

Clash Of Values And The New Profiles Of Albanians In An Endless Transition

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Abstract

The paper “Clash of values and the new profiles of Albanians in an endless transition”, addresses social values that characterize Albanian path of transition from centrally planned to market economy as well as the impact they have on the new identity of Albanians.

Albania, one of the smallest and poorest countries in Europe, like other Central and Eastern European countries experienced the past socialist system, which by Constitution was based on “Social Solidarity” and “Equality”. Regardless the principles of the past regimes adopted in Central and Eastern European countries, including Albania, the socialist system did not bring neither equality nor solidarity, therefore rather than of “social cohesion”, the differences among social groups, later deepened.

Although Albania was the last communist country to embark on the transition from socialism to capitalism, Albanians were eager to contribute to bring in the biggest change ever seen in their history. Despite that, the Albanian transition has been painful and turbulent, shocked time after time by profound crisis. While the country is still among the poorest in Europe, Albanians seem confused regarding the values they have to adopt to build a future. Rather than one identity, we identify “three profiles of Albanians”, respectively hopeless, rulebreakers and dreamers.

This paper, by addressing the outcomes of transition in Albania, focuses on the relevance of social values inherited from the past and their impact on the success of reforms, which undoubtedly brings in the real dilemma of transformation, namely “the abolishment or adoption of values”. The findings and conclusions derive from the evidence based analysis of policies, implemented during the last 20 years in Albania and the impact they had on the past, present and the future of the country. The paper is composed of four sections in addition to abstract. Section 1 provides some basic information on the past and the present of Albania. Section 2 advances arguments regarding the clash of values. Section 3 examines the post-socialist identities of Albanians, while the last section formulates some conclusions, responding to the addressed questions as well as tackling the role that civic and social education of citizens would play to guarantee that social values feed policies.

Keywords

clash of values, social solidarity, equality, social welfare, transition reforms.

Section I: An Overview of Albania

Republic of Albania, a small country in the Balkan peninsula, with an area of 28.748 square kilometers and a population of 2.879 million¹, has been witness to almost three decades of rapid change and deep transformation since the collapse of the Berlin wall. These changes first, have influenced economic, social and political landscapes, and second, have unearthed a range of issues, which were previously hidden or suppressed by political regime. The transition period has also been marked by a series of upheavals and crises, from economic shocks and civil unrest to emigratory waves (the most significant in 1990,1991,1997-1998) due to which the country lost almost 20 percent of its population².

Albania characterized by the historically heterogeneous governance marked by striking disregard of the stages, spent 45 years, from 1945 until 1990, under the most oppressive, authoritarian political system in Europe, from which it has been slowly emerging for the past 27 years. Since the fall of the communist regime in 1991, the country has embarked on a new path aimed at establishing democratic regimes through

the protection of human rights and at raising the standard of living.

Since then, Albania has made considerable progress, led by long-standing dream of European Integration. As such, on 24 June 2014, the European Commission granted EU-candidate status to Albania due to its demonstrated progress in legislative reform and political dialogue, and the latest decision guarantees the opening of negotiations for “Membership Status” in 2019.

The end of 45 years of communist rule and establishment of a multiparty democracy in the early 1990s have proven challenging. Despite reforms and its wealth of natural resources, Albania was and remains one of the poorest countries in Europe with high absolute and relative poverty rates. The number of people living in poverty increased from 12.4 percent in 2008 to 14.3 percent in 2012, and extreme poverty rose from 1.2 percent in 2008 to 2 percent² for both urban and rural areas in 2012 as well as child poverty from 18,5 to 20,1percent³.

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Despite the country achievements in terms of economic growth (GDP Annual Growth Rate in Albania averaged 4.1 percent from 1996 until 2016)⁴, the benefits of economic development have not been evenly distributed. The country Gini coefficient of 34,5 (2013) is the third highest in the region and the pattern of the Gini index in the last two decades seem to be indicating growing inequalities³. Moreover, people's strong expectations that the new 'democratic' governments, supported by International Institutions, would have been capable to bring Albania closed to the most developed countries, did not come true.

Health and education indicators are among the lowest within CEE countries. Although life expectancy in Albania has increased steadily in the past twenty years in both sexes (in males: from 67 years in 1990 to 73 years in 2012; in females: from 71 years in 1990 to 75 years in 2012 (WHO, 2014), child mortality, infant mortality and maternal mortality rates are high in comparison with average rates for EU countries⁵.

In Albania, the education system lags behind of being "inclusive for all". Discrimination partly stem from mentality/social norms as well as the low attention to the implementation of anti discrimination law and other normative disposition on disability. However, social protection mechanism bears the burden of not providing adequate support to groups of children already excluded or at risk of exclusion from the enjoyment of the right to education.

Albania also remains one of the most corrupted countries of the world and the most corrupted in the Balkans, together with Kosovo, ranked 110 out of 175 countries (<http://www.transparency.org>, 2017). The 2016 European Commission Progress report on Albania recognizes that law enforcement remains a particularly serious problem, whilst the politicization of public services, dominates the functioning of public administration at all levels of governance.

In general, the fragile growth rates as well as structural economic reform are not sufficient to ensure country's strategic objectives. The failure to address chronic and extensive unemployment, disparities and social exclusion, poor levels of government investments in social and human development as well as informality of the economy, are considered critical weaknesses vis-a-vis the sustainable development of the country.

Although a full analysis of the economic pattern is not possible, the general framework of relations and interactions in which transition develops has to be borne in mind. Undoubtedly, this influences the controversial opinions about the clash of values in two different political contexts, namely values adopted during socialism and their relevance during the transition towards a market economy.

Section II: The Clash of values

Many authors from Western and Eastern literature, alike have discussed about values of the socialist system. There has been a tendency in Western literature to consider income distribution in communist countries an advantage of that system because it brought about a levelling of the whole

society, therefore it influenced a sort of "equal access to social welfare for all citizens".

These countries, even the smaller ones like Albania, are included among modern societies when only physical and human capital are considered: the spread of literacy, urban population, modern communication and information, access to health care services, social protection of people in need, provision of contributory and non-contributory benefits, protection of cultural heritage and art as well as encouragement of research and development⁶.

In principle, the previous system was based on "Social Solidarity" and "Equality", thus emphasizing the importance of social rights. Nonetheless, the abolishment of political, civil and economic rights, limited the role of social structures and gradually eroded their functions.

Let us analyse more carefully the above-mentioned values and examine the impact they had, first to enhance social development, second, to influence economic growth. Due to the lack of information, we refer only to two policies, to argue the misuse of values. The socialist social security system was built on "**Social solidarity**". The inherited social security system generally recognized all the contingencies covered by ILO Social Security (Minimum Standards) Convention no.102/1952. Yet this system:

was inconsistent regarding the coverage of certain segments of the population; was socially unjust, stipulating different eligibility conditions and amounts in return for the same contributions; laid down very generous eligibility conditions (for ideological reasons); incorporated extensive social redistribution mechanisms; and lacked unemployment schemes.

The system was over-generous, costly and in many respects ineffective. It was generous in providing unreasonably "soft" eligibility conditions (early retirement age, lack of retirement conditions for eligibility, easy acquisition of periods of employment, etc.), high benefit rates and, in some respects, also high benefit amounts. Thus, it generated large numbers of beneficiaries and became very costly. Yet as it was based on extensive social redistribution, it generated small pensions for higher income groups, with either little or no indexation related to cost-of-living increases. Data and evidence demonstrate not only the problems of the past but also their impact on the current progress of the system, which still is characterised by high deficits. Above all, it destroyed the concept of "social solidarity" and demotivated people to contribute because it was hard for them to recognize the benefits, both individual and social, of their contributions and investments.

Whilst "**Equality**" officially founded the system of "Social Welfare Services". It appeared there was no need for intervention in the education and health services, because they were considered by no means as the biggest advantageous of the socialist state. However, the critical point relates to the quality these public services have produced. Perhaps in terms of quantity "equal access" was achieved. Data on number of institutions and respective staff bring in sufficient evidence on the "supply side", whilst equality vis-à-vis demand (beneficiaries), was not considered at all, especially in rural and remote areas.

One advantage of the socialist system was considered to have been the spread of literacy. Although many

scholars in Albania had a good education, particularly in the basic sciences, central planning and political control of programmes and teachers in the schools at all levels narrowed individual choices, encouraged dogmatic teaching and contributed towards the destruction of society's values.

Despite the degree of security, *services* were poorly developed. The greatest weakness of that system was the low consideration given to the individuality of every person. This was the result of political limitations: the view that the state and its enterprises were responsible for the well-being of the individual, that they knew better than the person themselves about their material and social needs.

To summarize, the Albanian society inherited from the preceding regime a consistent social welfare (educational, health care and social security) system, which met the needs of a command economy and a politically totalitarian government - a dictatorship⁷.

The basic concept was rationing (distribution) of education, care and social security to the obedient and industrious citizen, with preferences of the more obedient and more industrious and merited citizens.

Selectivity was the result. Imposed "egalitarianism" for the masses was achieved in conditions through uniform rewards (rations) with preferences for the "new class" based on political principles other than regular achievement in economic activities (Ibid).

In effect it led to lack of incentives for economically effective performance, lack of democratic behavior and increased persecution of eccentric behavior. The result was retardation in:

economic development (investments were eaten up), educational development (learned were only facts agreeable to the rulers), health care (only cheap care was available to all), social security (when too many receive, the level cannot be too high). democracy and freedom, with increasing persecution.

On the eve of transformation, Albania was challenged by critical macroeconomic situation as well as high unemployment rates Figure 1 .

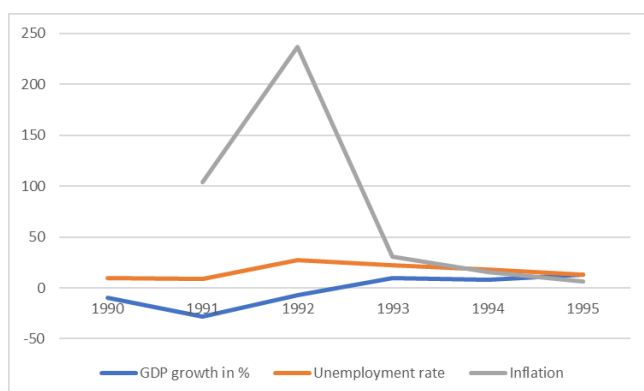


Figure 1. Main Macroeconomic data, 1989-1995

Source:⁸

The implementation of transition reforms required strict macroeconomic stabilization policies implemented alongside privatization, liberalization of prices and trade, fiscal and monetary policy; banking reform and opening up of the economy. The social pain which accompanied the

implementation of these policies was the natural outcome of transition.

But people were not prepared to confront with the hardness of the transition. They had other expectations. Moreover, there were strong expectations that the new 'democratic' governments, supported by International Institutions, would have been capable to bring CEE countries closed to the most developed countries. Unfortunately, this belief did not come true. Today, we perfectly understand that it couldn't be true because society was not prepared for such deep and broad transformation.

The pyramid crisis of 1997 is the most significant example of the unpreparedness of the Albanian society and the fragility of the Albanian democracy. In fact, it clearly demonstrated the clash of values of the Albanian society in transition.

20 years later, what happened in 1997 and why, is still unclear, although many authors provide data and evidence on the size and the spread of phenomenon. Christopher Jarvis confirms that "the number of depositors soared at 2 million - in a country with a population of 3.5 million - within a few months, while the face value of the schemes' liabilities totaled \$1.2 billion"⁹.

The flourishing of the pyramid schemes, which assumed nationwide proportions, reflected the popular fever for immediate wealth. The companies, in which around 70 percent of the Albanians had invested their savings as well as their incomes from different sales, in 1996 began to offer astounding interest payments funded by using new deposits. Unfortunately, they had little productive activity. They operated mainly on pyramid schemes, which collapsed in early 1997¹⁰.

The state and its legal institutions, incapable of preventing the crisis and offering solutions to the problems, gave way to violence. In this crisis, the most criminal act and most emphatic expression of total craziness was the plundering of the army depots and the arming of the whole population. As a result, total anarchy prevailed.

The rapid liberalization and privatization of economy and capitals, in addition to the encouragement of free initiative and opening of the markets, influenced the quick devolution of the functions of the state, which were reduced within the scope of regulatory competences. Besides political, economic and governance issues, the clashed social values, influenced by the weaknesses of social basis, the lack of democratic culture as well as vacuum in civic education, pushed Albanians towards social unrest.

It is generally accepted that low level of social development has a considerable impact on the development of social capital, which is used to understand and explain the social rules and relations intertwined into the social structures of the society. It is precisely the models of social relations that allow individuals to coordinate their actions to achieve the desired purposes¹¹.

Recently, a young researcher, Dr. Ashiku, has tried to assess "social capital in Albania" by using two measures, namely interpersonal and institutional trust. She concludes that Albanian society is characterized by low levels of interpersonal and institutional trust, including lack of confidence in judiciary, police, political parties, government etc. "If social capital is understood as "an individual sacrifice

made to promote cooperation with others", one can easily conclude that Albanians are not willing to forsake personal interests because they understand this 'sacrifice' as in vain as there is a huge suspicion that they will not find reciprocity of this altruistic behaviour in the future"¹². She also confirms that social capital in Albania resides only in the family and is vitalized through family ties.

Hence, the abuse with "social solidarity" and "equality" and their replacement with superficial morals based on unreal transitory concepts like Party and its connected institutions, brought about a vacuum in social capital because people lost trust. This gradually destroyed the natural collective sense of humanity, eroding civil culture and the historical memory of generations. That is why, the purpose of transition from centrally planned to market economy should have been of two folds: to transform markets and society, alike.

Professor Tomes, in the late 1990s argued that the process of transformation of communism to capitalism, as a unique social experience couldn't be compared to transformation processes occurring in the countries of Latin America, Asia or Africa exactly because in the latter countries, transformation was related to the restructuring of capitalist economies and did not involve a fundamental change of the whole economic and political system as in CEEC. "Although in Central and Eastern European Countries (CEEC) the tools employed in the reform process may be similar, but the socio-economic environment shall always call for specific treatment, to be acceptable to the people"⁷.

This view does not contradict most analysis concerning political economy of capitalism, which considers 'entrepreneurship, free initiative, net profit and competition' as the engine to promote development, putting aside the concept of 'social development'. It has been generally accepted that a strong economy creates a suitable environment for social progress. However, when referring to post-communist countries there is another reality.

While the first refers to the market economy promoting social welfare, post-Communist countries had to apply the opposite: society had to mobilize resources to transform, encouraging the market to develop, which in the end would turn towards social welfare. Although the post-communist governments in Albania struggled to "allocate efficiently resources to boost growth and distribute equally social welfare", with vacuum in social capital due to misuse of "Social Solidarity" and "Equality", the real dilemma of transformation stacked on "which values had to back transformation".

Section IV: New identity of Albanians

What has been called 'the new human being of the Communist era' has been seriously deformed. It was totally impossible to recognize real social values, due to oppression by and fear of the regime. During transition, the state and the market remain influenced by past ideology and by the legacy of historical development. The rapid polarization of society and the accumulation of wealth in a few hands has deepened the process of impoverishment, the middle class being more affected due to unemployment, very low incomes, emigration and disruption of social and community relations. Thus, the

tendency to advance towards democracy has been confronted by the bleakness of the social basis⁶.

Despite the far-reaching reforms undertaken in 1991 towards democratization, Albania is still far being a democratic and open society. While the legislative and institutional structures are totally reformed, the social legacy of the past cannot be ignored and will continue to play a major role in the coming decades. Albanian society used to consider the state and the party as the only actors in any process of development and could not adjust easily to the new reality. Moreover, the people were fed up with the idea of 'volunteer work', strongly encouraged by the party in the context of false democracy: the term was simply a replacement for the 'unpaid work' that generations carried out for 50 years, living in extreme poverty.

But, what is the transitional identity of Albanians today? Rather than "one identity", we admit that there are at least three groups of different profiles. They do not distinguish from level of education, gender, age or cultural heritage which would make sense. Instead they differ from beliefs and values they adopt to meet their objectives, namely:

Group 1 "Hopeless"

These are those who work more than 8 hours, in very low paid jobs, often informally or even worse, in illegal works. Data on Labour Market shows that in 2016¹³, labour force participation rate was 65,7 %, out of which women's participation was 57,6 and youth until 29 years old was 45,2 %. The high rate of unemployment of 14,7 % (youth unemployment 28 %) force people seek for any solutions. Of the economically inactive population- those not in employment, nor seeking work, almost 21 % are engaged in domestic tasks, while 11 % declare they are discouraged workers who drop out of the labour force.

It is not by chance that illegal activities soared during the last decade. According to the European Commission's report on Albania for 2016 drug cultivation (mainly cannabis sativa) remains a serious challenge. Only in 2015, the Albanian police conducted 240 operations against drug cultivation and trafficking, which resulted in the identification of 4,634 cultivated parcels, the arrest of 402 offenders and the destruction of 797,422 narcotic plants¹⁴.

For this group, emigration is the only solution. In the first two decades, the enormous economic and social changes prompted many Albanians, mostly men initially, to emigrate. Later, the emigration pattern changed. Family reunification and emigration for study purposes have influenced to transform the circular emigration into a permanent one. Since the 1990s, the country has lost 1/5 of population due to emigration².

Group 2 "Rulebreakers"

The psychology of wealth at any cost, including illegal and criminal activities affected the establishment of "the new class of rich people", less educated and more arrogant. For this group, "money" is the only value. They are eager to get rich easily and quickly, no matter of means. They are those who break the rules of free competition and influence through bribe, the establishment of entrance barriers for

different goods and services, including public goods, until the free market transforms into oligopoly.

This group finances the cultivation and trafficking of illegal drugs, which account for a significant proportion of Albania's GDP (2.60 %, compared to 0.07-0.19 % for countries such as France, Germany, Italy and United Kingdom)¹⁴.

In addition to deep polarization of the society and the "growing gap" between the former middle class of intellectuals" and the" new class of entrepreneurs", the group financial capitals were invested in politics, instead of production. It is this group who dominates media and juridical system, influences decision making in economy, finance, trade, public policies, international institutions and recently, finances politics. Not rarely, the group has its representatives in the Parliament, who are elected in a democratic way, although the processes in continuation have been criticized for manipulations. Even worst, since 2009, a new phenomenon has taken place: bargaining of votes, supported by strong financial groups of political parties, which has influenced the establishment of a dangerous governance model, characterized by the abuse of power.

Group 3 "Dreamers"

These are people who believe in a good and different Albania, that is why they continue to invest without asking to be paid back. Respect for institutions and law is the crucial value they adopt. They bear individual and social responsibilities because they believe in civil and moral obligations that everybody must contribute to enhance social welfare. They never ignore voting because the right to vote is essential, although their choice is never counted. They regularly pay taxes, despite the lowest gains from public services. They complain, but their voice is not heard. As a matter of fact, this is the group who acknowledge democracy rules and rigorously respect them.

Among the three groups, while "Hopeless" are the most excluded and the "Rulebreakers" share the power, only the "Dreamers" bears the burden of transformation, which proves that laws and institutions are not capable enough to impede the misuse of "Social solidarity" and "Equality".

Conclusions

There are two fundamental theorems in economy, which argue that "it is impossible to redistribute resources and make somebody better off without causing that another one is worse off" (First Pareto Efficiency theorem), which may be achieved if the one starts with the rights allocation of resources (Second Pareto Efficiency theorem). Thus, society needs "Solidarity" to collect resources through taxation. In the meantime, society must re-distribute resources taking care of the "right allocations" respecting "Equality". Hence, "Social solidarity and Equality" are fundamental. Nonetheless, we admit that the question does not stand only on the values per se. Otherwise, the socialist system would have functioned.

"Social Solidarity and Equality" were the most appropriate values to back the transition reforms, but they had to be considered within the context of the social and historical legacy from the past of the Albanian society, which didn't

happen, influencing all negative social outcomes of transition, as elaborated above.

However, there are no values that have to be abolished. Our dilemma is solved. "Social Solidarity" will continue to be a core value because establishing democratic regimes requires that all citizens contributes, whilst "Equality" ensures "the right to access social welfare".

Last but not the least, besides law enforcement, civic and social education of citizens would guarantee that "Social solidarity and equality" effectively feed policies, and gradually impact on the formation of only one identity of Albanians - the identity of citizens that acknowledge the past cultural, historical and social heritage and based on that, adopts EU values.

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