

**LSE SU Albanian Society public lecture**

## **Western Balkans Integration and the Experience and Perspective of the Albanian Democracy.**

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As the title of this lecture implies, there is an organic symbiosis between Integration and democracy.

European integration of the region has been of a dual track offering the prospects of accession (the carrot) and imposing the conditionalities (the sticks) for carrying out the democratic reforms. (In the region we have democratically elected governments but democratic systems which are one third the age of the United Europe itself. Therefore the challenges are immense).

In the Balkans EU is still perceived to have the most important leverage and encouragement for domestic democratic reforms: on the other side, the democratic reforms in the region have as benchmark the European standards.

But this interaction between the prospect of accession and leverage for democratic reforms is not always smooth and easy.

We all know that it takes two for a tango. There is hot debate in EU itself about its future. Internal issues of “democratic deficit” or the balances of political influence within the Union; facing the challenges of 21<sup>st</sup> century, climate change, security threats, energy, etc or current crisis of financial markets. Or even external challenges: how is it going to deal with limited appetite for enlargement? And, in case it does enlarge, is it going to function as it did when it was 12 or 15 members? Surely not.

The region itself is not without challenges.

1. First and foremost, the challenge of perceptions: People in the region see the EU as the bright alternative to dark domestic realities. Fortunately, all the democratically elected governments in the region consider EU as the target to achieve prosperity for their citizens. This optimism is necessary to be kept alive.

2. Second, it is the challenge of widening the gap in the development related issues. The question arises: can the region find the vision,

motivation and resources to carry out structural reforms, to enhance competitiveness, so that it can reach European development standards, keep its qualified management and work-force, and motivate it in these moments of uncertainty? The answer is: Not without the help of EU and the perspective of accession. Therefore there is a danger that the gap can grow wider.

3. Beside the perception challenges, the region faces fundamental issues related to their institutional establishments. Unfortunately, the region has a number of weak states, Kosova which had its status defined one year ago, Bosnia-Herzegovina, still in the consolidation process. Can these states undergo a normal integration process into EU? The answer is that they have to have a strong 'member-state building' dimension in their relationship with EU.

4. Fourth, it is the security challenge. We still have NATO and EU security force in the region which, as Churchill put it, can produce a lot more history that can consume. Therefore, only a continued integration process of the region can "defuse the powder keg" - as the Balkans is frequently referred to.

Therefore, in all these aspects: perception, institutional, developments and security terms, the alternatives are clear: either join EU and meet the challenges or widen the gap between the region and the union, with uncontrolled consequences.

Fortunately, the EU enlargement has established an excellent model that it can deal successfully with all these challenges. This model worked with the Central and Eastern Europe, consolidating democratic states, establishing market economies and transforming societies. It can also work for the Balkans. But, with a few "but-s".

What should be done?

1. Europe should maintain the appetite for enlargement. Europe is not going to be "whole" without the region of the Balkans. Otherwise Balkans is going to turn to be huge cost on the European project but also a scar on the European project and moral.

2. Europe should enrich its strategy and instruments (beyond SAA process) to strengthen member states building in the weak states of the region. A concrete step would be to end the distinction between aid for countries which have candidate status and those which have not.

The objective of accession for the region should be set towards 2014/2015, but not further than that. Because the region can then suffer from the waiting room fatigue.

3. The NATO membership processes should continue with all the countries of the region, as a strong motivation and often with complementary effects to EU membership.

4. Europe should be more generous, especially in terms of things that do not cost much, such as visa free regime. Free movement can maintain the enthusiasm for the EU membership, and be a concrete instance of the “goodies” EU is related to, esp. for countries that have a strong legacy of isolation like Albania.

5. Europe should continue to cooperate and assist in building functional member-states, using its tools and leverages, while accepting them as new members.

This requires:

a) quality political representation and policies, through free and fair elections and capacity building; What is needed is a new generation of policies that focus on democratisation and on the quality of political representation which can consolidate and strengthen pro-reform and pro-European forces in the region.

b) developing functioning state administrations, capable for drafting and implementing the *acquis* and European standards; At the heart of the member-state building strategy is the need to move on quickly from the formal adoption of legislation to the development of the capacity to implement it;

c) creating a common economic space in the region and promoting regional cooperation is indispensable:

Free trade agreements in the region should be functional. The common economic space is also a matter of common sense to compensate for the costs related to the size of the states in the region.

The common energy market should also be functional. Albania needs to complete interconnection segments to be part of the Balkan grid (Elbasan-Podgorica, with Kosova, and with Italy).

Regional infrastructures, both physical and institutional, that facilitate trade and capital flows should be a priority. An important road is being build between from Durres, Albania’s main port on the Adriatic, to Kosova. Such projects that create important links between states and bring about development, should be a priority of EU infrastructure projects.

At the same time labour market and travel policies (free visa regime or Balkan Schengen) within the region support the regional economic

integration. Differential speeds of EU accession for specific countries of the region, should not impede this process.

The EU has allocated over 300 million € since 1992 for regional programmes. Over half of this money is for cross border cooperation and developing infrastructures across the region. It should continue to do so.

d) Regional integration is a must, but not a substitute for EU integration. No one in the region is going to accept it as alternative to the EU integration.

This is easier said than done. To achieve tangible results in this process, we, politicians from the region, need vision and courage. Although EU does not represent a unique model, the benchmarks are there. Experiences as well.

I have always considered the France and Germany model of cooperation as a good reference point for Albanians and Serbs. Why not for Kosova and Serbs as well?

I personally am convinced for this. As Prime Minister I have promoted relations between Albania and Serbia even at times that that was not viewed favourably by many politicians in Tirana or Belgrade. The unresolved status of Kosova, at that time (2000-2001) was not a hindrance for me. On the contrary, I was convinced that good relations between Tirana and Belgrade could contribute to a climate of trust between Albanians and Serbs, and therefore, made it easier for the resolution of the status of Kosova.

I am convinced that a new area in the relations between Albanians and Serbs can create a new climate for the whole region, and can accelerate its integration process into the EU.

Serbia leaders should have the courage to recognize the realities in Kosova and not waste further energies in blocking its independence which is irreversible.

6. EU should have shown more courage itself vis a vis Kosova. It should have acted in a more unified fashion. Ahtisaari Plan was over-all a European plan. It has in its foundations a European responsibility to guide the sovereignty of Kosova, until its full membership.

Europe and its member-states should not be hesitant on Kosova. So should Greece. A clear position of Greece in support of Kosova's independence should have made life easier and helped its Serbian allies in domestic policies.

## CHALLENGES OF ALBANIA FOR THE EU INTEGRATION PROCESS

Albania can not escape from the integration challenges that the whole region of Western Balkans has. Albania too has challenges of vision and concrete specific reforms.

Albania needs to move ahead with member-state building, i.e. to be ready for membership.

In the area of **institutional reforms**, we have many challenges ahead. For various reasons: legacy of the totalitarian regime; bad governance; failure to organize free and fair elections which normally heal the pathologies of a democratic system.

The constitutional amendments of last year (21 April) has distorted the mechanisms of check and balance with direct consequence on the powers of Prime Minister and the President. It has to be fixed.

Quality of laws, respect for the laws and implementation of the laws – all three have a long way to improve to create that legal stability and functionality that a normal European member-state should have. Approximation with the aquis is also a permanent challenge we face.

Certainly, there law-implementing capacities should be addressed in various fronts. But important front is education of the young generation with a different enhanced knowledge and respect for the European and national laws.

This is a safe way to **fight corruption** and lawlessness in the country, which are still a huge problem.

For sure we also need and **independent, professional, efficient and transparent judiciary**. This is a matter of the system – independence of powers – but also a matter of social perception and civil society pressure.

Albania has a huge challenge ahead: to **organize free and fair elections**, in order to improve the representation and to heal the institutional superstructure, already distorted by previous elections.

In Albania we need to **remove the bottlenecks to sustainable development**, those that keep us hostage to a growth without strategies and priorities.

**Consolidation of the property rights** is the big issue. Without resolving it, we can not create a thriving economy, develop agriculture, still the main branch of the country's development, and tourism, the biggest potential for growth.

**Energy** is another “must”, another sector which we have to develop and resolve the problems permanently. It has to provide sustainable, quality and green energy to growth.

After removing those bottlenecks we can **prioritize and design sector policies in areas with high potential of growth** such as agriculture, tourism and services.

In Albania we need **growth policies with a strong social dimension**. Yes, this is possible. Poverty is still high. Unemployment is high. We need to create job opportunities for every Albanian who can work. This is the best way to fight poverty.

Another area which we should give more thoughts in our future development strategies is climate change. We have to plan strategically with the purpose to adopt ourselves and our sustainable growth to a changed climate – plan for alternative resources.

In the core of all this, of EU integration and national development of each country, there are **the people**. In order to meet all the challenges we have ahead, we need quality people, with a new vision, stripped of the prejudices and legacies of the past, people who are well-trained in a school like yours.