii) Contributing to the conduct of sound competition;
- iii) Opening up new jobs; and
- iv) The high offer of products on the local market.

In addition to recognizing the importance of this business, the European Commission is trying to reduce to a maximum the bureaucratic restrictions and to undertake a number of measures to integrate them into a single market, hence the same conditions in all countries. In most European countries, fewer than 50 employees account for 90-99% of the total number of registered enterprises. Impact on increasing the importance of SMEs comes mainly from the increase in the share of the services sector, construction sector, and information technology.

### **SME's in Albania**

The driving force of Albanian economic development is the private sector. This sector is growing steadily, producing 75% of GDP and employs 83% of the workforce. The private sector is characterized by small and medium enterprises, whose classification is based on the number of employees, annual turnover and/or annual balance sheet. SMEs represent 99.6% of active enterprises (96.20 are micro-enterprises) contributing to the formation of 72.9% of GDP and employ 71.4% of the workforce (INSTAT, 2015). From a sectorial point of view, the SME system turns out to be composed in this way:

- i) Trade (47,14%),
- ii) Hotels, bars, restaurants, (14,76%)
- iii) Transport and Telecommunication, (9.61%)
- iv) other services (13.31%)
- v) and only 15,18% from producers (agriculture, fishing, industry, construction).

Tirana, Central Albania, and coastal areas are characterized by a large presence of SMEs. 50.35% of the enterprises are located in the Tirana-Durres corridor, which is developing as an important economic center. Other areas with a high presence of SMEs are the districts of Fier, Vlora, Korça, where 24.62% of enterprises operate. In the rest of the country, especially in northern areas, business activity is very weak due to infrastructure shortages, problems associated with an inadequate business climate and lack of skilled workforce.

Nowadays, the developed world is dealing with the analysis of the successes of the unconventional instrument, as is the quantitative easing. The Federal Reserve, the Bank of England and more recently, the European Central Bank is trumpeting the success of this instrument in a world that is still financially troubled, which, according to its cycles, marks a growth, or even a major decline. The crisis showed that market players were not prepared to manage the system they had created themselves.

### **Research Questions**

The purpose of this study was to analyze and investigate the SMEs in Albania and the levels of exportation as an important element for the EU integration. This study is mainly of investigative and explorative nature, aiming to conclude which industry sector exports the most and to highlight the main partners (in terms of nations) and also to identify or flag the perceived barriers that Albanian companies classify as impediments to exporting goods. Another aim was to classify these barriers according to each sector. In order to fulfill the aim of this study the following research questions were composed:

**RQ<sub>1</sub>:** Which industry sector of Albania exports the most and where?

**RQ<sub>2</sub>:** Which barriers do Albanian companies perceive as the main impediments to exporting goods?

### **Method**

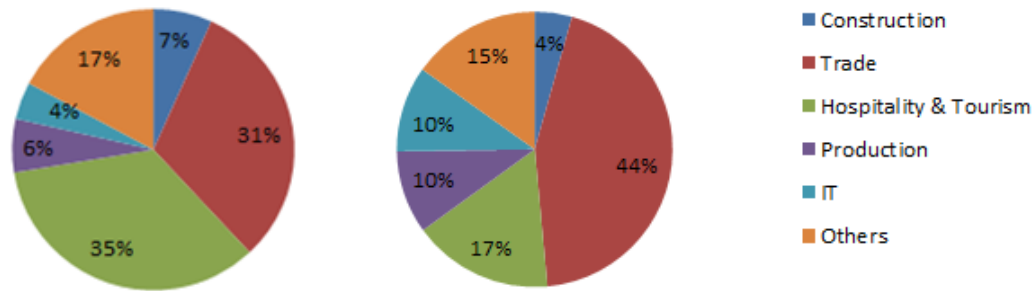
#### **Participants**

The target group for this study was Albanian companies from different sectors of the economy; the sectors were chosen based on the current percentage of their contribution to the economy. For the sample selection was followed a non-probabilistic approach but was used an intentional selection, which is the most common technique of sample selection (Marshall, 1996). According to Marshall (1996), the researcher chooses the sample that best suits the research question. This might include the development of a variable model that can influence the individuals' contribution and may be based on the researchers' practical knowledge, available literature, and the study itself. The sample size (N=163) was 163 different SMEs distributed in different sectors (Construction industry 7%, Trade 32%, Hospitality & Tourism 34%, Manufacturing industry 6%, Information and Technology 4% and Services & others 17%).

#### **Procedure of data collection**

The data collected to conduct this study are divided into secondary and primary data. Secondary data are mainly collected from articles in scientific journals or official pages and books, which relate to the literature review, whereas, primary data are collected from questionnaires filled by the selected sample.





The questionnaire was designed on the basis of the suggestions of the relevant literature and later was distributed to Albanian businesses operating mainly in Tirana but also in other important cities such as Berat, Durrës, Lezha, Fier, Elbasan, etc. In order for the sample to be more representative, it was decided that the participation of businesses should be fairly proportional to the distribution of sectors according to contribution to the Albanian Economy, which is: 43.4% Trade, Hotels and Restaurants 16.2%, Transport and Communication 9.9%, Manufacturing 9.6%, Construction 4.3%, Agriculture and Fishing 1.7%, while other services account for 14.9% (according to INSTAT).

The questionnaire used for this study included a total of 6 questions aimed at measuring the perception of companies on the barriers to export and also to measure their purposes to export in the future. Anyway since some questions were with alternatives they were considered as different variables, so the total of the considered variables was 21. The questionnaire was distributed by sectors in accordance with their contribution to the economy, the source for this information was INSTAT.

## Instruments

The variables of this study were measured using the questionnaire compiled by the author, based on studies and suggestions from different researchers, with the tendency for the questions to be as convenient as possible for the specific situation. This questionnaire aimed to measure the export level of Albanian companies in Europe, compared to the Middle East or the Balkans. The challenges or barriers encountered by Albanian traders to export abroad are also measured, with variables such as: lack of planning about exportation, high levels of the accompanying risk, difficulty of finding new clients in EU, high cost, lack of products/services appropriate for EU market, difficulty on identifying opportunities, lack of time and experience, lack information on how to export, fear from possible obstacles.

In addition, there were also a number of demographic questions and general characteristics of the company, which served as control variables: the industry sector, the company's legal status and the presence of the company on the market were some of these controlling variables.

## Data analysis and Results

The qualitative data gathered from the initial phase were analyzed by the author of the study in order to compile the instrument used for this study. Meanwhile, the quantitative data, obtained from participants' responses were analyzed using IBM SPSS Statistics 20 and Microsoft Office Excel 2010. The gathered data are non-parametrical, for this reason, descriptive analysis was used to answer the research questions.

The results indicate that the main three barriers that impede participants from exporting are: the lack of planning about exportation, the difficulty of finding new clients in EU and the high levels of the accompanying risk. About 19% of the respondents believe that the main reason why they don't export is related to the fact that it's not included in their business plan, 14.7% think that exporting has high levels of accompanying risk, meanwhile, only 1.2% of the respondents fear from possible obstacles.

Barriers on Exporting	Percentages
Lack of planning about exportation	19%
High levels of the accompanying risk	14.70%
Difficulty of finding new clients in EU	13.50%
High cost	12.90%
Lack of products/services appropriate for EU market	11.70%
Difficulty on identifying opportunities	6.10%
Lack of time and experience	4.30%

Lack information on how to export	1.20%
Fear from possible obstacles	1.20%

According to this study 70% of the Manufacturing Industry do export and 50% of them in Balkan meanwhile 20% in Europe, 40% of the trading companies export in Balkan and 16% of them export in Europe, another sector that seems to have a good percentage of exporting in Europe is Information and Technology with 29% rate, compared to 14% in Balkan. Apparently, none of the respondents is currently exporting in the Middle East.

Industry	Balkan	Europe
Construction industry	33%	8%
Trade	40%	16%
Hospitality & Tourism	2%	0%
Services	31%	0%
Manufacturing	50%	20%
Information and Technology	14%	29%
Others	27%	0%

Other important results indicate that for 30% of the tradable sector, the difficulty of finding new clients in the European market was considered as one of the most challenging, anyway, it should be noted that only 36% of this sector plans to export in the next 1-3 years.

Industry	Planning to export in the next 1-3 years
Construction industry	25%
Trade	36%
Hospitality & Tourism	0%
Services	39%
Manufacturing	80%
Information and Technology	28%
Others	7%

Despite their perception towards barriers, most of the organizations were planning to export in EU in the future. It looks like the Manufacturing sector is the first sector (80%) that plans to export in EU and license their products so that can be appropriate for that market.

## Conclusions

Globalization almost always affects transition economies, by creating new connections of the labor or capital market with the international economy. Considering the 2016 progress report by the European Commission it can be stated that Albania has made some progress in improving the budget balance, fighting informality and reforming the electricity sector. In this report, Albania is evaluated as moderately prepared in developing a functioning market economy.

Encouraging export is undoubtedly a very powerful structural adjustment mechanism that has its effect on the economy of a country. In the context of Albania's economic policy, export development is considered a key factor for improving macroeconomic indicators, especially from the point of view of improving the balance of trade and job creation. The most urgent problems that Albanian companies face when exporting are lack of planning about exportation, high levels of the accompanying risk and difficulty of finding new clients in EU.

An important finding of this study is related to the current exportation of Albanian companies toward Europe, most of the companies are exporting more in Balkan. Even though it looks like they plan to export and license their products in the next one to three years, they perceive some barriers that would need to be overcome before undertaking any further steps outside the national market. Finding new clients and building a detailed business plan on how to succeed outside our market are two of the most important steps needed to undertake prior expanding their market.

## Limitations and future researches

The major limitation of this study is that the questionnaire is self-evaluative and it would be very naïve to assume that all respondents answered questions candidly or not. As Hammond (2006) points out, if the respondents did not answer the

questions honestly, then the results cannot be a real reflection of the population. However, the application of multiple research methods helped us to avoid possible prejudices.

This study has not been extended at different times. A study extending over several sequential periodic periods would add to the ease of this search in function of efficiency in determining the goals of this study. Also, the participants involved in this study were 163 small and medium-sized Albanian businesses of various industries. But compared to the number of Albanian businesses in total, the representativeness of the sample may be questionable. It can be said that a bigger one would have helped to make a more accurate analysis. Also, the fact that only descriptive analysis is used may be limiting, other analyzes would be possible if the data were parametrical.

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# Conservative Treatment of Congenital Clubfoot with Ponseti Method

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## Abstract

*Background: Nonoperative treatment of clubfoot is accepted by most orthopaedic surgeons as the initial treatment. The Ponseti method has become popular worldwide. In our institution Kite methode has been the standart initial treatment. Thirteen years ago we introduced the Ponseti method in our institution so in this paper we are presenting the long term results of idiopathic clubfoot treatment with Ponseti method .*

*Methods: We are presenting the first 300 (200 babies) clubfeet treated by Ponseti method.during the period 2005-2015. We studied the rate of recurrence defined as the need to perform posteromedial release within the periode of minimum follow up of 8 years. Pirani Score was measured before and after the treatment. Tibialis anterior tendon transfer or repeated Achilles tenotomy was not considered a recurrence but part of the protocol.*

*Results: In our serie of 300 clubfeet only 15 (5%) had a recurrence that needed posteromedial release ( PMR). This was a baby whose parents were not compliant with foot abduction brace and did not show up regularly on scheduled visits. Achilles tenotomy was needed in 282 feet (94%) and was performed at age 2 to 3 months. The average duration of cast was 10 weeks. Pretreatment Pirani score was 5.2. Twelve feet needed a second Achilles tenotomy and 8 feet needed tibialis anterior tendon transfer to third cuneiform.*

*Conclusions: Ponseti method is the method of choice in most protocols worldwide. The success rate of our serie is 98% We hope that this will become the standart protocol in our Institution where Kite method has been the standart treatment. Compliance with the postcorrection abduction bracing protocol is crucial to avoid recurrence of a clubfoot deformity.*

**Key words:** Cast, Clubfoot, Ponseti.

# Comperativ evaluation of the current albanian health system VIS/VIS the health systems of EU countries

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Dr. Qamil Dika

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## Abstract

### *Background*

Albanian Health system has been designed and working during several decades according Semashko model which was implemented in all previous eastern socialistic countries .It has heritated several problems related to quality , safety ,old technology , in governance and the management Therefor after democratic changes on social economic situation in Albania several interventions and reforms has been conducted as well in its health system aiming to transformation and in order to able it to fulfill the new objectives and demands from patients and citizens.

### *Methods and tools*

Several documents produced by WHO , Ministry of Health , World Bank , Albanian Institute of Public Health etc are consulted and compered to identify relevant indications with regard to current situation of Albanian health system vis/vis to those of certain EU countries .Some of existing commun evaluation tools are used for this purpose .

### *Results*

The Albanian Health system has done tremendous progress to adapt some of BE countries approaches in terms of liberation and privatization of health services provision as in farmaceutical and in stomatology. The new modern technology has been introduced in imazhing , endoscopic surgery, Invasive cardiology , kidney transplantation and several new more effective drugs However several problems remain in terms of governing and management with rigid centralization , luck of public responsablity transparence and accountability. The recomandation of the Talin Charter signed by Albanian Ministry of Health on June 2018 regarding The Wole Government Health System and Wole Society Health system are not introduced yet in Albania. Unfortunately a regress has been seen in position of Albanian Health System in last year in the ranking of the European Health Consumers Index . Albania has been ranked with 544 points as the last one of the 34 countries while the three countries ranking on top have more then 855 points of 1000 points as the best achievement .Albanian patients and consumers of health services are still not in the center of the health system.

### *Conclusion*

Thanks to several reforms conducted during two decades Albanian Health systems has progressed toward a more liberal and market oriented system However it is still far to achieve EU Countries standards in terms of quality and appropriate responding to patients and citizens.

**Key words:** Health system , reforms, Indicators ,patients , citizens



# Trajtimi afatshkurtër i fëmijëve me DZHK me jastëk pneumatik abduktor dhe roli i Teknikut të Gipsimit ortopedik në trajtimin e tyre

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## Abstract

*Hyrje: Në fushën e trajtimit të displazisë zhvillimore kokso femorale (d.zh.k-f.), edhe në planin kombëtar, mbetet ende një sfidë e madhe për personelin shëndetsor trajtimi i hershëm i kësaj anomalie kongenitale. DZHK jo vetëm se është objekt i punës së përditëshme në shërbimin tonë por edhe sepse patologjia në Shqipëri dhe në vise shqip-folëse, ka një shtrirje të konsiderueshme që prej krijimit të njerëzimit.*

*Qëllimi i studimit : Konfirmimi i nivelit të Teknikut të Gipsimit ortopedik si mundësi dhe realitet plotësisht i mundshëm dhe i formuar për zbatimin e imobilizimit në trajtimin e hershëm dhe afatshkurtër me jastëk pneumatik abduktor të displazisë zhvillimore kokso-femorale.*

*Metodologjia: Marrja e informacionit nga kartelat e kartotekës së Spitalit Universitar të Traumës nga Janari 2017- Dhjetor 2017. Të dhënat janë mbledhur dhe janë analizuar nga paketa statistikore SPSS version 20. Frekuenca dhe përqindja janë përdorur për të analizuar variablet kategorik. Është vlerësuar si sinjifikante vlera  $p < 0.05$ .*

*Rezultatet: Në vitin 2017 janë trajtuar 67 fëmijë me dzhk nga të cilët 37 ose 55 % ishin të prekur bilateralisht dhe 30 ose 45% ishin të prekur unilateral. Në total janë trajtuar 104 artikulacione nga të cilat ndër 30 rastet unilateral të anësisë së djathtë ose dextra janë 17 raste dhe 13 raste janë të anësisë së majtë. Ndër këta fëmijë janë paraqitur në shërbimin tonë 3-7 ditë pas lindjes 15 fëmijë nga të cilët 4 ishin me lindje podalike, 3 ishin fëmijë me lindje para kohe dhe 8 fëmijë ishin me origjinë nga prindërit me lkf. Fëmijë ende në trajtim 17 ose 25.3%, fëmijë të dështuar në trajtimin e tyre 7 ose 10.4 %, fëmijë me rezultate të mira 24 ose 35.9%, fëmijë me rezultate shumë të mira 19 ose 28,4% gjithsej 67 fëmijë në 100 %.*

*Konkluzione. Displazia zhvillimore kokso femorale është një anomalie kongenitale e instaluar në artikulacionin kokso femoral të fetusit Ajo është e pa dukshme, por e diagnostikueshme menjëherë pas lindjes. Diagnostikimi dhe fillimi i hershëm i mjekimit konservativ edhe në nivelin infermieristik të kësaj anomalie është “profilaksia “më e mirë. Korigjimi i anomalisë së d.zh.k. bëhet nëpërmjet pozicionimit në anduksion të anësive inferiore dhe mbajtjes së tyre për një periudhë prej 4- 6-9 muaj me jastek.*

**Key words:** displazisë zhvillimore kokso femorale (dzhk), artikulacioni kokso femoral, jastek pneumatik abduktor.

# Bilanci diagnostik tek alkoolisti kronik

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**Bujar Cakani**

**Gentian Vyshka**

## Abstract

*Dëmtimet e etanolit janë të shumëfishta, progresive dhe përgjithësisht akumulative. Ato interesojnë sistemin neuromuskular, heparin e traktin gastrointestinal, sistemin riprodhues, si edhe atë kardiocirkulator. Me rëndësi të veçantë për mjekun e përgjithshëm dhe atë të familjes është realizimi i një bilanci diagnostik, laboratorik dhe imazherik të hollësishëm, përpara instalimit të një terapie të përshtatshme. Në këtë punim panoramik përshkruhen disa nga nozologjitë kryesore të provokuara nga abuzimi me etanol, si edhe ndryshimet e parametrave hematologjikë-biokimikë që shoqërojnë këtë abuzim. Nënvizohet rëndësia e një depistimi sistematik të dëmtimeve subklinike, sidomos në rastet kur përdorimi i alkoolit referohet të jetë abuziv, në vartësi edhe nga kohëzgjatja e këtij abuzimi, apo e sëmundjeve të tjera shoqëruese.*

## Hyrje

Në përgjithësi, flitet për disa “shënues” biologjikë të intoksikacionit etilik, veçanërisht kur diskutohet për hepatite alkoolike etj. Në të vërtetë, dëmtimet e sistemit nervor qendror e periferik mund të ndodhin jo domosdoshmërisht kur është shfaqur hepatiti alkoolik apo cirroza dhe në këto raste vlera orientuese diagnostike e analizave hematokimike mbetet e dyshimtë [1].

Përkundrazi, një polineuropati alkoolo-karenciale, përpos bilancit klinik, e ka të domosdoshëm një konfirmim elektroneurografik (ENG) dhe elektromiografik (EMG). Dyshimi për demencë alkoolike dhe degjenerim cerebelar alkoolik mund të konfirmohet përmes imazheve skanografike (atrofivë cerebrale dhe vermiane, përkatësisht) apo RMN-së [1]. ECHO abdominale mund të vizualizojë mirë steatozën dhe dëmtimet e tjera hepatike [2].

Flitet për stigmatet e alkoolizimit : në vijim po japim ndryshimet që pësojnë disa prova laboratorike por, siç e pohuam, ato rrahin më shumë kah dëmtimet hepatike dhe hematologjike sesa gjenden si rutinë në prekjet e sistemit nervor [3, 4].

## Testet e alkoolizimit

- (1) Rritje e GGTP (Gama-glutamyl-transpeptidazave). Vlerat normale të GGTP janë tek burrat nën ose baraz me 37 UI / l dhe tek gratë nën ose baraz me 32 UI / l. Një dozash unik i GGTP-ve nuk mund të thuhet se është pa tjetër shenjë e imprenjimit etilik [5]. Përkundrazi, në një terren anamnestik të dyshimtë dhe në kombinim me analiza të tjera, GGTP kanë vlerë të madhe orientuese, me një specificitet rreth 70 % dhe sensibilitet rreth 80 %. Po ashtu, pas 15 ditë abstinence, vlera e GGTP-ve duhet të ulet me rreth 50 % të vlerës fillestare.
- (2) Rritje e Vëllimit Globular Mesatar (VGM) i cili në normë është 85 - 95 mikrometer<sup>3</sup> (makrocitoze).

## Pasojat mbi hepar

- (1) Rritja e transaminazave është dëshmitare e citolizës. Kështu, rritet SGOT ose ASAT (aspartat-amino-transferaza), vlerat normale të së cilës janë deri në 30 UI / l; si edhe SGPT ose ALAT (alanine-amino-transferaza), vlerat normale të së cilës janë po ashtu deri 30 UI / l.
- (2) Në lidhje me metabolizmin proteik, kemi rritje të IgA-ve (vlerat normale të IgA janë 0,9 - 5,6 g / l); kemi rritje të acidit urik (vlerat normale tek burrat janë 40 - 70 mg / l dhe tek gratë 35 - 60 mg / l); si edhe ulje të uremisë (vlerat normale shkojnë 0,1 - 0,5 g / l).
- (3) Në lidhje me metabolizmin lipidik, haset një rritje e apoproteinës A1 (vlerat normale të saj janë 1,2 - 1,6 g / l) dhe po ashtu kemi një rritje të HDL-kolesterolit (vlerat normale të të cilit janë : tek burrat > 0,40 g / l; tek gratë > 0,50 g / l); trigliceridet rriten gjithashtu (vlerat normale të triglicerideve janë 0,4 - 1,3 g / l por gjithsesi më pak se 1,5).

Insuficienca hepatike në terren të cirrozës pasurohet me çrregullime të rënda të parametrave të tjera laboratorikë (ulje e nivelit të protrombinës, ulje e faktorit të V-të, rritje e bilirubinemisë). Një komë hepatike apo një encefalopati nga shunti portokaval kërkon një vlerësim total të këtyre parametrave hematokimikë, që përgjithësisht janë të alteruar në mënyrë serioze. Zbulimi i një trombocitopenie është shkas për evokimin e disa diagnozave, por përjashtimi i hemopative të bën menjëherë të mendosh se pas uljes së trombociteve (vlerat normale 150.000 deri 400.000 për mikrolitër) qëndron alkoolizmi, dhe sidomos në këto kushte duhet kërkuar një cirrozë me hipertension portal. Megjithatë një trombopeni, shpesh e rikthyeshme pas rreth një jave abstinencë, mund të shfaqet tek alkoolisti kronik edhe pa asnjë shenjë klinike të hipersplenizmit, insuficiencës hepatoqelizore apo ndonjë deficieti të mundshëm të folateve [6, 7].

## Depistimi sistematik

Ky proces duhet të kryhet tek çdo alkoolotabagist që ka kaluar moshën 40 dhe sidomos 50 vjeçare, duke kërkuar një patologji pulmonare (bronkit kronik, TBC, kancer); kancer të rrugëve të sipërme aerodigjестive; një neurit optik retrobulbar (kryerje sistematike e kontrolli okulistik); si dhe pa dyshim të alkoolopative kryesore, përkatësisht hepatodigjестive dhe neuropsikiatrike.

Që një hospitalizim dhe bilanc diagnostik të bëhet një rast heqje dorë të përhershme nga alkooli duhet që :

- pacienti të jetë i ndërgjegjshëm për vartësinë ndaj alkoolit;
- të ketë dëshirë t'i japë fund kësaj vartësie;
- të ketë tentuar ai vetë, ambulatorisht, të paktën një herë, të heqë dorë nga alkooli edhe pse pa sukses;
- ta dëshirojë ai vetë shtrimin në spital.

Në të gjitha rastet, edhe kur nuk ndodhemi përpara një kuadri psikiatrik të qartë, alkoolizmi kronik ka rezonanca jo të largëta psikopatologjike mbi pacientin dhe një konsultë psikologjike me një trajtim të specializuar të mëtejshëm (nëse do të gjykohej i dobishëm) do të ndihmonte mjaft.

E megjithatë, diagnoza klinike e *abuzimit me alkool ose vartësisë ndaj alkoolit* nuk është krejtësisht e përcaktueshme vetëm mbi bazën e të dhënave laboratorike, por kryesisht mbi dokumentimin e një tërësie problematikash që lidhen me përdorimin e alkoolit, çka nuk mund të lidhet thjesht me sasinë dhe shpeshtësinë e konsumimit të alkoolit. Kjo pse, siç është pohuar, modeli individual i të pirit është i vështirë për t'u përcaktuar dhe po ashtu, sasia e alkoolit që bashkëshoqëron nivele të larta të etanolemisë ndryshon dukshëm në vartësi të moshës, seksit, peshës, përqindjes së dhjamit trupor, si dhe përdorimit simultan të medikamenteve të tjera nga ana e personit.

## Pasojat sistematike të alkoolizmit kronik

Organi ose sistemi	Manifestime kryesore	Mekanizmi i mundshëm
Hematopoetik	Anemi Trombocitopeni Leukopeni [8]	Mieloinhibim direkt Interferencë me metabolizmin e folateve Deficit në dietë : a) acid folik b) riboflavinë c) vitamina të tjera
Mëlçia	Steatozë hepatike Hepatit alkoolik Cirrozë	Toksicitet direkt mbi hepatocitin ose e lehtësuar nga deficieti nutritiv [9]
Pankreas	Pankreatit (akut ose kronik)	Toksicitet direkt mbi qelizën pankreatike [10, 11]

Gastrointestinal	Ezofagit Gastrit Duodenit Ulçer peptike S.Mallory-Weiss Diarrea	Efekt irritues direkt Efekt mbi motilitetin dhe sekrecionet
Endokrin	Hipoglicemi	Inhibim i neoglukogjenezës
Kardiak	Miokardiopati Kardiomegali Insuficiencë kardiake kongjeste	Toksicitet direkt mbi miokard Shoqërim me deficitin në tiaminë
Muskular	Asteni muskulare [12]	Toksicitet direkt
Sistemi nervor [12] Simptoma të abstinencës :  Dëmtime specifike : --Degjenerim cer- ebelar --Atrofi cerebrale --Marchiafava- -Bignami --Mielinoliza pontine --Polineuropatia  --Ambliopia Alkoolike	Tremor Halucinacione Konvulsione Delirium tremens  Ataksi, çrreg. të statikës Funksione cerebrale Çrreg. emotive dhe psikike Paraliza pseudo- -bulbare Parestezi periferike, stepazh Turbullime të pamjes, skotoma	Toksicitet direkt mbi SNQ Ulje e shpejtë në gjak e nivelit të alkoolit  E favorizuar nga deficiti nutritiv  Toksicitet direkt nervor
Çrregullime nutriceionale (polisistemike)  --Pellagra  --Encefalopatia e Wernicke-s  --Beri-Beri  --Deficit i riboflavinës --Deficit i piridoksinës --Deficit i acidit folik --Skorbut	Diarrea Dermatite Demencë Paraliza të nervit VI kranial, nystagmus, diplopi Kolaps cirkulator, insuficiencë kardiake me ejeksion të lartë Dermatite, kelite, stomatite Anemi (sideroblastike) Anemi (makrocitike) Hemoragji peri- folikulare, hemoragji gingi- vale.	Deficit i niacinës  Deficit i tiaminës  Deficit i riboflavinës Deficit i piridoksinës Deficit i acidit folik Deficit i vitaminës C

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# Faktorët e rrezikut koronar

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Dr. Fedhon Meksi

## Abstract

**Hyrje:** Koncepti i Faktorit të Rrezikut Koronar (FR) lindi gjatë studimeve epidemiologjike të viteve 50 të shek. XX, në të cilat u lidhën të dhënat personale shëndetsore të pjesëmarrësve në kërkimet epidemiologjike, me përqindjen e shfaqjeve të mëpastajshme të kardiopatisë koronare.

**Qëllimi:** Të përcaktojë faktorët e rrezikut koronar (FR), që lehtësisht mund të identifikohen edhe në kushtet e shërbimit kardiologjik ambulator në vendin tonë.

**Metoda:** Kërkimet epidemiologjike në 50 vitet e fundit kanë eksploruar më shumë se 300 faktorë të riskut koronar, por të pakët kanë qënë ata faktorë që u kanë rezistuar analizave adekuate të potencialeve të tyre parashikuese, parë kjo edhe nga këndvështrimi i aplikimit të masave parandaluese. Me këtë rast në këtë studim, janë identifikuar dhe veçuar FR të paraqitura “si të reja” në traktatet kryesore të kardiologjisë të botuara deri më vitin 2010, të cilave u janë shtuar edhe FR të zbuluara në artikuj të ndryshëm të disa revistave kardiologjike evropiane dhe amerikano veriore të viteve të fundit, të cilat, falë aparaturave që janë në përdorim, mund të identifikohen edhe në shërbimin kardiologjik ambulator të vendit tonë.

**Rezultatet:** FR të paraqitura si “të reja” deri në viti 2010: lipoproteinemia (a), hiperhomocisteinemia, parametrat e infeksionit dhe inflamacionit, polimorfizmi genetik, postmenopauza, stressi, vonesë e rritjes fetale dhe peshe e ulët në lindje.

FR të paraqitura vitet e fundit (2010 - 2018): Proteina C reaktive, mikroalbuminuria, hemoglobinemia e glukozuar, calcifikimet e arterieve koronare (eko-dopler, angio-CT koronar nëpërmjet skanerit), dhe a. karotide (eko-dopler), rigiditeti intimal medial (eko-dopler), calcifikimet mitro-aortale (eko e zemrës).

**Konkluzioni:** Rekomandohet që gjatë praktikës kardiologjike ambulatorë, në raste të veçanta, pas anamnezës personale dhe familjare, të kërkohet informacion edhe për prezencën e calcifikimeve në a. koronare, a. karotide dhe në valvulat mitro-aortale, për rigiditetin arterial, Hb. e glukozuar dhe mikroalbumineminë.

Pas mbledhjes së këtyre të dhënave do të bëhet më i lehtë formulimi i masave parandaluese lidhur me shfaqjen e sëmundjeve aterosklerotike.

# Hernia diskale

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**Dr. Sh. Mj Iris Myftiu**

**Dr. Shk. Mj. Edvin Selmani**

**Dr. Sh. Mj. Bujar Cakani**

**Dr. Arben Gjoni**

## Abstract

*Hernia diskale është sot një nga patologjitë më të shpeshta që prek popullatën e gjithë botes. Kjo patologji ndodh përgjatë gjithë kolonës vertebrale, por pjesa lumbare dhe cervikale janë më të predispozuar. Hernia në vetvete ka të bëjë me protuzionin ose daljen e diskut intervertebral nga carja e anulusit fibroz dhe daljen e masës xhelatinoze, nucleus pulposus, jashtë, e në disa drejtime. Disqet intervertebrale dalin jashtë duke shkaktuar hernie për shume arsye, të cilat janë: traumat acute automobilistike, traumat ne sport, në punë etj si dhe shkaqet degjenerative si spondilarthroza e theksuar. Ka dhe faktore që ndihmojnë në degjenerimin e diskut sic mund të përmendim, moshën, gjendjen kockore, osteoporozën mbipeshën, aktivitetin ulët sportiv, punë të detyruara në një pozicion të caktuar, malnutricioni, sëmundje të trashëguara, probleme të vaskularizimit etj.*

*Objektivi: Analizimi i etiologjisë dhe i patologjisë së sëmundjes është fokusi kryesor për të bërë diagnostikimin e hershëm dhe për të përcaktuar menyrat e trajtimit të tij në mënyrë konservative ose kirurgjikale, si dhe menyrat e rehabilitimit qofshin ketosi për po ashtu dhe postoperator.*

*Qëllimi: Duhet të jemi shumë të vëmendshëm dhe bashkëpunues me mjekun klinikist për t'i analizuar të dhënat dhe për të minimizuar mundësitë e gabimeve diagnostikuese. Krahas ekzaminimit klinik rol të rëndësishëm kanë dhe ekzaminimet imazherike, janë ato që përcaktojnë diagnozën e saktë. Gjithashtu vlerësimi postoperator që i bëhet pacientit, në bashkëpunim me mjekun si dhe me "edukimin" e pacientit për të kryer ADL-të e tij është pika tjetër më të cilët merremi gjerësisht. Ajo çfarë na intereson është efektshmëria e fizioterapisë dhe rehabilitimit preoperator dhe ajo postoperator i pacientit.*

*Metodologjia: Ka të bëjë me përdorimin e një sërë aplikimesh dhe metodash të cilat mund të procedohen tek pacientët. Efektshmëria e procedurave fizioterapeutike janë në shumicën e pacientëve, pavarësisht rasteve kur pacienti ka një simptomatologji dhe një gradë të zhvillimit të patologjisë si indikacion për trajtimit kirurgjikale.*

*Rezultatet: Tregojnë se pacientet që i janë nënshtruar procedurave fizioterapeutike në paciente të trajtuar me metoda konservative, si dhe në trajtimet postoperative janë në mënyrë të dukshme më të mira. Këto vitet e fundit fizioterapia po fiton rol gjithnjë e më shumë, dhe çdo ditë po ndryshon mendësia e përfitimit prej saj.*

*Konkluzionet: Raste të paraqitura në qendrën spitalore janë 39 nga 50 raste që në përgjigdhjen rehabilitimin fizioterapeutik si trajtim konservativ, ndërsa 8 raste përgjigdhjen trajtimin fizioterapeutik post kirurgjikal. Kemi dhe një numër të vogël rastesh, 3 raste, të cilët përgjigdhjen trajtimin medikamentoz. Nga 39 raste të trajtura me procedura fizioterapeutike 7 prej tyre iu nënshtruan procedurave kirurgjikale pasi fizioterapia dështoi. Në këtë moment në krahasim rikthimin e pacientëve në aktivitetet e jetës së përditshme dhe pamë se pacientët të cilët kishin kryer terapi ushtrimore u rikthyen më shpejt në ADL-të e tyre sesa pacientët të cilët nuk kishin kryer terapi ushtrimore. Realizuar protokolle të caktura sipas tipit të hernies si Mckenzies ose Williams, dhe pame rezultatet e mesipërme.*

**Fjalë kyç:** Hernia, diagnostikim, rehabilitim.

# Financing health care through health insurance in Albania

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## Abstract

*Albania for the first time has applied the health insurance scheme, adapted from the Bismarck model, in 1994, the health system up to then based on the Semashko model, adapted extensive reforms, transforming to that of the Bismarck model, reflecting also the characteristics of the country.*

*In 1995 the application of the health insurance scheme started, which is based on the contribution of 3.4% of the salaries of the employees. For many other categories, impossible to pay, such as children, students, retirees, invalids etc, their contributions to health insurance are paid by the state budget.*

*This scheme is faced with its problems due to the long transition in Albania as well as the high level of informality, that continues even today.*

*This is a descriptive, comparative study which aims to highlight the progress of the health insurance scheme in Albania over the years of transition and to present the recommendations for its improvement, referring to the successful models.*

*Currently, the health insurance scheme has been expanded aiming at universal coverage. This scheme finances primary health care, public hospital service, reimbursable drugs list and 10 hospital services provided by the private sector.*

*The contribution of citizens is currently 0.6% of the State Budget, or 90.5 million Euros. This value is relatively low, only 29% of the total budget of the health insurance fund. The rest of this budget, of around 315 million euros is covered by the state budget as a contribution to the categories impossible to pay.*

*It should be noted that the health insurance rate is the lowest in Europe (only 3.4%) which favors patient out of pocket payment for access to the health service.*

*Recommendations of this study consist:*

*1. To consider the possibility of increasing contributions by compulsory health care providers from 3.4% to comparable levels, at least with the region or the average European countries' level.*

*2. Establish the possibility of amending the law to enable the creation of other health insurance funds, thus enabling competition in the financing of health services.*

*3. Establish the possibility of choosing citizens on the health insurance agency, guaranteeing the recognition of their contributions to them.*

*4. Extend the health care financing scheme by contracting private operators, so that the patient is the one who chooses the health care provider after the co-payment mechanism is guaranteed.*

**Key words:** health insurance; financing of health care; co-payment.

# 10 vjet ne mjekimin e semundjes renale kronike ne Spitalin Amerikan Tirane

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A. Dedej  
F.Nasto  
A.Strakosha  
N.Pasho  
A.Hodaj  
A.Daku  
N.Thereska  
S.Ersoz

## Abstract

Sot sikurse ne te gjithë botën, ne Shqipëri lidhur me trajtimin e semundjeve renale kronike realizohen disa menyra trajtimi . Ne Spitalin Amerikan prej vitit 2008 ne SA3 trajtohen me hemodialize 100 te semure dhe prane SA2 rreth 80 te semure dhe prej nje viti ne SA1 rreth 60 te semure,pra rreth 3 qendrat me te medha ne Shqipëri . Ne vendin tone ka rreth 12 qendra hemodialize te shperndara ne te gjithë Shqipërine . Persa i perket dializes peritoneale kemi nje qender ne Tirane prane QSUT , ku trajtohen te semure te cilet kane veshtiresi te trajtohen me hemodialize, aty trajtohen rreth 50 te semure. Persa i perket transplantit te veshkave ne vitin 2007 u krye transplantit i pare i veshkave ne Shqipëri prane Spitalit Amerikan ne Tirane. Qe nga ky vit deri ne fund te vitit 2018 jane kryer 170 transplante ne kete spital . Ne spitalin shteteror ne Tirane ne mars 2009 u krye transplantit i pare i veshkave . Moshë mesatare e te semureve te transplantuar ka qene afersisht 32 vjec dhe e dhuruesve rreth 43 vjec. Dhuruesit kane qene te gjithë te shendetshe, pa semundje paraprake , me lidhje familjare reciproke me te semuret. Keshtu deri ne vitin 2017 ne 51% te rasteve e ka dhuruar nena; ne 15% babai ;ne 10% motra 15%;ne 23% bashkeshortja dhe ne 1% te afermit . Te semuret kane qene nga Shqipëria dhe nga Kosova . Ne rreth 80% te rasteve, te semuret e transplantuar kane qene paraprakisht te trajtuar me hemodialize dhe ne 20% nuk kane qene ne trajtimin, por I jane nenshtruar direkt transplantit te veshkave. Ne 3 vitet e fundit te semuret e transplantuar ne 9 raste kane qene me Hepatit B dhe ne 11 raste me Hepatit C . Ne 14 raste u zhvillua pas transplantit flakja akute ne 18 te semure te cilet u trajtuan me imunosupresore. Trajtimi i perdorur ka qene me MMF; prednisol; tacrolimus ose ciklosporine. Ekzaminimet e kryera para dhe pas transplantit kane qene te shumta. Po ashtu jane kryer dhe nje sere ekzaminimesh per dhuruesit e veshkave . Si trajtimi me hemodialize dhe me transplant vazhdon me sukses te plote ne Spitalin Amerikan ne Tirane dhe ne disa dege te tjera te tij (persa i perket hemodializes ) si Durres, Fier etj

# Probleme te dhimbjes. Dhimbja si nocion

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**Prof. Pirro Prifti**  
UET

## Abstract

*Dhimbja eshte nje simptome Subjektive dhe si e tille vleresimi I saj eshte subjektiv por ne dhimbjet akute Dhimbja mund te nenkuptohet ne menyre objective nga ndryshimet ne Shenjat Vitale.*

*Dhimbja është një eksperiencë e pakëndshme, emocionale dhe ndjesore që shoqërohet me dëmtim aktual ose potencial indor, ose përshkruhet me anë të këtij dëmtimi.*

*Raporti i dhimbjes nga vetë pacienti, duhet të konsiderohet i mjaftushëm për vendosjen e dhimbjes dhe matet nepermjet nje shkalle te Dhimbjes, nga Dhimbja e Moderuar 1-4, Dhimbja e mesme 4-7, dhe Dhimbja maksimale 8-10 , ku 10 eshte dhimbja maximale.*

*Dhimbja duke qënë një eksperiencë e pakëndshme, shoqërohet me një përgjigje emocionale (vuajtje, ankth) dhe një përgjigje fiziologjike të organizmit ndaj dhimbjes..*

*Dhimbja mund të nxisë mekanizma mbrojtës p.sh.fluksi i shtuar simpatik çon në mbrojtje, spazmë muskulare, takikardi, hypertension*

*Ajo identifikon dhe mbron vëndin e dëmtimit, ruan likidet e organizmt, aktivizon përgjigjen e stresit.*

*Dhimbja është një përgjigje ndaj stimujve, të cilët mund të jenë fizikë ose psikogjen.*

*Dhimbja është shumë individuale, është një ndërveprim kompleks ndërmjet fiziologjisë dhe psikologjisë.*

*Lehtësimi i dhimbjes mund të bllokojë si receptorët dhe perceptimin e sinjaleve të dhimbjes.*

*Dhimbja lind lind nga aktivizimi i nociceptorëve periferikë. Këta nociceptorë janë degë terminale të fibrave të vogla sensore C të pamielinizuara dhe fibrave nervore A-delta me shtresë të hollë mieline.*

*Shumë nga këta receptorë mund të stimulohen nga stimuj mekanik ose kimik, të ftohtë, të nxehtë dhe ata inervohen nga fibrat C.*

*Në varësi të kohëzgjatjes, dhimbja mund të klasifikohet në akute ose kronike (kur zgjat më shumë se 6 muaj).*

*Dhimbjet mund te ndahen ne :*

*1-nociceptive ,perfaqeon nje pergjigje normale ndaj stimulit te demshemne muskuj,inde, viscera etj*

*a. Somatike, kur e kanë origjinën në lëkurë, fascie, kocka dhe artikulacione.*

*b. Viscerale, kur shkaktohet si pasojë e distensionit, ishemi, kontrakturave, inflamacionit të organeve kavitare dhe kapsulës së organeve.*

*2- Neuropatike, që shkaktohen nga dëmtimet e indit nervor nga trauma, ishemia, ose inflamacioni.*

*3-Inflamatore si rezultat i aktivizimit dhe sensibilizimit të rrugëve nociceptive nga mediators të inflamacionit si: IL-1-ALFA, IL-1-BETA, IL-6, TNF-ALFA, CHEMOKINAT, Aminat vazoaktive, Lipidet, ATP, ACIDET, Faktoret që leshohen nga infiltrimi i leukociteve në plaje, qelizat e endotelit vascular, qelizat mastoid të indit rezidente.*

*Në Dhimbjen akute, shenja fiziologjike të dhimbjes përfshijnë djersitjen, hipertensionin, takikardinë, takipnenë, pupila të dilatuara dhe sjellje të tilla si grimasa, ngërdheshje dhe rënime. Dhimbja akute është pasojë e shumë situatave klinike si: angina, trauma dhe djegjet, abdomeni akut, hernia diskale, dhimbja postoperative etj.*

*Ne Dhimbjet Kronike përfshihen dhimbjet e shkaktuara nga proceset malinje, nga semundje kockore kronike, tek Pacientet ne Reanimacion. Dhimbja nociceptive perioperative, mund të rritë ndjeshmërinë e sistemit nervor periferik dhe qëndror.*



*Shpesh janë dhimbje miofasciale që rezultojnë nga qëndrimi, shtrëngimi dhe pozicionimi.*

*Po ashtu faktorët emocionale dhe psikologjikë, ndikojnë në dhimbjen kronike .*

*Procesi i vlerësimit nuk është thjesht një moment, por është i vazhdueshëm. Informacioni i mbledhur nga vlerësimi i lejon pacientit, mjekut dhe infermierit të formulojë një plan kujdesi për menaxhimin e dhimbjes.*

*Lokalizimi i dhimbjes.- përdoren diagramat anatomike, për të ilustruar lokalizimin e dhimbjes.*

*Intensiteti I dhimbjes- personi që e përjeton dhimbjen është i vetmi, i aftë që ta përshkruaj me saktësi intensitetin e saj.*

*Perhapja ose Iradiacioni I dhimbjes- ne zona të ndryshme të organizmit madje edhe larg vendit origjinal të dhimbjes.*

*Pragu i dhimbjes, është pika në të cilën një stimul perceptohet si i dhimbshëm.*

*Toleranca ndaj dhimbjes ne persona të ndryshëm është e ndryshme dhe varet nga:*

*“kohëzgjatja ose intensiteti i dhimbjes që një person është i gatshëm të durojë.*

*Toleranca e një pacienti varion nga një situatë në tjetrën.*

*Në tolerancë individuale ndaj dhimbjes mund të ndikojë gjëndja emocionale e pacientit, shkalla e lodhjes dhe vlerësimi ose mendimi për dhimbjen.*

*Një eksperiencë e mëparshme me dhimbjen shpesh shoqërohet me tolerancë më të ulët, me një nivel më të lartë të ankthit, sepse pacienti e ka përjetuar se sa e madhe është dhimbja dhe sa e vështirë është të lehtësohet ajo.*

*Psikologjia e Dhimbjes - Perceptimi i sinjaleve të marra, influencohet nga faktorë të ndryshëm psikologjikë duke përfshirë:*

*- kulturën*

*-parashikimin, parapërgatitjen (eksperiencia e kaluar, frika, keqinterpretimi).*

*-shpërqëndrimi.*

*-Kultura ndikon, ku dhe si duhet pranuar dhimbja.*

*-Parapërgatitja*

*-Shpërqëndrimi*

*Trajtimi I Dhimbjes Akute behet kryesisht me NSAID dhe Opioidë, Në rastet e Dhimbjeve Akute maximale trajtimi behet me Opioidë.*

*Dhimbjet Kronike trajtohen me NSAID por edhe me Opioidë të kombinuar me Trankuilizante minore dhe/ose medikamente shtese simptomatike.*

# The role of physical activity in decreasing the health care costs for obesity in Albania

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## Abstract

*After 1990s the pluralist system was installed in Albania, and the society was faced with a series of changes in lifestyle including the nutrition and the physical activity.*

*In 1995 in Albania another health system has been applied. During communist system Albanian society had many deficiencies in terms of quantity of food, so the cases of obesity were almost rare. It should be noted that in this political system there was strictness regarding the physical activity that should be performed by specific groups of society. After this, Albanian society faced several new developments, the citizens had the opportunity to consume more food products, because they were largely present in markets. The food consumption was in high levels, as well as not healthy products such as drinks with added sugar (coca cola, pepsi etc). On the other side the society in general was unprepared to deal with these phenomenon, even health and state structures in general were not prepared to avoid this phenomenon which during the years 1990-2005 massively affected the Albanian society, focusing largely to the childhood and young age group.*

*This study is a descriptive one which aims to promote the prevention of obesity through education and health promotion, to reduce funding of the state budget for the implications of this illness.*

*The Albanian society after 10 years, during which the consumption of food products increased, time dedicated to the physical activity decreased considerably. The number of cases with obesity has increased considerably, and the number of people affected by diabetes increased as a direct result of prolonged obesity among them.*

*The budget spent by the state and government agencies on the complications caused by diabetes increased.*

*After 2005 we notice raising awareness of citizens and society in general for a healthy lifestyle. Currently, the citizens are more aware and consider the quantity and quality of the foods they consume and have significantly increased their physical activity. There is an increased number palaestras, is well known the concept of dietetics and there are currently many dieticians in different institutions that offer their diets for citizens, students and patients.*

*Parents being aware for their children's health, encourage their children to practice different sports encouraging them for healthy lifestyle. Since 1995 the state budget has steadily increased the expenditures to cover the costs of diabetes in primary health care, hospital health care, and its medications.*

*Recommendations:*

- 1. Education institutions (kindergartens, schools, universities) should have their own dietician.*
- 2. In school curricula it must be included as part of the modules or as a special module, "nutrition".*
- 3. The central and local government should create many conditions and encourage numerous programs to promote physical activity among young people and other groups of Albanian society.*
- 4. Public health should develop many programs that affect the education of a healthy lifestyle with the focus on healthy diets and the involvement of physical activity in partnership with the media. These measures should aim to prevent obesity, which directly affects the reduction of obesity care costs.*

**Keywords:** obesity; public health; prevention; financing

# Depisitimi i patologjive te prostates me metoden e imunofluoreshences ne matriks nitoceluloze

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Dr. Stelijan Buzo

## Abstract

### HYRJE

Hipertofia beninje e prostates dhe kanceri i prostates, jane patologji problematike te cilat prekin nje perqindje te larte te meshkujve ne moshen mbi 45 vjeje.

Suksesi i mjekimit te ketyre patologjive eshte i lidhur ngushte me diagnostifikimin sa me te shpejte te ketyre patologjive. Krahas ekzaminimeve klinike dhe imazherike percaktimi i antigenit specifik prostatik (TPSA) luan nje rol te rendesishem per te diferencuar hipertrofine beninje te prostates nga kanceri i prostates.

### QELLIM I STUDIMIT

Ka shume metoda laboratorike per te percaktuar TPSA ne serum. Nder keto metoda mund te permendim metoden imunoenzimike ELISA, metoden e imunofluoreshences se polarizuar dhe metoda e kemioluminishences.

Metodat e lartpermendura jane te sakta dhe kane specifitet te larte. Megjithate keto jane metoda te shtrenjta dhe realizimi i tyre kerkon teknologji te larte dhe personel shume te kualifikuar.

Metoda e percaktimit te TPSA me imunofluoreshence ne pllake celuloze eshte nje metode e re depistuese per pacientet me risk.

Kjo metode depistuese eshte e shpejte, ekonomike e sakte dhe mund te perdoret me lehtesi si nga laboraret e vogla ashtu edhe ne kabinetet mjeksore.

### MATERIALE DHE METODA

Me metoden e imunofluoreshences ne nitroceluloze u mat perqindrimi i TPSA ne 50(pesedhjete) paciente te diagnostikuar me hipertrofi beninje te prostates. Gjithashtu me kete metode u mat perqendrimi i TPSA dhe ne serumine e 30 pacienteve me patologji malinje te prostates. Te dhenat e fituara jane perpunuar me metodat e matematikes statistikore.

# Diagnoza ekografike e formacioneve nodulare te Tiroides

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**Prof.Dr.Tahir Hysa**

## Abstract

*Glandula Tiroide u identifikua per here te pare ne vitin 1656 nga anatomisti Tomas Warton emrin e te cilit mban sot duktusi i gjendres salivare submandibulare.*

*Gjendra Tiroide ndodhet ne qafe ne pjesen anterior te saj nden kercin krikoid. Perbehet nga dy lobe te lidhura mes tyre me nje urez te vogel dhe qe ngjason me nje flutur. Patologjite esaj jane te shumta te perhapura dhe bejne pjese: hipertireoza, hypotireoza, patologjite autoimmune si dhe patologjite inflamatore. Ne praktiken e perditshme hasan me shpesh strumat e Tiroides qe jane shprehje e nje reflektimi te sforcuar te gjendres Tiroides nga mungesa e jodit apo shprehje e nje funksioni te crregulluar autoimun apo inflamator. Struma mund te jete e thjeshte difuze ose nodular.*

*Egzaminimi Ultrasonik i Tiroides eshte metode e thjeshte, e lehte, pak e kushtueshme, jo e demshme dhe nuk kerkon pergatitje. Ajo e evidenton ndryshimet morfologjike dhe konsiderohet si egzaminim kryesor por pas atij klinik dhe hormonai. Normalisht Tiroida ka nje ekogjenitet uniforme ne gjithe shtrirjen e saj. Ne patologji te ndryshme verehen ndryshime te ekogjenitetit gje e cila ndihmon ne percaktimin e natyres se patologjive.*

### *Qellimi*

*Qellimi i ketij punimi eshte te percaktoje llojshmerine e lezioneve (noduse dhe kiste) , te percaktoje lokalizimin e tyre( lobi I djathte, i majte dhe ismusi), te percaktoje ekostrukturen (hiperekogjene,hypoekogjene dhe heterogjene), te percaktoje numrin e noduseve (te vetme, te shumta) si dhe pranine e mikrokalcfikimeve ne keto lezione.*

### *Materiali dhe Metoda*

*Objekt te ketij punimi jane 48 te semure te derguar per egzaminime ekografike per nje periudhe 2 vjecare (2016-2018} prej te cileve 45 raste jane me patologji te Tiroides dhe 5 raste jane me kiste te Duktusit Tireoglos.*

### *Diskutimi*

*Mosha me e vogel e te semureve tane ka qene 18 vjec dhe me e madhja 58 vjec. Lokalizimi ne 14 raste ka qene ne lobin e djathte, ne 20 raste ne lobin e majte dhe ne 9 raste ne tedy lobet njekohesisht.Ne 37 raste lezionet kane qene te natyres solide ,ne 6 raste te natyres kistike, me shume noduse kane qene 24 raste ,ndersa me nje nodue 13 raste Vetem ne 5 te semure Glandula Tiroide ka qene me aspekt normal pa ndryshime ,por aspekti kistik ikonstatuar ne afersi te gjendres Tiroide i perkiste kistit te Duktusit Tireoglos.*

### *Perfundime*

*Pjesa me e madhe e ndryshimeve atologjike te Glandules Tiroide kane qene noduset solide me shume raste me noduse te shumta, predominojne noduset hiperekogen te lokalizuara me shume ne lobin e majte.*

# Forecasting and Improving Obstetrical Emergencies Management

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## **Abstract**

*Predicting and management for probable emergency events is challenging, especially in obstetrical discipline. At a least, should include an assessment of possible or actual risks related to the practice setting or the patient population, in this case to pregnant women. For example, in the outpatient setting, we should emphasize if the screening test, consultations, follow ups, medications given or procedures performed that may result in emergency that compromises the fetal and maternal health. In inpatient-hospital setting, we should know our capacity, in respect to physical, human resources and adequate equipment and risk management data may reflect common and uncommon emergency situations that have occurred. The implementation of inspection programs and multidisciplinary collaboration with all staff members involved will enhance success.*

*Furthermore, in obstetrical emergencies are involved not only midwives and obstetrician-gynecologist, nonetheless nowadays we should associate participation of front line team members, like medical staff of pre hospital care, and other staff as clerks or bedside nurses should be empowered as a vital part of a purposeful team.*

*In conclusion, emergencies are often life threatening events, especially in obstetrical care and frequently leave consequences in fetal and maternal care. Professional care given within time frame is the key of successful management that frequently involves multidisciplinary team.*

**Keywords:** Emergency, obstetrics, predicting, management



# Aspekte kliniko-bakterologjike të hemokulturës

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Prof. Dr. Robert Andoni

## Abstract

*Infeksionet e gjakut janë sëmundje serioze që kërcënojnë jetën e të sëmurit. Që të realizohen këto infeksione duhet që në gjak një numër i madh bakteresh sa të kapërcejnë kapacitetin normal të mbrojtës së organizmit; të kemi dëmtim preekzistues të mekanizmave mbrojtës dhe një përshtatje të baktereve invadues për të mbijetuar në gjak.*

*Ekzaminimet invasive, terapia imunosupresive dhe ajo me antibiotike që sjellin seleksionimin e shtameve rezistent ndikojnë gjithashtu.*

*Në rastet e bakteremive elementet kryesore diagnostike është hemokultura. Në prezantimin në vazhdim flitet për indikacionet e hemokulturës, mosha, ulja e kapaciteteve imunitare temperatura, leukocitoza, dekompozimi metabolik, mjekimi me imunosupresor etj.*

*Problemi i pranishëm se antibiotikeve në gjak dhe e koagulimit të gjakut ( që qarkon bakteret dhe e mundësisë së mënjanim të tyre nëpërmjet likucidet që i shtohet terrenit është me rëndësi.*

*Marrja e gjakut, një veprim në dukje i thjeshtë, ka të bëjë me rezultatet e pritshme të hemokulturës.*

*Për specialisët bakteriolog jepen me hollësi procedurat e mëtejshme të hemokulturës, identifikimi i mikrobeve të vecuar, kryerja e testeve përkatëse të identifikimit dhe kryerja e antibiogramës dhe në fund jepen të shkruara për vlerësimin dhe interpretimin e rezultateve të hemokultures; në radhë të parë për konsideratën e një homokulture pozitive ( kur klinika përkon me atë që jep mikrobin e vecuar, kur i njëjti bakter është gjetur në 2-3 të hemokulturës, kur në serum vërehen antitrupa, përkundër baktereve të vecuar etj).*

*Flitet gjithashtu për hemokulturat që rezultojnë të kontaminuara dhe ato negative që na bejnë të mendojmë për sëmundje të tjera si ethe Q, malarje apo dhe sëmundje të tjera të parazitëve, imunologjike apo dhe alergjike.*

**CIP Katalogimi në botim BK Tiranë**

The knowledge society : diagnostics and prognoses :  
konferenca ndërkombëtare shkencore në ditët e studimeve shqiptare :  
edicioni VI / Tiranë, 2019 : proceedings / Universiteti European i Tiranës.  
– Tiranë : UET Press, 2020  
148 f. ; 21 x 29.7 cm. - (Acta Scientiarum ; 25)  
ISBN 978-9928-236-98-2  
1.Shkenca shoqërore 2.Zhvillimi i ekonomisë 3.Zhvillimi shoqëror  
4.Konferenca



