



**Organization for Security and Co-operation in Europe
OSCE Presence in Albania**

**Report to the US Commission on Security and Cooperation in Europe
Ambassador Osmo Lipponen, Head of Presence
20 July 2004**

INTRODUCTION

This hearing of the US Commission on Security and Cooperation in Europe on “Advancing Democracy in Albania” comes at an important moment for the country. Albania has now entered a pre-election stage, with the next parliamentary elections due in summer 2005. As a result, political tension within the country has perceptibly risen, bringing with it even the possibility of early elections, for which the country is not prepared. At the same time, evaluation of the government’s achievements, especially within the international context, is a topical issue in light of the country’s ongoing pursuit of its primary goal of further Euro-Atlantic integration.

Whenever assessing Albania, it is always necessary to situate it in its proper context. The country has unreservedly made much progress since the well-known outbreak civil unrest in 1997 that engulfed the country following the collapse of pyramid schemes. To help the country out of this turbulence, the OSCE Presence in Albania (henceforth, “the Presence”) was established at this time with a mandate to pursue democratization, human rights, electoral reform and media development. Since 1997—the most commonly used reference point for judging Albania’s progress—the main activity of the national authorities, aided by the international community, was to stabilize the public order situation in the country and to begin rebuilding the state piece by piece, institution by institution. However, the country still remains an ODA-qualified developing country with grave social and economic problems.¹

The trajectory of Albania’s development over the past seven years has been upward, although not always smooth nor without significant challenges. The sharply divisive nature of the country’s politics has been an ever-present factor repeatedly threatening to derail the accomplishments. Here, the Presence has played a key role in trying to mediate the recurring conflicts. Collectively, the Presence and the other members of the international community have supported Albania’s own efforts towards a steady path of development, both in terms of strengthening its democratic institutions as well as its economy.

¹ ODA refers to *official development assistance* and comprises grants or loans to developing countries and territories on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) list of aid recipients that are undertaken by the official sector with promotion of economic development and welfare as the main objective and at concessional financial terms. Albania is designated as a Lower-Middle Income Country (having a per capita gross national income (GNI) of \$746-\$2975) on Part I of the DAC list.

In recognition of the progress achieved and as a sign of further international commitment to the country, the European Union opened negotiations with Albania on 31 January 2003 on a Stabilization and Association Agreement (SAA), which is the first step towards future integration.² Discussions on greater cooperation with NATO and future possible membership have also intensified at the same time.

Despite this evidence of progressive achievement, numerous risk factors continue to confront Albania and should be taken into consideration when evaluating the current situation in the country. After illustrating the socio-economic context, this report will outline important issues from the Presence's point of view related to trends in democratic development, the challenges of the ongoing process of electoral reform, aspects of the human rights situation, the freedom of the media and the situation as regards trafficking in human beings.

SOCIO-ECONOMIC CONTEXT

Since 1997, Albania has maintained a good macro-economic framework and, and due to its close cooperation with the IMF, has followed a tight monetary policy to reduce inflation and to keep the currency stable. Figures for Albania's economic growth over this period have averaged about 8% per annum.³ Although certainly very good, this economic growth has not been enough to solve some of the fundamental socio-economic problems facing the country affecting its rate of poverty. While GDP per capita has steadily risen,⁴ it is still lower than for the other countries in the region and the gap between Albania and the rest of Europe continues to increase. This can also be seen when calculated at purchasing power parity.

Albania is challenged by inadequate infrastructure, insufficient investment in the health and education sectors, rapid urbanization and massive population movements from the north of the country to the centre⁵ as well as abroad,⁶ often in the form of irregular

² Stabilisation and Association Agreements are a solution for building closer ties with the European Union being offered to the countries of the Western Balkans.

³ Republic of Albania Ministry of Finance, *Progress Report on the Implementation of the National Strategy for Socio-Economic Development during 2003* (Tirana: April 2004), 20.

⁴ In the World Bank's *Albania Poverty Assessment* (Washington, DC: 3 November 2003), it is noted that Albanian GDP figures should be treated with caution. This report cites a GDP per capita amount of US\$1230 in 2002. The Ministry of Finance's *2003 NSSD Progress Report*, however, cites a figure of US\$1950 for 2003. The World Bank reports further notes that the Albanian government recently changed its methodology for calculating GDP. Government officials routinely cite figures in the range of US\$1400-1500.

⁵ A recent report published by the Albanian Institute of Statistics, INSTAT, based on the Population and Housing Census of 2001 and the Living Standard Measurement Survey (LSMS) of 2002 shows that 91% of internal migration was towards the central and coastal parts of the country, 54% of total specifically moved to Tirana, increasing the population there by almost a quarter. Kukës Region, the poorest area of the country located in the Northeast, lost almost a third (29%) of the population to migratory outflows since 1989. Albanian Institute of Statistics, *Migration in Albania* (Tirana: 2004).

⁶ It is estimated that at least 458,000 Albanians are living abroad. Other figures indicate that up to 600,000 Albanians were legally residing in Greece and Italy in 2001, not including those who were there illegally. This figure represents one-fifth of a population of 3.069 million. World Bank, *Albania Poverty Assessment*, 131.

(illegal) migration. There is still a considerable rural population. As much as 57 percent lives off of agricultural production,⁷ which is for the most part subsistence farming.⁸ A full 25.4 percent live below the full poverty line,⁹ rising to 33.8 percent when non-income poverty is taken into account.¹⁰ A survey undertaken by the World Bank shows that 87.1 percent of respondents considered themselves as less than or not at all satisfied with their financial situation and means of consumption.¹¹

The benefits of economic growth are uneven and appear to be accruing mostly to urban areas, and particularly Tirana, while rural and more remote areas are being left behind, further exacerbating the existing large gap. The World Bank has concluded that several non-income dimensions of deprivation appear appalling given the overall level of development of the country and that, “Without direct, focused and well-targeted policy action and support from the government, the possibility for many of the rural poor, and for the uneducated urban poor, to escape poverty by connecting to the economic growth process seems remote.”¹²

With little industrial production and few products capable of being exported, most of the economy is concentrated on sectors that employ only non-skilled and semi-skilled labour.¹³ International investment in Albania is not growing, and when occasional large investments do occur, such as the recent purchase of the National Savings Bank, they are mostly confined to buying off the few remaining state-owned companies.¹⁴ Remittances from abroad, officially estimated to be US\$453 million per annum,¹⁵ have largely kept the country afloat, but have now showed signs of decreasing. This decline is forecast to continue over the next years.¹⁶ On average, these remittances represent 13 percent of total income among Albanian households.¹⁷

Official unemployment has been calculated to be 15.4 percent, although other government sources indicate that this could be as higher when taking into account additional factors.¹⁸ When the unemployment rate is taken into account alongside the figures for Albanian migrants working abroad (representing 1/3 of the labour force), it is

⁷ INSTAT, *Migration in Albania*.

⁸ Agriculture represented 24.7% of GDP in 2001. *2003 NSSD Progress Report*, 4.

⁹ *Ibid.*, 12.

¹⁰ Calculated according to Unmet Basic Needs (UBN): water and sanitation, housing conditions (as perceived by the household), energy supply, crowding of the dwelling, and education of the household head. A household is defined as UBN-poor when two or more of these basic needs are unmet. *Ibid.*, 17.

¹¹ *Ibid.*, 23.

¹² *Ibid.*, 39.

¹³ The *2003 NSSD Progress Report* reveals that the fastest growing sector of the economy is in construction (11.3%) whereas the industrial sector is declining.

¹⁴ The Austrian Raiffeisen Bank bought the National Savings Bank for €126 million.

¹⁵ *Ibid.*, 133.

¹⁶ Conclusion based on a survey of 1150 emigrants presented in a paper by I. Gedeshi and E. Uruçi on “The Role of Remittances in the Social Economic Development in Albania” at the 4th International Bank of Albania Conference on the Albanian Economy: Performance and Policy Challenges (Saranda, Albania: 11-12 October 2003).

¹⁷ World Bank, *Albania Poverty Assessment*, 131.

¹⁸ *Ibid.*, 64.

clear that immigration has acted as a safety valve for the country, not only in terms of providing the source for remittances, but also in absorbing a very large population of young people, who would otherwise have little to do inside the country. An astonishing 35 percent of children of household members currently live abroad. For children who left home in the 1990s, this share reaches what has been described as “exodus proportions”, with one child in two currently living abroad.¹⁹

The former fairly good education system has been eroded by decreased spending that is only half of what it was in 1990.²⁰ School attendance is decreasing and illiteracy is growing again. Child labour is a growing problem that is contributing to this trend. Healthcare is also suffering from considerable difficulties and is marked by widespread corruption in the provision of services due to underinvestment in the sector. As the World Bank has observed, health care services are increasingly being paid out-of-pocket for both formal “copayments” and informal payments.²¹

Complicating matters is the government’s difficulty in raising adequate revenue. The non-payment of taxes and social security weakens the government’s already low capacity to produce social assistance and educational services. Albania has the lowest rate of tax collection in the region—only 20 percent of GDP²²—and data show that 50 percent of imports are not declared, depriving the state budget of much needed revenue. Overall, it is estimated that US\$600 million is lost to smuggling.²³

Albania is in need of real policies for how to solve these basic issues. But while there are dozens of government strategies signed off by international donors, such as the National Strategy on Socio-Economic Development (NSSD), ownership over these strategies is not strong. Moreover, there is a lack of credibility in the political system, where the citizens have come to view corruption, criminality, and rule of law problems as ever-present and unchanging constants in their lives, leading to widespread apathy and overall cynicism.²⁴ A recent survey conducted by the Albanian Institute for International Studies shows that an overwhelming 83 percent of their respondents cite politics as the main source of conflict in the country.²⁵

The political system, predominantly characterized by polarization, is not yet properly functioning. While the Albanian Assembly has become the main forum for political exchange, it remains underdeveloped and therefore is mainly used as a space for publicizing political conflict. Hence, social and economic issues are practically not

¹⁹ Ibid., 134.

²⁰ Ibid., 98.

²¹ The World Bank found that informal payments are widespread, especially in hospital care where 60% of people reported making under-the-table payments. These payments also represent an important share of total expenditure, accounting for about a quarter of total expenditure on hospitalization. Ibid., 88.

²² International Monetary Fund, *Albania Country Report*, No. 4/22 (Washington, DC: 8 January 2004), 23.

²³ UNDP Albania, *Early Warning Report: Human Security in Albania* (Tirana: April 2004), 15.

²⁴ Survey data shows that 46.3% of respondents were not satisfied with the performance of the Albanian Assembly; 38.8% not satisfied with the courts and 33% not satisfied with government at all. The survey also indicates that 74.4 percent believe that at least some or most civil servants are corrupt.

²⁵ UNDP Albania, *Early Warning Report*, 20.

regarded as important matters of debate. Only lately have the first signs of dialogue between the Assembly and civil society interest groups over legislation taken place, but citizens' access to information is rarely accomplished in practice. Government remains non-transparent and too detached since civil servants are not yet in the habit of serving the people. Corruption and political interference have undue influence on the judicial system. And thus far, power has only changed hands through violence and protest or through disputed elections.

Despite the clearly positive developments in the country, the outlook is mixed once these political factors are taken into account alongside the socio-economic indicators. Survey data collected by a variety of organizations clearly indicate that Albanians still feel that they do not have a chance in the country because the quality of life is insufficient and the welfare gap is widening. They still look towards emigrating for better opportunities abroad. The polarization between those better off and the 30% of the population living under the poverty line is not diminishing. The creation of new jobs is too slow and the rural population is becoming totally disillusioned. The media and relatives abroad strengthen the belief that emigration is the only option. Indeed, this attitude is demonstrated by the government itself, where in the context of official international relations, visa issues and other policies concerning the free movement of people are high on Albania's priority list.

RECENT TRENDS IN DEMOCRATIC DEVELOPMENT

The past seven years has been an intensive period of institution-building, beginning with the Constitution, passed by referendum in November 1998. While the state structures have gradually taken shape and been strengthened, this has occurred in an uncertain political atmosphere, marked by suspicion and distrust. The main opposition party has repeatedly opted out of political processes, including the Constitutional referendum, which it boycotted and the final stages of drafting the 2000 Electoral Code. This abdication has allowed the majority routinely to take advantage of its predominant position.

A step forward towards normalization was made when the current president was elected in June 2002 through political consensus. This event ushered in a brief period of cooperation between the two main parties and, although short-lived, it left behind the notion of needing to achieve consensus on important matters of state that affect all Albanians. The opposition now accepts the Constitution—even claiming that it is its defender—and no longer boycotts the Assembly; however, it does still frequently stage walk outs.

With tensions in society and between political forces still so strong, maximum efforts are needed to build these consensual approaches on major issues, as has been done, for example, on property restitution and electoral reform. The achievements made in last year's electoral reform process, accompanied by improved political will, contributed to a very different kind of electoral campaign. For the first time, candidates began to address quality-of-life issues affecting people's daily lives such as water supply, road infrastructure, civic life, schooling and health services. This noticeable departure from

past campaigns was also encouraged by citizens, who provoked the candidates with questions as to their abilities to raise living standards and solve long-standing problems.

Political campaigns in Albania have largely lacked any form of identifiable platforms since parties have traditionally relied on their supporters to vote for them simply because they are not the other party. So long as the country has been in a state of perpetual political conflict, it was easy enough to maintain this approach. As a consequence, politicians have felt unaccountable since nothing had really been promised and public pressure has been almost non-existent.

The experience of the 2003 local elections poses, therefore, interesting prospects for 2005. The 2003 results show that in many cases, the choice of candidate was a deciding factor in choosing a mayor. Differences in results between the mayoral and proportional vote give evidence to instances of vote splitting, potentially reflecting early signs of maturation in Albanian voting behaviour. In many medium-sized municipalities, voters rejected incumbent candidates or incumbent parties that showed few accomplishments and appeared willing to give a chance to a new face. At the same time, they continued to vote more or less along traditional party lines in the proportional vote for municipal and commune council members.²⁶

This perceptible change in the public's voting behaviour, has been accompanied by the welcome emergence of civil society groups acting as sources of public pressure on the government attempting to render it more accountable to the people.

In the first months of 2004, for example, the government's proposed increases in the prices of bread, electricity and telephone services stirred strongly negative reactions amongst Albanians, which were captured by civil society groups such as Mjaft! (Enough!), the USAID-supported Citizen's Advocacy Office, trade unions and business groups. The government responded to the success of these campaigns by rolling back some of these price increases. The success of these protests in attracting public support on issues of concern illustrates that political parties no longer hold a monopoly on popular sentiment or expressions of public opinion. However, normal dialogue between the political forces and other interests groups is still too much driven by only a handful of professional NGOs.

At the moment it appears there is a dawning of civil society, or what some have called a "honeymoon phase". Both the prime minister and the leader of the Democratic Party have reached out to civil society in roundtable meetings over the past months to show publicly that they are taking civil society's view into account.

Despite the positive aspects discernable in Albania's democratic development, there are indicators of negative trends. As noted in various Presence reports, there is a growing convergence of political, commercial, and media interests in the country that have the potential to slow the course of Albania's evolving democracy. For as much civil society

²⁶ The SP lost 16% of their mayors, while the DP gained 13%. The SP's share of the proportional vote decreased by 9% while DP stayed almost the same.

may be trying to impact upon the system of governance in the country, it is still very weak, and these other more powerful influences, accompanied by strong financial backing, are pushing to ensure that decision-making remains closed, unaccountable and non-transparent. This raises many concerns over any potential success of the very necessary anti-corruption efforts.

The signs of these intersecting interests were already visible in the 2001 elections and continued to grow since. Issues of conflicts of interest are already widely ignored, and with the current system of little or no controls on party financing, the situation where candidacies and even elections can be bought may only get worse.

ELECTORAL REFORM

Albania will be facing an enormous test next summer when the next parliamentary elections are scheduled to be conducted. The expectations for these elections have grown all the greater since the report of the ODIHR election observation mission described the October 2003 local elections as a “missed opportunity for significant progress towards compliance with OSCE commitments and other international standards for elections.”²⁷ It had been hoped that the 2003 elections would have shown sufficient progress towards meeting international standards that much of the pressure surrounding the 2005 elections would have dissipated. Unfortunately, this is not the case. As in past elections, the difficulties faced in 2003 were largely due to the lack of political will of Albania’s two main parties, even if they had initially demonstrated the will to overhaul the electoral framework.

This lack of political will has meant that Albanian elections continue to be protracted and litigious affairs. The 2001 parliamentary elections, for example, ran from 24 June to 19 August requiring five rounds of voting due to re-runs and delayed voting in certain areas. In 2003, the elections took place on 12 October, but the final results were not announced until 20 February 2004, again due to various re-runs, delayed voting and court appeals, although in fewer areas.²⁸

The 2003 elections were, however, an improvement over those of 2001. Many of the problems highlighted by ODIHR in its *Final Report on the 2001 parliamentary elections* were resolved through the new code and were satisfactorily implemented. These improvements include the performance of the electronic media, which provided generally balanced coverage; the role of the police, which stayed away from the voting centres in conformity with the amended Law on State Police; and the new system of complaints and appeals, which reduced the burden on the courts. In 2001, the problems surrounding the

²⁷ OSCE Office for Democratic Institutions and Human Rights, *Election Observation Mission Final Report on the 2003 Local Government Elections in the Republic of Albania*, (Warsaw: 25 February 2004), 1.

²⁸ In 2001, the elections were run with two rounds of voting. Given the incurred delays, the new Electoral Code removed the ballotage round, leaving the elections beginning in 2003 with only one round of voting. This will also be the case for the parliamentary elections. This change clearly did not remove the possibility of delaying the final results of the elections, however.

complaints and appeals process meant that the courts had to decide well over a third of the election outcomes in the 100 electoral zones.²⁹

The OSCE Presence in Albania has been closely involved in elections in Albania since 1997, when it organised the first elections following the period of unrest. Since that time, the Presence has provided assistance in the form of legislative drafting, technical expertise and political brokerage. The progress seen in the 2003 elections was largely due to the work of an ad hoc parliamentary committee on electoral reform,³⁰ which worked for over a year on drafting amendments to the first post-Constitution Electoral Code in response to ODIHR's recommendations.³¹

The achievements of the "Bipartisan Committee" have often been overlooked as the conduct of the two main political parties after the expiry of the committee's mandate unfortunately overshadowed its successes. Debates within this committee managed to resolve, or at least set aside, many of the contentious issues arising from the 2001 elections. The opposition's contestation of those election results led it to boycott the Assembly until early 2002.³²

Because a number of political issues, outside the scope of the ODIHR recommendations, remained important to the two main parties, a separate agreement between the SP and DP was negotiated outside the ad hoc committee. Although this agreement and the Presence's mediation were later criticized by the smaller parliamentary parties, it was a necessary step in order to ensure that the new Electoral Code could be passed in the Assembly. In the political reality of Albania, there would not be a credible reform process nor the proper climate for holding elections without the two current major political forces being involved in as broad a consensus as possible on the Code.

We are currently now faced with a similar situation. ODIHR has outlined a number of straightforward recommendations in its report on the 2003 elections and, together with the Council of Europe's Venice Commission, has thoroughly evaluated the new Electoral Code by highlighting in great detail where changes should be made. After several months of closely held negotiations between the SP and DP, the Presence managed to bring the two parties to agreement on establishing another ad hoc parliamentary committee to amend the electoral legal framework according to the aforementioned recommendations. Getting the two parties to agree was no small task.

The main object of discord is the political balance within the Central Election Commission (CEC), where five of the seven seats have gone those proposed by the ruling majority. It is an issue that was unable to be resolved prior to the October 2003 elections,

²⁹ Under the Albanian Constitution, 100 out of 140 seats in the Assembly are directly elected through a first-past-the-post system. The remaining 40 seats are attributed to parties through a formula based on proportional results, with the aim of the overall result to be proportional.

³⁰ Often colloquially referred to as the "Bipartisan Committee", due to the consensual nature of the voting mechanism established for this committee.

³¹ The Presence also led the drafting of this first Electoral Code in 2000. The amendments drafted in 2003 to this code were so extensive that it was considered to be a new Electoral Code.

³² One opposition party, the New Democrat Party, did not support the boycott, however.

and is one that the opposition has used as a test of the government's goodwill. Thus far, the government has steadfastly refused to consider balancing the CEC until current members' mandates expire in 2006, that is, after the next elections.

The new ad hoc committee has a very tight timeframe in which to work. All amendments to the Electoral Code will need to be drafted and agreed by the end of September so that the Assembly can approve them. Amendments on a few subjects such as improving the voter registers and the criteria for establishing electoral zone boundaries need to be approved even earlier to allow sufficient preparation time. But already we can see that insufficient provisions in the Electoral Code on party financing have led to a severe dispute over campaign funds between the major parties. The vacuum of clear rules on this issue has led to different interpretations of the law, creating an unsatisfactory situation that needs rectifying. It is on these very political issues, including especially the composition of the CEC, that the political parties must show maximum political will to compromise and to uphold their agreements.

Should political will be lacking, the next elections will be a major setback to Albania in its democratic development. While the ad hoc committee has not yet been convened as some seats remain vacant, the technical experts group wet up to support the committee has had its first meeting on 14 July, and so the practical work can be considered begun.

WOMEN IN POLITICS

Participation of women in the political life of the country is an issue of particular concern to the Presence. Not only are women deprived of the right to vote in many parts of the country due to traditional patriarchal patterns of behaviour in which the male head of the household votes for the entire family, but fewer women are being run as candidates and even fewer are being elected consequently to representative government at either the local or national level. A report published by the Albanian Assembly on the history of women in parliament confirms this negative trend.³³ Currently, a disappointing nine out of 140 MPs are women (6.4%). In the 2003 local elections, only 70 out of 1949 candidates for mayor were women (3.5%), and of these only 10 were elected (2.6% of 384 municipalities and communes).³⁴ The problem begins with political parties not respecting their own internal quotas for women as contained in their party statutes, thus reducing the number of women in party leadership posts and further reducing their chances of eventual electoral success. However, a sustainable solution for this problem is needed within the electoral system, as it is more than just a question of political will.

³³ Women's representation in the Assembly plummeted with the dissolution of the Communist regime, falling from 30% to 4% after the first democratic elections. Since 1991, an average of only 6.2% of MPs have been women. Source: Assembly of the Republic of Albania, Research and Library Section, *Women in the Assembly* (Tirana: 2003), 25.

³⁴ ODIHR, *2003 Elections Final Report*, 17. There are no figures for the number of women represented on the municipal and communal councils, although the Presence is supporting a project to compile these figures.

HUMAN RIGHTS

According to the latest specialised reports, the human rights situation in Albania has been fairly good. Nevertheless, there are a few areas over which the Presence has expressed its concern, most specifically, Roma rights, minority education rights, the state of pre-trial detention, worker's rights and freedom of the press (covered in the next section).

The social and economic realities of developing countries mean that there are unfortunately population groups, or minorities, which become more and more marginalized as a result of decision-making to allocate scarce resources. The central government's and local communities' ability to provide targeted training and facilities for these groups remains insufficient.

The group most affected by this in Albania are the Roma and Egyptians, which are being further alienated from mainstream society. Roma and Egyptian children, for example, have a higher incidence of dropping out of school. This phenomenon, of course, is not just typical of Albania, but affects much of the OSCE area. The government has drafted a National Strategy for Improving Roma Living Conditions, completed last year, but like many such strategies, there is little real ownership of the objectives and implementation is extremely poor.

In general, the basic rights of minorities are granted in Albania and there is no active persecution or maltreatment. On the other hand, as the Presence has stated on several occasions, there needs to be a more active investment on the part of the government to guarantee education in minority languages and active integration of certain minority groups into society. There are currently no governmental programmes targeting the Roma to help raise their rate of school attendance.

Perhaps the most acute human rights issue in Albania today concerns the pre-trial detention facilities, where prisoners held in remand face intolerable conditions that only seem to deteriorate, particularly as regards sanitation and hygiene. Overcrowding is a major obstacle to ensuring a basic normal treatment for the detainees, which then further impacts upon the unacceptable treatment of juvenile delinquents. Convicted prisoners are also held amongst the detainee population and there is no separation according to age nor type of crime. In a very recent example, a minor, who was being held in the same cell as an adult, died in custody on 8 July, allegedly due to police abuse.

The Presence recently completed a study of the pre-trial detention system, which outlines these concerns in detail and notes that the Ministry of Public Order's regulation on the centres does not meet the minimum international standards for treatment of prisoners.³⁵ For this reason, the Presence has been advocating for the swift completion of the transfer of responsibility for the pre-trial detention centres from the Ministry of Public Order, where the police exercise oversight and management, to the Ministry of Justice.

³⁵ OSCE Presence in Albania Rule of Law/Human Rights Department, *Pre-Trial Detention Centre Situation Survey* (Tirana: April 2004), 8.

Although the government decided on making this transfer some time ago, progress has been disappointingly slow. The responsibility for only one centre, in Vlora, has been transferred; and the latest proposals indicate that the process will be piecemeal and not be completed for a number of years. One of the main hindrances to the transfer is the lack of capacity to hold pre-trial detainees and convicted prisoners. There are already efforts underway to find a solution to these issues also with international support for building new prisons.

Another concern for the Presence, prompted by the intervention of the People's Advocate (Ombudsman), is worker's rights. With the high rate of unemployment and, consequently, individuals willing to work in the black, the violation of workers' rights appears to be becoming more and more common. The great majority of the capital's construction workers, for example, are without any social security or worker protection. Care should be taken to ensure that minimum protections are guaranteed.

FREEDOM OF THE MEDIA

On the face of it, Albania would appear to have a vibrant media sector offering a variety of choice: 19 daily newspapers;³⁶ 46 radio and 65 television stations covering a total market of just over 3 million.³⁷ While the number of media outlets actually seems to be increasing, these numbers do not reveal what media analysts have described as troubling. Leaving aside a not fully adequate legal framework, particularly for print media, and a wholly chaotic situation in the broadcast sector due to an overly weak state regulator, the main trend in the media sector in the past few years has been towards less independence and greater political and economic interference.

The foremost publicly visible source of financing for the media is through advertising. It is estimated that advertising by state institutions and state-owned or partially owned companies constitutes about 60 percent of total advertising revenue.³⁸ This comes in a variety of forms such as published vacancy notices for civil service positions (a legal requirement) or television and print advertising for the fixed-line telephone company and the national electricity company, both of which are state-owned monopolies. With media operators heavily dependent on this steady stream of revenue, it is an easy way for the state to exercise a degree of control over them, even if indirectly.

Another way of how the state indirectly infringes upon media independence is related to the nature of the media business itself. Because media outlets largely cannot operate according to viable profit-making business models (due to the lack of sufficiently

³⁶ Adrion Distribution Ltd.

³⁷ A total of 128 public and private broadcasters are licensed by the National Council on Radio and Television: including 3 national television stations; 62 local television stations; 3 national FM radio stations; 43 local FM radio stations; 1 satellite transmitter; 3 television broadcasters with repeaters; 3 radio broadcasters with repeaters; and 10 cable providers. Source: National Council on Radio and Television.

³⁸ Diana Kalaja, *The Media Picture of Albania: Little Berlusconi Threaten Real Albania Media Freedom*, Media Online Special Report, Albanian Media Institute, 21 April 2003.

diversified advertising and other forms of subscription-based income),³⁹ they generally do not form an owner's primary business interest.⁴⁰ Rather, they are often a part of larger set of additional business holdings and investments and most have been set up by owners as a "side business". In this regard, incentives in the form of lucrative government-sponsored procurement contracts for goods and/or services from which the larger enterprise stands to benefit tend to influence the editorial direction of a media outlet in favour of state authorities lest these contracts be awarded to competitors with a more sympathetic and less critical voice. In this way, a politics-business-media triangle has been formed creating a mutually reinforcing relationship of benefits that operates to the detriment of media independence.

More direct means of media control has increasingly become apparent over the past two years. A number of journalists and owners have been successfully sued by government officials for libel. Although media ethics remain underdeveloped in Albania and journalistic standards are not always respected, prominent media personalities have been taken to court for their editorial views has served to threaten basic freedom of expression. The recent civil defamation case decided against *Koha Jonë* newspaper⁴¹ has been widely criticized by numerous human rights watchdog groups both in and outside Albania, including the Council of Europe and the London-based NGO Article 19.⁴² This lawsuit represents an example of what many journalists and editors have described to the OSCE Presence as the repressive climate currently surrounding the media. Numerous other lawsuits have been recently launched or publicly threatened by politicians.⁴³

These threats against the freedom of expression in Albania represent a worrying trend. In order to avoid further politicization of the courts in being forced to decide on these issues,

³⁹ For example, the 19 newspapers cited above have generally low circulation figures averaging only 3,000 to 4,000 copies daily. Although new dailies continue to appear, the true ability of the newspaper industry has routinely been placed in doubt by media experts.

⁴⁰ In his recent speech given before the Albanian Assembly on 5 July 2004 regarding the media situation in Albania, Prime Minister Fatos Nano stated that official statistics reveal that 45 percent of licensed television broadcasters' pre-tax earnings comes from advertising revenue, 5 percent from sponsorships, and 50 percent from "other sources". Concurring with the Presence's own opinion, the prime minister further stated that, "...[F]rom what the balance sheet shows, the investments some media owners declare can in no way justify their financial resources."

⁴¹ Prime Minister Nano and two top advisors sued *Koha Jonë* for 40 million lek (US\$40,000) for damage to their "honour and dignity" in response to the newspaper having run a story criticizing a government decision awarding a bonus of five months' salary to these officials for having assisted in the successful privatization of the National Savings Bank. The Tirana District Court decided in favour of the plaintiffs, imposing a fine of 2 million lek (US\$20,000).

⁴² In a letter to the chairman of the Albanian delegation to the Parliamentary Assembly of the Council of Europe, Søren Søndergaard, co-rapporteur of the Parliamentary Assembly's Monitoring Committee on Albania expressed serious concern over the "apparent disproportionality" of the court's verdict. Similarly, in a letter to Prime Minister Nano, the executive director of Article 19, Andrew Puddephatt, described the fine as "unduly harsh" and questioned the procedural violations of the court.

⁴³ The *Koha Jonë* publisher is facing another lawsuit by the Prime Minister Nano and his wife. The editor-in-chief of the opposition newspaper *Tema* was found guilty of libel in June in a criminal case also initiated by the prime minister. Lawsuits against *Tema* have been filed by the chairman of the Social Democratic Party and the deputy speaker of the Assembly. In 2003, the editor-in-chief of the Greek language newspaper *Romiosini* was ordered to pay €4,000 compensation to the chairman of the Human Rights Union Party.

the Presence has begun planning the creation of a Media Council to develop a code of conduct for media owners and journalists. The objective is to provide a forum for self-regulation so that the media sector itself, rather than the courts, can decide on how best to balance the basic right of the freedom of expression with journalistic ethics and responsibility.

TRAFFICKING IN HUMAN BEINGS

The issue of trafficking in human beings is an issue that has been associated with Albania for many years. The Presence itself began working on the issue in 1998 by raising concerns over Albania's being both a source and transit country for illegal migrants and human trafficking. Its early efforts urged the police to begin targeting the traffickers themselves rather than the victims, who could be more easily arrested. According to the latest US State Department report on worldwide trafficking, Albania still remains a source country for women and children trafficked for the purposes of sexual exploitation and forced labour and it does not fully comply with the minimum standards for the elimination of trafficking.⁴⁴

As this report recognizes, progress has been made, however. The US State Department rewarded the government's efforts by upgrading Albania's status from a Tier 3 to a Tier 2 country in 2002 and has since reconfirmed this ranking. This improvement reflects consistent work by the international community working together in a coordinated fashion with the Albanian authorities.

The government's National Strategy on Trafficking in Human Beings, originally drafted in 2001, has had a degree of success in concentrating the attention of various ministries on their role in combating this crime, such as in the opening of a government-supported shelter for trafficking victims. Practical policing assistance provided by Italy in patrolling the waters of the Adriatic for people smugglers and the US-backed policing programmes at Albania's three main ports (Durrës, Vlora and Mother Theresa Airport) have provided further support to the police with measurable results. Moreover, a number of police operations, including those coordinated regionally by the Southeast Europe Cooperative Initiative (SECI), have disrupted trafficking networks and netted a large number of traffickers.⁴⁵

In spite of these improvements, trafficking remains a relevant issue and recruitment still takes place in Albania.⁴⁶ The tragedy occurring on last January 9, when 21 Albanian illegal migrants lost their lives in the Adriatic Sea, also shows that smuggling networks still exist, or at least can come together relatively quickly. As well, it illustrates that the demand to leave also exists. So while the international community's efforts to support anti-trafficking initiatives by planning training and providing expertise and technology

⁴⁴ US Department of State, *Trafficking in Persons Report* (Washington, DC: June 2004), 116.

⁴⁵ In Operation Mirage 2003, organized by the SECI Regional Center for Combating Trans-Border Crime in September 2003, the Albanian police succeeded in arresting 125 traffickers, representing the highest number of arrests out of any country in Southeast Europe.

⁴⁶ SECI Regional Center for Combating Trans-Border Crime, *Operation Mirage 2003: Evaluation Report* (Bucharest: February 2004), 3.

and financial assistance can be regarded as having some success, a more holistic or systematic approach is still needed.

Such an approach would not only prioritize the repressive dimension of solving the problem through law enforcement, but would also take into account the social and economic situation of the country, which, as demonstrated, provides the breeding ground for trafficking in human beings and people smuggling. Transparency in the public administration and judicial system, need also to be emphasized, particularly as corruption and criminality have penetrated these systems, undermining public confidence and potentially compromising effective solutions. While police actions have resulted in sizeable arrests, appropriate sentencing has been lacking. Therefore, properly functioning special courts to handle these cases accompanied by a workable witness protection scheme are essential for achieving successful prosecutions. Robust public awareness-building measures should necessarily underpin these efforts.

A further note of caution should be sounded. The disruptions to the networks of people smuggling and trafficking in Albania has raised the costs of this criminal activity, leading to a search for easier profits. In turn, this has produced an increase in drug trafficking from and through Albania. According to the *World Drug Report 2004*, recently released by the UN Office for Drugs and Crime, Albania has become the most frequently cited source country for cannabis in Europe⁴⁷ and is an increasingly important transshipment point for heroin coming from Afghanistan via Turkey.⁴⁸ The prominent rise of heroin trafficking in Albania poses a serious threat to overall security, as has been seen in a number of other countries.

Drug trafficking and the money laundering that accompanies it also pose risks for the financial system, which still overwhelmingly remains cash-based, by increasing the black economy. The fight against money laundering also belongs to the systematic approach because although there has been new legislation adopted on this issue, implementation needs significant improvement. The economic and financial surveillance systems in general do not yet function properly. As a consequence, the black economy contributes to the flourishing of the grey, or informal, economy, which is estimated to constitute at least one-third of GDP.⁴⁹

CONCLUSION

Albania's progress towards establishing closer relations with Euro-Atlantic structures, namely the EU and NATO, have as much been a reward for its achievements as a means of ensuring the international community's engagement in promoting further reform and institutional development. While Albania's macro-economic indicators have been largely positive, further attention needs to be given to the country's socio-economic risk factors.

⁴⁷ United Nations Office on Drugs and Crime, *World Drug Report 2004*, Volume I, (Vienna: 25 June 2004), 126.

⁴⁸ *Ibid.*, 85.

⁴⁹ Jan-Peter Olters, "The Informal Sector: Impeding Economic Development?" (Paper delivered at the 4th International Bank of Albania Conference on the Albanian Economy: Performance and Policy Challenges, Saranda, Albania, 11-12 October 2003), 2.

The consolidation of the state and its institutions has brought the public order situation under control and has allowed the government to provide some improved services. However, rampant corruption within the public administration and the judicial sector severely damages the public's trust and only serves to magnify the existing inequities. A major risk factor is further posed by organized crime, which has taken advantage of the continued weaknesses within the police and justice system to increase its influence over the state and infect the political system.

Without a more normalized political atmosphere, where political and institutional forces can balance one another, Albania's democratic development will remain incomplete and its institutions fragile and vulnerable. Civil society, which can exert a positive influence, has at last become recognized as a factor, but is still too weak.

With the next parliamentary elections now on the horizon, Albania finds itself at a critical juncture. These elections will stand as a test for the depth of its institutions and maturity of its political class. For this to occur, the country's political leaders must demonstrate sustained political will to support the ongoing electoral reform process and to ensure that international electoral standards are at last met. The international community must also remain collectively engaged to help this process and provide assistance as necessary.

For Albania to be able to manage its significant socio-economic and rule of law problems in order to meet the needs of its citizens and guarantee them a secure future, Albania must move towards having a normally functioning parliamentary system built on constructive debate and dialogue. Government-opposition interaction should put governance issues first rather than continue to focus on divisiveness. In the forthcoming elections, whichever party should win needs to have programmatic readiness based on sound policies and be able to demonstrate tolerance and respect to the opposition.