

Albania in the Context of the European Economic and Political Crisis

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A research paper developed in the Summer School "Teaching the crisis – Geographies, Methodologies, Perspectives"

Introduction

To understand and analyze the Albanian situation - more specifically its importance in relation to global politics and within the context of the European Union - one could use three lenses:

1. One can analyze Albania through a lens of psychoanalytic theory and perceive the country's situation as a symptom of global and more specifically European traumas. This approach could help us understand the problems not only of Albania, but of Europe itself.
2. A lens of Hegelian dialectics would render the country as the necessary opposite, an irreducible part of no part of the European Union. This suggests that eastern European countries aren't outside of the European Union, but actually the constitutive part of it by simply being outside. (An exemplary thought experiment would be to ask where the European Union can seek for legitimacy through referendums; inside or outside the Union?)
3. And lastly, one can perceive Albania as a residue of the global economics and politics. This approach, in turn, suggests that there is nothing to understand or hope for from a quasi-failed states like Albania, and so one should not get caught in the idea that universal truth can be found in Albania's economy and/or politics.

Yet, I do not propose using any of these three lenses here. Regardless of what method one chooses to approach the Albanian problem, I believe we should first - once and for all - depart from the popular myth of the Balkans as a remote backward region caught up in its own tribal, national and ethnic strife. As I learned during the conference and through exchange with other presenters, the problems my country faces are nearly identical to the problems of other countries in Europe. The importance of understanding this cannot be underestimated.

I wish to argue that that the Albanian catastrophe, starting with the pyramid schemes in 1997, traumatically constituted a certain ideology that would stay unchallenged as the country's only reality. It is this very ideology that purported itself suitable to deal with the upcoming crisis - an ideology that was itself constituted through a crisis. It presents the European Union as the subject supposed to know, the ultimate master whose suggestions - in collaboration with the IMF and the USA - will lead to a stable and developed Albania. This conference helped me see much more clearly the sharp contrasts between Europe in crisis as presented by other participants, and Europe as the "promised land" that is being presented to the Albanian public.

The Crisis of 1997

Between 1992 and 1997 several well-organized individuals and groups started operating throughout the country informally collecting money from Albanian citizens and, in return, promising refunds plus a considerable profit within a short period of time. The deals promised anywhere between 200% and 300% of gain in less than 6 months. In 1996 the situation started getting out of control, as none of the collecting agencies were able to refund their unassuming investors. By then almost every Albanian family got involved in such schemes. The amount “invested” became equal to 50% of the GDP. That same year, Albania held its general elections. The Democratic Party won, but the opposition and the international community disputed the elections as problematic and manipulated. A year later, in 1997, Berisha was re-elected President with the opposition boycotting the parliament and massive protests starting across the country, mostly comprised of people who fell for the aforementioned scheme and who were now demanding their money back. Several groups organized, starting in south Albania, raided the army warehouses and paved the way for a large portion of Albanians to become militarized. They felt threatened by Berisha’s police, secret service and the army. Ultimately, with a large number of weapons circulating the country, no one felt safe anymore. The result: vigilante groups ruled parts of the country, the government lost control, and more than 3000 people were killed in a quasi-civil war that lasted nearly a full year.

In this chaotic situation, The Democratic Party and the opposition led by the Socialist Party (the reformed Party of Labour), despite their differences, united as an interim governing body called the Government of National Reconciliation. Italy exercised a lot of pressure to organize their first meeting, and had promised to lead the 7000 international troops on behalf of the Albanian state to take control of the territory. At that point, Italy was experiencing the second exodus of immigrants from Albania. When Albania became a member of NATO in 2008, Berisha excitedly proclaimed it a “miracle of freedom.” To a certain extent, he was right; Berisha’s NATO allies were indeed a miracle of freedom as they saved him from his own poor, angry and armed people.

Early Elections were then held in June 1997 and the Socialist Party won by promising the Albanians they would find a way to get their money back, which they never did. But the post-1997 Albania represents more than just a change of governments. The sociopolitical quagmire provided some crucial lessons that would redefine the country’s ideological field of struggle:

1st Albania was not democratic, but on a long transition to democracy, and where technocracy would be the new Communist Manifesto. The phrase “transition to Democracy” is one of the most used phrases in the Albanian political rhetoric. One can notice here a deterministic language.

2nd In this transition, the economy is existential as the pyramid schemes proved it to be.

3rd The Albanian political establishment apparently can’t lead through this transition but serves more as a mediator between the Albanian state and society, and the European Union.

4th The Albanian government has to follow the advice of the European Union, IMF, and the international community in general, because they are the ones who saved Albania from the economic crisis and from Albanians themselves.

5th The people’s utopia of taking control and resisting beyond the limits of Representative Democracy meant that chaos, anarchy, bandits and death would take over. In 1997, the attempts of Albanians to organize the so-called committees of public salvation failed miserably at the hands of gangsters who swiftly took control.

The Neoliberal Albania of post-1997 and The Economic Crisis

These are the main ideological constellations that have defined Albania since 1997. You should bear in mind that from then on nothing is done in Albania without proclaiming that it serves to the Albanian primary principle of European Integration. From the name of governments like “the Government of European Integration” to the ambassador of European Union giving interviews on the values of Albania and the values of creating a family, Europe remains the main ideological pillar.

As for the economy, the Socialist Party that ruled the country from 1997 to 2005, took the first measures to build a regulated market based economy. They introduced the first private banks, most of them were either Greek banks or administered from banks in Greece. Greece and Italy were the primary economic partners of Albania. Most of the foreign direct investments came from them. But these sectors have not been affected seriously by the global economic crisis since the Albanian economy is not very integrated in the global market and banking system.

The construction sector of the economy experienced a boom in a territory without any urban or rural planning whatsoever occupying 14% of the GDP. This continued till the global crisis hit (Tirana for example is a city where one can see the symptom of this kind of development). The construction business is considered by a political analyst as the second pyramid scheme that Albania has gone through, but its effects are to be seeing in the near future.

What really played a critical role in rescuing the Albanian economy were the remittances that came from diaspora. There are 700 000 Albanians living in Greece (4.4% of the Greek population) and 300 000 living in Italy, not to include the immigrants living in other countries. What Albania is experiencing now is an “exodus” of immigrants coming back. More than 40 000 immigrants have come back to Albania since the crisis affected Italy and Greece. Two weeks ago a 17 year old girl committed suicide. Her family was forced to return from Italy, she was raised there and wanted to study in Italy and couldn't live in Albania. Many returned immigrants have tried to open small businesses but their businesses have gone bankrupt. The majority of them don't have jobs. Their kids don't speak and write Albanian properly. While they consume their savings, they hope that Europe will get back to its feet quickly so they can return back to immigration.

Berisha Takes Power

Berisha and his Democratic Party won the elections again in 2005 and have led the country for 2 terms till 2013. Since the social situation was stabilized to a certain extent, Berisha stayed faithful throughout these years to his neoliberal agenda. First of all, he has constantly tried to control independent institutions such as the general prosecutor, the Presidency, the judiciary and various other institutions. One could say that Berisha has the profile of Erdogan to a certain extent.

- He has implemented a flat tax of 10% on corporate income—one of the first countries to do this in the region.
- Public properties are sold in ridiculously low prices, from parks to army barracks.
- Healthcare is supposed to be affordable to Albanians, but due to the lack of investments by the Government, people are forced to go and get their treatment from newly opened private hospitals unaffordable to Albanian families.
- His government has invested only in infrastructure, more specifically on highways and roads, and has reduced the funds for the local government. Some successful investments are done actually in agriculture helping the farmers.

- Based on the recommendations of IMF to fight the effects of the crisis, his government has reduced the public administration by 10% and the administrative spending by 25%.
- A new financial reform was planned for the higher education where the public budget on higher education will be divided between public and private universities in the name of fair competition

On March 15th, 2008, 26 people died in a village near Tirana due to an explosion in a factory where army shells were being dismantled by villagers without any safe working conditions working on behalf of NATO suggestions to dismantle the arms of the Dictatorship Era. Natural resources like chrome and oil are exploited viciously by monopolistic companies related with Berisha and his family. An example of this is the city of Bulqiza with the so-called death-mines. We are periodically informed that a miner has died inside the galleries working under miserable conditions. The city is dependent on the mines, but differently from 20 years ago when it employed 10 000 workers now it employs only 600. The different companies exploit the mines for a year or so and they leave without investing to improve the conditions of the mines and the conditions and wages of the workers.

Bulqiza is one of the first sites of struggle in Albania after the crisis but not necessarily related directly with the crisis. 25 miners entered in a hunger strike in July of 2012 demanding investments inside the galleries of the mines, an increase of wages, safe conditions of labor and the lowering of the retirement age. The first reaction of the government was that this has to do only with the contracts between the workers and the company. The workers managed to get an increase in wages but now the mines risk of being closed completely because they're exploited viciously without improving their conditions. I've participated myself in their protest on the 1st of May and in other occasions but no one shows attention to a group of 150 protesters desperately in need of solidarity, differently from what happened in Spain when the miners from the North came to Madrid to protest.

Another strategic sector for the Albanian economy is the Electricity. Based on the instructions of IMF and WB, which later called it a history of success, the distribution of electricity was privatized in 2008-9 to a company called CEZ which is a Czech company. But the company increased by almost 200% the price of electricity, paid ridiculously high wages to its own directors, reduced the labor force, didn't invest on the technology and started billing families (1500 by now have denounced cases like this) for a quantity of electricity they didn't consume. The losses in the system since 2009 have increased to 50% of the electricity that is distributed, most of it because people can't pay the bills. The debt accumulated by Cez is around is 360 million Euros.

This same company is one of the 3 that operate also in Bulgaria where massive protests started in February of this year. But the Albanian government removed the license to CEZ in January and in a sense nationalized it. It's interesting the response of Czech Republic to this case. They said that the Albanian government is seriously risking its integration in Europe by these practices. The irony is that the distribution of electricity right now is managed a lot better than before, although it's the corrupted government who is doing it.

Berisha in Crisis

In the second term the Government that Berisha formed in coalition with another party called the Socialist Movement for Integration (formerly part of the Socialist Party) increasingly lost their legitimacy. The reasons vary from the high level of corruption in Government, on which I will show you a video in a min, the stagnation of the economy because of the Global economic crisis, and the high percentage of unemployment which officially is only 12.8% but in reality it is a lot more than that. The consequences of this loss of legitimacy started with a scandal in January 2011 when a video was released showing Ilir Meta, the Minister of Foreign Affairs at the same time the leader of the Socialist Party for Integration discussing with the vice-leader of his party on a bribe of 700 000Euros that a company, more precisely an individual, had offered to win the tender on the construction of a waterplant to produce energy.

The opposition and the Socialist Party called for a demonstration on the 21st of January. This is the year of dreaming dangerously. The guards in front of the prime ministry killed 4 people in that demonstration. The opposition didn't stay faithful to the demonstration neither in the day of protests leaving their supporters get killed without their lead in front of the prime ministry, nor after the demonstration when they kept the situation quite in a sense since the international community took the side of Berisha and the Albanians weren't ready to demonstrate and die for an opposition that was as corrupted as the government.

Another site of struggle which embodies a great symbolic happened last year. In September of 2012, a group of 25 former political prisoners of the Enver Hoxha Dictatorship went on hunger strike against the Berisha's government. It lasted for nearly a month. Two of them set themselves on fire. One of them died. Their demands were: full monetary compensation for their years of imprisonment during the dictatorship; free access to health care and free housing; social integration and moral dignity. None of their demands were met, nor did an Albanian Spring take place.

Currently, the Socialist Party in coalition with the Socialist Movement for Integration won the General Elections held on June. While the Program of the Socialist Party was interesting because it tried to play with a leftist rhetoric like progressive taxation, although only on personal income, free universal healthcare, training for all the young jobseekers, implementing policies to lower the price of electricity and oil, etc. and it raised the support by 90 000 vote, yet it was the Socialist Movement for Integration that surprised everyone with an increase in support by more than 100 000 votes and this really disturbs me. Still, I hope that their promises will raise the expectations of the people.