

## Political Changes in Albania and Macedonia under European Union Progress

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**Abstract** The topic on the current integration phase of the Republic of Macedonia after the completion of the questionnaire and the commencement of the ratification process of the Stabilization-Association Agreement between the Republic of Macedonia and the European Commission by national assemblies of the EU member states. In this phase, institutional reforms are fundamental and within those the establishment of a new modern, functional, democratic European administration is a crucial pre-condition. Since 1991, and especially after the endorsement of the Ohrid Framework Agreement in 2001, Macedonia has been clearly and unambiguously determined to pursue the strategic orientation in order to integrate in the EU. After the endorsement of the Ohrid Framework Agreement, Macedonia has undergone a long and complex way of reforms towards its European integration goal. Some of the steps include the Stabilization and Association Process, endorsement of the Stabilization and Association Agreement and the accomplishment of the application questionnaire as a candidate country for EU membership. The country is currently going through a phase of two parallel processes that converge to the country's full membership in the EU: the process of ratification of the Integration Agreement between Macedonia and the EC as well as the process of implementation of remaining reforms in order to accomplish the whole set of membership criteria.<sup>1</sup>

**Keywords:** Copenhagen Summit, Framework Agreement Stabilization and (SAA), European Commission, European Union Coordination Systems (EUCS).

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### 1. Introduction

The fully standardized criteria for membership in Macedonia and Albania on EU were most accurately determined by the Copenhagen Summit in 1993. These criteria which are now known as Copenhagen Criteria are the three main pillars for gaining full membership in the EU and they include: political, institutional and economic criteria. For half a century, European Union-(EU) has pursued ever-deeper integration while taking in new members. It's marked as an important step in relationship deepening between EU and Western Balkans-(WBs) where Albania is part of benefit from a share of multi-beneficiary funds for competitiveness, SMEs, energy efficiency and banking sector regulation. This presentation handles out these main issues: EU policy and the enlargement process regarding Macedonia and Albania inspecting the way and progress done up to now by our country, the main features of our national EU-coordination system, concluding in a SWOT Analysis of EU-coordination system in Albania. Albania was the last of the central and eastern European countries to embark on democratic and free market reforms, and it started from a disadvantaged position due to Hoxha's catastrophic economic policies. The democratically elected government that assumed office in April 1992 launched an ambitious economic reform program meant to halt economic deterioration and put the country on the path toward a market economy. However, the collapse of the infamous pyramid schemes in 1997 and the instability that followed were a tremendous setback. The country subsequently recovered and is

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<sup>1</sup> Referred to as "the former Yugoslav Republic of Macedonia" by the EU

aggressively pursuing its Euro-Atlantic integration agenda. In June 2006, the Albanian Government signed a Stabilization and Association Agreement (SAA) with the European Union, the first step in the EU accession process.

In April 2009, Albania became a NATO member country and at the same time submitted its application for EU membership, both considered major milestones in the country's history.

Albania's economy has improved markedly over the last decade; reforms in infrastructure development, tax collection, property law, and business administration are progressing. Despite the effects of the recent global financial crisis and economic downturn, the country has outperformed many other countries in the region. During 2006-2009 the average growth rate was 5.5%, while for 2010 the Government of Albania anticipated growth reaching 4.1% (the IMF predicted 2.7%).

As with the Mediterranean countries in the 1980s, the former communist countries in Central and Eastern Europe had just emerged from dictatorship and wanted to consolidate their new democracies. They also wanted to join the project of European integration and ensure they did not fall back into the Russian sphere of influence. The EU, and NATO, offered a guarantee of this and the EU was also seen as vital to ensuring the economic success of those countries. The EU's desire to accept these countries' membership application was however less than rapid. The collapse of communism came quickly and was not anticipated. The EU struggled to deal with the sudden reunification of Germany with the addition of its poorer 17 million people and, while keeping its monetary union project on track, it was still at that early stage pointing the EFTA countries in the direction of the EEA rather than full membership.

The former communist states persisted and eventually the above mentioned issues were cleared. The US also pressured the EU to offer membership as a temporary guarantee; it feared expanding NATO too rapidly for fear of frightening Russia. Although eventually trying to limit the number of members, and after encouragement from the US, the EU pursued talks with ten countries and a change of mind to help to offset slightly the influx of large poorer member states from Central and Eastern Europe.<sup>2</sup>

The less developed nature of these countries was of concern to some of the older member states, who placed temporary restrictions on the rights of work of the citizens of these new eastern states to their countries.<sup>3</sup>The distribution of competences in various policy areas between Member States and the Union is divided in the following three categories:

## 2. Literature Review

Enlargement of the North Atlantic Treaty Organization (NATO) is the process of including new member states in NATO. NATO is a military alliance of states in Europe and North America whose organization constitutes a system of defense. Countries wishing to join have to meet certain requirements and complete a multi-step process involving political dialogue and military integration. The accession process is overseen by the North Atlantic Council, NATO's governing body. These nations were first invited to start talks of membership during the 2002 Prague summit, and joined NATO. Most recently, Albania, Macedonia and Croatia joined on April 1, 2009, shortly before the 2009 Strasbourg-Kehl<sup>4</sup> summit. Future expansion is currently a topic of debate in many countries. Cyprus and Macedonia are stalled from accession by, respectively, Turkey and Greece, pending the resolution of disputes between them.

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<sup>2</sup> NATO Progress report 2010

<sup>3</sup> Part I, Title I of the consolidated Treaty on the Functioning of the European Union, year 2010

<sup>4</sup> 2009 Strasbourg-Kehl<sup>4</sup> summit, pp 14,25,63

Table 1. Part I, Title I of the consolidated Treaty on the Functioning of the European Union

Exclusive competence:	Shared competence:	
<p><i>"The Union has exclusive competence to make directives and conclude international agreements when provided for in a Union legislative act."</i></p>	<p><i>"Member States cannot exercise competence in areas where the Union has done so."</i></p>	<p><i>"Union exercise of competence shall not result in Member States being prevented from exercising theirs in:"</i></p>
<ul style="list-style-type: none"> <li>▪ the <b>customs union</b></li> <li>▪ the establishing of the <b>competition rules</b> necessary for the functioning of the internal market</li> <li>▪ monetary policy for the Member States whose currency is the <b>euro</b></li> <li>▪ the conservation of marine biological resources under the <b>common fisheries policy</b></li> <li>▪ common <b>commercial policy</b></li> <li>▪ EU and the progress reforms under development in Albania and Macedonia Republic</li> </ul>	<ul style="list-style-type: none"> <li>▪ the <b>internal market</b></li> <li>▪ social policy, for the aspects defined in this Treaty</li> <li>▪ economic, social and territorial cohesion</li> <li>▪ <b>agriculture and fisheries</b>, excluding the conservation of marine biological resources</li> <li>▪ environment</li> <li>▪ consumer protection</li> <li>▪ transport</li> <li>▪ <b>trans-European networks</b></li> <li>▪ <b>energy</b></li> <li>▪ the <b>area of freedom, security and justice</b></li> <li>▪ common safety concerns in public health matters, for the aspects defined in this Treaty</li> </ul>	<ul style="list-style-type: none"> <li>▪ research, technological development and <b>space</b></li> <li>▪ development cooperation, humanitarian aid</li> </ul> <p><i>"The Union coordinates Member States policies or implements supplemental to theirs common policies, not covered elsewhere"</i></p> <ul style="list-style-type: none"> <li>▪ coordination of economic, employment and social policies</li> <li>▪ common <b>foreign, security and defence</b> policies</li> <li>▪ progress under strong points of countries reforms</li> <li>▪ public goals</li> <li>▪ development of border trade between Albania and Macedonia Republic.</li> </ul>

2.1 The Europe Democracy and Human Rights

Europe is the greatest project ever happened in the history. It was a miracle what is happened during the last century in our continent after two worldwide wars. The Union of Europe was necessary in the point of view that this will lead up to the strengthening of the relationships between countries. Reinforcing the democracy and the human rights is the best way to carve the peace. We do not ever forget the philosophy of the famous philosopher Edmund Burke said: "Thither where the legal state cease, it's the tyranny that originates." This is the aim of the Council of Europe. Most of the time, the two processes took place in parallel.

That's why is so important to be unified the entire continent in one. Albania is in a very good position for having a constructive consortium with the European Union and the other European institutions. We belong to Europe, therefore we all must to act together to protect the peace and to enlarge the human rights in the whole continent.

The process of enlargement regarding Albania will bring several reforms on justice, on the social-economic developments, as also will bring reformation and structural development towards to the assets ownerships and investments in general. In all cases, EC policies will be invariably taken as the reference against which the EC assistance objectives are defined, and achievements measured.

Although Albania will remain heavily dependent on external financing it is assumed that the level of international assistance for Albania will diminish appreciably in the next years and this will affect growth rates. There is a risk that even if certain key reforms are completed Albania will continue to have difficulty in attracting foreign investment.

In the last meeting of the Stabilization and Association Council-(SAC) between Albania and the EU, as regards the economic criteria, SAC noted that Albania has moved closer to a functioning market economy but observes shortcomings on real estate registration and orderly market exit procedures. Economic growth, stability and predictability have been maintained during 2009 despite the global crisis but macroeconomic stability and fiscal discipline need to be ensured. The SAC noted progress made towards enabling the Albanian economy to cope with competitive pressure within the EU by implementing its privatization agenda and upgrading the transport and energy infrastructure in the country, while increasing competition in the telecommunication sector. Albania has been able to make progress on key political reforms, on economic development and on its preparations for European integration.

## *2.2. EU Policy and Internal Agreement*

Treaty lays down new principles and responsibilities in the field of the common foreign and security policy, with the emphasis on projecting the EU's values to the outside world, protecting its interests and reforming its modes of action. The European Council will lay down common strategies, which will then be put into effect by the Council acting by a qualified majority, subject to certain conditions. In other cases, some States may choose to abstain "constructively", i.e. without actually preventing decisions being taken.

As for the institutions, there were two major reforms concerning the co-decision procedure (the legislative procedure involving the European Parliament and the Council), affecting its scope - most legislation was adopted by the co-decision procedure - and its detailed procedures, with Parliament playing a much stronger role. These provisions make the Commission more politically accountable, particularly vis-à-vis the European Parliament. Finally, the new Treaty opens the door, under very strict conditions, to closer cooperation between States which so wish. Closer cooperation may be established, on a proposal from the Commission, in cases where it is not possible to take joint action, provided that such steps do not undermine the coherence of the EU or the rights and equality of its citizens.<sup>5</sup>

## *2.3. EU Member States and the Perspective in SEE*

Now, the EU, a community of values based on peace and freedom, democracy and the rule of law, as well as tolerance and solidarity is the world's largest economic zone. The wider internal market and new economic opportunities have increased Europeans' prosperity and competitiveness. The governments of the EU Member States, coming together in the European Council, have agreed to extend the EU perspective to countries in South East Europe - Croatia, the former Yugoslav Republic of Macedonia, Albania, Bosnia and

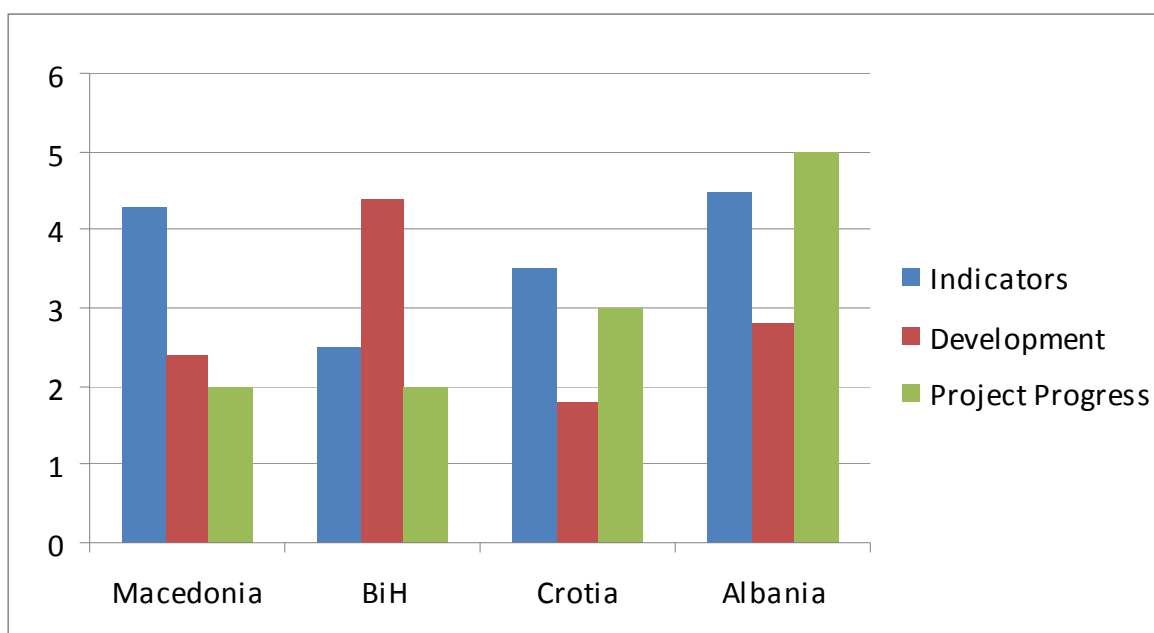
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<sup>5</sup> European Commission (2005-11-10). "1972". History of the European Union. Retrieved , 2006-01-18.

Herzegovina, Montenegro, Serbia, Kosovo under UN Security Council Resolution 1244 and Turkey. Membership will only happen when the necessary requirements are met. A gradual and carefully managed enlargement process creates a win-win situation for all countries concerned.<sup>6</sup>

At present, there are three candidate countries, Croatia, Turkey and the Former Yugoslav Republic <sup>7</sup>of Macedonia. Accession negotiations with the first two started on 3 October 2005. The Former Yugoslav Republic of Macedonia became a candidate country in December 2005, on 2007 they have signed the Association Agreement and on January 2010 they took the status as European member but not with full access. The other countries of the WBs - Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo under UNSC Resolution 1244/99<sup>8</sup> - have all been promised the prospect of EU membership as and when they are ready. They are known as potential candidates.

**Table 2. Contractual Partnership between EU membership.**



With all the countries of the WBs the EU has established a process known as the Stabilization and Association Process (SAP),<sup>9</sup> which aims to bring them progressively closer to the EU. Thanks to this process, these countries already enjoy free access to that of the EU single market for practically all their exports, as well as EU financial support for their reform efforts. The centerpiece of the process is a SAA, which represents a contractual relationship between the EU and each WBs countries, entailing mutual rights and obligations. The SAA focus on respect for key democratic principles and the core elements which are at the heart of the EU single market. The SAAs are also the tools which provide, much as the Europe Agreements did for the candidate countries in Central Europe, the formal mechanisms and agreed benchmarks which allow the EU to work with each country to bring them closer to the standards which apply in the EU. Through a free trade area with the EU and the associated disciplines (competition and state aid rules, intellectual property etc) and benefits (e.g. rights of establishment), and through reforms designed to achieve the adoption of EU standards, this process will allow the economies of the region to begin to integrate with that of

<sup>7</sup> Former Yugoslav Republic <sup>7</sup>of Macedonia. 3 October 2005

<sup>8</sup> Kosovo under UNSC Resolution 1244/99

<sup>9</sup> Stabilization and Association Process (SAP) January 2010

the EU. The process helps the countries concerned build their capacity to adopt and implement EU law, as well as European and international standards. It is based on an ever-closer partnership, with the EU offering a mixture of:

- trade concessions (autonomous trade measures);
- economic and financial assistance;
- assistance for reconstruction, development and stabilization (CARDS);
- SAA far-reaching contractual relationship with the EU, entailing mutual rights and obligations.

The EU's political strategy towards the WBs relies on a realistic expectation that the contract it enters into with individual countries will be fulfilled satisfactorily. EU assistance to the WBs is adapted as needs and political situation evolve. Initially, the focus was on humanitarian and emergency assistance. Later on, it concentrated on rebuilding infrastructure, and fostering reconciliation and the return of refugees. As each country moves deeper into the SAP, so the assistance focus increasingly on support for developing government institutions and legislation, and approximation with European norms and eventually harmonization with EU *acquis* (EU law).

#### *2.4 The Process of EU Cooperation and Albania*

Candidate countries have to demonstrate that they will be able to play their part fully as members - something which requires wide support among their citizens, as well as political, legal and technical compliance with the EU's demanding standards and norms.

Countries wishing to join the EU can proceed from one stage of the process to the next, but only once all the conditions at each stage have been met. In this way, the prospect of accession acts as a powerful incentive to reform. The EU policy on enlargement ensures that the process is meticulously managed, so that accession brings benefits simultaneously to the EU and to the countries that join it.

- The mandate and the framework;
- Screening and monitoring;
- Closure of negotiations and Accession Treaty.

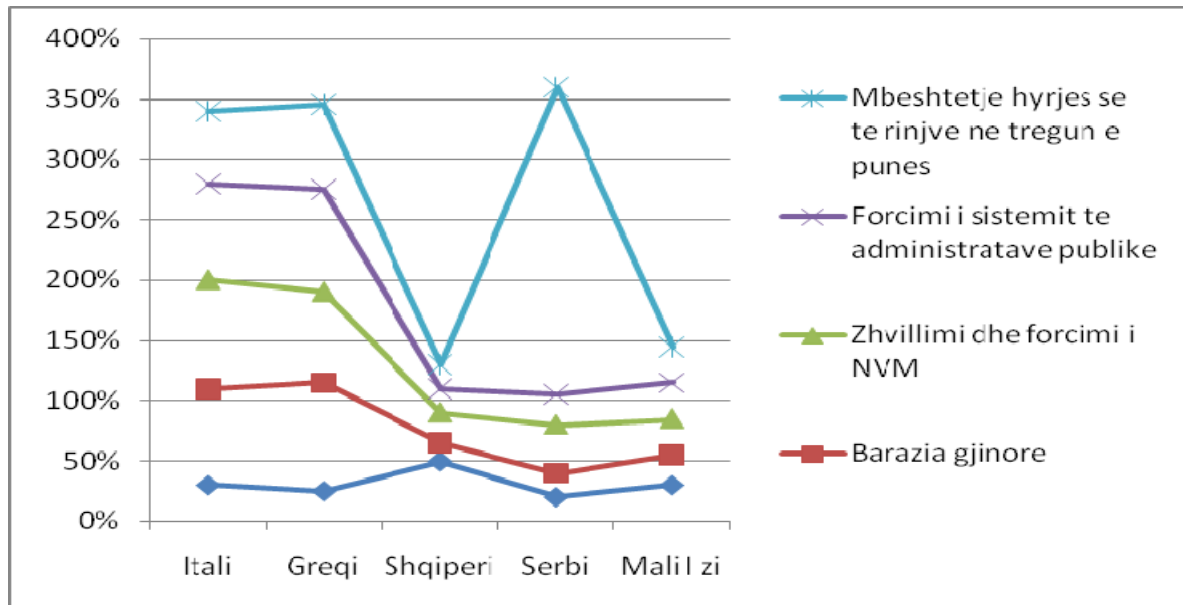
As the last of the Eastern European states to overthrow communism and with a legacy of international political isolation, Albania's experience of interaction with the EU is relatively short. In 1992 it entered into a Trade Agreement with the EU and in the intervening years has worked, with varying degrees of success, to implement domestic reforms in a bid to move towards EU standards. Albania is a potential candidate country for EU accession following the Thessaloniki European Council of June 2003. On 18 February 2008 the Council adopted a new European partnership with Albania. The SAA with the country was signed on 12 June 2006, after three years of negotiations. The SAA must be ratified by each EU Member State before coming into force, a process which could take some years, and it entered into force on 1 April 2009. In the meantime, an interim bilateral EU-Albania free trade agreement, which has been in operation since February 2003, will continue to function.

The EU-Albania visa facilitation agreement entered into force in January 2008 while the readmission agreement entered into force in 2006. Albania submitted its application for EU membership on 28 April 2009. Albania has profited from the EU autonomous trade measures since 2000. Albania's trade with the EU expanded with the additional preferences granted following the entry into force of the Interim Agreement in December 2006.

On 14 October 2009 the EC adopted its annual strategy document explaining its policy on EU enlargement. The document includes also a summary of the progress made over the last twelve months by each candidate and potential candidate: Croatia, the Former Yugoslav Republic of Macedonia, Turkey, as well as Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo. Furthermore, the 2009 progress reports were published on the same date, where the EC services monitor and assess the achievements of each of the candidate and potential candidates over the last year. That "enlargement package" of information

contains also a multi-annual financial framework setting out the financial assistance available to support the reform efforts of the candidate and potential candidates over the next years.

**Table 3. Competitive pressure within the EU implementing**



The period covered by the Albanian progress report is early October 2008 to mid September 2009. Progress is measured on the basis of decisions taken, legislation adopted and measures implemented. A joint committee met in December 2008 to oversee the proper functioning of the Interim Agreement. A Consultative Task Force (CTF) meeting took place in December 2008, focusing on political accession criteria and rule of law issues. Working party/subcommittee meetings focused on economic, internal market and policies. As a potential candidate for EU membership, Albania aligned itself with 116 CFSP declarations from a total of 128 relevant declarations adopted by the EU during the reporting period.<sup>10</sup>

As regards Community programmes, Albania is participating in the 7<sup>th</sup> Research Framework programme under a memorandum of understanding signed in December 2007. The country is also participating in the Entrepreneurship and Innovation Framework Programme and in the Europe for Citizens programme, under memorandum of understanding signed respectively in June 2008 and February 2009.

The visa facilitation and readmission agreements between Albania and the European Community continued to be implemented. In the framework of the visa liberalization dialogue, Albania has made good progress in the areas of justice, liberty and security, but has not yet met all the benchmarks set in the roadmap. Further efforts are required particularly in the area of personalization and distribution of biometric passports, border and migration management and the institutional framework to fight organized crime and corruption.

Priority areas where regional CARDS assistance is focused for 2005–10, are listed below:

- Institution building: this priority focuses primarily on strengthening the administrative capacity of the countries, and support to public administration reform, through instruments implemented regionally;
- Justice and home affairs: actions in this field have a special focus on the fight against organized crime and corruption, and include enhanced police regional cooperation and judicial regional cooperation;

<sup>10</sup> Entrepreneurship and Innovation Framework Program, December 2007

- Cross-border cooperation: by promoting economic and social cooperation of border regions, including support to networking activities and the involvement of civil society. The EU supports the development of cross-border cooperation between the WBs countries, as well as between these countries and EU members, acceding and candidate countries;
- Private-sector development, by facilitating foreign direct investments in the region;
- Infrastructure development, through initiatives in the sectors of transport, energy, environment and information society.

### 3. Conclusions and Definitions

1. Macedonia,<sup>[11]</sup> Montenegro and Turkey are all official candidates states while Albania and Serbia have applied for membership. Bosnia and Herzegovina has concluded an association agreement and is preparing an application while Kosovo is beginning negotiations for an agreement. The Western Balkans have been priority for membership since emerging from war during the breakup of Yugoslavia; Turkey has been seeking membership since the 1980s and Iceland has lodged its application since suffering economic collapse in 2008.

2. Regional cooperation is a principle of the highest importance for the political stability, the security and economic development of the WBs countries: Albania, Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia.. Many of the challenges facing the WBs countries are not only common to them but also have a cross-border dimension, which involves their regional neighbors. The political dimension of regional cooperation and Regional cooperation in the WBs is: needed as a crucial ingredient of stability;

- about helping overcome nationalism and intolerance and promoting mutual understanding and political dialogue in the region.

3. The centrepiece of the SAP is the conclusion of SAA, which represents a contractual relationship between the EU and each WBs country, entailing mutual rights and obligations. Regional cooperation is a specific requirement under the SAAs. Rapprochement with the EU will go hand in hand with the development of regional cooperation in the WBs.

4. Infrastructure development is of vital importance for developing the economies of the WBs; it is an initial and indispensable requirement for an increase in economic growth. However, infrastructures without the reforms necessary to strengthen institutions that will promote sound development policies cannot promote economic growth and social cohesion nor achieve much by way of regional and cross- border integration.

Regional trade across South-Eastern Europe is fully in keeping with the EU perspectives of the different countries in the region, independently of where they stand on their way to membership. Trade liberalization and facilitation is one of the pillars of the SAP: a main instrument of the SAP is the autonomous trade measures that the WBs countries enjoy — free access, without quantitative limit, to the EU market for practically all products.

- A potential candidate country, which is monitored continually for the fulfillment of the engagement criteria taken in the framework of the SAA;
- Centralized coordination system (inter institutional coordination through the Ministry of European Integration and EI Unit). The Government has the main responsibility. The PM has full decision making competences and guides the work of the government;
- The current mechanisms do not provide any clear guidance and involvement of independent institution, due to the separation of power doctrine; yet, it does not prevent them from playing an active role in the process;
- A Parliamentary Commission for EI has been established within the Albanian Assembly and Local governments are not involved in the EI process and do not keep direct contacts with Brussels, but they operate independently in accord with the governance practices of similar countries in EU;



- Short of public administration staff, which is not adequately trained in issues of European integration; National Strategy in place; Departments are not autonomous and easy to coordinate;
- Low policy making structures and lack of EU policy making; Strategic planning and coordination is in place; Low level of involvement and information.

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- 2011-04-12 Upgraded Sicily based on "File:Freeworldmaps-sicily.jpg". Upgraded Malta based on "File:Map of Malta 2.png". Simplified Croatian borders.
- 2011-04-10 Upgraded Croatia, Bosnia & Herzegovina, Slovenia and surrounding countries based on data from "File:Kroatien - Politische Gliederung (Karte).png"
- 2011-04-10 Improved Serbia, Montenegro and surrounding countries using data from "File:Serbia Map.png". Fixed Serbia-Montenegro border. Added Kosovo.