



Bridging the gap between Albania and European Union under the three pillars of sustainability

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Abstract

The Thesis was written as part of the MSc in Sustainable Development at the International Hellenic University and deals with the Albanian integration into the European Union. The aim of the paper is to present an overview of the current situation in Albania as well as to determine the role of sustainability in the process of this integration. The main purpose is to analyze the progress of the country on the economic, societal and environmental level, and assess its deficiencies in the framework of European integration. Albania, as all Balkan countries in general, in the past 20 years faced a lot of changes and since its application for EU membership in April of 2009 has encountered many challenges. Previous studies indicate that Albania has made significant progress in many aspects but not enough to guarantee its integration. The assessment of these aspects will most definitely shed some light and will help us understand how far away Albania is from becoming a member state of the European Union. This matter will be mostly studied in accordance with the three pillars of sustainability. Consistently, at the end of this paper we will have a complete perception of Albanian situation and how sustainability can help the country fulfill its goal of becoming the next member state of European Union.

Keywords: Albania, European union, gap analysis, sustainable development, integration.

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Chapter 1: Introduction

1.1 Objective of Thesis

Albania is one of the most peculiar cases in the European history, for both its past and its future. For many years it has become the country's priority to be a member state of the European Union and until recently many studies indicate that Albania is one step closer to fulfilling its purpose. However, several practical questions arise when dealing with a country in transition. First, it is important to identify the fundamental problems that until now have prevented Albania from obtaining the necessary standards that will lead to EU integration. Second, it is key to pay attention to the global movement towards sustainability, explore the value of the concept and the possibility of implementing it on the reformed framework of Albania. Last but not least, it is crucial to identify the best possible practices that will provide Albania with the desirable outcome.

To answer all these questions an original approach to this matter is presented, which will provide an understanding of the links between the integration of Albania in the European Union and the promotion of sustainable development. The objective of this paper is to propose practical ways that will lead the country towards a market economy that is sustainable. The paper explores the possibility of Albania becoming a worthy member of the European Union by examining its ability to fully use its natural resources in a sustainable way.

1.2 Outline of Thesis

The remainder of the paper is organised as follows:

Chapter 2 provides the reader with an understanding of the current situation in Albania by outlining the country's history. The objective is to comprehend the highlights of the country that led to its present position.

Chapter 3 is devoted to the concept of sustainability and the challenges that it presents for a country in transition such as Albania. The combination of sustainability and an economy in transition will be analysed in order to discover if any positive results can be yield.

Chapter 4 describes the relation of Albania with the European Union and discusses the country's marathon towards EU membership. Attention is also paid to the accomplishments that Albania has succeeded until now and gives an ideal opportunity to make suggestions about the pathway that will lead to the desirable integration.

In Chapter 5 the reader is introduced to the gap that still exists between the country and the institution of the European Union. Subjects such as the effectiveness of the state will raise the issue of the country's legislation and how it can be upgraded in favour of bridging the gap that currently exists.

Chapter 6 explores several suggested steps towards not only EU but also towards promoting sustainability. A concept that has been prominent in discussions since the mid-1980s but for Albania is still a vast unexplored area. It aims to develop a critical awareness of the many potentials that the country has of becoming a green economy if it can harvest properly its natural resources.

Finally, Chapter 7 summarizes the results of this work and draws conclusions.

1.3 Methodology

The methodology chosen for this paper is entirely literature-based and of theoretical analysis. The selection and discussion of theoretical material and descriptive material will lead to an examination of theories and approaches in terms of their applicability in the particular case of Albania. This case will be studied mainly according to the EU Directives and the standards set by European Union in order for Albania to become a member state.

The research started by investigating the country's past in order to understand its philosophy, how the government and society operated and ultimately comprehend the country's current position in the global status. To illustrate that, papers were reviewed and international organizations were consulted.

The country's course, up until now, will be analyzed from the environmental, societal and economical perspective in order to provide an insight in its development and the role that sustainability can have in Albania's marathon towards European Union integration. Moreover, by the end of the paper suggestions for the country's interest will be presented.

Part I: An overview of the situation in Albania

Chapter 2: Current situation in Albania

2.1 Introduction

Albania is one of the smallest and poorest countries in Eastern Europe where more than 75% of the territory is hills and mountains. The country has about three million citizens and its neighbours are Greece, Kosovo, Macedonia and Montenegro. It is characterized by natural resources, such as natural gas, coal, petroleum, chromite, salt, copper and hydropower (Kadare, 2001), and it possess many traditions as well as an authentic culture. Despite its size (the country covers an area of 28,748 km²) Albania has suffered a lot, for almost 500 years was under the Ottoman Empire and after Second World War it joined the communist bloc for 45 years.



Picture 1: A map of Albania and its neighbours (source: World Maps, 2015)

More specifically, in 1388 Albania fell under the Ottoman Turks, a five-century period where development and prosperity did not occur. On the contrary, during that period the Ottomans restricted Albania's growth and trade exchanges with the Western Europe, a fact that eliminated the commerce and economy that flourished in Albania during the middle ages. Moreover, the Turks also tried to create incentives that would led Albanians convert to Islamism, such as economic assistance and tax exemptions, but many Albanians refused. It is worth mentioning that during the ages of 1443-1468 an Albanian military, named Gjergj Kastrioti (Skanderbeg) managed to drive out the Ottomans for a brief period of 25 years and became a national hero. Finally, in 1912 Albania proclaimed its independence.

Unfortunately, the sufferings were not over, during World War II the country was invaded by Italian forces in 1939 and by German forces from 1943 to November 1944 (Asllani et al., 2014). No one can deny that Albania was one of the most devastated countries in Europe and after the World War II joined the European communist bloc. The Albanians lived for almost fifty years under extremely self-isolated policies and an oppressive regime that led to full isolation from the Western world and lack of freedom of expression (Asllani et al., 2014).

Things started to change in the early 1990s, when new elections took place and the communist regime was finally replaced by a parliamentary system that gave hope to the Albanian people, as it promised radical economic and social reforms in the country.

2.2 A short history of the communist Albania 1945-1990

As mentioned above, Albania went through a severe and isolated communist dictatorship that lasted 45 years. One can easily claim that is impossible to imagine a more vicious dictatorship than the one that Enver Hoxha established in Albania. The coming to power of the Communist Party defined essential aspects of the course of events that took place in the political, economic and social situation in Albania. In many aspects, the power of war and the direction taken by the political class after 1945 totally damaged the state, society, economy and culture of the country. At that period Albania was still considered as a medieval society whose traces for many years were very obvious on the ideological level (Danermark, 1993).

In other words, Albania emerged from the bondage of foreign invaders, only to fall under the rule of the communist political class. Since the very beginning, of the Communist propaganda campaign, the state was defined as an expression of the dictatorship of the proletariat government. Consequently, the dictatorship of the proletariat served as a political excuse to legitimize the rule of the country by a small group of people (Sadiraj, 1999).

By the end of 1944, the partisans of Enver Hoxha controlled most of Albania and formed a provisional government. In December 1945 the communists held elections with a single list of candidates and in January 1946 Enver Hoxha was declared a prime minister (Danermark, 1993). During the period of 1944-48 Albania had close ties with Yugoslavia that helped with the establishment of the Communist Party of Albania, and after the president of Yugoslavia, Tito, broke ties with Stalin Albania became a close ally of the Soviet Union.

For the provision of financial and technological tools, as well as military and political financing, Albania acceded to the communist camp with Yugoslavia (1944-48), the Soviet Union (1948-61) and China (1961-78). Economically, Albania benefited greatly from this alliance. Hundreds of millions of dollars were invested in heavy industry and thousands of advisers and specialists came to Albania to oversee the development of the economy (Sadiraj, 1999). Consequently, the Albanian population emerged from the darkness of many centuries and for some time could enjoy relatively high living standards. Politically, Hoxha was disappointed with his communist allies and split with each of them, accusing them of ideological treason. Isolated from both the West and East, Albania adopted the course of building socialism "on its own".

Based on the above mentioned strategy of Enver Hoxha the country had set up a primitive industrial base. Relatively rich in minerals and sulphurous oils Albania supplied almost all its energy needs and most of the raw materials. This type of policy intended to give priority to the villages rather than the cities, given that two thirds of the population lived in rural areas (Sadiraj, 1999).

On 28 of March 1955 Albania acceded in the Warsaw Pact, the military organization that was created by Russia which were part of the communist countries of Eastern Europe to counter NATO. Albania emerged from this organization after the break with Russia. The two countries broke ties when Stalin died and the direction of the Soviet Union passed to the hands of Nikita Khrushchev (Danermark, 1993). This change brought a new era of relations in the Eastern bloc and caused the displeasure of Hoxha, who believed that the new leadership had violated the Marxist-Leninist line. After 1961, Albania and Soviet Union froze relations and no longer had any contact points (Zotaj, 2014).

After these events China replaced the Soviet Union and Albania became the only ally of China in Communist Eastern Europe. The economic assistance of China was great but despite the economic debt of Albania to them, which accounted for a large portion of the goods imported into the country, from toilet paper, to the tractors, slogans that praised the friendship between the two countries were rarely seen (Zotaj, 2014). Hoxha said that he was not satisfied with China's agreement with the United States of America and consequently their alliance lasted until 1977 when Hoxha broke ties in protest of China's liberalization and its rapprochement with the US.

It is worth mentioning that in 1967, communist authorities conducted a violent campaign to eradicate religious activity from Albania, claiming that religion had divided the nation. By year's end, all the churches, mosques, monasteries and other religious institutions were closed and turned into warehouses, gyms, and workshops. Apart from that, those who criticized the Party and state leaders were fired, imprisoned in forced labour camps or simply executed (Danermark, 1993).

The last decade of the '80s and '90s, Albanian economy showed a sign of total crisis, scarcity of goods was apparent and exports fell while the demand of imports rose (Sadiraj, 1999). Therefore, the country fell into a deep economic crisis which financial and centralized economy system was not capable of stopping (Muco, 1997) In a broad sense, despite several attempts to modify the economic policy and allow some elements "of the capitalist economy," it was a crisis of the socialist system itself and therefore could not be resolved without changing it.

After Hoxha's death in 1985, his successor, Ramiz Alia tried to prevent the communist system and gradually introduced some reforms in an effort to revive the economy (Kadare, 2001). But the state of dictatorial communist economy was slipping into a spiral of crisis and recession, especially after the termination of aid from communist allies. In the meantime, with the collapse of a series of dictatorial Communist regimes in Eastern Europe in 1989, various segments of Albanian society became politically active and mobilized strongly against the dictatorial government. Main activist groups were frustrated by the limitations and isolation during the half-century-old dictatorship (Sadiraj, 1999).

As a result, in March 1992 where the first free elections took place the Democratic Party won. Ramiz Alia resigned from the country's leadership and was succeeded by Sali Berisha, who became the first anti-communist leader of Albania since the time of the dictatorship.

2.2 Albania after communism 1990-2010

The events that took place in December 1990 were of great historical importance. More specifically, on December 8, 1990 the students of the University of Tirana, Albania formed the Democratic Party, the first opposition party after nearly 50 years. The main leaders are Sali Berisha, Azem Hajdari, Genc Pollo, Alexander Meksi, Eduard Selami and Gramoz Pashko. The new party was based on the ideals of "democracy, freedom, pluralism and the free market." After several days Sali Berisha, one of the most famous doctors of the country, is elected by the majority as the chairman of the Democratic Party (Zotaj, 2014).

Despite these significant events, the country was still suffering. Mass emigration that characterizes the post-communist period began in July 1990, when more than five thousand people entered the embassies of Italy, Germany and France in order to leave the country. By the end of 1990, over twenty thousand Albanians had fled the country overland to Greece and requested political asylum (Muco, 1997). In March 1991, a large number of Albanians entered the port of Durrës, the biggest in the country. After receiving the ships of the merchant marine fleet, they directed them to deploy in the ports of southern Italy. The same situation was repeated a few months later, in August, when about eighteen thousand people, after taking control of several ships, landed on Italian shores (Kadare, 2001).

Illegal immigration rose sharply in subsequent years only to decrease between the years of 1992 and 1996. The reason was attributable to improved political stability and socio-economic situation. At the end of 1996 the number of Albanian nationals living abroad amounted to 350 thousand people. The flow of emigration became massive in 1997, as a result of the collapse of pyramid schemes and political chaos that accompanied this event (Zotaj, 2014)

What happened to the infamous 6 months of 1997, but actually started back on November 6th 1996, it was no coincidence, but a result of the collapse of pyramid schemes. The tragic year 1997 was due to the collapse of about 25 pyramid schemes, which stripped Albanians nearly 1.2 billion dollars (Muco, 1997). Pyramid scheme is an illegal investment where investors were promised large percentage of interest on the amount invested (and lend). However, these interest rates did not match any economic logic and the scheme collapsed.

The month of March 1997 will remain in the history of Albania as one of the worst, due to the drama the country experienced both socially and economically. The whole country was burned by popular rebellion due to fraudulent financial pyramid built of power Sali Berisha and nearly 3,000 Albanians were killed. At that point it seemed like civil war was about to erupt between the government and the rebels (Muco, 1997). Although the Prime Minister resigned immediately, Berisha refused opposition demands to step down. That is why UN and European Multinational Forces were required to step in and take the situation under control.

After 1997, Albania continues to change the system of government shuttling between the two main forces in the Democratic and Socialist and continuous weaving to have an economy and sustainable development which seems far from that of the European model (Kadare, 2001)

Fortunately, in June 2006 Albania made the first step in the EU accession process by signing the Stabilization and Association Agreement with the European Union. The year of 2009 was a significant one for the country as it managed to accomplish two milestones; it submitted its application for EU membership and also became a NATO member country (Asllani et al., 2014).

2.3 Albania's current situation

It is by far sure that Albania has experienced (and still is experiencing) a very difficult transition period. Since the submission of the application of the EU membership the country has made great progress in meeting the key criteria that are set in order to accomplish its goal and become a candidate country (Aslund and Sjoberg, 1992). The process of integration would promise stabilisation and reconstructions as well as sustainable development, and economic and social compatibility with the EU. In order to understand how important this step is for Albania, it is of vital significance to mention that integration in EU apart from being a political aspiration of all Albanian political parties, in societal terms it is desired by 93.8 percent of the Albanians (Abazi, 2008).

Albanians have decided to be a part of the European freedom but there are still many challenges in order to succeed that. Albania has experienced notable economic growth and reduction in poverty, but despite that it remains one of the poorest countries in Europe. The percentage of population that live below the poverty line is 25.4 percent or in other words 780,000 people (Yujnovsky and Mece, 2006).

Despite that, access to education, health care and water has been improved. The advancements in internet communication have led to major increase in the participation of civil society concerning policy-making. However, significant institutional and economic reform challenges remain. Moreover, many environmental problems remain unsolved and have even become more intensive (Abazi, 2008). Intensive construction and growing demand for private mobility have caused the increase of greenhouse gas emissions and the fact that climate variability is changing globally is making the existing environmental problems in Albania only worse (Aslund and Sjoberg, 1992).

Data published by the Global Footprint Network in 2010 placed Albania 74th in the descending list of 154 countries ranked by their ecological footprint. Even though, from a global perspective the result is quite satisfying, at a national level Albania's ecological deficit is (Stern and Wohlfeld, 2012). From environmental perspective soil erosion, the contaminations of land, of water resources and of the marine environment are very serious matters that pose major concerns. Furthermore, unsustainable forestry and waste management are important subjects that need to be addressed in order to ameliorate the situation and decrease pollution in the country (Weiland, 2010).

Of course, all of the above mentioned issues are mutually related and inter-dependent and that is the reason why over the past decades, sustainable development has been promoted as a key solution to these problems. And since it appears that the future of Albania is linked to its integration in the EU we will address the subject from the sustainability point of view (Jerneck et al., 2011).

CHAPTER 3: Albania and sustainability: a country evolving

3.1 Introduction

In 1713 Hans Carl von Carlowitz was the first one to clearly formulate the concept of sustainability in forestry. Back then wood was used for constructions and was the only source of energy, due to its rapid use Carlowitz concluded that in order to prevent shortage of wood the continuous but sustained use of the material was necessary.

A long time after that sustainability made its way into becoming a global political issue. Several conferences were held during the next years and the most important are:

- In 1972 the UN conference on the human environment that took place in Stockholm
- In 1987 the World Commission on Environment and Development
- In 1992 was held in Rio the UN Conference on environment and development
- In 2002 the UN Conference on sustainable development occurred in Johannesburg
- In 2012 was held in Rio the UN Conference on sustainable development and green growth
- In 2015 the UN Conference on climate change that took place in Paris

All of the above mentioned events indicate the level of commitment of UN to the concept of sustainability and the particularly prominent role that has played in stimulating engagement with sustainable development (Baker, 2006).

It is without a doubt that the promotion of sustainable development is different for every country and it's a fact that diverse societies, cultures and groups may aspire to various pathways (Baker, 2006). But despite the diversity of countries there are certain global requirements that need to be addressed in order to lead to a sustainable future.

Recently, considerable attention has been paid to transition economies and the role of sustainability during that period. This chapter demonstrates the feasibility of the concept of sustainable development on the transition economy of Albania. As sustainable development is a policy that comes across many areas, such as international development, trade, environmental protection, industry, energy policy or even urban planning, it has been widely researched. And later on the results of several researches will be examined in order to understand the importance of sustainability and how it can become the key policy for Albania to enter EU.

3.2 What is sustainability in economy, society and environment?

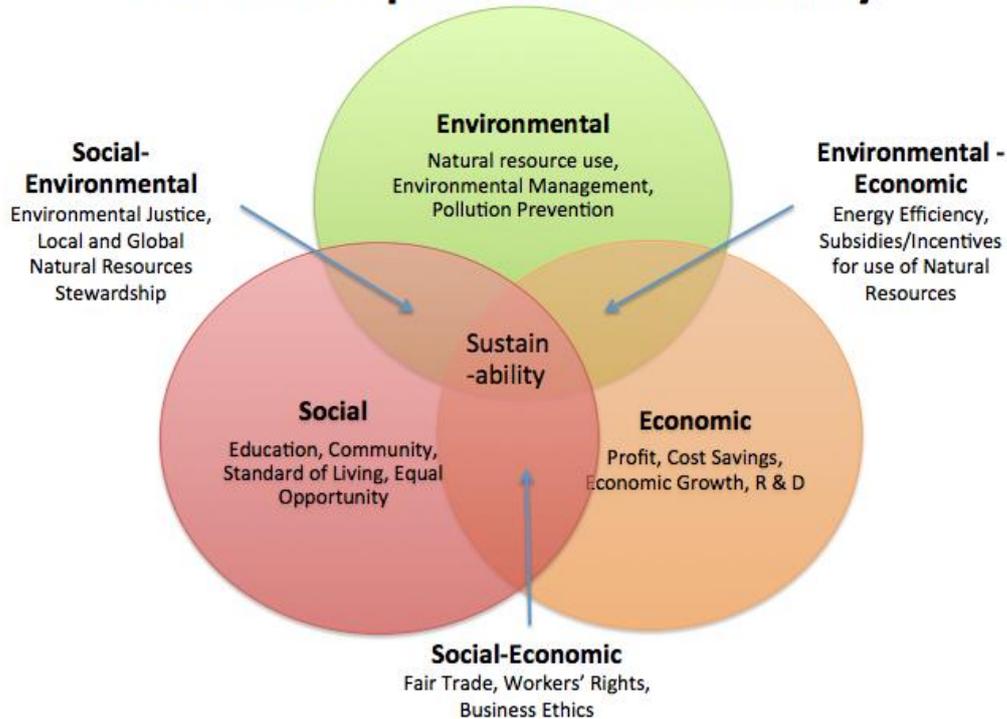
As reported by Baker (2006) the sustainable development model is a challenge to the conventional form of development, where progress is seen as simply modernization of the globe along with Western lines. In order for a society to be modernized it has to become urbanized and technically upgraded. This type of development is based on the promotion of individual growth and self-advancement (Baker, 2006). On the other hand, sustainable development challenges these approaches and condemns the idea of human progress being solely based upon the domination of nature. Previous research has documented that the deterioration of the natural environment causes disruption and problems to human health. This is the reason why sustainable development focuses not on the 'standard of living' but on the 'quality of life' (Baker, 2006).

The Brundtland Commission report, *Our Common Future*, of the World Commission on Environment and Development that took place in 1987, defined sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. So, the report refers to intergenerational justice that describes the needs of the world’s poor and the priority that should be given to them, as well as the need to ensure that future generations can supply their need. Along with intragenerational justice which addresses the equity that can be applied across communities and nations within one generation including its limitations that are influenced by technology (Kates et al., 2005).

In other words sustainable development aims at promoting development that is within the carrying capacity of our planet, is economically inclusive and socially fair. It seeks to reconcile the ecological, social and economic dimensions of development, now and into the future, and all that under a global perspective (Baker, 2006).

These dimensions are also known as the three pillars of sustainability where the economic system should preserve the environment and influence the society (Jerneck et al., 2011). As shown in picture 2, sustainable development is a dynamic concept which is linking economy, ecology and society.

The Three Spheres of Sustainability



Picture 2: The three spheres of sustainability (source: Baker, 2006)

According to the graph promoting sustainable development is about the interaction between the social sphere which relates to human values, relationships and institutions, the economic sphere which is about the economic growth and the distribution of scarce resources, and the ecological sphere which involves the effects that the previous mentioned spheres have on the environment and its resources (Baker, 2006).

In a more detailed analysis, the economic dimension of sustainability concerns the impact of organizations on the economic conditions of stakeholders and on economic systems at local, national, and global levels. The economic indicators illustrate the flow of capital among different stakeholders and main economic impacts of the organizations throughout society (Jerneck et al., 2011). In other words it describes the ability of an economy to support a particular amount of economic production forever.

When it comes to the environmental dimension of sustainability, it refers to the impacts on living and non-living natural systems, including ecosystems, land, air and water. Thus, it is the capacity to preserve over time the environmental quality and the natural resources (Kates et al., 2005).

Concerning the third dimension of sustainability, the societal dimension is about the impact an organization or a country have on the social systems within which they operate. A very good performance indicator is the Human Development Index (HDI) which is composed of the years of school education, life expectancy and GDP per capita (Jerneck et al., 2011). More precisely, it is the ability to guarantee the efficient interaction between stakeholders that will encourage welfare in social matters such as education, security and health.

3.3 Signs of Sustainability in Albania and the role of local NGO's

According to Yujnovsky and Mece (2006) there was very little knowledge or even awareness of development approaches and concepts in Albania, consequently there was no indication of what sort of general model should be followed towards sustainability. One of these approaches was the decision of Albania's government to adopt a policy reform program in order to strengthen its weak institutional and governance capacity (Papajorgji and Dumi, 2012). It was obvious that the government desperately needed to restore the public's trust that is why matters like education, culture, ethnic and religious coexistence were priority for the state.

As the public's confidence in Albanian institutions had deteriorated over the years, the government focused on ameliorating the legislative framework to guarantee its goals will be accomplished. Equally important is the fact that during the first years of the transition the government made important efforts to progress the political system and to make it more transparent (Papajorgji and Dumi, 2012).

As mentioned before the country has faced a lot of challenges so it is not surprising at all that since the 1990s Albania experienced huge migratory waves both internal and external. Even today data still report that there is a high number of unemployed people and if we take into consideration the fact that Albania faces more and more the effect of globalization it's safe to say that rapid and sustainable development is the key objective of the Albanian government (Musaraj, 2011).

Albania is obviously one of the most unique cases in Eastern Europe and, despite positive developments, some considerable implementation gaps and challenges that need to be addressed still remain.

The most interesting approach to this issue has been proposed by Amy and Gjermeni (2013) who pointed out the importance of NGO's emerge and the role they played over the years. After the fall of communism in Albania the government faced many difficulties, huge gaps were created and many social problems appeared. The lack of institutions and organizations that could handle these problems was counterbalanced by the emerging NGO sector which owes its development to the women's and human rights organizations. Consequently, in 1991, was established the Forum for Protecting the Foundational Human Rights of People and shortly after the Independent Forum of Albanian Women (IFAW), and by the end of the same year twenty more NGO's were established that had political and cultural concerns (Amy and Gjermeni, 2013).

Understandably, for NGO's was not easy to adapt and much less to justify the significance of their operation for local communities. During the first years, international organizations tried to help by donating time, effort and money in training directors and staff but the poor infrastructure of the country did not make it any easy. Fortunately nowadays, NGOs have evolved and are collaborating with the government, coordinating programs and develop laws (Amy and Gjermeni, 2013).

Therefore, the government rather than acting alone, and using traditional policies, is adjusting in the EU requirements and is promoting sustainable development by engaging with NGO's and social organizations. The involvement of non-governmental organizations is vital in addressing various environmental problems of global scale, such as climate change, deforestation and biodiversity loss (Baker, 2006)

PART II: A GAP ANALYSIS

Chapter 4: Albania and European Union: A goal to be fulfilled

4.1 Introduction

Albania is a country in transition and without a doubt its biggest challenge is meeting the requirements for becoming a member state of the European Union. The concept of European Union is based on the economic and political partnership among 28 countries. Its main objective is to provide a platform where all the member states can collaborate and help each other in terms of economic growth, mobility, stability and peace. This partnership helps the countries expand their economy while maintaining economic and political stability (Laci and Hysa, 2015).

Countries that want to become a member state of the European Union must satisfy the Copenhagen criteria that were formulated in 1993 and consist of economic, political and legal standards (Biraci, 2011). These criteria ensure that there is a certain level of institutional development which plays a crucial role in potential member states.

Albania had to wait five years before it received the candidate status and was rejected three times by the European Commission due to its weak institutional development. But since 2009 the country is next in queue and to get its membership it has to accomplish the twelve key criteria that are presented in figure 1 below and are set out by the European Commission (Laci and Hysa, 2015).

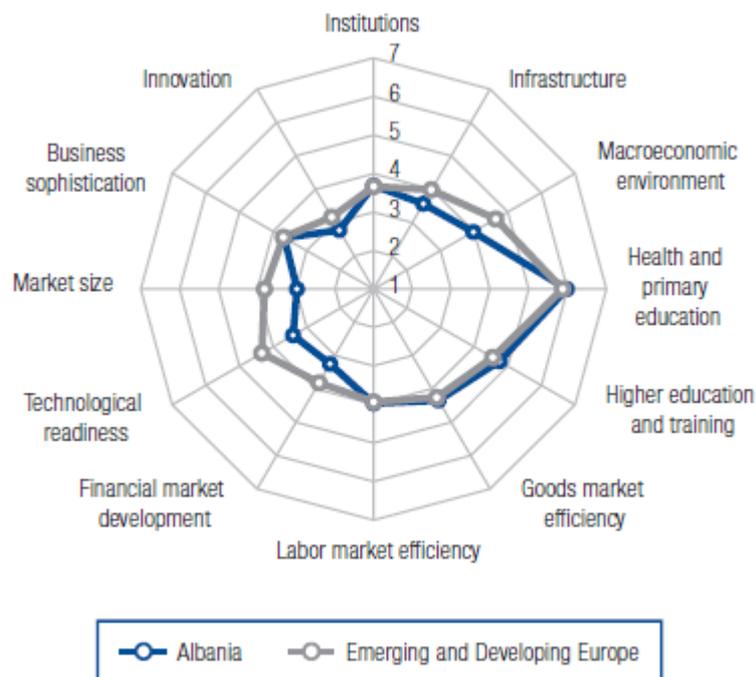


Figure 1: Stages of Albania’s development in key sectors (source: Global Competitiveness Report 2015-2016)

There is a long list of tasks that Albania has to address before is ready for integration. Currently the country is transforming from a centralised economic and political society to a decentralized market economy (Abazi, 2008).The aim of these transformation is clearly compliance with EU requirements and some of the most important areas that need to be reformed are public administration, the fight against corruption and protection of human rights.

It has to be mentioned that Albania will profit a lot by becoming a member state of the EU. When in crisis, the country will have the benefit of getting help from other member states and it will be able to import and export goods freely. As a result, the Albanian market will grow, business activities will rise and economic development will bring peace stability (Laci and Hysa, 2015).

4.2 How far away is Albania from fulfilling its goal?

During the transition period of Albania, the country and EU signed various agreements that have strengthened their relationship, such as the Central European Free Trade Agreement in 2006, and the country has made progress that forms a solid foundation on which a prosperous and successful future can be built. However, Albania still has a lot of hard work in order to gain full EU membership (Laci and Hysa, 2015).

Institutional development is considered as a basic condition for the countries that wish to be a part of the European Union. In particular, concerning the political criteria, Albania has made progress in strengthening its government structures, the rule of law and democracy. Nevertheless, reforming the judicial system and strengthening strategic planning still remain to be adopted (Biraci et al., 2011). Furthermore, the government of Albania has made great efforts to fight and even prevent corruption, but with no results. Corruption constitutes the most dramatic failure of the country as well as Albania's biggest obstacle towards EU integration. It is urgent for the country to address this problem by educating the public that shortcuts and bribes are not the way for progress, on the contrary these methods create uncertainty in every field and prevent growth (Abazi, 2008).

When it comes to meeting the legal criteria, Albania has made progress in the fields of justice, security and freedom. Unfortunately the progress is uneven and there is little improvement on the implementation of economic and political goals (Laci and Hysa, 2015).

Regarding the economic criteria, which are based on the well-functioning of the economy, Albania's performance has improved significantly. Privatization has really elevated the sectors of energy and telecommunication, and the reform on tax administration has contributed in decreasing informal economy (Biraci et al., 2011).

Additionally, the last decade great progress has been noticed in the area of information society where there is abundant variety of communication and information technologies. Internet is used as a communication tool as well as an information service which still is more independent than the media. Likewise, Albania has made several improvements in the energy sector by taking part in the Trans Adriatic Pipeline project (Laci and Hysa, 2015).

Nonetheless, considerable implementation gaps and challenges still remain as according to the Global competitiveness Index for the period 2015-2016 the country is ranked 118/140 in terms of macroeconomic environment, financial market development and innovation.

Global Competitiveness Index

	Rank (out of 140)	Score (1–7)
GCI 2015–2016	93	3.9
GCI 2014–2015 (out of 144).....	97	3.8
GCI 2013–2014 (out of 148).....	95	3.8
GCI 2012–2013 (out of 144).....	89	3.9
Basic requirements (40.0%)	87	4.3
1st pillar: Institutions.....	84	3.7
2nd pillar: Infrastructure.....	88	3.6
3rd pillar: Macroeconomic environment.....	118	4.0
4th pillar: Health and primary education.....	52	6.0
Efficiency enhancers (50.0%)	89	3.8
5th pillar: Higher education and training.....	47	4.7
6th pillar: Goods market efficiency.....	63	4.3
7th pillar: Labor market efficiency.....	97	4.0
8th pillar: Financial market development.....	118	3.2
9th pillar: Technological readiness.....	89	3.4
10th pillar: Market size.....	104	3.0
Innovation and sophistication factors (10.0%)	115	3.2
11th pillar: Business sophistication.....	95	3.7
12th pillar: Innovation.....	118	2.8

Figure 2: Global competitiveness Index (source: Global Competitiveness Report 2015-2016)

Doubtlessly economic growth is a priority for Albania but at what cost? Increasing demand of natural resources has led to degradation of the environment and uncontrolled construction has caused depletion and deforestation (Abazi, 2008). Along with the rapid urbanization and the already saturated climate change Albania needs to develop in a sustainable way that will help the country become advanced and competitive (Vladi and Agalliu, 2014).

In Albania past policies have ignored environmental planning but the last decades, where all countries aim towards sustainable economic development, it plays a vital role in economic growth. It is true that for developing countries, such as Albania, promoting sustainable development is difficult and requires innovative ways that will guarantee the success of this process (Vladi and Agalliu, 2014).

Last but not least, several publications have appeared in recent years documenting the problems for doing business in Albania and concluded that main factors are: corruption, tax rates, crime, political instability, inflation, lack of innovative capacity, government bureaucracy etc. A fact that is also supported by the Global Competitiveness report and is illustrated in Fig.3.

The most problematic factors for doing business

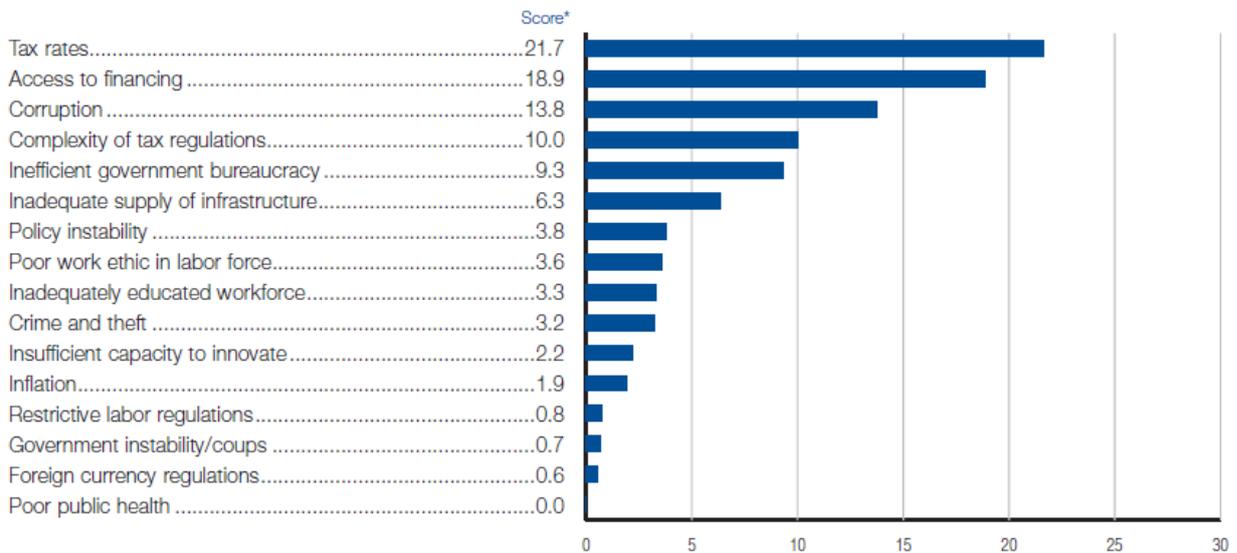


Figure 3: The most problematic factors for doing business in Albania (source: Global Competitiveness Report 2015-2016)

4.3 Challenges for sustainable development in Albania and the right pathway towards EU

The challenges that a country in transition might face are numerous but the challenges for the sustainable development in Albania can be divided into three categories. Firstly, external objective challenges such as climate change and degradation of the natural resources are the main threats to future development of Albania as they influence some important sectors such as tourism, agriculture, energy, health etc. (Musaraj, 2011).

Secondly, financial challenges also exist and can be described as the most important ones. In order for the country to be able to promote sustainability it has to provide financial support in strategic sectors like renewable energy, energy efficiency, new technologies on waste and water treatments, and that is not always possible (Baumgartner and Ebner, 2010).

Lastly, institutional challenges present the need for better cohesion and implementation between strategies and action plans, improved coordination between institutions and progress of expertise concerning sustainable development and green economy (Stern and Wohlfeld, 2012).

For several years great effort has been devoted to the study of “green economy”. Progress has been made by many countries towards that type of economy and as reported by Vladi and Agalliu (2014) it can be the most significant step of Albania towards EU integration.

Of course a green economy will have to pay attention to the minimization of environmental impacts and promote practical use of resources. Incentives will have to be created in order to encourage green economy and support the country’s transition. New sources of recycled materials will provide the production of renewable energy and energy efficiency which will gradually lead to the reduction of Albania’s dependency on fossil fuels (Musaraj, 2011).

Chapter 5: Bridging the gap between Albania and EU

5.1 Introduction

History has shown that Albania over the years has relayed on its allies and during the difficult period of transition is in obvious need for all kinds of foreign assistance and investments. Financial assistance and privatisation may even be key factors and help the country overcome the gap that still exists towards EU (Aslund and Sjoberg, 1992). The fact that a huge percentage of Albanians live abroad can actually help the country. It is expected that when these immigrants start sending contributions to their families the domestic economy will be boost and the investments will flourish.

The question is for how long can Albania enjoy the financial assistance and investments from its allies? In order for the country to be able to enjoy a fruitful cooperation under the sphere of the European Union it has to show progress. A big part of this progress is the role of the state and how effective it can be, as well as the evolution of existing institutions and legislation that will ameliorate the country and pave the road towards European Union (Llubani, 2014). All of these can be considered as different parts of a puzzle where, as we will explore later, rely on the education of the Albanians on sustainable development that will change the existing mentality.

5.2 Effectiveness of the state

Throughout Albania's journey towards EU membership we can't help but wonder what role did the state have and how effective was it in implementing policies that will bring the country one step closer to EU integration.

It is safe to say that transition period has been rather difficult for Albania and has lasted a long time. In the literature, several theories have been proposed to explain this phenomena and the majority emphasizes that the problem lays in the country's weak institutional and governance capacity (Qarri et al., 2012). History and political events prove that development and prosperity were not concepts that Albania was familiar with since for many years it followed an extremely self-isolated policy. So the country has reached a point where it faces, among others, important environmental and social challenges. These challenges are directly associated with sustained economic growth, deforestation, biodiversity conservation, poverty reduction and land ownership (Qarri et al., 2012).

The country came a long way becoming a decentralised and democratic society. But for an ex-communist country, like Albania, developing democracy was not simple. The government has initiated several projects that aim to increase the level of civic activism as it is very important for people to participate in the sustainable development of their community (Qarri et al., 2012). The overall objective is to have more participators at the local and national level that will be informed enough to help formulate strategies.

Unfortunately, the government is facing limited capacity of implementing policies. As reported by Aslund and Sjoberg (1992), poor implementation and weak enforcement can be caused by many reasons, such as, limited institutional and administrative capacity, lack of financial resources and enforcement procedures, and insufficiency in monitoring and measuring compliance. As reported earlier, corruption is one of the biggest problems that Albania has to overcome in order to ensure its accession to the European Union. The government recognises that the public awareness and the sense of responsibility have to be cultivated not only because it will help eradicate corruption but also because it will help the state administration reinforce sustainable governance (Aslund and Sjoberg, 1992)

It is without a doubt that the state would become more effective if it had the society's support which can only be accomplished by having access to more information, that will assist Albanians formulate a more integrated perception about the world's current state, and by promoting educational campaigns that will lead to a more informed citizens, which take part in their country's evolution.

5.3 Institutions and legislation that will pave the road towards European Union

The concept of sustainable development is still new in Albania and in order to ensure that the country will follow this path, regulatory frameworks have to be defined. During the last years all the new laws that were approved in Albania were trying to integrate principles of sustainable development and create an institutional framework. Of course this framework ensured that the laws were compatible with the EU directives (Llubani, 2014). This way Albania could become a good basis for investments that would support the private sector and render green development economically viable, socially acceptable and environmentally balanced (Kates et al., 2005).

Some of the main Albanian laws that are of critical importance for sustainable development are:

- The Law of Environmental Protection that was approved in 1992 after the conference in Rio.
- In 2003 the Law on Protected Areas and the law on Environment Impact Assessment (EIA) were improved.
- A new law on Biodiversity Conservation was approved in 2006
- In 2009 a law on Land Use Planning was also approved
- The law on Integrated Waste Management was approved in 2011

The main objective of the above mentioned laws was not only to bring Albania closer to its European integration. According to the Constitution of the Republic of Albania the government's purpose was to "ensure a rational use of the forests, waters, pastures, and of the other natural resources on the base of the sustainable development and to provide a healthy environment and ecologically sustainable environment for the today and future generations" (Albanian Constitution, chapter V, Article 59)

Indisputably, these laws filled some serious gaps in the environmental sector. They regulated protection of areas, prevented polluting activities and impacts of waste generation, ensured the rational use of natural resources and established the sustainable use of land and biodiversity. It is true that all of these are significant milestones for the Albanian state but there is a long way between approving a law and actually implementing it.

That is why over the past years the development of environmental institutions contributed in Albania's progress. As stated by Vladi and Agalliu (2014) in 1993 was established the first environmental institution in Albania named Committee for Environment Protection and its main role was advisory to the government. It took years later, in 2001, for Albania to inaugurate its new Ministry of Environment which after four years later integrated the Forestry and the Water administration. The institutions purpose was to mainly draft policies that would achieve sustainable development by upgrading the quality of life and directing the country towards EU.

Another important institution was the Regional Environmental Agencies (REAs) that were created in 2002 and their main task was to provide environmental permits and organise environmental inspections. By 2006 the new Agency of Environment and Forests appeared with the aim of monitoring the environmental situation of the country and suggesting measures to improve it (Weiland, 2010).

The above mentioned institutions are only some of the organisations that are established in Albania. Their existence is merely responsible for creating a balanced and sustainable development of economic activities that will also have social benefits, but that is not always the case. An example of dysfunction of the state is the road system of Albania that has failed to be fully upgraded. Of course the situation now is better than it was in the past but the plan of the road system expansion still does not promote sustainable transportation (Vladi and Agaliu, 2014).

At the social level several strategies have been also launched in order to promote sustainability in the country. One of the most important is the Poverty Reduction Strategy that was initiated in 2000 and its responsibility was to eliminate extreme poverty which is utterly connected with economic development (Papajorgia and Dumi, 2012). Another significant action was the approval of the new National Strategy on Gender Equality and Reduction of Gender-based and Domestic Violence in 2011. The implementation of this strategy plan focuses on reducing violence that is based on gender and empowering women economically.

All the strategies, legislations and institutions that were acknowledged in this chapter indicate that Albania has taken seriously her application for EU membership, but the road towards European Union is still far and that is why in the next chapter we will explore several options that Albania has in order to succeed its goal.

Chapter 6: Suggested steps leading to EU and sustainability

6.1 Green Economy: the tool to EU integration

Green growth is a strategy for promoting economic growth with the goal of adding an ecological quality to existing economic processes and creating additional jobs as well as income opportunities with a minimal environmental burden. This kind of growth emphasizes environmentally sustainable economic progress to foster low-carbon, socially inclusive development. In its simplest expression, a green economy is low-carbon, resource efficient, and socially inclusive. The key aim for a transition to a green economy is to enable economic growth and investment while increasing environmental quality and social inclusiveness (Vladi and Agaliiu, 2014).

Investing in the sustainable management of natural resources and green economy, will be the most profitable plan for Albania. In spite of the environmental degradation that the country has experienced, its natural resources can still be harvested in a sustainable way that will promote economic growth, development and poverty reduction.

Actually in order for the country to be the next member state of European Union, it is crucial for Albania to find the balance that will maximize the productivity of natural resources, ensure their conservation and integrate environmental protection in all sectors.

The challenge to make growth more sustainable still exists in Albania so working towards a green economy is considered fundamental. Before analysing the sectors where green growth can be found, it is vital to understand that green growth is not a substitute of sustainable development but a new path towards progress. Current research on the subject is focused on the natural resources of a country such as, water, land, energy, forests and various materials that can be transformed to renewable resources (Jerneck et al., 2011).

As it was previously mentioned Albania is rich in natural resources, for example water, which is one of the most valuable resources of our planet, if it is used properly it can originate growth in agriculture and in the energy sector. Nevertheless, in Albania the operation of the abundant water resources is not efficient. The government faces many problems in infrastructure and maintenance of the water sector (Syka and Kaduku, 2013). It suffers from water wastage, high consumption, misuse and illegal connections. In order to decrease the lack of reliable water supply, the government has initiated a Water Supply and Sanitation strategy that is expected to improve the management of water resources and re-establish the value of water to the economy (Yujnovsky and Mece, 2006).

The efficient water management can be quite useful in the energy sector as well. If managed properly, hydro power plants can provide sustainable energy supply that will have extremely positive results in economic development. The government will be able to provide its citizens with energy from renewable resources at a very affordable price and at the same time promote and encourage the efficient use and conservation of energy (Baumgartner and Ebner, 2010).

A new growth opportunity is presented also in agriculture, where the sustainable use of land is crucial for the green economy in Albania. The optimal use of land can benefit not only present but future generations as well (Weiland, 2010). Subjects like maintenance of biodiversity, ozone depletion and climate change can be addressed through efficient land use and good forestry management. The Albanian government is committed to develop policies that minimize land degradation, protect forest areas that have rich biodiversity and encourage development through appropriate market instruments.

Moreover, the appropriate waste management can provide many economic opportunities but for Albania poses a great challenge. The recover, recycle and reuse of materials have created our world's new economy sector. In the entire world different markets have flourished and solely serve the management of solid and liquid wastes. New problems call for new solutions and climate change has rendered waste recycling one of the most profitable businesses around the world (Papajorgia and Dumi, 2012). Until recently the only waste management that the Albanian government used was dumping and land-filling, but our world's capacity has reached its limits and new techniques must be explored.

Therefore, the Albanian Government has developed a National Waste Management plan that intends to promote awareness and educate its citizens of the new waste management solutions, such as composting, recycling and waste to energy. Waste management techniques and their economic potentials have been widely researched and have been proven to offer significant business and job opportunities (Fischer, 2010). Fortunately, since Albania is trying to fully comply with all EU Directives has started to pay attention to its waste management problems and is trying to turn these problems into profit. As a result, almost 60 recycling enterprises currently operate in the country.

6.2 Trade sector: A power ready to be harvest

Taking into consideration Albania's efforts in becoming a respectable member of the European Union it is crucial to explore the trade sector, its advantages and its role in the country's challenge for access and competitiveness in European Union Market.

One of many challenges that the country faces is entering international market and foreign trade. Undeniably, it is of particular significance for Albania as it presents a key factor for growth. It is widely known that much research has been done on green economy, and foreign trade can be a good indicator of a country's economic sustainable development (Spaho, 2012). The export growth of a country can help evaluate not only its ability to compete in the challenging EU market but also to estimate the economic stability and sustainability of that country.

During the process of integration several free trade agreements have been signed, exports and imports between countries have become more efficient and many obstacles towards a healthy, competitive market have been removed (Musaraj, 2011). Albania is considered as a country rich in unexploited natural resources, that has strategic geographical position and proximity to European markets, it also has liberal rules for trade and investments and its raw materials come in very competitive prices (Spaho, 2012). Additionally, one of the great advantages of the country is the ability of its citizens to speak different languages and the fact that its workforce is technically educated (Musaraj, 2011).

It is a fact that the country has managed to export some of its products such as, vegetables, animal products, wood, beverages, tobacco, building materials and various mineral metals. And no one can deny that Albania has potentials in sectors that are based in natural resources, such as agriculture, oil and gas, and tourism. Although many efforts have been made to improve the quantity and quality production in the agricultural sector, intensify the use of land and its productivity, and improve knowledge and skills of farmers, however, Albania needs an effective system that will advocate its competitiveness in exports (Spaho, 2012).

Since the country is transitioning, several weaknesses still exist and prevent exports from flourishing. For instance, the Albanian companies truly lack of managerial and marketing expertise, a deficiency in capital is obvious and the need for machinery and new equipment is indisputable. In order to consider Albania as a potential exporter it is vital to have contacts with international markets, obtain valuable information and technical knowledge and aim at the modernization of products (Musaraj, 2011). Hence, international networking and a high scale information system are the country's priorities.

Without a doubt, the upgrade of the educational system is essential for both investments and infrastructure. At this point it is worth mentioning that throughout history the educational sector of Albania has undergone many changes in every direction, and now has reached a point where it serves as an ideological platform that helps filling the gaps in scientific knowledge and prepare independent citizens that value the importance of sustainability (Mullani and Dhimitri, 2014).

As a result, trade is a sector that Albania can successfully develop only if technology and information are used properly. The markets that have been created due to climate change can become a profitable foundation for Albania and in combination with the country's resources it is sure that it can become a member state of the European Union much faster.

6.3 Fighting corruption in order to help entrepreneurship & businesses flourish

An ongoing problem for Albania is the high level of corruption that is still widespread and can be witnessed in many sectors. Asllani et al. (2014) have demonstrated that corruption in both government and private sector has become a major barrier for Albania's integration with the European Union. According to the authors' observations corruption is rapidly spreading, causing the lack of transparency and creating an unfavorable environment for entrepreneurial economy.

Nence (2013) argues that the main reason for the high levels of corruption in Albania are mainly the low wages, the social acceptance of bribery that still exists and narrow social networks. In other words, corruption is merely the government's deficiency to manage in a fair way the interests of different social groups.

As reported by the Transparency International, corruption in Albania is one of the biggest obstacles for the country's development and according to the Transparency International Report (E.U) in 2012 the country ranked as the most corrupted in Europe and one of the most corrupted countries in the world. Despite the fact that in 2012 the country was in the 116th place, in 2015 the country ranked 88th out of 168 countries (transparency.org, 2015).

Thus, it seems that Albania's efforts to comply with EU Directives have motivated the country to achieve a democratic stability that helps lower the corruption levels of the country. However, according to citizens the problem of corruption still needs to be addressed and analysts claim that even several measures have been taken and reforms have been carried out the challenge of corruption is major (Nence, 2013).

It should be noted that after the collapse of the communist regime the efficiency of the state was weakened and the existing institutions were inadequate. This combination led to the promotion of a network society that was based on personal relations which were not professional but were characterized by loyalty and dependence (Nence, 2013).

The rapid spread of corruption in all sectors of the country was tremendous. In almost every procedure bribes existed to facilitate better health care, school enrollments, the issue of a new passport and more. That is the reason why in 1999, after the first survey of corruption alerted the public in 1997, was established the Governmental Commission of the fight against corruption. International organizations contributed largely in order to help the country overcome its problem and improve its governance. While these efforts had a positive outcome the implementation of legislation is still difficult. The European Commission recognizes that Albania has to focus on improving transparency, strengthening the rule of law, and implementing administration reforms and fundamental rights (Llubani, 2014). By doing so, the country will create an environment free of corruption where the economy can flourish and lead the country towards EU.

The existence of an environment where economic growth stems from entrepreneurship and businesses are free of corruption, will allow Albania to become a member of the economy of the rest of Europe. Cultivating entrepreneurial skills is an important contribution especially in the case of economies in transition as it can be the key factor for creating jobs and promoting economic development (Asllani et al., 2014). International networking, as mentioned above, is an important factor for entrepreneurship as well. In order for entrepreneurship to flourish exports to the world market and trade relationships with developed countries are very important. Since Albania's domestic market is small, the entrepreneurs of the country would have to head towards larger markets which can provide supplies that are essential for promoting development.

In other words, Albania needs to obtain global alliances that will promote economic development and lead to prospective international customers. The country's economic and human resource potential can provide encouraging circumstances for not only the domestic companies but also for foreign businesses. At this point the involvement of private sector can become crucial and without a doubt its participation will be essential for achieving efficiency and growth.

The relatively skilled workforce of Albania and the favorable tax regulations render the country very appealing to private sector, but in order for businesses and entrepreneurships to prosper, Albania has to progress and adopt. To do so, the country has to create an entrepreneur-friendly environment which reduces institutional barriers, establishes meaningful partnerships with universities (national and international) and provides motivation for foreign investments.

Albania's potential for growth and sustainable development is great but will only become a reality if the corruption is significantly reduced and infrastructure is evolved. If these measures are taken private sector and entrepreneurship will thrive and the level of the country's economic development will rise considerably (Asllani et al., 2014). Thus, these standards will not only help the economy of Albania but will also prepare the country for its desired EU integration.

CHAPTER 7: Conclusions

Albania as a potential candidate member of European Union has undoubtedly made progress in the political, legal and economic field. The country has harmonized its legislation with the European standards, has fulfilled many requirements, and has signed several economic, trade and political contracts with many European countries, which is a step closer to fulfilling its goal.

The main concern though is the implementation of the policies that the country approved throughout the years. It is evident that good framework without the enforcement has really no results and cannot lead to progress, which justifies the existence of the gap between Albania and European Union.

Additionally, widespread corruption, hypo function of institutions and lack of administrative effectiveness have prevented the country from becoming a member state of the European Union. The solution to this problem comes from the sustainable development of the country that will help Albania not only to explore its potential and use its resources to the fullest, but it will also give the country the ability to sustain itself in economy, society and environment.

A major and integral part of sustainable development is efficiency in usage of natural resources and the Albanian government recognizes the urgent need for reinforcement of sustainable development and environmental protection. The paper explores the abilities and the potentials that Albania has in order to develop such frameworks that promote and support sustainability in all its forms. This way Albania will be a competent candidate and EU Integration will follow shortly after.

From the research that has been conducted, it is possible to conclude that Albania has made a significant progress in many areas but still the road towards EU membership needs more improvements. Green Economy and entrepreneurship will be the best options that Albania can explore in order to become an EU member state.

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