

# **EJMS**

# EUROPEAN JOURNAL OF MULTIDISCIPLINARY STUDIES

January - April 2016 Volume 1, Nr. 3

ISSN 2414-8385 (Online) ISSN 2414-8377 (Print)



# REVISTIA PUBLISHING AND RESEARCH

# EUROPEAN JOURNAL OF MULTIDISCIPLINARY STUDIES

January – April 2016 Volume 1, Nr. 3

Every reasonable effort has been made to ensure that the material in this book is true, correct, complete, and appropriate at the time of writing. Nevertheless, the publishers, the editors and the authors do not accept responsibility for any omission or error, or for any injury, damage, loss, or financial consequences arising from the use of the book. The views expressed by contributors do not necessarily reflect those of Revistia.

Typeset by Revistia

Copyright © Revistia.

© All rights reserved. No part of this book may be reproduced in any form or by any electronic or mechanical means, including information storage and retrieval systems, without written permission from the publisher or author, except in the case of a reviewer, who may quote brief passages embodied in critical articles or in a review.

Address: 11, Portland Road, London, SE25 4UF, United Kingdom

Tel: +44 2080680407

Web: https://ejms.revistia.com

Email: office@revistia.com

# International Editorial and Advisory Board

Prof. Dr. Catalin Zamfir, Director, ICCV, Academia Romana

Prof. Dr. Emilian Dobrescu, Academia Romana

Prof Dr. Elena Zamfir, University of West, Timişoara, Romania

Prof Dr. Misu Jan Manolescu, Rector, University of Oradea, Romania

Prof. Dr. Mame S. Sutoko, Rector, Widyatama University, Bandung - Indonesia

Prof. Dr. İsmail Hakki Mirici, President, WCCI, Turkiye

Prof. Dr. Ms. Jurate Baranova, Lithuania

Prof. Dr. Rodica Sirbu, Ovidius" University of Constanta, Faculty of Pharmacy, Romania

Prof. Dr. Mixhait Reci, President Iliria College, Pristina-Kosovo

Prof. Dr. Matthias Scharer, Innsbruck, Austria

**Prof. dr. Siebren Miedema,** Educational Foundations Department, Faculty of Psychology and Education, VU University, Amsterdam

Prof. Assoc. Dr. Ahmet Ecirli, Hena e Plote Beder University, Tirana, Albania

Prof. Assoc. Dr. Sokol Pacukaj, PhD, MCSER, Rome, Italy

Prof. Assoc. Dr. Iulian Stanescu, ICCV, Academia Romana

Assoc. Prof. Dr. Bekim Fetaji, South East European University, Albania

Assoc. Prof. Dr. Dilek Erduran Avcı, Mehmet Akif Ersoy University, Turkey

Assoc. Prof. Dr. Norsiah Binti Fauzan, Universiti Malaysia Sarawak, Malaysia

Dr. Sandro Knezovic, Seniour Research Fellow, Institute for Development and International Relations, Zagreb, Croatia

Dr. Alicja Grześkowiak, Wrocław University of Economics, Poland

Dr. Arumugam Raman, Malaysia

Dr. Veton Halim Zejnullahi, Kosovo

Dr. Fatma Demiray, Turkey

Dr. Simona Maria Stanescu, Research Institute for Quality of Life, Romanian Academy, Romania

Dr. Sc. Rrustem Qehaja, Kosovo

Dr. Ferdinand Gjana, Henae e Plote Beder University, Albania

Dr. Edith Dobre, Romanian Academy

Gerhard Berchtold, Universidad Azteca, Mexico

Lawrence Ogbo Ugwuanyi, University of Abuja, Abuja-Nigeria

Santosh Kumar Behera, Department of Education, Sidho-Kanho-Birsha University, Purulia, West Bengal

Oby C. Okonkwor, Nnamdi Azikiwe University, Awka-Nigeria

Murthy CSHN, Tezpur University Napaam Assam India

George Aspridis, Technological Educational Institute (T.E.I.) of Larissa

Timm Albers, University of Education Karlsruhe, Germany

Peter M. Miller, University of Wisconsin-Madison, Usa

Pigga Keskitalo, Saami University College Kautokeino, Norway

Paul Joseph Pace, University of Malta, Msida, Malta / Centre for Environmental Education and Research

Sandro Caruana, University of Malta, Malta

William J. Hunter, University of Ontario Institute of Technology, Canada

Peter Mayo, University of Malta, Malta

Bassey Ubong, Federal College of Education (Technical), Omoku-Nigeria

Marcel Pikhart, University Hradec Kralove, Czech Republic

Eddie Blass, Swinburne University of Technology, Australia

Hanna David, Tel Aviv University, Jerusalem-Israel

Raphael C. Njoku, University of Louisville, USA

Austin N. Nosike, The Granada Management Institute, Spain

Alba Dumi, Ismail Qemali University, Albania

Leah Garner-O'Neale, University of the West Indies, Barbados

iffet Aksoy Tokgöz, Faculty of Education, Çanakkale Onsekiz Mart University, Turkey

Ticuţa Negreanu-Pîrjol, Ovidius" University of Constanţa, Romania

Mihaela Ioana Danetiu, EUSER, European Center for Science Education and Research

Slađana Živković, PhD. College of Applied Technical Studies. Serbia

# **TABLE OF CONTENTS**

| HUMAN RESOURCE MANAGEMENT IS A PREREQUISITE FOR ENHANCING THE QUA HIGHER EDUCATION IN KOSOVO |            |
|--|------------|
| Shqiponja Nallbani PhD Cand.   | 8          |
| THE COMPETITIVENESS IN THE LIGHT OF THE BALASSA-SAMUELSON EFFECT                             | 15         |
| PhD. Srdjan Amidzic,   | 15         |
| PHD. SINISA KURTES,  |            |
| GOVERNMENT REGULATION, TECHNOLOGY AND DEVELOPMENT OF SME-S                                   | 28         |
| PHD CAND. SORINA KOTIDr. KLAUDETA MEROLLARI  |            |
| POLITICAL PARTIES AND THEIR ROLE IN THE SYSTEMS OF GOVERNMENT                                |            |
| PhD. Cand. Vait QERIMI   | 39         |
| SEMANTIC CHANGES OF WORDS IN ALBANIAN LANGUAGE   | 46         |
| Adelina SULA, PhD Cand   | 46         |
| THE LABOR CONCEPT OF MARX, CALVIN, LUTHER IN THE FRAMEWORK OF LEGAL C                        |            |
| Dr. Ago Silvana  | 49         |
| THE ACHIEVEMENTS IN THE EDUCATION SYSTEM IN ALBANIA  | 55         |
| Aida Zhupa PhD Cand.  Dr. Dorina Zenelaj   |            |
| THE NON-PROPERTY PERSONAL RIGHTS AND OBLIGATIONS OF PARENTS TOWARD                           | S CHILDREN |
|  | 61         |
| ANILDA SHESTANI  | 61         |
| OPERATIONAL RISK MANAGEMENT AND THE CASE OF ALBANIA  | 65         |
| Anjeza Beja (Harizaj)  | 65         |
| SUBTYPING GAMBLING ACITIVITIES: CASE OF KORCA CITY, ALBANIA                                  | 73         |
| Prof. Assoc. Dr. Besa SHAHINI  |            |
| PHD CANDIDATE: FMIL FRASHERI   | 73         |

| THE IMPACT OF FINANCIAL AND SOCIAL REMITTANCES IN PERPETUATING MIG<br>(ALBANIAN MIGRATION CONTEXT)   |              |
|--|--------------|
| DENISA TITILI, PHD CAND.   |              |
| SOVEREIGN BETWEEN HOMOGENEITY AND THE SOCIAL DIVERSITY - DISCOURS  |              |
| Eriseld Kalemai  | 87           |
| AGGRESSIVENESS IN ADOLESCENTS AGED 15-18 YEARS OLD, UNDER THE INFLUENCE OF NEW TECHNOLOGIES IN EVERY DESIGNATION OF NEW TECHNOLOGIES DES |              |
| Flora Lamcja (Zeqaj)   |              |
| PROFESSIONAL EDUCATION FOR TRADITIONAL CRAFTS IN KOSOVO  | 97           |
| Kastriot Haxhiu, PhD Cand.   | 97           |
| EUROPEAN ECONOMIC INTEGRATION IN KOSOVO  | 105          |
| Malush Krasniqi, PhD Cand  | 105          |
| EVOLUTION OF EXCISE (COFFEE, TOBACCO AND BEER) OVER THE YEARS. ITS IN CONSUMPTION FOR THE PERIOD 2010 – 2015   |              |
| Marsida Harremi  |              |
| RESILIENCY, PROFESSIONALIZATION AND IDENTITY. A STUDY IN RELATION TO AT UNIVERSITY AT THE LIGHT OF A NEW PARADIGM: THE SPIRAL OF THREE DI SENS   | MENSIONAL OF |
| Dr. Miriam Aparicio  |              |
| INTERNAL MIGRATION AND INTEGRATION OF MIGRATORY CHILDREN IN GYM  | NASIUMS OF   |
| DURRES   | 132          |
| PhD. Cand. Nereida BALLA   | 132          |
| A COMPACT EMBODIMENT OF PLURALITIES AND DENIAL OF ORIGINS: ATWOOTHE FLOOD  |              |
| Rana Sağıroğlu   | 141          |
| CHANGE MANAGEMENT IN PUBLIC ORGANIZATIONS IN KOSOVO  | 147          |
| Shefqet Zeqir Dervishaj  | 147          |
| THE IMPACT OF INTERNAL FACTORS IN TIME MANAGEMENT  | 158          |

| Shefqet Zeqir Dervishaj, PhD Cand                         | 158 |
|---|-----|
| SOCIAL EMOTIONAL LEARNING (SEL)                           | 168 |
| Shqipe Husaj PhD Cand.                                    | 168 |
| ASSET MANAGEMENT PUBLIC ASSESSMENT OF ROAD INFRASTRUCTURE | 172 |
| Dr. Alma GOLGOTA  | 172 |
| Msc. Diana Bardhi (SOFTA)                                 | 172 |

#### Jan-Apr 2016 Vol.1 Nr. 3

# Human Resource Management is a Prerequisite for Enhancing the Quality of Higher Education in Kosovo

Shqiponja Nallbani PhD Cand.

Universiti AAB- Prishtinë

shqiponja. nallbani@universitetiaab. edu 1

#### Abstract

Given its problematic past, Kosovo's economic and social development and its current resolve for a European integration process, will be a challenge that will follow for a long time. Because of the burden that state institutions carry in this mission, it is easily verifiable that the process of reform of public administration staff, both at local and central level, is failing. This is primarily because their number is too large and the government has no plans to either reduce this number or to increase their capacity and competence through educational programs of higher education. So far, the Kosovo government, specifically the Ministries of Education, Social Welfare, Labor, etc., and the local governments have no plans on how to achieve this task and the providers of higher education have not provided any program that would adequately enable employees to get re-qualified, in order to carry out their public duties more efficiently and professionally. Therefore, the requalification of staff at a higher education level is one of the essential factors that should be implemented immediately.

Keywords: Requalification, education, public administration, learning programs

JEL: I2; I25; I30; J2; J24

#### 1. Introduction

The role of human resources in a healthy economic growth is already established and is one of the basic elements for an economic growth that is sustainable and fast paced. Human resources are particularly important for countries in transition, as they are reforming their economic concept into market economies. While in the early stages progress towards a market economy depends on the willingness and commitment of the government to implement reforms, development in the later stages of such economies depends largely on the ability of human capital to acquire and use skills needed to build competitiveness in the economy. But not all countries have been successful in getting employees, inherited from the previous socialist system and the transition period, prepared to face the new challenges of globalization.

This paper, in the first part, provides a short overview of the role that state administration staff have had in different periods of time. The meaning of a public official has been explained, as it pertains to the old mindset, which is linked to the possession of public authority by the monopoly holder of state power. Special emphasis is given to the difference in meaning of employees in a socialist system to the ones in a modern democratic state, by identifying the strengths and weaknesses of both systems.

In the context of the current process of institutional qualification, the role of the Kosovo Institute for Public Administration (KIPA) has been discussed. The function of this institute is emphasized, which is to contribute to building a modern public

-

<sup>&</sup>lt;sup>1</sup> The author is a teacher at the University "Haxhi Zeka" - Peja, Kosovo and PhD candidate at the European University of Tirana, Tirana, Albania

administration in Kosovo, ready to help the overall development of Kosovo as a condition for European (international) integration.

Notwithstanding the role and function of the institute to train public administration staff, this paper demonstrates the fact that the state administration, both at central and local levels, does not respond to the needs for social and economic development and European integration. To eliminate such deficiencies, it is proposed that institutions should find mechanisms for measuring the performance of the civil service and on this basis to coordinate activities with higher education providers in the country to start the phase of professional and scientific requalification of the staff. The implementation of this process will be influenced by institutional needs and carried out by providers of higher education through modern academic modules and programs.

The application of this model, for the requalification of employees, will be a prerequisite for sustainable economic development, societal and social stability, for effectiveness in designing and implementing development strategies and the overall contribution to the country's easier integration process into the European Union.

# 2. The role of public administration staff in the modern era

The role of public administration staff has continuously changed throughout history. According to the older mindsets, government staffs were identified as members who exercised political power. Therefore, the public official was one of the holders of the state power monopoly, or later in a more moderate form, the holder of the authorization who indirectly exercised this monopoly. The concept of the authority to exercise a public servant function in the classic sense in most of its aspects does not change from the post-classic ones. This is because such employees performed specific public tasks legally on the basis of the political power from which state and monopoly of physical violence derived. 1

Although we still notice remnants of the old notions of administrative services, such that are perceived as power or privilege, in the concept of a modern world prevails the belief that public administrative services are a social function that is a useful and a needed mechanism, i. e. community, for the country. The professionalization of state administration staff has certainly helped to create new values such as efficiency, effectiveness and merit, which are important elements found throughout the system that have become basic criteria for acceptance of new employees in the public service progressively. The idea of rewards, according to their skills, has fundamentally and directly changed the professionalism and effectiveness of public administration. As such, today there is indisputable certainty that the system of public administration based on a merit system is considered a mechanism of neutrality in the context of good governance. A number of post-communist European countries, for the purpose of reforming the public administration, are led to implement this process through various changes in the civil service legislation and through ideas supporting professionalism and the merit principle.

The transition period in these countries is likely to be completed by strengthening the nomenclature structure in order to create a new and more advanced system of public services. This is not easily achieved, in the contrary. Former socialist countries of Eastern Europe are characterized by strong public administration; all this as a result of the one-party political system, characterized by a stable leadership force. The first changes towards a market economy and the establishment of a multi-party political system weakened and made politically unstable precisely this important segment of the state. This was reflected by the frequent political changes that resulted in frequent replacements of senior administration officials from the party that lost power from the government or winning coalition, who then applied aggressive differentiation and have no regard of the performance, qualification and quality of staff. Post-socialist countries must still make substantial changes in the general public policy, regardless of political affiliation of public staff. At the same time these changes must be accompanied by a strong political leadership that has sincere willingness to implement reforms. This can be accomplished through the creation of a complex system of education, training and requalification of civil servants and build institutions that will be able to gradually transform into a democratic social order. <sup>2</sup>

<sup>&</sup>lt;sup>1</sup> Gabrielian, V. (1999.) Post-communist bureaucracies: organizational modes of transition. International Journal of Public Administration, 22(1):39-68.

<sup>&</sup>lt;sup>2</sup> Goetz, Klaus H., Wollmann, H., (2001.) Governmentalizing central executives in post-communist Europe: a four-country comparison. Journal of European Public Policy, 8(6):864-887.

It is quite normal that this is not possible to occur the same way in all countries or all municipalities. However, despite their political, administrative, financial or other approach, all are convinced that joint actions to reform the current system of education, training and requalification of civil servants are inevitable. Each of these countries based their approach in a clear particular tradition, value system, geographical environment and a number of other factors in order to implement their goals. In general, universities, schools and other institutions with programs dealing with public administration have spread rapidly the need for lifelong training and development to employees. Certainly, changes in this important segment are contingent upon the interest for integration in the European Union. The process of public administration reform in Kosovo should not be seen as separate project from other areas of the EU accession process. This is a common task of the process for furthering the European agenda. At the same time, public administration reform has to do with improving the quality and manner of delivery of public services to citizens. Better coordination of policies, independence of oversight institutions, better training of senior public administration staff, educational requalification, implementation of several major laws on civil service, are all an indispensable necessity without which there is no future. <sup>1</sup>

#### 3. The current institutional qualification process

Kosovo, as most countries of South Eastern Europe, has tried to devote a significant place in its reform process to the qualification of civil servants involved in public administration. The Administrative Regulation No. 2001/192 and Administrative Direction<sup>3</sup> implementing this regulation, established the Kosovo Institute for Public Administration (KIPA). This institute was established as an executive agency within the Ministry of Public Administration. KIPA aims to contribute to building a modern public administration in Kosovo, ready to help the overall development of Kosovo as a prerequisite for European (international) integration. KIPA is ready to serve the training and development needs of the public administration through a qualified staff, cutting-edge training technology and a rich library. The overall goal of KIPA is to support the Government of Kosovo, the Kosovo Civil Service, working on training public administration staff through quality training programs in accordance with European public administration standards. KIPA aims to be an institute of international standards in terms of operation, structure, policies, accountability and capacity to train and develop the Kosovo Civil Service. Kosovo Institute for Public Administration (KIPA) is a government institution established for the purpose of training civil servants and increasing the sustainability of the Kosovo Civil Service (KCS) in order to develop and increase the guality of the civil service that the Kosovo public administration offers. KIPA's activity focuses mainly on: identification of training needs in the civil service, design and development of training programs, coordination of various projects for capacity building in KCS, dissemination and exchange of new knowledge for the public administration, and professional research for new developments in the public administration. The entire activity of the agency focuses on the areas of human resource training, legislation, budget and finance, information technology, municipal affairs, general administration management. 4

# 4. Which path should Kosovo take to advance education among public administration staff

Frankly speaking, what the Kosovo Institute for Public Administration (KIPA) has done so far in Kosovo is not encouraging. All national and international reports on the situation in the country emphasize that this public service is not professional, it is minimally efficient and very cumbersome. Although this is not explicitly stated by Kosovo's governing institutions, it is clear that the Government, specifically the Ministry of Public Administration, has engaged FRIDOM<sup>5</sup> as a specialized mechanism to professionally conduct a functional review in the horizontal and vertical plain of the central government, local governments and the entire state administration. Since we are in this undesirable situation then the question arises which path should Kosovo take in order to have a quality solution to this issue. Should a model be identified and borrowed from other countries or is it better to seek solutions based on the historical, political, economic and social circumstances?

<sup>4</sup> For more information please refer to: http://ikap.rks-gov.net

<sup>&</sup>lt;sup>1</sup> Goetz, Klaus H., Wollmann, H., (2001.) Governmentalizing central executives in post-communist Europe: a four-country comparison. Journal of European Public Policy, 8(6):864-887

<sup>&</sup>lt;sup>2</sup> UNMIK Regulation No. 2001/19 on the Executive Branch of the Provisional Institutions of Self-Government in Kosovo, issued by the Special Representative of the United Nations in Kosovo – based on UN Resolution 1244

<sup>&</sup>lt;sup>3</sup> Administrative Instruction No. 2003/25

<sup>&</sup>lt;sup>5</sup> FRIDOM is a project of the Government of the Republic of Kosovo, based at the Ministry of Public Services. Its activities are financed by DFID of Great Britain and assisted by the international consortium comprised of Tribal HELM (UK), CPM Consulting Group (LV), Governance Institute (SK) and Altair Assessors (SP).

The answer to this question is not easy, nor can it be exclusive. The experiences of other countries, whether positive or negative, are always helpful. The legislation and institutional structures should not simply be copied automatically, as it usually happens to us, but whatever is recommended, within the context of the local circumstances and realistic possibilities, attention should be given to the possibilities that offer a better solution. It is clear that any country that may be taken as a model does not have a perfect system. Almost all other post-communist countries have not yet solved the problem of insufficient education and/or insufficient training of administrative staff for new tasks that require market-oriented skills and take account a multiparty political system and the globalization of the world. We can see that Hungary, Lithuania and Slovenia in certain segments have recovered the training and requalification of staff and are now far ahead of Kosovo. Eg. Such experiences should be used towards continuous efforts to improve the perceived legal shortcomings and failures and to further the development of human resource management. This approach is the safest and should be followed by effective dynamics. This is because their approach has proven to be successful, which is a necessary requirement for obtaining a positive opinion regarding the fulfillment of the conditions for EU membership.

To sum up the situation in our country, it can be said that Kosovo does not have a comprehensive system of education to serve the administration. Educational programs in the field of public administration are only partially carried out in secondary schools and colleges, while such programs in higher education are lacking. School curricula provide administrative leadership classes from one to three years in secondary economic-legal vocational schools in almost all cities of the country. Meanwhile, undergraduate BA degrees from this sector are offered at the University of Prishtina - Faculty of Philosophy - Department of Administration and at several private colleges. Although administrative studies curricula have formally been streamlined a few years ago, the contents in essence exclude or ignore subjects from the technical side of economics, economic policies, sociological approaches, and even constitutional cases. The lack of a study process, which after completed does not provide a university degree, hinders employees to continue their education in this field. It is also not possible to enroll in graduate studies pertaining to this field.

It is our conclusion that if Kosovo wants to achieve its goal of joining the European Union, it should have the administrative capacity regulated in line with European standards. At the level of the education system, it is necessary to establish a UNIVERSITY of public administration offering a multidisciplinary and modern program and curricula harmonized with the highest administrative needs. People with university degrees, master or doctorate, in public administration must be placed in accordance with their knowledge and get the appropriate number of management positions in public administration. It is also necessary to establish a legal framework for the establishment of training and development institutions at central, regional and local levels. In terms of organization, it is desirable to create a separate system of work/or administrative departments within the organization to deal with issues such as human resource management and to work closely with the center. This however, should be just the beginning. The centers for education and training must continuously develop high quality and effective programs in cooperation with scientific institutions. With regards to the context, these programs cannot remain at the current level of teaching foreign languages or providing basic computer skills. Staff needs to be prepared through the development of different types of programs tailored to individual task groups and bespoke to the needs of institutions and administrative categories. For example, the head of the central administration, the higher education specialist in a particular region and the administrative officer of a municipality should not get the same training program and/or training course. Finally, the officers and the obligation to motivate training and development throughout their career and to provide funding in the budget for that purpose.

The institutional changes in the public administration system, conditions required of all EU candidate countries, are not contrary to the interests of Kosovo. Part of such a reform would be the transformation of certain parts of the social or economic system. Efforts to professionalize the civil service system and the creation of an education and training system carried out by Hungary, Lithuania, Slovenia and other countries in transition, were beneficial in many ways and should be studied and adopted from our side as well. The advancement of social organization must be achieved in any form, even if the country cannot be part of the EU. It is mandatory that public works in administration should be accomplished thorugh professional management. This enables management techniques to be perfected, reduces economic, social and environmental problems and minimizes the uncertainties of a current and future politicized, incompetent and ignorant administration and officials who have nothing to do.

# 5. The role of higher education providers in the requalification of public administration staff

Earlier we mentioned that the structure, the ability and willingness of public administration staff in our country leaves much to be desired. This section is intended to highlight the issue of high-level employees in the public administration who have superior qualifications that they gained prior to the 90ties of the previous century. According to the analyses taken from the FRIDOM¹ reports, the number of employees falling in that category is large. It is true that a large number of them have been exposed to a series of training courses organized by the Kosovo Institute for Public Administration (KIPA), but their professional performance is insufficient for them to successfully fulfill their duties. In addition to institutional training, we consider that respective ministries should draft a project that would allow for cooperation with higher education providers to prepare academic learning programs for the purpose of re-qualifying such employees under the principle of "lifelong learning"².

The field of education and training, according to this principle, should be considered as one of the highest political priorities of Kosovo, as a country that claims to be part of the European Union. The idea of lifelong learning (LLL) was developed for the purpose of supporting and improving the international competitiveness of Europe. Also, the requalification of public administration staff is entirely compatible with such principles and is precisely the point where modern concepts coincide. Such employees should be aware of the level of knowledge and skills they possess in relation to needs and should be equally vigilant and be able to deal with global economic requirements, and find their way in a knowledge-based society. This is especially true in the labor world. Continuous professional education and on-the-job trainings are needed for both the individual worker and the European economy in general, particularly in relation to international competition (see the EU Lisbon strategy). Furthermore, those who continually strive to improve their knowledge, skills and competencies also develop their personality in many ways. In return, they allow themselves greater participation in society. Therefore, lifelong learning is a pillar of democracy. Lifelong learning uses teaching and training methods that meet the specific needs of adults. A fundamental approach is making use of the skills that learners already possess. Based on this, the responsibility to perform these tasks lies with:

The central government, ministries and ultimately relevant local governments must have a clear plan for their needs regarding professional human resources for the segment of public administration. These needs should be analyzed based on strategic development documents. Analyzing the performance of human resources for each department and identifying the needs, i. e. using a SWOT program, will create a realistic picture of the situation and allow for the extraction of relevant information indicating where the needs for intervention exist.

Institutions must work towards increasing the level of awareness of staff, working in every level of public administration, of the need for requalification and specialization to meet the needs of economic and social development.

Providers of higher education, in cooperation with the central government, ministries and local governments, for the purpose of re-qualifying this category must develop:

Standardized programs for re-qualifying staff that have higher education diplomas, two years with the provision of materials and information on modern approaches in the field of social sciences, economics, legal, information technology, and particularly in foreign languages and public administration management. The program, as needed, can be offered in two modules from 60 ECTS up to 120 ECTS:

Supplementary programs with courses that provide information on modern social, economic and legal approaches as well as administrative management, which for an academic year shall not exceed 60 ECTS.

<sup>1</sup> FRIDOM is a project of the Government of the Republic of Kosovo, based at the Ministry of Public Services. Its activities are financed by DFID of Great Britain and assisted by the international consortium comprised of Tribal HELM (UK), CPM Consulting Group (LV), Governance Institute (SK) and Altair Assessors (SP).

<sup>&</sup>lt;sup>2</sup> When planning for a year, plant corn. When planning for a decade, plant trees. When planning for life, train and educate people. Chinese proverb, 650 BC.

Jan-Apr 2016 Vol.1 Nr. 3

Specialized professional programs for training administration staff in specific areas, i. e. managing the development of tourism by providing programs in the field of tourism, economics, environmental studies, foreign languages, project management, management basics, etc.. Such programs are likely to contain up to 90 ECTS.

Master programs for preparing administration staff in specific areas where their role will be focused on analytical project work and project development to meet the needs of certain segments of the social and economic life. The program should provide quality information especially in the field of scientific management and subjects related to econometrics.

Providers of higher education, that are accredited institutions, are considered to have the capacity and the required sensitivity to review and adapt programs and ECTS modules according to the needs of the above-mentioned institutions and according to the social needs, to ensure that staff requalification that is efficient, modern and quality service based on European Union requirements.

It is exactly this combination of the social need for skilled employees in the public administration, the contribution of higher education providers and the recommendations of the European Union Commission that are firmly related in the legal, economic and academic plain together with the Bologna Declaration, the European Qualifications Framework<sup>1</sup>, the White Paper of the EU and the spirit of the country legislation.

#### Conclusions

In its simplest meaning, this paper has considered that the Public Administration represents a combination of politics with bureaucracy, political power with administrative skills, policy and decision making with influencing factors, public with private. It simply represents a mix between processes, individuals, organizations, authorities, which connect with each other to advance the public/private interest, the drafting, management and implementation of policies and action programs in accordance with the laws and regulations in effect. It is evident that public administration is important for any society for the fact that it represents an indivisible element of the life of an individual, group, society, and country. Much like an individual manages his or her potential, capacity, and life, so do the group, society, and state administer their own. There is no society or state without the public dimension. In the political context, Public Administration encompasses the structure, function, character and relationship between central and local government, clashes and regulation between public and private, the system of administrative and political values underlying society in general, and political society in particular, or the relation between society, government, policy-makers and knowledge. In the organizational context, Public Administration involves human relationships within organizations, the decision-making culture, the character of leadership and policy-making, and challenges of group interactions. From the managerial context, Public (and also private) Administration includes challenges such as management of human and material resources, the budgeting process, the policy-making process, and the regulatory role of the government. Finally, seen in the context of relations between public administration and social changes. Public Administration has to do with the democratic character, or the lack of it, in relations within the administration itself, between administration and political policy-makers, between acceptance and rejection of changes that permeate society.

Most post-socialist countries have established by legislation centers or institutes that have assumed the role to enhance the efficiency and effectiveness of public administration staff through continuous training. UNMIK, in 2003 established the

-

¹ The National Qualifications Framework is an important component within the system to reform education and training in Kosovo. The goal is to improve access to employment and further learning, ensuring that qualifications are consistent with job requirements, to meet the demands of students, the economy and education and training institutions. NQF will support the development of quality improvements in education and training qualifications which are based on international comparable standards of knowledge, skills and competencies supported by rigorous quality assurance. By providing a transparent system of national qualifications, by clarifying the nature of the qualifications, the connection of the qualifications and by providing a basis for attainment across all parts of the education and training system, NQF will support progress and mobility for lifelong learning, through education and training pathways. A flexible learning, focused upon the need of the individual for employment, will provide increased opportunities for recognition of prior learning, access to assessment and certification. It is important that NQF will provide a basis for cooperation and mutual understanding between the NQF and the European Qualifications Framework (EQF). The White Paper on the preparation of the Associated Countries of the Central and Eastern Europe for Integration into the Internal Market of the Union (Adopted by the European Council in Essen in December 1994) which regulates the mutual recognition of professional qualifications, p. 403 / Published by: Ministry of European Integration of the Republic of Albania - Prepared for publication by: Center of European Documentation and Information. ANNEX Published by the European Commission, COM (95) 163; May 1995

Kosovo Institute for Public Administration (KIPA), an institution that was created as an executive agency within the Ministry of Public Administration. KIPA aims to contribute to building a modern public administration in Kosovo, ready to help the overall development of Kosovo as a prerequisite for European (international) integration. KIPA is ready to serve the needs for training and development of the public administration through a qualified staff, cutting-edge training technology and a rich library.

Despite the existence of such centers, it is concluded that the public administration of the country is not only large in numbers of employees, but as such it is not professional and is a hindrance to economic and social development. To eliminate this defect, it is proposed that central and local institutions undertake certain measures pertaining to the identification of performance of these employees and through a SWOT analysis to identify urgent needs they have, so that existing human resources be re-qualified.

Furthermore, the process of retraining of employees is proposed to be implemented by higher education providers in the country who are already accredited. These institutions need to design and accredit specific programs depending on the needs of the institutions, by offering modern modules that contain knowledge, language and information that will make public administration staff more efficient at their work, based on the skills and competencies they acquire.

# **Bibliography**

Brejc, M. (2002.) Slovenia. Evaluation of academic programmes in the field of public administration and their degree of europeanisation. Bratislava: The Network of Institutes and Schools of Public Administration in Central and Eastern Europe (NISPAcee). Published on 10. 3. 2005. on website NISPAcee: http://www.nispa.sk/reports/Slovenia/Slovenia.htm

Farazmand, A. (2002.) Administrative ethics and professional competence: accountability and performance under globalization. *International Review of Administrative Sciences* 

Gabrielian, V. (1999.) Post-communist bureaucracies: organizational modes of transition. *International Journal of Public Administration* 

Goetz, Klaus H., Wollmann, H., (2001.) Governmentalizing central executives in post-communist Europe: a four-country comparison. *Journal of European Public Policy*,

The Kosovo Higher Education Development Strategy (2005 – 2015)

National Qualification Framework - http://www. akk-ks. net/kkk/korniza-kombetare-e-kualifikimeve

LICENSING AND ACCREDITATION UNDER THE LAW ON HIGHER EDUCATION IN KOSOVO 2002 – 2009 - Steve Bristow report on Licensing and Accreditation according to Kosovo Law on Higher Education 2002 - 2009

Al: No. 02/2013 on Accreditation of Higher Education Institutions in the Republic of Kosovo

Al No. 14/2013 Teacher Performance Assessment

Al - The criteria on licensing private educational institutions at primary and lower secondary and upper secondary vocational training institutions 2011-2012

# The Competitiveness in the Light of the Balassa-Samuelson Effect

PhD. Srdjan Amidzic<sup>1</sup>, PhD. Sinisa Kurtes<sup>2</sup>, PhD. Perica Rajcevic<sup>3</sup>

#### Abstact:

The paper aims to analyze the influence of the Balassa-Samuleson effect on the competitiveness of Bosnia and Herzegovina. As we know, the Balassa and Samuelson argue that developing economies have an appreciating currency, because they have relatively high inflation due to higher productivity growth in the production of tradable goods. This problem has existed, more or less, in all transitional countries in the Eastern Europe, and it was particularly stressed in the countries with a fixed exchange rate. This paper just shows that in Bosnia and Herzegovina, in which monetary policy operates on the principles of "currency board", there is an extremely high influence of the Balassa-Samuelson effect, which leads not only to make a competitive position on the international market worse, but it brings up the question of sustainability of the existing currency board system.

Keywords: competitiveness, productivity, exchange rate

#### Introduction

Exploring the causes of the economic stagnation in the Bosnia and Herzegovina's economy, and having in mind the type of monetary regime that is functioning in Bosnia and Herzegovina, we are inevitably led to study its competitiveness on the world market. It is known that if a country wants to achieve a relatively high growth, in the terms of globalization and integration (profoundly and broadly) then it must be competitive in the world market.

Competitiveness is a relatively young scientific doctrine, which was introduced by Harvard professor Michael Porter during the 80s, when a pure capitalism governed in its full swing over the United States launched by Regan's reforms.

Often competitiveness causes bitter polemics among academic economists<sup>4</sup>, but still this doctrine managed to maintain in the US and European textbooks. The foundation of competitiveness is a productivity of a country. This would mean that one economy is competitive in the world market if it has been productive, or if it produces more output with the same quantity of inputs (labor, materials, etc.), which can be sold in one period on the world and domestic markets.

The productivity of the economy depends on many factors, for example, institutions, macroeconomic conditions, higher education, health of the nation, innovation, entrepreneurship, adoption of new technologies, but also of the exchange rate.

In this work we decided to consider a casual relationship between competitiveness and exchange rate of Bosnia and Herzegovina, in order to realize does an effective currency exchange rate lead to the collapse of economic competitiveness in the global market and in which measure does it too. In order to reach the expected results, we will use well-known Balassa-Samuelson effect.

Specifically, Balassa and Samuelson argue that developing economies have an appreciated currency, because they have relatively high inflation due to higher productivity growth in the production of exchangeable goods. It is often observed that

<sup>&</sup>lt;sup>1</sup> University of Banja Luka, Bosnia and Herzegovina, srdjan.amidzic@efbl.org

<sup>&</sup>lt;sup>2</sup> University of Banja Luka, Bosnia and Herzegovina, sinisa.kurtes@efbl.org

<sup>&</sup>lt;sup>3</sup> Deposit insurance agency of Bosnia and Herzegovina, CEO for Republic of Srpska, p.rajcevic@yahoo.com

<sup>&</sup>lt;sup>4</sup> Paul R. Krugman is one of the biggest opponents of this theory, who fundamentally considers competitiveness doesn't have any sense regarding macro aspects, but only from the level of particular enterprise.

rapidly developing economies crave for a strong and appreciated currency. What resembles is the case of industrial countries, which have got "A Dutch Disease", which originally refers to the increased inflow of foreign currency after the natural gas had been discovered during the 60s in the Netherlands. Such resources provide an appreciation of the currency and they put a pressure on domestic wages (Buiter and Purvis 1980). However, the real exchange rate is considered unfavorable in the long term, as it follows the nominal. Long time ago, this forced economists to believe that the nominal exchange rate is basically a relative price of currency. If this were so, the nominal exchange rate could equalize prices among countries and maintain a real exchange rate constant taken on the average. The relative prices of currencies would also be independent of the net international investment position of currencies, in the case when the positions of debt\loan were sustainable.

Not so long ago, Krugman (1989) noted that an old assumption about the elasticity of trade as a fixed parameter must be forgotten if we want to justify an unfavorable nature of the real exchange rate. It showed that rapidly developing economies typically have a high income elasticity of demand for exports and a low income of demand for imports. The result of the real depreciation caused by a relatively small increase in price is usually called competitive deflation ad is linked to the case of Germany and France in the 90s, when inflation was still high and when the European Monetary System was able to keep up the nominal exchange rates between European currencies relatively stable. Recently, the competitive deflation was also an experience of Estonia, which joined the Euro zone in 2011 by reducing nominal wages in order to attract foreign capital and increase net exports.

If we look at the economic developments from the perspective of global integration of developing countries such as Bosnia and Herzegovina, the economic picture becomes even more complex. The assumption is that in these countries automatic stabilizers should not be any weaker than in the present members. However, future members have significantly unfavorable structure of expenditures, with a high proportion of "fixed" expenses like pensions and healthcare expenses, which do not change depending on the state of the business cycle. (Richer and Romisch, 2003.) Although it seems that new members, because of the weaker automatic stabilizers, will not face the impermissible deficits, they will actually have to rely on an active fiscal policy to stabilize economic developments. It's proved dangerous in their case so far, because the cyclical deficits gradually passed into structural after the end of the recession. If we add the conditions and possibilities of monetary policy in observed countries, we become aware of the limitations of the instruments that can be used in the process of economic stabilization.

Finally, the future members are mostly smaller and more open than the present are. This means that the volatility of production in these areas will be higher, as the need for the stabilization, which is possible during some certain periods of greater cyclical deficits common in the old member states. If it's determined that automatic stabilizers are too weak to stabilize the economy, of which there are indications, one should think of ways of preparing an active fiscal policy to respond fast and effectively to the state of economic conjuncture, respectively how the budget deficit could easily increase or reduce in the current year.

# 1. The Balassa-Samuelson effect and economic competitiveness

In this paper we analyze the effects of the Balassa-Samuelson effect and how it leads to erosion and violation of competitive ability of a country, starting from the economic conditions, which exist in developing countries like in Bosnia and Herzegovina. This problem has existed in all transition countries in the Eastern Europe, more or less, and it was particularly pronounced in countries with a fixed exchange rate. For these reasons the study and understanding of the Balassa-Samuelson effect as economic phenomenon is particularly important for countries such as Bosnia and Herzegovina, whose monetary policy is based on the Currency Board principles.

After an initial price liberalization, the macroeconomic trends in most countries of the Central and Eastern Europe over the last fifteen years were marked by higher than the average inflation for the Euro area, among other things, and by the long-term trend of the real, and in some cases, the nominal appreciation of the domestic currency. Balassa-Samuelson effect often stands out as one of the main causes of such movements, in other words, the difference in productivity growth among tradable sectors and non-tradable sectors in the country compared with other countries. In fact, by this effect, if the differences in productivity growth among tradable sectors and non-tradable sectors is higher in a given transition country, than, for example, in the Euro zone, the relative prices of non-trade goods grow faster in the transition country. In a fixed exchange rate system, tightly related courses, it will be reflected on faster growth in the overall level of prices, and in a

floating exchange rate system it reflects on the combination of higher inflation and appreciation of the nominal exchange rate of the domestic currency against the Euro. I both cases, the real exchange rate will consequently appreciate.

Balassa and Samuelson (1964) identified the shortcomings of the absolute version of purchasing power parity (PPP) as a theory of the exchange rate determination. <sup>1</sup> They identified the difference in productivity growth among the internationally tradable and non-tradable sectors, which has entered the systemic bias in the ratio of relative prices and the real exchange rates. That model, which is named after them - Balassa-Samuelson's model, says that faster productivity growth will lead to faster growth of domestic prices in the tradable sector in terms of non-tradable sector of an economy to the overseas, and also it will result in the appreciation of the real exchange rate of the country currency. In fact, productivity growth in the tradable sector affects the growth of wages in the same sector, and because of the labor mobility among sectors, the wages increase in the non-tradable sector. So that producers could pay higher wages in the tradable sector they raise the prices of their products, which increases the general level of prices in the economy, and that leads to an appreciation of the exchange rate.

Furthermore, this movement can be seen in the light of the future process of economic and monetary integration. Transitional countries made a strong technological progress by opening their borders towards foreign countries during the 90s, which resulted with faster productivity growth then the growth in the developed Euro zone countries. At the same moment the productivity growth recorded in the tradable sector was higher than in the non-tradable sector. However, the productivity levels in the transitional countries are still much lower than in the developed countries, so it is reasonable to expect that the process of a real convergence will continue. Therefore there is a great interest for research of the Balassa-Samuelson effect in the new EU member states<sup>2</sup>.

# 2. The Balassa-Samuelson effect - Theoretical platform

In this section we will point out some issues, related to the baseline of the Balassa-Samuelson effect, as well as the individual elements of a faulty perception of the same. This would complete the whole picture of this economic phenomenon and allow a consideration of its impact on the economic trends. One of the assumptions is that the economy could be divided into two sectors, one which produces tradable goods, and which is exposed to foreign competition, and the other one which produces non-tradable goods, where foreign trade is too limited to affect making prices in the sector. As the other sector it is usually considered the service sector, with the exception of transport services.

Starting from the growing openness of the economy, we can ask a legitimate question of the assumption validity of the existence of two sectors, in other words, can we claim the existence of non-traded goods sector, which is the basis of generating inflation based on slower growth of productivity, and thus the appreciation of the real exchange rate. On this subject it has been written by De Gregorio et al (1994), where it stands out that despite the international trade growth in the services, a service sector as a whole it's remained much less "exchangeable" in relation to the other sector, which we consider the tradable sector. <sup>3</sup> Their interchange sector criteria is based on the participation of the same in the export invoice and should reach a value of 10% of domestic production. Their calculations, which are based on the 14 OECD countries for the period 1970 to 1985, show that 45% of the products of manufacturing sector has been exported, while the figure for the agricultural sector has been 24%, and goods of mineral products 31%. Only 4% of services were exported in the period we have looked at, while the real percentage is 2%, if we exclude the transport service. These figures indicate the existence of the "non-traded" sector of goods, including the services sector, with the exception of transport services.

1

<sup>&</sup>lt;sup>1</sup> According to the absolute purchasing power parity theory, the nominal exchange rate between the two countries is calculated as the ratio of prices in these countries, so the real exchange rate should be equal to 1 or it will have a tendency to return to that level, if for some reason, there is a deviation.

<sup>&</sup>lt;sup>2</sup> In a fact, these countries have done so after convergence criteria defined by the Maastricht Treaty required to introduce the euro as the national currency and become full members of the Economic and Monetary Union. Since one of the criteria is related to the achievement of a high degree of price stability, there began to afraid of a strong Balassa-Samuelson effect, associated with real convergence, that could impede nominal convergence and postpone the introduction of the single currency. This could happen if the Balassa-Samuelson effect was more than 1.5 percentage points per year, which is a tolerance inflation rate in a country that is a candidate for the Euro zone, than the average inflation in the three EU countries with the lowest inflation required under the Maastricht contract.

<sup>&</sup>lt;sup>3</sup> De Gregorio (J.), Giovannini (A) and Wolf (H) (1994): International Evidence on tradables and non-tradables inflation, European Economic Review 38. p.1231

Jan-Apr 2016 Vol.1 Nr. 3

Please note that the sector of "tradable" goods include not only manufacturing industry goods, but also agriculture, minerals and transport services, although a large number of studies this sector exclusively limits to the processing industry. 1

Furthermore, the Balassa-Samuelson effect starts from the existence of a single service price for the tradable sector of goods, in a context of the small opened country with no barriers. In reality, the concept of a single price is not confirmed, and various factors contribute to this contribution such as product quality, transportation costs and a pricing policy of the companies, which often tends to adapt to local rates, rather than implementing their own prices converted on the nominal exchange rate basis. However, with an analysis of the components of the appreciation of the real exchange rate we come to the conclusion that such an exchange rate is possible without confirmation of the existence of the concept of one price of tradable goods. The appreciation of the real exchange rate can be viewed through two components, one reflecting changes in the real exchange rate of tradable goods, which can be different from zero even in the absence of a single price, and the other one related to the increase in the relative price of non-traded goods, which basically represents the Balassa-Samuelson effect.

Higher productivity is inherent in the sector of tradable goods then in the non-tradable sector. This assumption is confirmed by looking at the individual country, but also at the international level where we observe the movement of productivity between emerging economies and developed economies. In other words, productivity growth during *the* "Catch-up" process is especially characteristic of the tradable sector.

Then, the question is whether the Balassa-Samuelson effect is crucial in defining the appreciation of the real exchange rate in terms of the rapid growth and development of the economy more inherent in transitional economies. The Balassa-Samuelson effect, observed as it's been described above, is purely the effect on the supply side, while demand does not play any role in the formation of relative prices. However, relative prices may also rise as a result of growth in demand pressure, which further leads to the appreciation of the real exchange rate. If we leave aside the BS model as we have so far observed and the assumption of perfect capital mobility, we can analyze the impact of demand on the relative prices of different sectors known as Baumol-Bowen effect (1966). Baumol-Bowen effect also provides an explanation for the growth of the relative prices of non-tradable goods introducing the factor of demand and bearing in mind that the income elasticity of the demand for services is greater than when it comes to the elasticity of demand for goods, with the share of services in total demand grows during the process of growth and development economy.

Of course, as well as the other economic dependences, so the level of demand elasticity in relation to income, differs for the variety of products, depending on the level of their development, so that essentially alters the significance of existential or luxury goods and necessities of life.

This dependence was researched by the German statistician Ernst Engel in the last century and he came to the following conclusion, later that was called "Engel laws":

the share of expenditure for food varies inversely with the level of income;

the share of expenditure for clothing and footwear remains nearly unchanged with the change of income;

the share of expenditure for an apartment stays approximately unchanged with the change of income.

the share of expenditure for sports and recreation increases with income.

In such conditions, the relative prices of services tend to grow in order to have rebalance supply and demand for non-tradable goods. As a result of these trends, we have an appreciation of both - external and internal real exchange rate. In reality we have a situation that the rise in the relative prices of the service sector, is the result not only of lower sector productivity, but also the growing demand in the process of rapid growth and development. <sup>2</sup>

<sup>&</sup>lt;sup>1</sup> Measuring the Balassa-Samuelson effect for the Countries of Central and Eastern Europe? Banque de France Bulletin Digest no.122, 2004. p.28th www.banque-France.fr.

<sup>&</sup>lt;sup>2</sup> Ibidem.

The growth trend of the relative prices of the service sector, which provides the Balassa-Samuelson effect, is supported by the most advanced economies, but to this process the trend of growth of the service sector in GDP it's also inherent. This phenomenon, on the other hand, as we stated, is not covered by the BS effect in the manner described above. Therefore, the effect of growth in demand should be taken into account and considered its value. Please note that most studies do not distinguish these two components – the Balassa-Samuelson effect and the Baumol Bowen effect (or inner and outer Balassa-Samuelson effect), in consideration of both effects which have a similar impact on the real exchange rate to appreciate during periods of rapid development. The Balassa-Samuelson effect, of which is better known, it's often known and used as an indicator that essentially includes both phenomena.

Furthermore, the variation in productivity, and its effect on the exchange rate, is often attributed entirely to the BS effect, which is wrong. For example, productivity shocks themselves may affect the appreciation of the real exchange rate through other channels, for example: investment demand channel. Thus, an increase in productivity leads investment growth, which further leads to an increase in interest rates in order to attract the necessary capital to finance the mentioned investments, so ultimately leading to an appreciation of the real exchange rate. The situation is further complicated if we take into account the differences in the elements of the sector components of investment demand. <sup>1</sup> Briefly, the Balassa-Samuelson effect, in its original form, contributes to the appreciation of the real exchange rate, but that's not the only component of his appreciation, but there are other factors, and all together aim to improve or make the competitive position of specific countries were on the international market.

#### 3. Empirical research

The Balassa-Samuelson effect has been empirically tested in numerous works, with results largely confirming the theory. 
<sup>2</sup> Summary of 58 studies from 1964 to 2004, published on this subject, can be found in the work of Tice and Družića (2006), in which it is shown that in only six papers empirical analysis resulted in statistically insignificant coefficients and / or coefficients opposite than expected. In the Central and Eastern Europe assessment the Balassa-Samuelson effect particularly encouraged the EU accession process and the question of meeting the convergence criteria. The main features of selected works for these countries are presented in the following table.

Jelena Popova and Oleg Tkachevs³ conducted a survey on the existence of the Balassa-Samuelson effect in Lithuania in the period from 1995 to 2002 and its impact on the appreciation of the real exchange rate. The study found that the differences in productivity growth of 1% compared to Germany sampled appreciation of the real exchange rate by 1. 4%. It was found that the appreciation of the real exchange rate cannot be fully attributed to the Balassa-Samuelson effect. Balazs Egert (Balázs Égert) In the study which referred to Estonia for the period from 1993 to 2002, has found *existence of the* Balassa-Samuelson effect, and its contribution to inflation was 0. 5-2%. Contribution *of the* Balassa-Samuelson effect to overall inflation is calculated on the way that the growth rate of non-traded goods is multiplied with their participation in the SPI index. Lojschova (2003) showed that in Slovakia, the Czech Republic, Hungary and Poland the Balassa-Samuelson effect influenced the average annual rate of real appreciation of about 2. 5%.

Research of the Balassa-Samuelson effect in 11 countries in the Central and Eastern Europe has been conducted by Mihaljek and Marc Klau<sup>4</sup>, for the period from the mid-1990s to the first quarter of 2008.

It was found an expression of both domestic and international Balassa-Samuelson effect. The Balassa-Samuelson effect at home explained about 84% difference in the prices of tradable vs. non-tradable goods, and international Balassa-Samuelson effect of about 24% difference in inflation between the observed countries and the Euro zone. According to

<sup>1</sup> Fischer C.: Real currency appreciation and the accession countries: Balassa-Samuelson and investment demand, the Deutsche Bundesbank, Discussion Paper 19/02, 2002

<sup>&</sup>lt;sup>2</sup> Funda, J., Lukinić, G., Ljubaj, I. Assessment of the Balassa-Samuelson Effect in Croatia Financial Theory and Practice 31, Zagreb, 2007 p. 320

<sup>&</sup>lt;sup>3</sup> Popova, J., Tkachevs, O., On the Balassa-Samuelson effect in Latvia, Centre for European and Transition Studies, August 2004

<sup>&</sup>lt;sup>4</sup> Mihaljek, D., Klau, M.: Catching up and inflation in transition economies: the Balassa-Samuelson effect revisited, BIS Working Paper, no.270, December, 2008

research of Boštajn Jazbec¹ for Slovenia in the period 1993 to 2001: 2. 1% of the growth in the productivity differences has led to the appreciation of the "external" real exchange rate by almost 1. 5% between the industrial and service sector. In certain periods, 1% of the growth differences in productivity caused a 1. 7% of the growth in the CPI. The existence of the Balassa-Samuelson effect in Slovenia is confirmed by the work of Rothera (2000) and Jazbeca (2002), who obtained similar results. Rother also argued that in the short term a significant impact on the relative price of internationally non-tradable and tradable goods have the monetary and fiscal policy, while the long term there is a difficult to assess their impact because of the large fluctuations in the variables.

The Balassa-Samuelson effect is according to Cipriani (2001)<sup>2</sup> relatively weak, which explains the relatively low share of non-traded goods in the consumer price index in the countries which are studied, and significant productivity growth in both sectors, stimulated by the transition process. He also stresses that a significant proportion of inflation in the observed countries result of the actions of other effects, such as growth previously administered prices after the liberalization of certain sectors, which has led to increase in prices of non-tradable goods, which cannot be associated with changes in productivity. When we look at differences in inflation in transitional and developed countries, Égert (2005) believes that other factors should be taken in consideration, among which stands out the impact of changes in import and total prices which are caused by the depreciation or appreciation of the domestic currency (Exchange rate pass-through).

Then he writes about the impact of oil shocks, cyclical factors, inflation inertia, gradual deregulation of administered prices, the rise in prices of tradable goods due to the increase of their quality and credibility of economic policy after periods of hyperinflation.

Table No. 1: The overview of the Balassa-Samuelson effect research in the countries of the Central and Eastern Europe:

| Authors                     | Countries                                 | Period    | Results  |
|-----------------------------|---|-----------|--|
| Arratibel and others (2002) | BG, CZ,ES,HU, LT, LV, PL,<br>RO, SI, SK   | 1990-2001 | BS effect is not significant, and the main<br>source of the growth in the prices of non-<br>tradable and tradable goods are differences<br>in market structure.  |
| Cipriani (2001)             | BG, CZ, ES, HU, LT, LV, PL,<br>RO, SI, SK | 1995-1999 | The growth of the relative labor productivity by 1% on average, resulting in a rise in the relative price of non-tradable goods by 0. 57%. Only 1% of inflation in the observed countries can be explained by the BS effect. |
| Coricelli and Jazbec (2001) | 19 TRANSITIONAL<br>COUNTRIES              | 1990-1998 | The elasticity of the real exchange rate to differences in productivity was 0. 5.  |
| Egert (2002)                | CZ, HU, PL, SK, SI                        | 1991-2001 | According to BS effect, the equilibrium of the real appreciation was about 0% for CZ, SI, SK, about 1% for HU and about 3% for PL.   |
| Egert (2003)                | ES  | 1993-2002 | The average contribution of the BS effect to the general price level is between 0. 5 and 2 percentage points.  |

<sup>&</sup>lt;sup>1</sup> Badger, B .: Balassa-Samuelson Effect in Transition Economies: The Case of Slovenia, William Davidson Working Paper Number 507, October 2002

<sup>2</sup>Funda, J., Lukinić, G., Ljubaj, I., " Assessment of the Balassa-Samuelson affect in Croatia ", Financial Theory and Practice 31, Zagreb, 2007, p.320

| Egert and others (2001)       | CZ, ES, HR, HU, LT, LV, PL,<br>SK, SI     | 1995-2000 | BS effect does not contribute to a significant real appreciation of the exchange rate; other factors are important too   |
|-------------------------------|---|-----------|--|
| Egert (2005)                  | BG, HR, RO, RU, TR, UK                    | 1991-2004 | BS effect poorly determines a general level of inflation and the real exchange rate, except perhaps in HR; more important are other factors.   |
| Fischer (2002)                | BG, CZ, ES, HU, LT, LV, PL,<br>RO, SI, SK | 1993-1999 | About half of the change in the equilibrium of the exchange rate can be explained by changes in productivity, about a quarter by the changes in consumption and about a quarter by the changes in real interest rates. |
| Halpern and Wyplosz<br>(2001) | CZ, ES, HU, LT, LV, PL, RO,<br>RU, SI     | 1991-1998 | Estimated annual appreciation due to BS effect is 3%.  |
| Jazbec (2002)                 | SI  | 1993-2001 | Growing of differences in productivity among tradable and non-tradable goods for about 1% gives a boost to the real exchange rate appreciation encouraged by around 1. 5% and the consumer price index by about 1. 7%. |
| Joko and Tuladhar (2005)      | MA  | 1995-2003 | BS effect is not significant.  |
| Lojschova (2003)              | CZ, HU, PL, SK, SI                        | 1995-2002 | The average annual rate of a real appreciation due to BS effect is 2.5% per year.  |
| Mihaljek and Klau (2004)      | CZ, HR, HU, PL, SK, SI                    | 1992-2001 | Domestic BS effect runs between 0. 3 and 1. 6 percentage points, and International between 0. 1 and 1. 8 percentage points.  |
| Rother (2000)                 | SI  | 1993-1998 | International BS effect runs between 1. 5 and 2 percentage points.   |

Note: BG - Bulgaria, CZ - Czech Republic, the EC - Estonia, HR - Croatia, HU - Hungary, Lithuania - Lithuania, LV - Latvia, MA - Macedonia, PL - Poland RO - Romania, RU - Russia, SI - Slovenia, SK - Slovakia, TR - Turkey, UK - Ukraine.

Source: Funda, J., Lukinic, G., Ljubaj, I. (2007)

In terms of research on the effect of exchange rate regime choice in the expression of the Balassa-Samuelson effect, *Anne-Laure Baldi* and *Nanno Mulder*<sup>1</sup> came to some interesting results. The investigations included Argentina, Brazil, Chile (ABC countries) And Mexico from 1990 to 2002. According to the researchers mentioned above, fixed regimes affect the relative prices of the two mechanisms. First, the fixed regimes affect the prices of trade goods because the prices are given for the mentioned countries (price takers) on the international market. Rigid regimes force countries to adjust their prices to foreign competition, because the exchange rate cannot perform the function of equalizing domestic and international prices. Nominal depreciation cannot increase import prices of (tradable) goods. Second, fixed regimes also affect the prices of non-traded goods in countries with liberalized capital account, because of the large capital inflows that increase aggregate

<sup>&</sup>lt;sup>1</sup> Baldi, A. Mulder, N .: Exchange rate regimes, relative prices and outward orientation: ABC and Mexico in the 1990s, the OECD Economics Department, November 2002

demand. The theoretical and empirical assumptions are confirmed with the exception of Chile. During the fixed exchange rate regime in these countries non-tradable sector of goods has grown at the expense of the tradable sector.

# 4. The Balassa-Samuelson effect and Bosnia and Herzegovina

Starting from the impact of the Balassa-Samuelson effect on an economy, it is necessary to point out the essence of the action of this effect, as well as an appropriate selection of the moment of observation, so that quantifying the effects themselves can be more adequate. The essence of the Balassa-Samuelson effect is to distort the competitive position of the country through an appreciation of the real exchange rate. In fact, if we look at the real exchange rate as the relative price of foreign goods and services denominated in domestic goods and services and its close association with the nominal exchange rate, we are able to cover all the factors that influence the competitive position of a country. If we mark with S the nominal exchange rate (Brithish Convention), and with  $P^*$  we mark the prices of foreign goods denominated in foreign currencies, then the domestic price of foreign goods is  $P^*/S$ . Conversely, if we mark the prices of domestic goods in the domestic currency, then the price of domestic goods in foreign currency is SP. 1

The real exchange rate, in other words, the price of foreign goods expressed in domestic goods becomes:

$$\sigma = P/P^*/S = SP/P^*$$

It is clear that in terms of the deterioration of the nominal exchange rate, namely its appreciation, there is also a deterioration of the country's competitive position, and vice versa. The same effect on the competitive position of the country has a price growth in the country and a price fall in abroad. In a light of this we observe the Balassa-Samuelson effect and its impact on price movements in the country, as well as the impact on economic competitiveness. Starting from the theoretical concept and importance of the universality of this effect, it is necessary to choose the right moment of observation, so that effects themselves can be clearer.

This paper starts from the period before the escalation of the global economic crisis, because it is a period in which there were strong reactions from some countries using different economic instruments aimed at economic stabilization. In fact, in a situation where we already have a manifestation of the crisis through the decline of macroeconomic indicators we have a strong performance of individual countries in order to overcome the negative effects of crisis. So there are significant differences in the selection of measures and economic policies to stop the decline in economic activity, and thus different effects on the movement of the real exchange rate. Certainly, the expansionary monetary policy measures and let say measures of restrictive fiscal policy lead to different effects on the movement of the real exchange rate and thus the external competitive position of the country. Choosing one or the other policy is determined by a number of economic variables and factors, not only international competitiveness, so it is interesting for us to observe the long-term positions on the manifestation of the Balassa-Samuelson effect, or period just before the outbreak of the crisis and then aggressive and sometimes very chaotic global response to it. In that period we had strong reactions of individual countries through economic policies of different courses of action, so that we have a more realistic picture on the manifestation of the Balassa-Samuelson effect, and a better insight into the long-term competitive position of the country. Those countries that have had a better competitive position in the period immediately before the crisis, readily entered a period of economic turbulence in certain extend, and after a year or two of strong reactions in which the deterioration of competitive positions is possible, and from the perspective of the real exchange rate things are returning to an initial economic position.

The Table No. 2 shows that the productivity in the tradable sector (Prod T) grew faster than productivity in the non-tradable sector (Prod NT), and the index of relative productivity of non-tradable relative to tradable goods declined. <sup>2</sup> On the other hand, wage growth in the tradable sector (Index WT) was lower than productivity growth, while in the non-tradable sector

<sup>&</sup>lt;sup>1</sup> Burda, M., Viplosh, T., Macroeconomics, The Center for the Liberal-Democratic Studies, Belgrade 2004

<sup>&</sup>lt;sup>2</sup> Gligoric, D. Effect of choice of exchange rate regime in the real exchange rate of the Western Balkans, University of Banja Luka, Faculty of Economics, Banja Luka, 2011

wage growth (Index WNT) was faster than productivity growth. Also, there is a strong correlation among the growth of wages in the labor market. <sup>1</sup>

Table No. 2: The manifestation of the Balassa-Samuelson effect in Bosnia and Herzegovina.

| Basic indices<br>(2001 = 100)         | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   | Correlation coefficient |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|-------------------------|
| Prod T                                | 100,00 | 105,48 | 123,50 | 124,17 | 157,14 | 177,46 | 203,24 |                         |
| Prod NT                               | 100,00 | 107,63 | 112,03 | 119,54 | 123,36 | 128,28 | 128,14 |                         |
| Index W NT                            | 100    | 102,47 | 108,89 | 116,07 | 129,17 | 143,27 | 158,43 | 0,93                    |
| Index W NT                            | 100    | 109,90 | 120,91 | 126,07 | 126,53 | 134,76 | 143,92 | 0,93                    |
| Prod NT/Prod T<br>(Index,<br>2001=100 | 100    | 102,04 | 90,71  | 84,09  | 78,50  | 72,29  | 63,05  | 0.04                    |
| PT/P NT<br>(Index,<br>2001=100)       | 100    | 99,61  | 97,65  | 97,45  | 91,86  | 91,78  | 90,98  | 0,94                    |

Source: Gligoric, D., 2011

In the last two lines of the table we see that there is a high correlation between the relative decline in productivity of non-tradable goods compared to tradable (NT Prod / Prod T) and the relative decline in prices of tradable goods (PT) compared to non-tradable (P NT), which indicates the expression of the Balassa-Samuelson effect in Bosnia and Herzegovina.

If we look at the period after 2008, based on a simple observation of the wage changes in the two sectors, we come to the same conclusion about the existence of the Balassa-Samuelson effect.

Table No. 3: Changes in net wages in the tradable vs non-tradable sector per employee during the period 2007-2012

#### BAM

2007 2008 2009 2010 2011 2012 The average gross salary paid in the 845 850 897 926 974 997 sector of tradable goods \* The average gross salary paid in all 1015 1236 1342 1344 1402 1416 other activities

Source: Department of Statistics.

\*It refers to the sectors of manufacturing, mining, agricultural segment of transport activities from traffic, connections and storage.

<sup>&</sup>lt;sup>1</sup> First we choose the sectors that will represent the tradable or non-tradable sector. We will then perform a calculation index of productivity by sharing the value added by sectors with the number of employees in the sector for each observed year. The approximation of the tradable sector in Bosnia and Herzegovina included the following sectors: mining and quarrying, manufacturing industry, production and supply of electricity power, gas and water. The approximation of non-tradable sector includes the following sectors: hotels and restaurants, transport, storage and communication, financial intermediation and activities related to real estate, renting and business activities. As an approximation of the price of non-tradable goods there are used for services to retail and tradable prices of industrial products in retail. By aggregate indicators at the state level, due to the unavailability of data, we're weighting inflation rate in the Federation with 0.65 and the price in Republika Srpska with 0.35, starting with the participation of entities in the creation of added value.

The relationship between the level of exchange rate flexibility has been observed, using the same calculations that take into account all the Western Balkan countries, on the base of the IMF classification and the index of the real effective exchange rate, there has been the conclusion that there is a statistically significant relationship between these variables. Starting from the point that there has been strongly binding exchange rate in Bosnia and Herzegovina, more specifically the most conservative type of the currency board, it is clear that the existing model of monetary policy contributes to the deterioration of the competitive position of Bosnia and Herzegovina on the international market and contributes to faster overcome, but further deepen the crisis.

The influence of the Balassa-Samuelson effects, as well as all the other factors that contribute to the appreciation of the exchange rate at a time when we have limited possibilities of fiscal effects, the growth of public debt, aggravated and worsened financing conditions, leads not only to a worse competitive position on the international market, but also raises the question of sustainability of the current currency board system. When a country has a CBS, the macro-framework in that country should provide prudent fiscal policy, a healthy financial system, cautious external management and, of course, flexible and non inflationary labor market and hence price mechanism. If there are serious imbalances in one of these elements of the macro-framework, it is a clear indicator of the potential vulnerability and danger for the CBA. ¹More specifically, stable bonds in the course of the crisis on the one hand leads to a deepening of the crisis, while on the other hand creates an atmosphere of uncertainty for the sustainability of the arrangement, which further complicates the situation. The following table presents the sensitivity of indicators on the basis of which we can speak about the sustainability of the currency board.

Table No. 4 The vulnerability Indicators

|                             | 2005    | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012 |
|-----------------------------|---------|-------|-------|-------|-------|-------|-------|------|
|                             | (%) GDP |       |       |       |       |       |       |      |
| Fiscal deficit              | 2,40    | 2,90  | 1,20  | -2,20 | -4,50 | -2,50 | -1,30 | -2,1 |
| The current account deficit | -17,1   | -8,0  | -9,1  | -14,2 | -6,6  | -5,5  | -9,5  | -9,6 |
| External debt               | 25,3    | 21,1  | 18,2  | 17,2  | 21,8  | 25,4  | 25,9  | 27,9 |
| The growth rate of exports  | 34,2    | 36,5  | 14,96 | 13,0  | -17,7 | 28,3  | 15,9  | -4,5 |
| The rate of savings         | 28,0    | 28,57 | 25,88 | 0,32  | 8,65  | 14,7  | 8,97  | 9,0  |
| The inflation rate **       | 3,8     | 6,1   | 1,5   | 7,4   | -0,4  | 2,1   | 3,7   | 1,8  |

Source: Authors, based on data of the CBBH.

If we look at the factors of vulnerability in the period immediately before the crisis, and also in the crisis years, it is evident that there is the deterioration by almost all elements. First, we highlight the negative trends in terms of the fiscal deficit that didn't exist in the period immediately before the crisis, so we can conclude that in the period of the crisis the first condition of sustainability of the currency board has been disrupted, which refers to the fiscal policy managing. Furthermore, the movement of the external public debt is particularly worrying and shows significant growth in the crisis conditions, and in contrast to the private component of the external debt is considerably greater burden. The burden is therefore greater if one takes into account the characteristics of both, where the public external debt shows a much higher level of rigidity in relation to the private foreign debt.

If we take the ratio of total external debt to exports as a relevant indicator of indebtedness the deterioration is evident. We see a strong impact of the crisis on the export trend in 2009, where the external shocks have been completely broken

\_

<sup>&</sup>lt;sup>1</sup> Gulde, A., Kahkonen, J., and Keller, P., Pros and Cons Currency Boards Arrangements in the Lead - up to EU Accession and Participation to the Euro Zone, International Monetary Fund Policy Discussion Paper 00/1, 2000, p.4

Jan-Apr 2016 Vol.1 Nr. 3

through the sectors of the real economy due to the inability of economic power to use monetary policy measures to affect the current situation.

Since we established the existence of the Balasaa-Samuelson effect in a pre-crisis period, we can assume that it has been especially manifested in the crisis period when the export is significantly reduced, where wages in non-tradable sector remained relatively unchanged, while wages in the tradable sector reduced due to the loss of jobs on the global market.

Generally speaking, our businessmen lost competitive position additionally, in a time of global crisis, in the global market because of the exogenous factors, or the factors to which they could not influence.

Since that kind of monetary regime operates in Bosnia, we must take it as a given and immutable variable, so the policy maker had to react adequately in a time of crisis. Reduction of salaries in the non-tradable sector at an adequate level<sup>1</sup> would contribute to reducing the appreciation and thus strengthening the competitive position of businesses on the world market.

From the table above it is clear that we have the export improvement, indeed lower than the average in the pre-crisis years, and then it's reported a negative trend again in the coming years, and 2012 ended with a minus. These significant fluctuations in exports are an expression of some factors, exogenous and endogenous and represent a challenge for some following studies. Relations with foreign countries are the main source of generating revenue to repay debt, and make the question of pressure on the very sustainability of the CBS in terms of the decline in exports. Negative trends are seen in the movement of savings, which together with all mentioned further, complicates the situation.

In the end, we emphasize that the situation for Bosnia and Herzegovina would be much more difficult if the reserve currency in our currency board system was the Swiss franc or the Japanese yen, as the currencies which are stronger in a period of crisis. We note that one of the main weaknesses of countries with a CBS is that they import the monetary policy of the country in whose currency their domestic convertible currency is linked. Changes in the monetary policy of the country whose currency is bonded with the local currency will be inappropriate to a CBS country if the business cycles of the "reserve" country and the CBS do not match. It is clear that the impossibility of the CBS to make the appreciation or depreciation in order to protect the economy from external shocks generates great costs. In a way, it was good for us that this crisis has a global in character, and the ECB pressed by the problems within the Euro zone, monetary influenced on the financial markets and thus in a certain way through the weakening of its currency has contributed to the strengthening of our competitive position. We must also be aware that the stabilization of the economic situation will come much earlier in the European Union in relation to us, so in terms of reduced ECB intervention in Bosnia and Herzegovina will be presented its complete set-off over the real sector. In support of that, there is a data which demonstrates export movements, where we noted an increase under stronger action of the ECB and vice versa.

As one of the possible options in order to keep the system of a tight attachment of the course, but also to adapt the conditions of the crisis, is changing the central parity rates. We note that any weakening of the currency in order to improve the competitive positions is possible in credible and strong economies, such as the UK, which allowed the devaluation of the pound by 15% in 1992, which became stabilized after that. <sup>2</sup> The investors became aware that the worst situation passed, so that lower value of the currency would make an export stronger and that British investments were much lucrative then earlier. A similar situation happened in Thailand during the Asian crisis, where most of the budget calculations indicated that there was also necessary for the baht to fall for about 15%, in order to restore the competitive position of the Thai industry. But due to the lack of credibility of the monetary authorities in Thailand, there was a headlong lowering for a whopping 50% against the dollar and this trend would have continued even further if Thailand had not responded with drastically increasing in interest rates. A similar, if not worse situation, is here with us, where a change of central parity of currencies led to a period of tighter liquidity, high unemployment and generally speaking the economic chaos.

<sup>&</sup>lt;sup>1</sup> The authors assume that a cutback of 15% of the wages in the government, municipal and other state organs was enough.

<sup>&</sup>lt;sup>2</sup> Krugman, P., The Return of Depression Economics and the Global Crisis in 2008, Novi Sad, Helix, 2010, p.92

# Conclusion

Changing a currency exchange rate, which is caused by the Balassa-Samuelson effect, in its original form contributes to the appreciation of the real exchange rate, but it is not the only one that completely determines the direction of exchange rate movements. In fact, there are other factors, and they all the together aim on improving or worsening the competitive position of the country on the international market, observed through the changing of the real exchange rate.

The manifestation and the impact of the Balassa-Samuelson effect in a sense of appreciation of the real exchange rate is further expressed in countries such as Bosnia and Herzegovina, whose monetary policy is based on the principles of the currency board. We emphasize that in Bosnia and Herzegovina exist the most conservative type of the currency board system and so there is minimum possibility of monetary action. Analogously to previous statement, the effect of the crisis in its full capacity shifts to the real economy sector. Essentially, the reserve requirement ratio in Bosnia and Herzegovina is the only instrument of monetary policy, and thus the only way to affect real variables using the monetary policy. Thus, there is a significant limitation for Bosnia and Herzegovina to use its economic activity to overcome the effects of the crisis. To all said we have to add some facts inherent to the economies with currency boards. For these economies it is very characteristic to have a large level of foreign remittances, which have a positive corrective socio-political dimension, but the economic effects are with the opposite direction. Specifically, the transfers from abroad lead to appreciation pressures, that is, they allow the maintenance of a fixed exchange rate to the unrealistically high level and thus they ruin the international competitive position of the country. Otherwise inevitably currency adjustment would happen and that might, among other things, contribute to the improvement of competitive position and creating favorable conditions for the growth of what we call the real sector.

As we already said, the Balassa-Samuelson effect, as one of the components that lead to appreciation of the real exchange rate, it is interesting from the aspect of the country's competitive position in the period before the escalation of the crisis. In other words, in the period of slower productivity growth expansion, and faster wage growth, in the non-tradable sector comparing to the tradable sector of goods and services leads to the creation of the illusion of much more favorable competitive position of the country confronting the actual situation. Only in times of economic turbulence comes to reducing conditions on real time basis and in the absence of active monetary policy and in the regime of the rigidity of wages, the full effect is paid by the real sector's decline, stagnation in exports and the general disruption of the economic position of the country.

For countries with tightly linked exchange rate in which there is no possibility for the active use of monetary policy or where devaluation has no economic justification, the alternative approach is the so-called - fiscal devaluation. This approach implies reducing taxes on labor with the increase of the taxes on consumption, what directly makes exported goods cheaper and imports more expensive. An artificial maintenance of currency makes sense for the economy in the conditions of expansion, but in the period of external shocks, this burden falls on the decline in exports, production, employment and government revenue.

#### References:

Baldi, A-L., Mulder, N.: Exchange rate regimes, relative prices and outward orientation: ABC and Mexico in the 1990s, the OECD Economics Department, November 2002

Burda, M., Viplosh, T., Macroeconomics, Center for the Liberal-Democratic Studies, Belgrade, 2004

Gulde, A., Kahkonen, J., and Keller, P., Pros and Cons Currency Boards Arrangements in the Lead-up to EU Accession and Participation to the Euro Zone, International Monetary Fund Policy Discussion Paper 00/1, 2000

De Gregorio (J.), Giovannini (A) and Wolf (H) (1994): International evidence on tradable and non-tradable inflation, European Economic Review 38

Badger, B.: Balassa-Samuelson Effect in Transition Economies: The Case of Slovenia, William Davidson Working Paper Number 507, October 2002

Krugman, P., The Return of Depression Economics and the Global Crisis in 2008, Novi Sad, Helix, 2010

Measuring the Balassa-Samuelson effect for the Countries of Central and Eastern Europe?

Banque de France Bulletin Digest no. 122. 2004, p. 28. www. banque-France. fr.

Mihaljek, D., Klau, M.: Catching up and Inflation in Transition Economies: the Balassa-Samuelson effect revisited, BIS Working Paper, no. 270, December, 2008.

Popova, J., Tkachevs, O., On the Balassa-Samuelson effect in Latvia, Centre for European and Transition Studies, August 2004

Fischer C.: Real currency appreciation and the accession countries: Balassa-Samuelson and investment demand, the Deutsche Bundesbank, Discussion Paper 19/02, 2002

Funda, J., Lukinić, G., Ljubaj, I. The Assessment of the Balassa-Samuelson Effect in Croatia, Financial Theory and Practice 31, Zagreb, 2007.

www. cbbih

# Government Regulation, Technology and Development of SME-s

- Case of Albania

PhD Cand. Sorina Koti

University "Fan S. Noli" Korce-Albania

sorinakoti@gmail. com

Dr. Klaudeta Merollari

University "Fan S. Noli" Korce-Albania

klaudetamerollari@yahoo. it

#### Abstract

The aim of the paper is to analyze the factors that determine business growth and the impact on the GDP of the country. The paper analyses Albania, as one of the countries in the South East Europe. Albania is still passing through a transition period at all levels, economic and political. Albania has made serious steps in the development of the state of law, of the financial system and it is working on the achievements of goals, such as: becoming an EU member, stabilization of the fiscal and monetary policies, stability of prices, fighting against corruption, incentives for private investments, reduction of business's taxes etc. The achievement of these goals will bring more motivation and incentives for growth, an increase in domestic and foreign direct investments. The government of Albania is still working on the future strategies that will bring Albania near to the European countries. The partial achievement of the above goals has created a positive environment, but still there is enough room for change and stabilization. The Albanian governments have improved the business climate, in order to create easier methods in the way of doing business, by attracting more foreign investors and creating a positive climate. Albania has experienced an increase of interest from foreign companies, which have invested in the main fields of economic such as: banking, energy, telecommunication, gas-oil, supermarkets, construction etc. However, some fiscal policies have changed during the last three years, which has caused a tightening of credit, investment, growth and income. Nowadays, Albania is not in a good position compare to neighborhood countries and it is facing recession problems that need immediate solution to overcome the crisis.

**Keywords:** entrepreneurship trainings, strategies, policies on SME-s, technology, regulation

#### 1. Introduction and Economic Sectors

The sustainability of economic growth during the last years, which is reflected in the sustainability of macroeconomic indicators, cannot be assured for the coming years, if the government policies and programs do not provide a speedy development of private sector, especially the SME's, the growth of exports and investments, etc. All these coincide with the need to raise the productivity and the competitiveness of the Albanian economy with further economic opening of the country and continuous improvement of legal framework, which supports the integration process of the country. The speedy growth of the businesses and investments' development climate, the increase of competitiveness of SMEs in regional and global market through development of technology and information, may bring a reduction of administrative barriers and creation of business facilities.

SMEs development and their contribution in the long-term economic stability depend on their size and structure, which being under well-developed market conditions allows them to have flexibility and abilities suitable for tough competition conditions. Modern economies operate as a complex network of firms where the competitive position of a firm depends partly on the efficiency of its suppliers. Thus, SMEs competition affects the competitive position of the economy. As the high costs of transactions are one of the main barriers of their development, their reduction would influence the SMEs expansion and would especially encourage the expansion of micro-enterprises.

Development of SMEs sector is considered as the most efficient means for the transition economies, which generates a sustainable economic growth, employment and poverty reduction. During the last years, Albania has been through an economic decline, but still in positive level 1. 5-2%, which was one of the best positions in the region. There is no doubt that the SMEs sector has an indisputable contribution of this process. According to the evaluations, the contribution of SMEs sector contributes at 64% of GDP and 66% of employment in private sector. According to the economic sectors, the distribution of active private businesses is trading (49%), services (24%), industry (11%) and transport (10). Furthermore, the SME sector had a constant development during the years of transition. Furthermore, the graph below shows the contribution of each sector in the employment of the working force. It should be said that in the agriculture sector most of the businesses are small ones or family businesses and it is supposed that all people that are able to work are employed. Meanwhile, it is difficult to employ all the working force in the urban areas, because the economic system is not capable to develop working places.

Agriculture
53%

Agriculture
53%

Trade, 9%

Transport, 4%

Hospitality & Real
Estate, 3%
Education, 2%
Government, 2%

Fig. 1 Employment by sector

Source: MF, 2015

Hence, after agriculture, we see that construction and manufacturing are the two main sectors in the Albanian economy. Since the beginning of the global crisis, construction was the first sector that was hit first, because people were afraid to expend their savings and remittances were reduced drastically. While, the manufacturing sector is working at 70% capacity, because of the reduced level of foreign demand for exports and a reduction of internal demand for goods. The trade deficit is still negative, by experiencing a decline both in exports and imports as well.

# 2. General view: situation and problems in the SMEs sector

The sustainable macroeconomic and financial environment has created suitable conditions for credit expansion during the years 2005-2009. However, we need to take in consideration the last financial crisis and the effects of it. According to the Bank of Albania, since the beginning of the economic crisis in 2008, there has been a tight credit policy for private sector and for individuals as well. Banks tightened further the credit procedures, in order to protect their stability and to increase the credit/deposit ratio. Some of the most important features are listed below:

- At the end of December 2015, the credit portfolio of banking system decreased by 16% compared to the previous year; while the credit to the private sector changed by 14% compared to the same period last year.
- 66. 6% of credit portfolio is dominated from the business credits and 33. 4% by individual credit.
- About 40% of loans given to business are used for buying cars and equipment.

Nevertheless, even the Bank of Albania has reduced the interest rate, in order to stimulate crediting the demand for credit from the private sector remains low, because of instability in the political-economic conditions

# 2. 1 Competitiveness of the Albanian economy

Competitiveness of the Albanian economy is estimated according to the Index of Competitiveness Growth 2015-2016 (Report of Global Competitiveness 2015-2016 of the World Economic Forum). The index of economic competitiveness is estimated to be 3. 9 from 7, which is the maximum. Albania takes the 93th position in the world ranking from the 97th place where was classified the previous year. It is classified the last country in the region concerning the economic competitiveness.

Tab. 1 The Global Competitiveness Index 2015-2016

|         | Innovation and sophistication factors |       | Business sophistication |       | Innovation |       |
|---------|---------------------------------------|-------|-------------------------|-------|------------|-------|
|         | Rank                                  | score | Rank                    | Score | Rank       | Score |
| Albania | 115                                   | 3. 21 | 95                      | 3. 65 | 118        | 2. 76 |

Source: The Global Competitiveness Index. 2015-2016

Although, there is an improvement of free market competition, but there is a lot to be done in institutional strengthening, where the efficient functioning of Competition Authority is important, as well as, fostering the structures of market supervision and inspections of market control, more specifically directories of standardization, metrology and calibration, etc. Moreover, Albania lacks development in technology and innovation, because of the minimum funds from the government budget.

Government regulation and sometimes overregulation can lead to a high restriction of business operations, such as:

higher costs because of high bureaucratic procedures for new licenses and investment projects;

high costs of legal documentations and time spending:

high costs because of administration pressure through the increase level of controls;

reduction of selling opportunities and limits the market operations;

reduction number of licenses and operators, by causing oligopoly situations;

more corruptive pressure from government employees;

higher costs through the increase of taxes for enterprises and consumers;

controlling and monitoring all the institutions (dependent and independent institutions from government), by censuring their managerial and financial autonomy;

high fiscal burns from the increase of electricity price, oil price, raw materials, customs services' etc.

Furthermore, according to Doing Business (2016) the table below gives the ranking of Albania based on the performance of key topics for the years 2015 and 2016.

Tab. 2: Key Topics and Albania ranking

| Topics                               | DB 2016<br>Rank | DB 2015 Rank | Change in Rank  |
|--------------------------------------|-----------------|--------------|-----------------|
| Starting a Business                  | 58              | 54           | •<br>-4         |
| Dealing with Construction<br>Permits | 189             | 122          | •<br>-67        |
| Getting Electricity                  | 162             | 159          | <b>*</b><br>-3  |
| Registering Property                 | 107             | 104          | <b>*</b><br>-3  |
| Getting Credit                       | 42              | 36           | <b>.</b>        |
| Protecting Minority Investors        | 8               | 18           | <b>1</b> 0      |
| Paying Taxes                         | 142             | 130          | <b>.</b><br>-12 |
| Trading Across Borders               | 37              | 37           | No change       |
| Enforcing Contracts                  | 96              | 96           | No change       |
| Resolving Insolvency                 | 42              | 40           | <b>.</b><br>-2  |

Source: DB, WB database, 2016

From the above figures, we can say that Albania has moved downward for these keys: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, paying taxes and resolving insolvency. All these backwards come as a result of government hyper regulations; increase of bureaucracy; change of tax system from proportional to progressive tax; decrease of income, trade, consumption and blocking the building permits. If, we compare previous years of Albania, we can analyze that Albania has made paying taxes more costly, because the government changed the corporate tax rate from 10% to 15% and. Moreover, the fiscal burn is higher than the other countries in the region, by causing a decline in the competitiveness and attraction of foreign direct investments. Another problem is the construction sector, which is faced with a suspension of building permits by the government. While, on the other hand, Albania has made positive steps toward the registration of new businesses by lowering the fees and electronically registering them in one day.

The tables below will show specifically most important key topics with a comparison of Albania with Europe and OECD high income countries.

# Key factor no. 1: Starting a Business

| Indicator                    | Albania | Europe and Central Asia | OECD high income |
|------------------------------|---------|-------------------------|------------------|
| Procedures (number)          | 6       | 4. 7                    | 4. 7             |
| Time (days)                  | 5. 5    | 10                      | 8. 3             |
| Cost (%of income per capita) | 10. 4   | 4. 8                    | 3. 2             |

In relation to these indicators, Albania is better for the time consumed to open a business, but it is much more costly (2-3 times more expensive) and it has more procedures than European and OECD countries. These indicate the high cost of operating in Albania.

# Key factor no. 2 Getting Electricity

| Indicator                    | Albania | Europe and Central Asia | OECD high income |
|------------------------------|---------|-------------------------|------------------|
| Procedures (number)          | 6       | 5. 7                    | 4. 8             |
| Time (days)                  | 177     | 118. 5                  | 77. 7            |
| Cost (%of income per capita) | 491     | 440. 2                  | 65. 1            |

Again, the time consuming in Albania is much higher than in the other countries. The cost to get electricity is higher but almost the same as in Europe and Central Asia, while in comparison to OECD countries if extremely high. Albania has a very high electricity price even it has hydro centrals and plenty of water sources. The malfunction of the electricity system causes problem with the quantity and quality of electricity. Furthermore, because of not sufficient produced electricity capacities, Albania imports electricity from other countries, which increases the cost of it. Albania has all the needed sources, but it has serious problem with the production and management capacities.

# Key factor no. 3 Registering Property

| Indicator            | Albania | Europe and Central Asia | OECD high income |
|----------------------|---------|-------------------------|------------------|
| Procedures (number)  | 6       | 5. 4                    | 4. 7             |
| Time (days)          | 22      | 22                      | 21. 8            |
| Cost (%of income per | 10. 2   | 2. 6                    | 4. 2             |
| capita)              |         |                         |                  |

In the above table, again we can state that cost is the main problem in Albania. Because of high bureaucratic procedures, the cost for almost all government services is very high.

# Key factor no. 7 Paying Taxes

| Indicator                | licator Albania |        | OECD high income |  |  |
|--------------------------|-----------------|--------|------------------|--|--|
| Payments (number per     | 34              | 19. 2  | 11. 1            |  |  |
| Year)                    |                 |        |                  |  |  |
| Time (hours per year)    | 357             | 232. 7 | 176. 6           |  |  |
| Total Tax Rate (% of     | 36. 5           | 34. 8  | 41. 8            |  |  |
| Profit)                  |                 |        |                  |  |  |
| Profit Tax (% of profit) | 14. 1           | 10. 8  | 14. 9            |  |  |

| Labor Tax and contributions (% of profit) | 18. 8 | 20. 4 | 24. 1 |
|---|-------|-------|-------|
| Other taxes (% of profit)                 | 3. 6  | 3. 1  | 1. 7  |

The tax procedures have changed during the last years. There is a reduction in the number of payments and time consumed per year, but still Albania remains with the highest procedure number and time spent for paying taxes compare to the other countries. Albania has made serious steps in the digitalization of paying taxes and online services, but still there is a lot to do toward corruption of administration staff and government regulation.

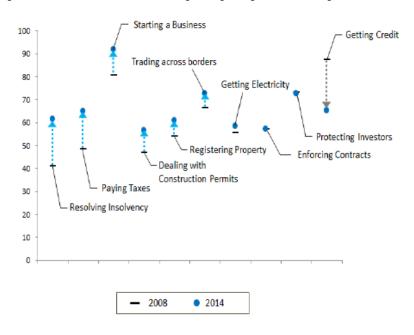
Key factor no. 8 Trading Across Borders

| Indicator              | Albania | Europe and Central Asia | OECD high income |
|------------------------|---------|-------------------------|------------------|
| Time to export (hours) | 18      | 28                      | 15               |
| Cost to export (USD)   | 181     | 219                     | 160              |
| Time to import         | 9       | 23                      | 9                |
| Cost to import (USD)   | 101     | 202                     | 123              |

Source: DB, WB database, 2016

The last one, if we analyze the above data, we can state that Albania has approximately the same data as OECD data and it is one of the big achievements of the government. Trade is become easier, because of the implementation of an electronic risk-based inspection system. While the figure below makes a comparison of the key indicators between the year 2008 and 2014.

Fig. 2 Albania Distance to Frontier Change along Doing Business Categories 2008-2014



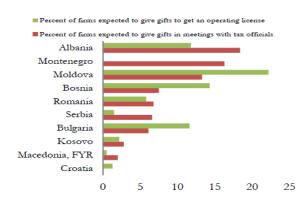
Source: WB, 2015

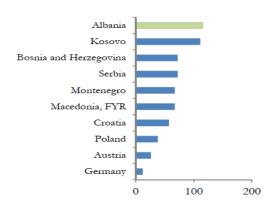
# 2. 2 Informality in economy

Informality in the Albanian economy is considered high and according to the evaluations from the Institution of statistics, it includes around 28-30 of GDP Level. Reduction of the informal economy is part of programs and reforms undertaken from the government. The inter-ministerial group for the informal economy has revised the action plan "For reducing the informal economy", approved by a decision of the Council of Ministers Nr. 246, date 21. 04. 2005. It has been prepared the new-middle-term action plan for reducing the informal economy, where the forecasted measures aim to avoid the fiscal evasion concerning taxes, social insurances and reducing Cash in economy. The use of cash register will help in the reduction process of informality. Larger use of internet, specifically in the public administration is an important factor in reducing corruption and abuses concerning businesses. According to Transparency International (2015), Albania has 33 points from 100 and it is ranked the 110th from 175 countries. Albania has the lowest performance in the South East Europe, with a high corruption level in the public sector. It is an urge to stop the fiscal evasion and corruption.

Fig. 3 Corruption Perception Indicators

Fig. 4 Transparency Corruption Perception Index





Source: EBRD, WB, 2016

175=worst)

Source: TI database, 2016 (1=best;

#### 2. 3 Policies in taxes and tariffs

During 2006-2013 there have been undertaken a series of liberal policies, concerning taxes, in order to facilitate the fiscal burden on businesses and specifically:

Reduction of tax revenue from 23% to 10%.

Reduction of simplified revenue tax for small businesses from 3. 5% to 1. 5% and reducing about 50% the local tax on small businesses.

Removing the value added tax on books for the publishing house.

Removing the value added tax on advertisement.

However, the new government changed the fiscal structure from proportional tax to progressive tax system.

- From the January 2014, the tax revenue and tax on source became 15%, by facing an increase of 50%.
- The value added for books was set again.
- -The value added for university studies.

- The local taxes has been increased by 30% by causing an economical stuck

Hence, this change brought many problems to businesses and foreign investors. Some of them left Albania and chose to operate in another Balkan country. Although, it is necessary to make some revisions and changes in the tax system, especially in implementing and controlling the legal framework. This gap in implementation and the lack of capacities in tax services demands more and more steps, which need to be undertaken in the tax administration.

# 2. 4 Procedures entering a business

The Albanian governments initiated reforms aimed firstly to reduce the time a business needs to prepare documents, secondly cost reduction, thirdly increasing the business accountability on its own declarations and government institutions in their verification. Regarding the regulatory reform, the legal term for registering a business in the Court is shortened, from 30 days to 8 days (after the Law on "Commercial Registry". Furthermore, the compilation of the commercial registry in electronic form is under way, by creating a database containing all the companies operating in Albania, improving the recording procedures. All these reforms will reduce the time to register a business. The table below shows the ranking of Albania over some years in "Ease of Doing Business". As it is seen, Albania has made serious steps in the ease of doing business, but still there are a lot of obstacles to work the opening business.

Fig. 5 Albania ranking in "Ease of Doing Business"

| Year    | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------|------|------|------|------|------|------|------|------|------|------|
| Ranking | 117  | 120  | 136  | 86   | 82   | 82   | 82   | 85   | 108  | 68   |

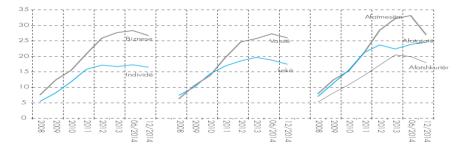
Source: DB. WB Database, 2015

# 2. 5 Financing schemes

In order to improve the financing climate of SME-s in the course of years, there are taken several measures that deal mainly with the

Introduction of the credit schemes for the SMEs. The assurance funds in Albania have been applied through some special projects, in supporting the SMEs categories and not involving the best part of them. However, the SMEs, especially the new ones, face many difficulties in getting a bank loan and the cost is very high. Conditions that banks claim from businesses are not favorable and more precisely, the required collateral is in high levels from 140%-170% of the loan. On the other hand, the bank interest rates are very high, in cases when credit is requested for investments on fix assets, for e mid-term period.

Fig. 6 Business and consumers credit (ALL and foreign currency; short-term, medium-term and long-term)



Source: Bank of Albania, 2015

The above figure shows Albanian businesses are the main credit holders of the banking portfolio and the time holding the credit is medium-term, while the loans in foreign currency are higher than in the domestic currency. This may come as a result of trade and investment, where raw materials, machineries other investment products are ordered from foreign suppliers. Another reason may be that, the loans in foreign currency are with a lower interest rate, but with the high risk of exchange rate. However, the Bank of Albania has reduced steadily the interest rate, but the demand for loans still remains very low, because of uncertainty in the adoption and further changes on fiscal policies.

# 2. 6 Internet and e-trade

Recent years, the Albanian society has been updated with the latest information technology. People are getting more literate toward the means of mass-communication, by exchanging messages specifically through the latest trend, internet. Nevertheless, there is a lack of legal framework about using e-trade and e-firms, which makes and e-trade to be quite difficult and safe.

# 2. 7 Technology and innovations

In the course of years, schemes of installing and developing the business incubators have been applied, but they are not for a long time. There are two business incubators in Albania, one in Tirana and lately to Korca city, but still there is no industrial or technological park. The governments have started negotiations with foreign investors to open those incubators and technological parks, but up to now, everything is on paper. In order to increase the competitiveness of Albanians' SMEs, there should be undertaken a series of measures, starting from preparation of legal framework, establishing government institutions, compilation of action plans and activities to implement. Moreover, the domestic SME-s can increase competitiveness by innovative plans and technology transfer. This can occur by:

Developing an innovation strategy and technology transfer;

Developing and implementing programs, this will help to boost the competitiveness and internationalization of SME-s;

Supporting new businesses as a way to encourage and increase employment;

Creating innovative centers as an outcome from partnership programs:

Developing e-trade and creating a legal framework for e-trade and e-brand;

Establishing industrial areas:

The establishment of Euro Info Correspondence Center has helped the Albanian business to create better contacts with European Union and increasing trade cooperation.

# 3. The governmental future strategies for the development of SME until 2017

The Albanian governments have improved the strategies for growth, in order to achieve a positive business climate as soon as possible. A developed financial system and business climate can help the economy toward growth and stability. The government has some objectives, which need to be fulfilled by the end of 2017. These projects and objectives will be financed partially by the Albanian government and the remained part from foreign donators (IMF, WB). In this context, their development and performance, in the frame of market openness constitutes a real challenge. The long-term objectives for the development of SMEs aim to:

Increase the number of employed persons;

Increase the new enterprises;

Increase the crediting for the private sector;

Gradually restrict the weight of informal sector.

Furthermore, strategic priorities for developing this sector consist of:

Harmonization of sector strategies, which affect the SME-s sector;

Providing transparency in decision-making, actions and measures, which affect the business environment;

Providing fair competition and supporting SME integration in international market;

Development of information technology and entrepreneurship culture.

Although, even the government has planned a development strategy, still there is room for changes and adoptions. The most important element of the Albanian development remains the rule of law and strong penalties for businesses and individuals who abuse with the law.

#### 4. Conclusion and recommendation

A sustainable economic development of SME's sector can be achieved by increasing the number of new enterprises, improving productivity, and competing with international potentials. Hence, from the above discussion, we can conclude with some objectives, which can serve to further develop the above statement. These consist on:

Motivating further positive attitudes and believes within the entrepreneurship

This is one of the main concerns for long-term SME's development. In this point of view, it will be necessary to motivate the entrepreneurship to draw a strategy plan, which will have as a name introducing the entrepreneurship culture, formal and informal education with basic trainings for the entrepreneurs.

Improving and creating managing skills and training abilities

In many countries of the Region, it has been observed a lack of managing skills, which have a great impact on SMEs. Therefore, major steps toward entrepreneurship attitudes, should be taken since the first steps of education of new generations. Such steps will influence in building up a suitable environment for new entrepreneurs in education system, by making sure that young people are well informed about business culture as part of their education and future employment opportunities.

Entrepreneurship is considered as a basic concept in the long-term learning process. This process consists on various programs, which will encourage the entrepreneurship culture in every educational institution. Despite considering entrepreneurship promotion, media, of countries that aspire to become an EU member, should pay emphasis in entrepreneurship culture as well.

Increasing the working force qualification through:

Analyzing systematically the training programs;

Compiling entrepreneurship training programs;

Motivating creative entrepreneurship through:

Programs on creative entrepreneurship;

Studies for specific groups like women, youth, etc.

Developing businesses according to the European standards

By taking in consideration the regional and European integration of Albania, the domestic SME's should be prepared for the challenges with other regional and European businesses as well. In order to face properly these challenges, SME's need to adopt innovative strategies and modern technologies. Moreover, those will need to:

Improve the business environment for further development of SME's;

Register the new businesses within a day, by creating networks in every Albanian district;

Standardize and unify the criteria and procedures for permissions, licenses, authorizations and certifications in every central and local authority;

Create a similar law to that of EU for Albanians SME's;

Create a counseling office for SME's

Facilitate the tax system for SMEs

Revise the tax payment system, in order to prevent corruption by introducing electronic payment;

Support SMEs development by boosting of institutional framework and public-private dialogue;

And finally,

To implement the European standards on production, on quality management systems, and on security management systems, such as EN, ISO, and trademarks.

#### References

Bank of Albania (2009) Economic Buletin, Vol. 12. No. 3. www. bankofalbania. org

Bank of Albania (2010) Statistical Raport, August, 2010. www. bankofalbania. org

Statistical Institute (2009) Anketa Strukturore e Ndermarrjeve ekonomike. www. instat. gov. al

International Monetary Fund (2009) Regional Economic Outlook, October, 2009, www. imf. org

Ministry of Economy Trade and Energetic (2009) Strategic Development Program 2007-2009, www. mete. gov. al

Ministry of Economy and Trade (2015) Strategic Development Program 2015-2017 www. mete. gov. al

Ministry of Finance (2015) Economical data and reports, www. minfin. gov. al

World Bank (2016) Doing Business Report 2015-2016, www. worldbank. org

# Political Parties and Their Role in the Systems of Government

PhD. Cand. Vait QERIMI

Lecturer in College of "Gjilan" and Assistant at UP "Kadri Zeka" in Gjilan vaidqerimi@hotmail. com

### Abstract

In modern democracies, political parties have a very important political role. The existence of political parties is vital for the functioning of democracy. Political parties remain the cornerstone of the systems of government, and without their presence and operation, it is impossible to talk about the system and democratic institutions. Governance in a democracy means to and through political parties. Political parties and competition between them create the political system. Political parties constitute the central object of political sciences and they are almost always the main protagonists in the political systems. They undoubtedly represent the political power and the motor of parliamentarianism. Through the parliamentary action, the political parties build and operate the entire state structure of a state, regarding the functioning of parliament, the government, the head of state, to the local government bodies and other political institutions. Political parties are the socially dynamic forces representing one of the most significant achievements of democracy. This is well-argued with their very central role and crucial importance of the parties.

**Keywords:** political party, political system, pluralism, inner democracy.

# Introduction

Politics is considered an organized process of living together in a society. In terms of democracy, every citizen can participate in this process through a free access to information, which deal with political issues, through the construction of expectations, proposals or requests, without fear of repression, through voting in elections, through an active engagement of civil society or political party or through democratic election candidacy. In this way, democracy represents "government of the people, by the people and for the people", to recall the famous words of Abraham Lincoln, the former President of the United States of America in the period 1961-65.

In order to fully meet the requirements for a government that is "of the people, by the people and for the people", politics in democracy must meet certain conditions, such as:

- Politics need ideas and values that set goals and standards of political organization. Freedom, justice and solidarity are the core principles which could lead to a political organization of society.
- Politics needs such social organizations, which will recognize the interests, will combine the same and will communicate
  with governmental institutions and the parties as well. Political parties themselves, business, labour associations and civil
  society with non-governmental organizations represent such kind of organizations, which can identify and bring together
  social
- Politics need for institutions which collect proposals for the organization of society, and which are then presented, discussed and then making decisions and implementing them based on that platform. Parliaments and governments, who usually rely on political parties, represent the most important institutional policies in a democratic state.

Politics need active citizens who participate in political discussions with their ideas, demands and expectations and who actively contribute to the functioning of political institutions.<sup>1</sup>

39

 $<sup>^{\</sup>rm 1}$  Wilhelm Hofmeister and Karsten Grabow 'Political parties', Scopje, 2013, p. 11.

All these measures aim to contribute to the development and consolidation of democracy. Modern democracy needs wellstructured political parties that represent the will and interests of the citizens' and they must be more authentically oriented. which could provide adequate space for political engagement in order to influence policy and political decisions.

### WHAT THE PARTIES ARE AND HOW WERE THEY CREATED

Many researchers have been trying to find the origin of the creation of political parties in the legislative chain of the governance. According to them, the political parties emerged with the fall of autocratic rule, as a means to defying of this rule and to achieve representative government and were institutionalized with the expansion of the electorate, as a link to connect it to the legislature. Although the term political party has been used long times ago, we can say that they took today's meaning when modern politics configured itself regarding to participation, especially electoral system, and when it becomes more and more competitive, as well as when the governmental functions and representation are given through electoral consultation. 1 Since this momentum comes, the candidates for these positions feel the need for an organization of coordinating their electoral and political activities in terms of unifying their platforms with the other candidates who share common positions. This phenomenon started from within the Parliament initially, when the Parliamentary groups began promoting their political organizations within their electoral corpuses, as well as from outside the parliament, when the parliamentary groups of organized opponents outside parliament in order to protect their interests use the existing social networks such as unions. 2 In order to take control over the Parliament, new parties were formed within and outside parliament. In the first case we are dealing with parties called "parliamentary ones", in the second, with "extra-parliamentary parties", as well the organised parties against the "parliamentary bourgeois policy", called "antiparliamentary parties".

The history of political forces in Albania commenced with the moment of creating of the first parliamentary institution in 1920. <sup>3</sup> Before the creation of the National Council in Congress of Lushnja, when the first Albanian parliament composed of 37 members, there were no political forces in Albania. On the 10th of Octobre 1920, a group of MPs declared the political program of National People's Party. Political leaders of this group were Fan Noli, Ahmet Zogu, Eshtref Frashëri, Luigi Gurakuqi, etc. About a month later, in November 1920, some other MP announced the creation of another political force called the Progressive Party of Albanians. The party had as leading figures from the north known as Hodja Kadri, Hasan Prishtina, Bajram Curri but also one of the richest Beys of Albania, Shefget Vërlaci. Together with them, there were also included a number of Beys, the chairman of the tribes of the North and nationalists. Despite the political program announced by them, they were not such organised political parties, but they might be considered more as motivated groups to take power. On the other hand, democracy, as an alternative of political pluralism, is a new experience for Kosovo as well. Although multi-party system is installed at the same time when political pluralism was spread throughout South-East, the conditions of repression under which situation Kosovo was found, and this came since the abolition of its autonomy from Serbia in 1989, it did not allow room or space for any genuine pluralistic and democratic political system to be developed. Although during the 1990s, in Kosovo there were acting more than a political party, such as: the Democratic League of Kosovo, Social Democratic Party of Kosovo, the Kosovo Parliamentary Party, Christian Democratic Party and the Liberal Party are some of the parties that existed before the war - however these parties do not operate in an environment that was actually allowed such a normal political life and democracy. 4

The tendency of finding a single definition for political parties seems almost impossible, even though the core of the different formulations is almost the same. The substance of its meaning becomes guite clear if the definition includes the core role of what constitutes a party. According to a classic definition: "the parties are in their inner core organizations created freely on the basis of free and fair recruitment where they had always intended to demand the vote in the elections' process in order to ensure their political positions". 5 According to another more comprehensive definition6, it could be considered the definition according to which "the political parties represents the freely united citizens with their unique views, which, for the

<sup>&</sup>lt;sup>1</sup> Ylli Bufi, The temple of Democracy, Tirana 2010, p. 123.

<sup>&</sup>lt;sup>2</sup> Ibid. p.124

<sup>&</sup>lt;sup>3</sup> See: Afrim Krasniqi, The Political parties and the political systems, Tirana, 2008.

<sup>&</sup>lt;sup>4</sup> KIPRED, Empowering of the State of Kosovo through the Democratisation of the political parties, Prishtina, 2012, p.8 Max Weber, (1864-1920), The well known German Sociologist and philosopher referred in: "G.Pasquino, Nuovo corso di scienza, ll Mulino, 2009, p.146.

<sup>&</sup>lt;sup>6</sup> Afrim Krasniqi, The Political parties and the political systems, Tirana, 2008, p.37.

resolution of their political problems and programmatic proposals, agree on submitting the candidates for seats in parliament and positions into government, that after the successful elections will be pressured to keep their program."

# Some basic features of political partie

Given the definition of political parties we can point out some of the basic features of political parties:
• Political parties are institutions and voluntary political organizations that will gather people with similar orientations and political definitions.

- The fundamental purpose of political parties is participation in political life in order to obtain, preserve or participate in the state.
- Political parties exert their political influence within the institutions of the parliamentary system, which are subject of pluralistic political competition with other political parties.
- Political parties as organizations and political institutions have internal organizational structures. They have their own organised territorial network and their governing bodies.
- Political parties, articulate their orientating platforms through their political programs, which express the goals and directions of their political activity.
- Political parties have their membership which depending on its toll expresses their real strength. Political party membership is made on a voluntary basis by setting the free position of citizens.
- Political parties struggle for receiving, storing or participating in free and direct presidential and parliamentary elections sponsored and hold under the state supervision. Free, fair and direct parliamentary democracy countries represent the only indicator of the political credibility of political parties.

From the mentioned characteristics of the political parties, they represent the mainstream of institutional form of politically organised citizens within a political organization with the aim of realizing a common political interest. They represent political dominant factor determining the political process in the framework of a state. <sup>1</sup> They form and function without any major restrictions. Nowadays, only in a small number of countries is prohibited the formation of political parties. This happens in some socialist countries that despite the movements of contemporary political trends, they still maintain their systems and totalitarian monism (i. e. Cuba, Vietnam, South Korea, China. etc).

Regarding the formation of political parties, in comparative political theory there are defined three general conditions that must be met in order to act within the political scene of a country:

- 4. A political party to be formed must have a certain number of its members. This number is different, depending on the law on elections that different states apply.
- 5. A political party must have its charter program or policy, in which should be expressed its programming guidelines, their internal organizational structure defined and regulated together with the other issues of importance to its operation, and
- 6. For the purpose of active participation in political life, political parties must be registered within the competent state body. By the act of registering the political partie become legitimate participants within the political life of a country. <sup>2</sup>

-

<sup>&</sup>lt;sup>1</sup> Arsim Bairami, Parliamentary Democracy, Prishtina 2005, p. 164

<sup>&</sup>lt;sup>2</sup> Ibid, p..165

# PARTY SYSTEMS

The party system is a set of related parties between them with a logical relationship. To assess a party system should be considered their horizontal interaction, competitiveness, between at least two parties and it must be considered their vertical interdependence between many elements such as: voters, competing political parties, parliament and government. This means that competition between parties develops, it is defined and has consequences on different plans on: the electoral and parliamentary government. Since these different plans interact, they influence in determining the nature and quality of different party systems. <sup>1</sup>

The initial impulse for the analysis and classification of party systems has been given by Duverger. In his classical study (1951) Duverger already gets limited to the difference of party systems on the basis of a single criterion and simple: the numerical one. So, party systems classified by him are: a single party, bipartisan and multi-party.

- Systems of autocratic regimes are characterized "with a single party". These systems cannot exist in democratic regimes.
- Bipartisan systems that are characterized in the democracies like the British and the United States, considered more efficient because of the stability of the government. Such a system is possible only when the parliament is always dominated by two large parties, able to form a monochrome government.
- · Multi-party systems are characterized in the most of democracies, born in heterogeneous and unstable coalitions.

According to Duverger theory, bipartisan systems are influenced by the majority electoral system with a single round of elections, whereas the multi-party one functions as a proportional system. Obviously the numerical criterion has its own value, but, as Sartori proposes, it should be integrated with one another, which means the criterion of relevance. Basically the numerical criterion is used to define roughly the format of party systems; The criterion of importance over the parties serves to explain the mechanisms of party systems. <sup>2</sup> According to Sartori, there are two main criteria of importance. The first is the ability of the parties to come to the formation of the coalition government. Some parties may be considered small due to the percentage of the electorate who voted for them and the number of seats they have ensured in parliament, but in some cases this might be considered a very useful result, when in some cases it sufficiently necessary for the formation of the ruling coalition. Such was the outcome of the Socialist Movement for Integration in Albania, which in 2009 elections managed to get only 4. 85% of the nationwide votes or four seats in the total. In these conditions when the Democratic Party coalition provides 70 seats (minimum to secure a parliamentary majority is 71 seats) and the Socialist Party had 66 seats, it was understood that the value that four LSI seat had the crucial importance into forming the ruling majority. Inasmuch as these parties in this case possess the potential of coalition party, they absolutely deserve to be the "assessed ones". By applying these two criteria it becomes possible a suitable evaluation of the parties and thus they determine the format of the party system.

The third criterion by Sartori is the ideological difference between the parties or polarization in the time when the negotiations for the coalition are being held. In some multi-party systems exist some parties that stand ideologically very distant from one another they cannot create alliances with other parties in such situations. <sup>3</sup>In the Western democracies such parties to be compared have been the fascist parties and communist parties. Today there are parties of the extreme right and racist.

# THE TRANSFORMATION OF PARTY SYSTEM

Party systems, including those from the politicized pluralism, result transformed into a more or less traumatic ways, as in the case of the passage from the Fourth French Republic into the Fifth, or as in Italian transition still without finishing of a new set of party system. According to Duverger, party systems can vary in four different ways: rotation, lasting division, preponderance, and leftism. Alteration is mainly characterized by pendulous periodic movement and represents a few problems, except its location, i. e. the most likely to effectively bipartisan systems or with a concrete dynamic bipolarity. In

<sup>&</sup>lt;sup>1</sup> Ylli Bufi, The Temple of Democracy, Tirana, 2010, p.129.

<sup>&</sup>lt;sup>2</sup> Ibid. p.130.

<sup>&</sup>lt;sup>3</sup> Ibid.

the early 90s of the twentieth century everywhere the new democracies of Europe, in the southern, eastern and central Europe as well, bipolar competition of the parties seems to have become more widespread and practiced with the success of bringing significant and frequent alternatives.

Stable division is defined as the absence of significant changes between the parties over a long period of time, which is measured with reference of two elements: "small differences between the two electoral deviations in terms of rare movements in the longer term periods". Probably Italian electoral history at least from 1953 until 1976, has experimented exactly this type of change or as "no change" with the election continuity of different parties by widely sustaining unchanged or very stable. <sup>1</sup>

Preponderance is characterized by the existence of a party that is "going forward in those political positions, that for a period of time it creates a clear distance from its rivals" and if accidentally loses the elections, then, it keeps its dominant position, which allows quick turn to the government for another long period of governance.

Finally, the leftism undergoes through a slow but regular slide towards the left that appears in various forms: f) The forming of new central leftist parties from the old parties, that provoke their slaw slide towards the right and brings about the disappearance or merging of them.

- g) Breakdown of all parties on the right to the benefit of the parties of the left, without the disappearance or creation of new ones.
- h) Keeping the global balance between the two blocs with their strengthening within the left parties (the Communists at the expense of the Socialists, the Liberals at the expense of the Conservatives);
- i) replacement of the old party of the Left with a new party more dynamic and without making concessions; i) The establishment of the Left party mainly at the expense of all others.

# THE TYPOLOGY OF POLITICAL PARTIES

The party systems the same as the political parties can be distinguished on the basis of certain criteria. In this regard, the parties can be classified in accordance with a number of different criteria, which is specified on the basis of: their level of organization, their social objectives, the social classes that they want to approach and from their position or political system they represent. Some political parties can be classified and based on their names, which often reflect the specific socio-political goals that the parties want to be identified with.

According to their level of organization, the differences among parties are: the party of the electorate and parties with their membership. Parties based on their electorate are less attached to a larger membership, but they are particularly active in the field of elections. The relationship to their voters for such a party is usually weak. Parties related to their membership require larger membership, possibly in all parts of the country and in different categories. Traditionally, parties are popularly based, and they are as working parties that try to have a sort of well organized apparatchik within the party together with a large membership.

Regarding the socio-political criteria of the aspiration of the political parties, we can distinguish between those parties seeking social or political changes within the existing democratic order and the parties which appear to make changes by radical means, extremist or revolutionary ones.

The first group consists of conservative parties, liberal, Christian democratic, and partly socialist, and also by parties that define or identify themselves through religion or belief as long as it does not represent the extremist positions. The second group mainly belong to extreme leftist or rightist parties and among them are communist parties, besides the others. <sup>2</sup>

Conservative parties: such parties wish to maintain the "approved order" or restore it. They are skeptical about change

-

<sup>&</sup>lt;sup>1</sup> Ylli Bufi. The Temple of Democracy, Tirana, 2010, p. 137.

<sup>&</sup>lt;sup>2</sup> www.kas. doc/kas de/wf/

and innovation i. e. about perceptions and the role of the family, and alternative models of life (i. e. the same-sex marriages). They also do not want the transfer of national sovereignty to supranational institutions, but they are aware that ideas, values and traditional principles cannot be held continuously without those needed moderate reforms.

**Liberal parties**: such parties support the rights of individual freedom and emphasize the democratic character of the constitution. Traditionally, they are anti-clerical and mostly committed to a free market economy.

**Social democratic parties**: such parties most closely are related to labour movements and their political concepts based on social equality of the people; they give to the state to have a strong regulatory role in the economy and society.

**Socialist parties**: such parties also appear in a close connection with the workers' party and movements, but they represent a more radical approach to achieving social equality; the abolition of private ownership of the means of production and a state-led economy are among the main targets of these parties. <sup>1</sup>

Parties oriented on religion are considered as distinct forms of parties that are characterized by their socio-political objectives. Worldwide, a large number of parties are based on some more, and some less religious convictions, these are Christian or Demo-Christian party, Islamic, Hindu which establish their programs based on the values and standards of religion or belief. It can lead to significant differences within such political programs depending on how individual parties consider their religious position in respect of the individual rights or political democracy. European Christian Democratic parties are committed to individual freedoms, social solidarity and justice, self-responsibility of citizens and a discrete role of the state under the supervision of economic and social actors. <sup>2</sup>

### DEMOCRATIC TRADITION IN KOSOVO

Democracy, as a pluralism of political alternatives, is a new experience for Kosovo. Although multi-party system is installed at the same time when political pluralism was spread throughout South East Europe, the new system was being developed under the conditions of repression since the abolition of Kosovo's autonomy from Serbia, in 1989, and it did not allow any room for a genuine pluralistic and democratic political life. Although during the 1990s in Kosovo there began acting more than a single political party, so under these conditions of repression a couple of parties were formed, beginning with the Democratic League of Kosovo, the Social-democratic Party of Kosovo, the Kosovo Parliamentary Party, Christian Democratic Party and Liberal Party are some of the parties that existed during the period before the war - however they did operate in an environment that did not allow being developed such a normal political life and democracy.

After the war ended, there was created a new ambient for political action and party. Many of the old parties continued to operate and were established other parties such as the Kosovo Democratic Party, the Alliance for the Future of Kosovo, New Kosovo Alliance, the Coalition VAKAT, the Independent Liberal Party, the Turkish Democratic Party of Kosovo, Vetvendosje Movement etc. In the new space created, these parties began to make political competition and seek a vote of the citizens, marking a major step forward in the installation of democratic practice in Kosovo. Only after the war in Kosovo, it could be stated that it started to felt a genuine political transition period from one-party system to a pluralist system. It was a delayed transition or a status quo more than a decade.

More than another decade after the war, much more remains to be done in consolidating democratic practices in political life in Kosovo, including political parties and their inner democratisation. The main drawback of this process was the emergency phase of economic and social reconstruction which was found Kosovo society after the end of the war. Coping with the immediate need for physical reconstruction of settlements, in order to meet immediate needs for physical survival - in the first years after the war, as well as the consolidation of local institutions, without having satisfying time to focus on economic development and social policy years right after the emergency phase, therefore, the political parties have not been able to develop and compete with crucial policy issues. <sup>3</sup> Specifically, until Kosovo has not consolidated its economy, then certainly parties will not be able to articulate different policies for example adequate tax policy, but they will be limited on their sources that would bring sustainable economic development. In short, the place was not so far to the point where the political parties have an imperative of being profiled by the ideologies they have been promoting so far. On February 17, 2008, the Provisional Institutions of Self-Government declared Kosovo an independent state. With this new situation there were opened the doors for the transfer of all state powers to local institutions. Post-independence phase

<sup>2</sup> Ibid

<sup>&</sup>lt;sup>1</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> KIPRED, Strengthening the statehood of Kosovo through the democratization of political parties, Prishtina 2012, p.9.

was characterized by the establishment of other state institutions that previously had not existed or had been administered by international missions. This has been an institutional and democratic step towards the consolidation process which now appears as a major challenge for our society. It can be expected that with the economic and social development will begin to articulate the programmatic orientation and political parties and this would also consolidate the political scene in Kosovo whatsoever.

# Summary

The analysis over the role of political parties in relation to constitutional government in the country shows that Kosovo society is facing the challenge of determining the power of political parties. The parties are a vital part of democracy and political competition, but contrary to the country's aspirations for effective and sustainable democracy, they are being imposed even as dominant factors of the constitutional state system. The political parties have been consequently promoting the values of democracy and the creation of a political system totally opposite to dictatorial system – the model of 'party –state', but in recent years in many cases they are showing the mentality of the old system, including the tendency of maintaining political monopoly over the state and society. The strength of the parties in a democratic system is a global phenomenon, but unlike the Western model, where against this politicizing trend are operating state constitutional mechanisms that give immunity to the institutions in Kosovo, but unfortunately these mechanisms are still underdeveloped or with dysfunctional results. Challenges and needs of the Euro-Atlantic integrations should also be focused on reducing power of political parties being imposed, on the one hand, and increasingly empowering the constitutional bodies, on the other. As strong and effective democratic institutions and the rule of law will be, as lower will be the negative impact of political parties on state and society. In facing these challenges, political parties have a special responsibility as well. The process of democratization of the political parties will have the benefit of lowering the number of political parties.

# **Bibliography**

1. Bajrami, Arsim: The Theory and parliamentary practice, Prishtina 1997

2. Bajrami, Arsim: The Kosovo right to transition, Prishtina 2002

3. Martins, Temistocle: Dirito Constituzionale, Tirana 2011

4. Saliu, Kurtesh: The Constitutional Right, Prishtina 1998

5. Bajrami, Arsim: Parliamentary Democracy, Prishtina 2005

6. Omari, Luan: Parliamentary System, Tirana 2000

7. Bufi, Ylli: The Temple of democracy, Tirana 2010

8. Hofmeister, Wilhelm dhe Grabow, Karsten: Political Parties, Scopie 2013

9. KIPRED: Strengthening the statehood of Kosovo through the democratization of political parties, Prishtina, 2012

10. www. kas. de/wf/doc/kas\_33531-1522-2-30. pd

# Semantic Changes of Words in Albanian Language

Adelina SULA, PhD Cand.

Faculty of History and Philology, University of Tirana,

adelinasula@gmail.com

#### Abstract

The language has changed over the years due to social, cultural, economic and scientific developments. Changes are not only in new words, but also in the same words with different meanings. These words are explained differently in dictionaries. In the language of politics, emphasis is a fruitful discourse strategy. Persuasion and convincing are key strategies of politics. In this paper, we study these words, reasons of changes. This study is based in the dictionaries of Albanian language. Comparing the dictionaries of 1980 to 2006 word by word, we highlight those words with different explanation.

**Keywords:** revolution, ideology, politic language, semantic changes, etc.

### 1. Introduction

The dictionary includes all the vocabulary of a language as synchronic and diachronic aspect. Each historical period leaves its traces in the dictionary, especially when there are great political, economic, cultural changes.

The tradition of the Albanian language dictionaries starts from 1960. The first scientific attempt to compile a dictionary of Albanian language was made by K. Kristoforidhi, "Dictionary of the Albanian language". This tradition is inherited by other lexicographers.

Language is a tool, through which people communicate with one another, exchange thoughts and understand each other. Being a social mean of communication, language is also a tool of war and society development. The key requirement is to determine the most suitable language elements to meet the needs of our society, to facilitate the spread of development of culture and science.

In this paper we will discuss the semantic changes, answered questions as why the meanings of words have been changed and which registers are more affected.

#### 2. Literature review

The problem of explaining the words in today positions is an ideological problem. In the explanation of the words the compilers express how they understand the concepts that explain, the attitude towards these notions. Regarding the impact of society on the Albanian language, the degree of culture and linguistic consciousness of its holders have an important role. It is known that language is in the service of society and has no class character.

Before 90s the authors explain vocabulary words from ideological positions of the bourgeoisie. Lexicon has ideological character. And for this reason, ideological problem in vocabulary requires special attention.

We should consider that the discovery and explanation of the meaning or meanings of words and nuances in our dictionary should be done from the position of today. It requires certainly to recognize the linguistic spirit of the time, to live and walk in the footsteps of the time. Full disclosure of meanings, their explanation and illustration show that the wealth and strength of lexicon of our language is not just in the amount of different words, but their many meanings and nuances.

It is not difficult to notice that in some words are reflected a material and spiritual reality, which relates to a policy and an assigned ideology. This happens when we have significant political changes<sup>1</sup>. The ideology is a whole system of viewpoints, ideas, notions of a class or party. In 1980s the system of Marxism-Leninism is the powerful ideological "weapon" of time. Thus, the vocabulary of 80s had a duty to help readers (youth) to understand the world around them, the laws of its development, the changes that are made and done in our country's life. In politic speeches there are used some phrases of system: errësira fashiste, Shqipëria- fener ndricues I socializmit, Fjala e Partisë, Partia formoi luftëtarë të paepur për socialzimin, Ideologjia e huaj është helm për rininë, Himnizimi I shoqërisë komuniste, Demokraci borgjeze, Bindje ideologjike, Fjala e Partisë është ligi, Forca e ideve të marksizmit, Idetë revolucionare, Hero I punës socialiste, etc.

They are quite pronounced in politico-social vocabulary. The language of political and social life and other areas takes the standard features of this style. Everything is included in the relevant policy's stereotypes and we achieve a whole layer of ingrained phraseology<sup>2</sup>. There are included some words such as: absolutizëm, abstraksionizëm, anarkizëm, barazimtarizëm, centrizëm, fashizëm, gjeopolitikë, individualizëm, kapitalizëm, konservatorizëm, kozmopolitizëm, kubizëm, kundërrevolucion, liberalizëm, majtizëm, marksizëm, menshevizëm, militant, militarizëm, nacionalizëm, neokolonializëm, objektivizëm, oportunizëm, policentrizëm, proletariat, radikalizëm, republikë1, revizionizëm, romantizëm, socializëm, shovinizëm, tektonizëm, etc.

Nowadays, it is used the same word but with opposite connotation. These examples show how different attitudes towards content; how is modified their content, meaning and definition of their dictionary. The different explanation for the same word is conditioned by political and social attitude towards content that marks the word. Apparent differences are mainly made in politico-social vocabulary, avoiding politicizing load in explaining their content (in the dictionary of 2006). It happens as a result of revolutionary changes in the life and structure of our country.

In the Albanian lexicographical practice, developments and the changes in the content of vocabulary are presented in accordance with the scientific requirements of the time, with the level of achievement in the period when dictionaries are compiled. For a right explanation, we see and study the latest data of science, to know well life in all its manifestations, providing the essence of the notion.

A qualitative change in vocabulary is the disposal of active politico-social elements marking ideological phenomena and the old way of living or changes in their semantics. The politico-social lexicon is not only affected from linguistic factors, but also time of events and occurrences when they are used.

All these changes are taken into account by the compilers of the normative dictionary of our language. This means that the dictionary's compilation is a hard work and more responsibility. The linguist not only knows the way of the development of language, but also he is the holder himself of language of group. Therefore, he not only makes registration and explanation of the facts of language, but as a participant of the collective linguistic creativity, he does legislative norms. For this reason it is important to enter into the linguistic spirit of the period.

Levels of language system have different sensitivity to external influences. The system remains open at any time to answer new social situations.

Every enrichment or wastage in a system necessarily brings a reorganization of all its distinctive previous contrapositions.

# 3. Proposed methodology

Today the language policy aims to be more open, to reflect the words of a developed society<sup>3</sup>. Politico-social vocabulary of today's Albanian language has developed and continues to process its content. The base is the dialectical link with the reality of our contemporary society, as well as the concepts and today's outlook of holders of Albanian language. They want to see themselves in the same social, political, economic and cultural level with other peoples in Europe and beyond.

<sup>2</sup> Samara, M. "On features of political and social vocabulary today in Albanian language", PS, no.1

<sup>&</sup>lt;sup>1</sup> Rrokaj, Sh. Issue of the Albanian language, Tirane, 2009, pp.72

<sup>&</sup>lt;sup>3</sup> Lloshi, Xh. "Albanian language- open and dynamic language", **Standard Language and Albanian Society Today**, Tirane, pp.89

When important social historical changes occur in society, therefore changes occur in the consciousness of people, as speakers of the language, as active members of society.

Full development of the social functions of the Albanian language in the period of socialist regime, which reflects the development of economy, science, technology, social and political life of our country, create conditions for qualitative changes in the stylistic system. Besides social history, culture and thinking on language tools, the language history traces itself, the nature and diversity of its uses. Of course, bringing of new elements, which has enriched the vocabulary, dominate over the old elements, which shows that the development of it implies obsolescence a part of it.

Changes that have been occurred in the Albanian vocabulary in recent years, are observed in the general and terminological vocabulary. They have "misled" language. Major political movements that were associated with changes in the political system, on one hand, the opening of political borders, on the other hand, have created conditions for a new life of Albanian word.

Each type of activity is also a way of view, thinking and judgment on the object, which depends on the general relationship with the object or interlocutor. This relationship is embedded socially, acquired in an environment, in a situation, event or social context, or a community. The discourser appears as the bearer of a social view, associated with cultural traditions.

After 90s the Albanian society has been experiencing major changes, which were enable by the overthrow of the previous political system. The consequence of these changes was the free movement of people, Albanians expanded contacts with the languages and cultures of other people.

### 4. Conclusions

In this study we saw the changes in the Albanian language, reaching the following conclusions: In the period of socialist regime the Albanian language has ideological character, which reflects the development of economy, science, technology, social and political life of our country. We have different explanations of politic lexicon, that have opposite connotation. Changes that have been occurred in the Albanian vocabulary in recent years, are observed in the general and terminological vocabulary, which were enable by the overthrow of the previous political system.

# 5. References

Dictionary of Albanian language, a group of authors, 1980

Dictionary of Albanian language, a group of authors, 2006

Rrokaj, Sh. Issue of the Albanian language, Tirane, 2009

Steel, M. Standard Albanian Affairs, Tirane, 2006

Kole, J. On international words in Albanian language, Philological Studies, 1984/3, pg.100-120

Kostallari, A. In the way of drafting normative vocabulary of Albanian, Philological Studies. II, 1972, pp.80-100

Samara, M. "On features of political and social vocabulary today in Albanian language", PS, no.1

Lloshi, Xh. "Albanian language- open and dynamic language", **Standard Language and Albanian Society Today**, Tirane, pp.87-98

Sula, A (2012), "Albanian language, as a dynamic language", **The Many Languages of Europe, A Wealth To Preserve**, Tirane

# The Labor Concept of Marx, Calvin, Luther in the Framework of Legal or Religious Rights

Dr. Ago Silvana

Europian University of Tirana silvanafilozofi@yahoo.com

#### Abstract:

The most recent studies on economic ethics of world religions try to remind us once again the link between religion and economics in social rights, as one of the most important links of social stratification. The desire and passion to approach the idea of the man, who wants to live with both the matter and the spiritual, brings us to rethink once again that man needs a new social and religious spirit at the same time. As a scholar of religion and morality Weber shows the relation between religion, labor, and the right. It can never be left out without clarifying the problem that we are inspired by a new course "the opportunity to own" what we want. One can never abandon the idea that inspiration coming from religion brings a new level – a profession, which basically makes you who you are as a professional. We try to understand a new situation that basically is less complicated "intuition". No matter how much we want to be pure in what we see in intuition, it isn't clear in religion. Maybe the obstacle that the religion wants to present to intuition is much stronger than that. "The intuition" regarding the human being seems to be an intuition, to be grasped through your own intelligence, whereas the intuition comprehended as religion, through new ways brings a more complicated situation than this. – It brings us a situation when one choice makes you lose control. The narrowing of these two gaps which are seen both with the right to work as well as the right to have a new inspiration under the order of labor, leads to the desire to see Marx, Calvin and Luther as the Reformers of the rule of social relationships under the right of religious morality.

Keywords: work, moral, religion, ethics, economics.

### 1. 1 The "Spirit of Capitalism" concept according to Karl Marx.

A new perspective, seen from a different angle is that of Marx. The Marxist idea is somehow tougher and more radical, but the confrontation of religion makes you understand that at the core of both sides stands the capitalistic ambition. The idea Marx gives to economic and social life is a completely separated concept from religion, as long as we see the social life incorporated in a new perspective of a new philosophy. This is what Marx calls "the work of proletariat". ( K. Marx, 1974)

At least in the frame of what Webber brings to us, we understand that our attitude is a new one, at the core of it is the development of a new society, which strips off the man from unexplainable religious fears, and places him in the legal rights of free choice. The inspiration that gives us faith in the rationality makes us be more rational regarding our choices and less irrational regarding our thoughts. The observation of thought, which seems not to lead us where we want to, is a new effort of thought that creates what we call the Spirit of Capitalism.

The capitalist of Marx is a person who gets satisfied with his work and his main goal is the development of an economy in his favor. Here is Marx understanding of society: "Such are the rules that act as priority - they are the rules of a society, which has at its foundation a private economy, whereas the posteriori rules are the ones that derive from capitalists.

"[ K. Marx 1974, 66]. To give an explanation to what we have understood from Marx and review from my personal perspective, a relation somehow analogue of a new understanding of the society, is the concept of labor by Marx which now is not on an individual term but on a collective one. Marx in analyzing the western world makes us understand once again that the society we live in is the society that offers a new unification - a world at the centre of it is the profit without

considering the struggle and hard working laborers. So, what the western world sees as an opportunity, has at its core the development of a life, which views more the spirit of capitalism than the laborer's life.

One can see that the stream that Marx shows is a stream which places at the centre of development a world without religion and ideology. This is what he writes in his comments, "the mechanism of commune tells us that where there is division of labor based on a plan, a natural law acts that shows the division of roles and is created naturally by individuals only" [K, Marx 1974]. The discussion brings to our attention that the development of a society is the development of an environment which makes us understand and emphasize that all mechanisms or as Marx calls them "manufactures" K. Marx 1974]" are created by the man in his interest. The man has created his life in a way to be organized but also to bring enjoyment. - At least this is what Marxism portrays, different from Protestantism that has luck as a concept. Luther and Erasmus connect profit and the development of man and his profession as related to luck, such a thing does not happen in capitalism.

Marx at least, based on an aspect or theory he had for labor, under the action of a new development - a development that depends on the fate determined by the capitalist. There is harsh criticism if the fate of a man belonging to protestant religion is also determined by a supernatural force or God. On the other hand for Marx it is completely the opposite. He links the development only to a new belief - one that comes only from the work of the individuals. The fate or luck is connected to the work we do for ourselves and the service we contribute to society.

Marx in his concept of rigorous division of labor saw also the progress of division of roles that brings individuality. Our understanding is that creation is the proof of the individuals "the product of my work is a part of me". [The editor Fabbio 1996, pg 130]. The individuality that our work brings, our creation it nothing but a new job, a labor that will bring a new aid, which in itself will free us once again from the suffocating thought that is commanded by nonexistence.

The social practice that Marx shows us in this part of his work comes as a result of what we perceive as a duty, that in the core has a phenomenon of our work, the one we inherit and the one that has in itself purification. A subversion or overturn of the two social nuances implying capitalism and socialism are further defined by the purity of being an individual seeking to be differentiated from his work. Unquestionably it is important to discuss the social working class that is certainly part of the automation change. The automation work according to the concept of what he calls the "MACHINERY" is not nothing but an alienation. The crossing we do over Marx is more of a move that takes us away from morality. The work is seen as an occupation where the man in a social group does not alienate himself and fights for the greater good, not only for him, but also for the social group. The individual dealing with others is an individual who understands what it means to produce and to be detached from ideologies that are obstacles, mainly the religion. (K. Marx 1974 there).

Atheism according to Marx is a characteristic of the progressive class and the English and French materialists were the ideologists of the bourgeois class that was progressing. Immediately after the bourgeois came into power, the differences between the proletariat and bourgeois grew bigger and degraded. The bourgeois class abandoned the freedom of thought and turned to religion in order to make masses in a dormant state. [Editori, Fabbio 1996, pg 133] Marxism revealed the essence of religion, by exposing that religion is nothing but a fanatic reflection in people's heads – those outer heads that rule them on a daily basis. Maybe by coincidence my mind went to the laws of Solon who created an imaginary God in order to rule his people. Or said in a fun way, the silly things we tell our children at home about witches and ogres in order to have control over them. According to what I understand from Marx's interpretation, it is clear his understanding that religion is a lie used for those who we want to oppress - of course the approach is remarkable because it oppresses the whole society, not just a part of it.

In the German Ideology manuscripts "Communism Journal" (1965) and the manifesto of communist party consider religion as one of the states of social conscience and one of the elements of the superstructure within social classes. It was discovered that religion depends on the development of social relations, class structure of social classes that have an interest in religion to be kept as a tool to act and restrain the masses. They argued that Christianity was born as a result of people's mentality that had reached a level of desperation due to the brutally suppressed bloodshed of slaves and the poor that led to their rebellion including the oppressed nations that were against the ruling of Roman Empire.

There is no doubt that this argument is being treated on a completely opposite perspective. Reforms saw that the need for a clean capitalist spirit is the need of the society, which in itself has a new understanding - an understanding that strips you

off from new arguments - from outwards arguments. In the heart of what is needed for the economy as a whole, is an economy without religious dogmas.

# 2. 2. Luther's Conception of the Calling (Vocation). Task of the Investigation.

Both the German word "Beruf" and the English word "calling" have a religious connotation of a task set by God. The more we emphasize the actual case of the words the more it becomes recent. The longer we research through Christianity the more we understand that Catholics often connect that connotation calling or vocation = task. [Weber, Max Tiranë. 2005, pg 89] The reason we bring this introduction is to recall in our judgment how important is for protestants the calling or to be exact the task. The judgment of Luther at first was a judgment coming due to an obligation by Christianity as a result of commandments of the church. As a result, it would undertake other functions as well.

The word "beruf" took a second meaning which was that of apprenticeship. According to Luther this concept will be considered as a purpose of profit. Even though in his religious language it meant to love religiously, and do good deeds, Luther's idea is clear from the point that he is aware of what this element of occupation has in its foundation. Even though in the beginning he has not spoken for a proper "beruf" that serves Christ and the divine good. Nevertheless, one thing seen in all these efforts of Luther is to place moral on a higher position. The task is seen as something that is followed and becomes a rule of the morality and as such it helps the individual to have morality in his task. We remember Cant as being influenced by Luther and the word 'beruf' exactly how they have the same approach towards it, as a task led under the influence of morality.

So the word "beruf" expresses that central dogma of all protestant streams, which throws away the distinction from Catholics and the ethical commandments of Catholicism "praecepta" and "Consiglia" W, Max, Tiranë 2005 same there].

In order to explain those practices we would say that they have existed earlier on, and having in mind the time of use we see that religion is used as an occupation as well. The narrowing of the meaning of these two words came under the theory of reformation, but Catholicism connected the task only with the service to God.

The concept of Luther mentioned above develops and becomes an individual occupation desired from God. This was a natural necessary basis of the existence of religious faith, but morally it was neutral as eating and drinking. We no longer live in the past when the lifestyle of monks was working with no profit and no money, where the greatest satisfaction was found in reading the gospel and the commandments. The concept and analysis that Luther gives is quite similar with that of our modern world. We live in a world with an anthropological and scientific basis, but in essence and thought, mind and spirit with faith in God.

We understand and clarify the sense we bring one that is really the essence of a task, a moral launched by the desire not to be passive. In fact there is no doubt that this assessment in moral of life in occupation is nothing but a rating that essentially has brought in what is called a secular development of the Reformation of the free initiative of the task initiated by the moral.

However there is no need to go into these details because the occupational concept in religious state was somehow different in the judgment of religion. Luther thought that this particular occupation of the individual becomes even more of a special commandment of God's Will. He often linked the occupation/profession with fate, considering the way he was educated based on tradition, it would not clarify the individual. (Luther & Calvin Dita 2000 Tirana, pg 127). Luther. Even before renaissance, it was believed often that man was not the master of his own destiny but it is someone else that decides his fate. Even Luther shared this opinion. Perhaps occupation or frankly the choice of the occupation was the result of fate or destiny. Eventually this given fate would please him because God had chosen it.

This belief sometimes shows unconditional obedience to the given situation, so, the concept that Luther gave about occupation was coming as a result of fate, and had simply only one traditional concept. So, to my understanding he did say much about the man had no power, no choice but to obey to his destiny. This sentiment also rejects the other idea that occupational work is a duty or obligation, or rather it is the duty imposed by God. The thought of this secularism is not yet detached from the idea of determining a fate that ultimately comes from what we call destiny or fate. (Roterodami. Erasmi. Tiranë. 2004).

Destiny is created by a supreme someone superior to us, super-natural creature that is God. It is the God that Luther called as the most dignifying leader in every step of our lives.

A proper attitude towards occupation was that of Jesus himself. This is also proper in the arguments it brings regarding work as a necessity. Let's see what he says: "give us this day our daily bread". [W. Max, Tiranë, 2005] We know that religion in the first place brings within the moral spirit of each of us, the human coexistence. Of course, our life does not need to be fed only by morality but wanting to be guided by the possibility of survival strategies. The calling of God in the Old Testament does not examine the work as a whole. St. Paul himself does not see in us the work, but he makes an eschatological call to provide all the services that we are lacking.

Luther seems to have read the Bible through the eyes of his spiritual state, but what he tried to assure us, was harder than that, it was the essence of the existence of each of us. The opportunity to be placed in a new occupation is an occupation that can ensure us a better life. Luther was very clear in his opinion that although social life was short, it was a life that in its foundation had the opportunity of satisfaction.

Luther unquestionably saw occupation as a manifesto of what the LORD has said. We have said before that the Reformation was not separated at all from this part. What society thought of it as a whole was that it is a society that is still run by the morality of religion and only religion could help it to move forward.

Luther's concept of occupation is unquestionably the concept of entirely traditional occupation. One must accept fully his fate and to be entirely faithful to his work that comes from the fate that Lord has given. [Ibid Max Weber 2005]. His traditional explanation is clear as long as the moral of one is about God. The man in no way has to feel isolated from God. By no means we go outside this framework thinking that the exit from the Middle Ages will bring individual work. However, the idea that Luther is trying to tell us is pure and clear over a morality that everyone has in order to exist, over the obligation to respect the duty as it comes from morality doing the right thing, not acting on an impulse.

### 2. 3 Calvin's concept on Occupation.

Analyzing these two philosophers is required a different effort from Lutheranism. The way they define working concepts is somehow different from the one that reformation has. Having in mind that the thought for the human is clearer, even the working concept was clearer than the one of Lutheranism. At least Erasmus of Rotterdam treats a clearer thought for man as a human being. Addressing of humanism that Erasmus unfolds is in itself a confrontation with his desire to be an individual.

In his scripts he clarifies that the individual knows very well his concept of work, and his high expectations in what he is looking for. Thinking that the task is related to morality is a very interesting part of it. To him morality of course is not a religious aspect, but is about the love that we have with one another rather than that the love have for others.

The explanation that deals in this discussion of the morality of his madness is that the duty is a feeling that streams as a form of needin each of us. To move onto the concept of work that other reformers have explained we can mention Calvin (Timothy. F. Lull Usa, 1989, pg 154). According to Calvin, what we want is actually a lot more from what we have. It is known and clear that the assessment given by Calvin is a nature which revolves in faith. Luther and Calvin linked the task with destiny - a destiny that is led and inspired by a new opportunity of religious development.

Luther and Calvin express themselves in this way: "The meaning of our destiny is filled with the dark mysteries which to seek and to discover would be bumptious" [Weber Max Tirana 2005]. We understand that even this philosopher has not yet clarified the idea where to find the question of fate and how simple we have to discover an occupation for ourselves. Faith in religion or in the Lord has made us seeing even ourselves as a portent of fate. The social activity of a Christian is just work "In majorem glorial Dei = for glory of the great Lord. So, this character is carried from the work for an occupation which serves the earthly life of the community. [ibid] Christianity connects everything with dedication to God. Even to Luther this part seems to be a bit strange, but in itself is a work which can be done with the love we have for God.

Regarding Luther we say that the origin of the specialized work was seen as connected "to the love for the others". But the thing that needs to be emphasized is that it remained a constructive stitch. To Calvinist it became a stitch of the character

of their ethical system. The love for the other is believed to be only for the service and the glory of God, not for the glorification of creatures as Calvin called it. He first expressed the realization of the occupation giving by Lex naturalis (law of nature) and in this process such thing takes a special character, objective and not on a personal level. [Calvin, Jane Chichago 1958, 319] Lex naturalis could not be understood differently other than something that the composition of occupation did not bring productivy.

The service we seek to give to religion is something very different from what we seek to do to the man. To Calvinists it is very important that something that could have been personal was something that had to be done in the name of religion and as such required dedication to God. Calvin has a quality that seems to be similar to his contemporary Erasmus of Rotterdam - human and individual character. This character does not seek for a minute to separate itself from God, but on the contrary is very much connected to Him.

The source of individual character of Calvinist ethics is found in the rationalism, which from it derived general features of Calvinist concept on the occupation. The book which treats this part, before doing so, a very important part was taken into consideration that he calls pre-destiny. What he really wants to say with the word pre-destiny we will clarify below.

To Calvin himself that was not an issue. What in fact was the issue was the sense of safety that the person should feel in that what he asked for. The question that we often ask ourselves is: Do we feel safe in our abilities and do we have the needed knowledge to earn an occupation to be in line with our ethics. Regarding this answer, Calvin said it was enough to get to know God's idea and to be led by His education - only in this way we can decide for ourselves.

It is interesting even in this passage what Calvin emphasizes that God chooses people in His work. The physical appearance in no way shows us anything and gives us nothing, but what we need is the faith that God gives to those people. The realization of the work is the one that makes the difference between the chosen and not chosen ones. The main important thing for Calvin is that he saw the occupation as services. He even thought that the occupation of pastors or priests were a service of an occupation that was chosen by God.

# Conclusions

The development of social and economical life has always gone through the religious life. What Marx wants to emphasize is that work and free fair traid comes only from the capitalist life.

The idea of reformers for the social life of the modern society goes through the right to believe and understand the attitude not only to God, but on the right of each one to free labor. This is the reason that this scrip seeks to build the right of each one to be part of it.

Reformation of course supports the idea that religion is completely different from what we have known from books. The man only through his work knows God and the freedom to be part of the legal society. The freedom to choose, even the work is one that pushed the man to be what he is now- a citizen that makes sure his product does no remain dull.

What could be called the foundation of Marx's critique, Calvin's and Luther's is that the man makes religion and not religion makes the man. The religion is the conscience of the man and self-sensitivity of the man, who has not found himself or not lost it again. The man is not an abstract being that shelters himself outside the world. State and society is the man - this state, this society creates religion. Religion is the general theory of this world. It transforms the human being in a fanatic reality because the human being does not have a real reality. So the war against religion is the war against that world that in reality is religion itself.

To give the final conclusions we give importance on the critiques and analysis of the three reformers stating that people create religion and not religion creates the people.

# Bibliography:

Calvin, Jean" Calvin Commentaries" Library of congress Card. Chicago 1985

Editori. Fabio. "I Klassici del penisero" Milano: 1996

Luteri&Calvini" Mbi autoritetinshekullar dhe qeverisjen civile" ISP&DITA2000. Tiranë

Marx. Karl "Kapitali". Tiranë: 1974

Roterdamit. I. Erazmus "Lavdërimi i marrëzisë" ISND. Tiranë 2004

Weber. Max "Etika protestante dhe shpirti i kapitalizmi" Plejad. Tiranë: 2005

Timothy. F. Lull. "Martin Luther's basic theological" USA 1989.

# The Achievements in the Education System in Albania

Aida Zhupa PhD Cand.

High school "Hospitality & Tourism"

aida\_zhupa@hotmail.com

Dr. Dorina Zenelaj

European University of Tirana

dorina.zenelaj@gmail.com

# Abstract

It is widely accepted that education plays a fundamental role for the social and cultural development of a democratic and emancipated society. Education is essential to the younger generations so that they can lead the progress of transformation of a society into an educated and open society. Education systems are a mirror of a society's own culture, reflecting the issues and evolution process of said society. The education systems in Albania have a long standing tradition, intertwined with the national history and the goal of preserving the authenticity. This study analyses the changes and the achievements of the primary and secondary education system in Albania during the post-communist transition period up to now. The importance of this study rests in the analysis of the process of qualitative and quantitative changes in the Albanian education system, its development efforts based on the experience of developed countries and the difficulties encountered in adapting such experience to the Albanian social, economic and cultural context, focusing on issues and encumbrances of the process. Considering the aspiration of Albania to be an EU member state, the education system needs to achieve higher standards, as a necessity, to educate and shape generations able to successfully compete in the EU labor market.

**Keywords:** Education systems, education policies, official curricula, alternative text, teacher's role.

# 1. Introduction

The development of the education system is an important indicator of the level of advancement of a society and a guarantee for the preservation of values and social cohesion. Such development serves as a strong basis to allow the thriving of each individual's full potential and to provide each individual with equal opportunities for advancement in real life. The purpose of education is to help in the formation of free and responsible individuals whose values can adequately benefit them and the community in which they live. Education is a key factor in promoting economic growth and reduction of poverty, as adequate education provides citizens with abilities and competencies to compete in a global and competitive labor market. A quality education creates opportunities for each individual to develop his potential, in the face of major technological changes. Facing the challenges brought on by globalization of the economy, trade, education and culture, requires a high level of openness and practical knowledge that can only be gained through qualitative education. Education systems have the mission to provide all individuals with an education that conveys the knowledge and competencies necessary for the full development of personal skills. Although the process of learning nowadays can be achieved using various means and sources, schools remain the most important institutions. Schools are the knowledge and information institutions par excellence, having as the only objective the academic development of students, the enhancement of their intellectual and professional skills. Education provided in schools is targeted at developing the personality of students, by working on several aspects: intellectual, physical, social, moral and emotional.

# 2. Some achievements of the education system during the democratic transition in Albania

After the advent of democracy, in the 1990s, Albania began efforts to transform education in structure, content and methodologies. What Albania inherited from the former communist system was an obstacle to achieving an education by a European approach. Everything was rebuilt from scratch, the sound basis of a new philosophy. Albania welcomed democratic changes after 45 years of dictatorship, trying to pick the best models of European democracy. Various issues have caused the country to stand in a long political, economic, social and cultural transition. The Albanian education system continues today with the efforts to adapt to global developments in education. As known, educational systems consist of important links such as legal frameworks and national policies on education, which should create the necessary space to develop a formal curriculum and textbooks (and their appliactions) appropriate for the students. In 1995, the Law "On Pre-University Education" was adopted, which was revised in 1998, while the law "On Higher Education" was adopted in 1994 and subsequently amended in 1999 and 2003. Both laws increased the degree of autonomy of universities. Textbooks were depoliticized, as were the curricula and school activities. New curricula and textbooks were drafted and used, and teachers were widely trained in new teaching methods. During the 1996-1997 period, school activities were entirely regulated by "normative provisions for public schools", as an important part of the legislative framework for education, which supported education on legal grounds (Lulia, 2009; 29). In 2000, many qualitative changes in the sciences curricula were implemented including on subjects like language, mathematics, physics, biology etc. Adaptation of vocational education processes with the requirements of the market economy, led to the change of structure of vocational education into 5-year programs (3 + 2), following the model of the European vocational education institutions. The "National Education Strategy" was approved by the Council of Ministers in 2004. The Strategy revised the levels and years of education needed in various education instituions. Some important changes included: the extension of compulsory education to nine years, reduction of secondary education by one year (3 years for general secondary education, 4 years (2 + 2 or 2 + 1 + 1) for vocational education), according to the model developed by the countries of Eastern Europe and the member countries of the OECD (CDE, 2006: 12). Changing the structure of university education required curriculum revision, curriculum and teacher training programs and new textbooks.

# 3. Issues and challenges in education during the 2000-2015 period. Data analysis. Findings.

Despite efforts over the years, the achievements in education and scores of Albanian students remain at low levels, especially in comparison with other regional countries. Insufficient public spending on education, led to lower quality of education. About 30% of Albanians were estimated to be living in poverty, especially in rural and suburban areas. This resulted in massive population migrations within and outside the country, as well as its settling in the outskirts of major cities such as Tirana, Durres etc. Schools in these areas became overcrowded. In rural areas the educational system performed poorly due to lack of infrastructure and teachers. About 25% of the population migrated aborad. Unemployment, poverty and economic regress were factors that promoted child trafficking and abuse. All these factors increased the school dropout ratio, at all levels of education, increasing illiteracy across Albania. A decline in the propensity to obtain education and poor school attendance were observed. The following charts provide data on the number of students attending compulsory education in Albania during the 2004-2013 period.

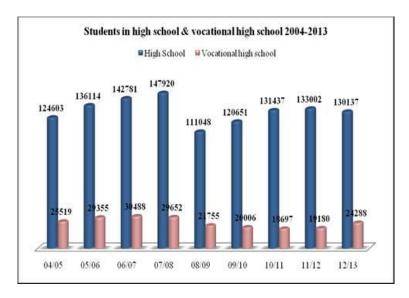


Figure 1. Students attending compulsory education in Albania, 2004-2013

As shown in the chart, the number of students who attended compulsory education has been decreasing steadily during the 2004-2013 period (MAS, 2014c). The decline in births has also contributed to the decrease in students' attendance, on top of other factors mentioned above.

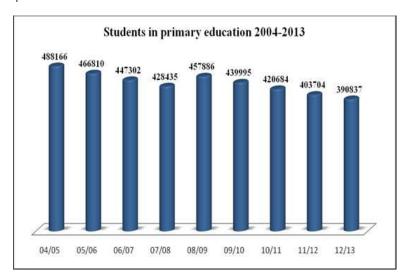


Figure 2: Number of students in secondary education

As evident from the chart above, secondary education, as opposed to basic education, has experienced a growing number of students over the years. This is the result of many factors such as: policies and government reforms in education, increasing student interest and parental education beyond basic education, improvement of school infrastructure, improvement of curricula and textbooks and increased the teaching staff qualifications (INSTAT, 2015: 42-43). During the 2008-2009 period, the decline in the number of students in secondary education, came as a result of the change in the basic education duration from 8 years to 9 years. General education students are predominant in the population of total

secondary education students, compared to vocational education students. 18% of those enrolled in the 2013-2014 period in secondary education chose professional education, marking the highest enrollment in the past five years (MAS, 2014a: 16-18). Vocational education enrollment has shown a trend of continuous increase, indicating increased awareness amongst the population on the importance of vocational education.

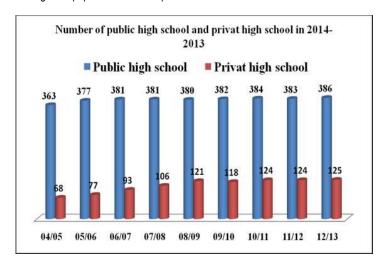


Figure 3: Share of public and private schools during the 2004-2013 period

Information on the number of public and private secondary schools in Albania during the 2004-2013 period is reflected in the above chart. As depicted in the chart, enrollent in private education shows an increasing trend. This trend conveys a greater reliance of students and their parents to private schools. Some of the factors that have contributed to this trend are: better infrastructure in private schools as compared with public schools, small classes with lower student to teacher ratio in private schools as compared to public schools, as well as increased demand for student assessment (MASH, 2009). To address decreasing public school enrollment, the National Education Strategy for 2004-2015, outlines a reform that includes all the main areas of education, defining objectives for each of them. Some of these objectives relate to financing of graduate education, capacity building and human resources development, and improving the quality of teaching and learning processes. Despite several achievements, different issues and problems still persisit, mainly in the quality of student achievements and scores, and in ensuring fariness and objective grading. The revision of curricula and educational programs in accordance with European models, but also tailored to the specific features of Albanian education, was extremely important and helpful. Some of the issues encountered in achieving the objectives set in the National Strategy for the Development of Pre-Graduate Education were:

- · Problems with textbooks
- Crowded classes high student-to-teacher ratio
- · Lack of continuous training of teachers
- The need for the revision of curricula and programs/syllabuses
- Adoption of programs based on advanced European experiences.

Textbooks are widely accepted as the most important tool in transmitting knowledge and values, especially so in social studies. Social studies have as a main objective to develop knowledge, skills, attitudes and expectations necessary for a democratic society (Gerard & Rogiers, 2002: 124-125). Social sciences can help students build knowledge and attitudes that will help them structure different perceptions and perspectives on reality (MAS, 2015: 16-18). As such, textbooks used

in social sciences should be void of any prejudice and be able to convey moral values of a modern society that are appropriate to students' age and background (Lulja, 2009: 45). One other key factor to ensure achievements in education is the development of a modern curriculum, which has a fundamental role in the development of the intellectual, social and emotional aspects of students'personality. The curriculum defines the skills and competencies that students should acquire during years of education, but it also defines the social values that should be cultivated to nurture global citizens. As such, the curriculum is the foundation on which the process of education becomes responsive to social and economic changes in the country (MAS, 2015: 22-23). Therefore the curriculum should be a continuous process of reform and progress, responding to changes or transformations occurring in society, nationally and internationally. The need to continuously develop and reform the curriculum requires revisions aimed at improving all the constituent elements of a curriculum: the goals, objectives, areas of inter-subject integration, how it caters to the interests of students, learning load, trainings of teachers, assessments etc. (MAS, 2013). The new package of APU's curriculums, according to MAS, determines the knowledge and competencies that will be provided to students for a comprehensive and practical training, in accordance with the requirements of modern times. On the other hand, the teacher needs to convey textbook values to students and therefore teachers need to be qualified and trained, and not only the relevant qualifications and knowledge of their subject matters, but also use a methodology adapted to their students (Zhupa, 2015).

# 4. DISCUSSION: Challenges in education after the 2015 period

The new strategy for the development of education in Albania for the 2015-2020 period, developed by MAS, has defined the key objective-based learning competencies, to provide adequate education for a competitive labor market. Key competencies are competencies needed by each student to achieve personal development, active citizenship, social inclusion and employment. This curriculum, which shifts the focus of learning to student-centric methods, should enable students to not only gain theoretical knowledge, but also focus on gaining and developing practical skills, social skills and civic values, that meet the students' and society rquirements (MAS 2014b: 7). The process of education should enable every student to attain mastery of key competencies necessary for life and professional advancement. Key competencies are associated with the development of abilities to learn, to think critically and creatively, to communicate effectively, to build confidence and trust in others, to actively participation in society, as well as build a civic competence to be responsible citizens of a global and diverse society (ibid., 8). As a result of the development of these key competencies, students value diversity, respect others and are prepared to overcome prejudices and reach compromises (MAS 2014d: 78). It is well known that no matter how well drafted a curriculum is, it can not achieve the desired success if the teacher is not an integral part of the process. The teacher is a key factor in a curricular reform (Hamza, 2011: 14). Competency-based teaching requires teachers to select strategies, methods, techniques and work methods in cooperation with students and to organize learning experiences that integrate relevant knowledge with the skills, values and attitudes of the students. Teachers are now required that by using the curriculum quidelines as supporting materials and by continuous training with curriculum specialists, teachers should be well acquainted with new requirements with respect to perceiving the subject matter and teaching methods. The new strategy for the development of education emphasizes the continuous and systematic training of teachers and their licensing. Continuous teacher training is necessary due to changes in quality of curricula and textbooks and due to increased demands of new generations for a different model of teaching / learning. According to this Strategy, starting from 2015, new textbooks will be developed at all levels of education, in accordance with the new curriculum and contemporary textbook market. Textbook preparation should start by designing and publishing new qualitative textbooks, based on prestigious foreign publications, especially relevant in the fileds of mathematics and other natural sciences. Natural sciences, by nature, do not have national boundaries and and their textbooks should be always updated based on most advanced global textbooks. A major task in implementing this strategy will be to increase investment in education and obtaining the appropriate funding to consistently improve the infrastructure and equip schools with the appropriate materials and teaching tools to improve the education process (MAS, 2014d: 79).

### References

[1] CDE. (Qendra për Arsim Demokratik). (2006). Arsimi në Shqipëri. Dosje Kombetare. Tregues dhe prirje. Mbështetur nga UNICEF. Tiranë: 12-15.

[2] Gerard, F. M. & Rogiers, X. (2002). *Hartimi dhe Vlerësimi i Teksteve Shkollore*. Botim i Institutit të Studimeve Pedagogjike. Tiranë: 124-125.

- [3] Hamza, M. (2011). Kurrikula e Arsimit Bazë Nevojat për Rishikim. Prirjet dhe Konceptimi. Revista Pedagogjike. IZHA: 5-15.
- [4] INSTAT. (2015). Vjetari Statistikor Rajonal. Tiranë: 43-46.
- [5] Lulja, E. (2009). Mendime për Reformën në Arsim. Filara, Tiranë: 29; 45-50.
- [6] MASH. (2009). Strategjia Kombëtare e Arsimit Parauniversitar, 2009-2013. Tiranë.
- [7] MAS. (2013). Vjetari Statistikor për Arsimin 2011 2012 dhe Seri Kohore. Tiranë.
- [8] MAS. (2014a). Dokumenti i Strategjisë së Zhvillimit të Arsimit Parauniversitar. 2014-2020 (Draft) Tiranë: 25- 30.
- [9] MAS. (2014b). Standartet për Tekstet Shkollore. Tiranë: 7-15.
- [10] MAS. (2014c). Vjetari Statistikor për Arsimin 2012 2013 dhe Seri Kohore. Tiranë.
- [11] MAS. (2014d). Strategjia e Zhvillimit të Arsimit Parauniversitar 2014-2020. Tiranë: 78-79.
- [12] MAS. (2015). Vjetari Statistikor për Arsimin 2013 2014 dhe Seri Kohore. Tiranë: 16-18; 22-23.
- [13] Zhupa, A. (2015). Gender Socialization in Albanian Schools: Reading the Texts, Listening to the Teachers. *The International Journal of Humanities Education*, *Volume* 13, *Issue* 2, pp.15-28

# The Non-Property Personal Rights and Obligations of Parents Towards Children

Anilda Shestani

Phd Cand., Albania, email: agurakuqi@yahoo.com

#### Abstract:

Parental responsibility is already defined in the Family Code as "the totality of the rights and obligations that aimed to ensure emotional, social and material welfare of the child, taking care, maintaining personal relations with him, and assuring him welfare, education, legal representation and administration of his property". In this paper will be analyzed the parental rights and obligations that exercised about the personality of the child that arise as a result of personal non-property relations. This set of rights and duties is different from the other groups of rights and obligations of parent exactly for the lack of their economic content. Parental rights and obligations are the same regardless of the source of birth of parental relationship, biological or declaration of the will on one side, or regardless of the status of children born from the marriage or outside it, on the other side. The concept of the relationship between parents and children has changed a lot from the past in the time that we live today. In the modern concept, parental authority in exercising the rights and obligations to children is conceived in the interest of minors implying therefore the idea of protection that parents are obligated towards their children. This paper will also show how the non-property personal rights and obligations of parents towards the children are applicable in the practice; what are the main problems that appeared during this process and best recommendations for an efficient exercise of these rights and obligations based on the best interest of the child.

**Keywords:** Parental responsibility, marriage, family, children, non-property rights and obligations, welfare, education.

### 1. Parental responsibility and children

The Albanian family legislation has paid special importance to the relationship between parents and their children. The concept of parental responsibility is an evolution in the way of conceiving of the parent-child relationship. With special emphasis on "responsibility", the legislator wanted to show the essence of the status of the parents, which in itself constitutes a right to assume obligations and respectfully with them to benefit rights in connection to the natural and legal relationship between them and the child¹. As well as every legal relationship between parents and children it has essentially its rights and obligations. These rights are closely linked with the figure of parent and child as well.

The totality of all rights and obligations of that are carried at parental responsibility are non-transferable to other persons. Parental rights and obligations are the same regardless of the source of the birth of parental relationship or regardless of the legal status of the child.

### 2. The non-property personal rights and obligations of parents towards children

Considering the economic content or not, from the totality of the rights and obligations involved in parental responsibility, we could mention the parental rights and obligations that are exercised in connection with the child's personality and that arise as a result of personal non-property relations. Personal rights are part of the category of absolute rights. Parents may

-

<sup>&</sup>lt;sup>1</sup> H.Kotherja,E.Abdiu, K.Gega, Manual in the implementation of Family Code and internal civil legislation regarding minors issues, Save the Children and School of Magistrates, 31.

request for taking measure against any person who infringes them in the exercise of parental rights. These rights cannot be alienated to legal action between the living persons and cannot even pass through the heritage of others.

Also, as a result of this feature, the personal rights of parents and children not undergo to any terms of prescription<sup>1</sup>.

If we take a look at the provisions of the Family Code in Albania, the Article 220 of this Code sanctions that parental responsibility is exercised jointly by both parents for children born during the marriage or born out of wedlock but recognized by the parents.

This means that the non-property personal rights and obligations of parents towards children should exercised by both parents. So just being a parent if biological or adoptive one, the Albanian law has guaranteed the parental responsibility and this responsibility is equal between both parents.

The non-property personal rights and obligations of parents towards children are grouped as follows:

- -Care for children; Upbringing.
- Education and schooling of children.
- The right to maintain personal relations with the child.
- Representation of the child and the protection of his interests.
- The right to consent to adoption of the child.

The Family Code in the Article 3 has defined and sanctioned the right but also the duty at the same time of the parents to care for the upbringing, development, well-being and education of children born from marriage or out of wedlock.

Also, if we refer to Article 215 of the Family Code, good care for children it is one of the legal obligations arising from the legal relationship with non-economic character between parents and their children.

But the Family Code has not precisely defined what is meant by the "upbringing of the child." To understand the legal obligation of parents to children in order to ensure the welfare of the children we should refer to legal doctrine and interpretation of children's rights standards established by the Convention on the Rights of the Child (UN)<sup>2</sup>.

Thus, Article 27 of the Convention of the Rights of the Child, the first paragraph states: "States Parties recognize the right of every child to a standard of living adequate for physical, mental, spiritual, moral or social development of him".

The second paragraph of this article defines the fact that the child's parents or responsible persons for the children, they have the primary responsibility to secure within their capacity or capabilities and professional capacities, all the necessary conditions of living for the child's development."

This article basically highlights the need and necessity of fulfilling the rights of children with regard to nutrition, clothing and housing<sup>3</sup>. These rights should be fulfilled by the parents of child but also an important actor to be included in this process should be the State itself. But this does not mean that we should limit only in securing of these rights for children.

Upbringing of the child itself means:

- Ensuring the health, physical and psychological development of the child;
- Provision of material welfare.
- Provide emotional and social welfare.

<sup>1</sup> S.Omari, 2012, Family Law, paragraph I,367.

<sup>&</sup>lt;sup>2</sup>H.Kotherja,E.Abdiu, K.Gega, Manual in the implementation of Family Code and internal civil legislation regarding minors issues, Save the Children, QSHPLI and School of Magistrates, 35

<sup>&</sup>lt;sup>3</sup> In this article is determined that States parties (that have ratified the Convention, as is the case of Albania), in accordance with national conditions and within their means, shall take appropriate measures to assist the parents but the other persons responsible for child to implement the right to an adequate standard of living and in case of need provide material support and support programs, particularly with regard to nutrition, clothing and housing.

- Safeguarding and supervision of the child.
- Measures should be taken with educational character.

If we refer to Article 54 of the Constitution of Albania, this article specifies that the category of children enjoys special protection by the state regarding the health of their physical development. From this article derives the legitimate and fundamental right of children to have a healthy life. Therefore, their parents based on what is called "parental responsibility" have the obligation to ensure the conditions necessary for children to have a healthy life. Beside the obligation of parents to take care of health, physical and psychological development of children, appear the state which through legislation in the field of health offers a wide range of services in order to ensure a better ongoing of the health of the children.

Provision of material welfare although seems to have economic character and therefore related to incomes, in family law, is projected and involved in the rights and duties of parents with non-economic character.

Parents have a responsibility to provide the best goods to children for living. Material welfare includes all the actions undertaken by the parents in order to provide to children not only all the necessary means for life but also the material goods that serve for a dignified life<sup>1</sup>.

But what will be considered as "necessary means"?

The answer to this question has actually evolved from one time to another. It actually continues to constantly evolve by taking into account not only social and economic development of a country, the real possibilities of parents but also based on the requirements of the children. By necessary means are included: expenses for food, clothing, medical care and health services, education and other social demands of child<sup>2</sup>.

Also parents have the right and obligation to be involved in the upbringing and education of the child. Parents must have engagement to transmit to the child certain rules of behavior. In no case is legitimate, based on internal or international laws<sup>3</sup> the corporal punishment of children as a means of disciplining the child. Education<sup>4</sup> also is another obligation of parents to the child. If this obligation will not be fulfilled it means that there exist conditions for a misuse of the parental responsibility.

The right to maintain personal relations with the child is sanctioned in Article 215 of the Family Code which states that parents have the right to maintain personal relationships with children. For a much better upbringing, efficient supervision and better education of children is in the best interest of the child to maintain personal relationships with parents.

Also Article 219 of the Family Code provides that parents have an obligation to not stop child have personal relationships with his grandparents, except for cases when there are grave reasons. This article also determines that if there are disputes between the parties is the court which can decide on the manner of regulation of these relationships. For example, judicial practice shows how a grandmother sues the mother of children, that after the dead of the children's father, she refused to children meetings with the grandmother by father side<sup>5</sup>. The aassessments made by the Court, classified the behaviors of the grandmother toward children as grave causes in terms of Article 219 of the Family Code, which oblige the court to intervene in the regulation of these relationships in the interest of minors.

\_

<sup>&</sup>lt;sup>1</sup> H.Gashi, A.Aliu.A.Vokshi, 2012, Commentary Family Law in Kosovo, LFK-First Edition, 303.

<sup>&</sup>lt;sup>2</sup> S.Omari, 2012, Family Law, 368

<sup>&</sup>lt;sup>3</sup> See: Article 17, paragraph 1of the Convention of the Rights of Children that states: "States Parties shall take all appropriate legislative, administrative, social and educational measures to protect the child from all forms of physical or mental violence, injury or abuse, neglect ore negligent treatment, maltreatment or exploitation, including sexual abuse, while in the care of parent (s), legal guardian (s) or any other person who has the care of the child"

<sup>&</sup>lt;sup>4</sup> Based on the Law no. 7952 date 21.06.1995(changed) of "Pre- university educational system in Albania" sanctions that the 9-year education is mandatory.

<sup>&</sup>lt;sup>5</sup> H.Kotherja,E.Abdiu, K.Gega, Manual in the implementation of Family Code and internal civil legislation regarding minors issues, Save the Children, QSHPLI and School of Magistrates, 39.

Based on the definition of parental responsibility, parents have the obligation to legal representation of children in carrying out various legal actions of their parents. Minors up to age 14 in all legal actions are represented by parents; their legal representatives or guardians.

Every legal action by which benefits the minor are performed by their parents or guardians on their behalf. Otherwise the actions committed by minors are null. For several juridical actions are required the consent of the competent court or that of the council of guardianship. For any damage caused, parents and guardians should respond, but also the minor in exceptional cases<sup>1</sup>.

Finally, as a right of parents with non-economic character, the Family Code, in articles 569, 570, has sanctioned the right of biological parents to give consent for adoption for their minor child. To biological parents is also recognized the right to withdraw the consent for the adoption of their child till the moment of taking the decision of adoption by the court.

#### 3. Conclusions

Parental responsibility is the totality of the rights and obligations that aimed to ensure emotional, social and material welfare of the child, taking care, maintaining personal relations with him, and assuring him welfare, education, legal representation and administration of his property. Parental rights and obligations are the same regardless of the source of birth of parental relationship, biological or declaration of the will on one side, or regardless of the status of children born from the marriage or outside it, on the other side. Parents should fulfill the non-property personal rights and obligation toward children taking into account the best interest of the child. Parents should exercise properly the rights and obligation with no-economic character towards children. Parents, authorities and courts in their decisions and actions should have as main consideration the highest interest of the child. Interest and welfare of the child shall be a primary consideration.

#### References

Commentary of Family Law in Kosovo, LKF- First Edition, H.Gashi, L.Aliu, A.Vokshi, 2012.

Constitution in Albania.

Civil Code in Albania, Law no. 7850 date 29.07.1994, published by the Center of Legal Publishing, 2012.

Family Code in Albania, Law no. 9062 date 8.5.2003, published by the Center of Legal Publishing, 2012.

Family Law, S.Omari, 2012

Manual Manual in the implementation of Family Code and internal civil legislation regarding minors issues, H.Kotherja, E.Abdiu, K.Gega, Save the Children; QSHPLI and School of Magistrates.

International Convention of the Rights od Children, 1989.

The status of minors, M. Tutulani, 2008.

Law no.7952 date 21.06.1995 (changed) of "Pre-university educational system in Albania"

\_

<sup>&</sup>lt;sup>1</sup> M.Tutulani, 2008, The status of minors, 44.

# Operational Risk Management and the Case of Albania

Anjeza Beja (Harizaj)

PhD. Candidate

#### Abstract

Starting 1999, when operational risk was instroduced for the first time as part of pillar 1 minimum regulatory capital charge, supervisors and the banking industry recognized the importance of such risk in evaluating the risk profiles of financial institutions. The increasing use of automated technology, the growth of e-commerce and the expansion of activity ect., create increased operational risk, and expose the institution to possible losses. Such risk has been introduced in the regulatory framework of Bank of Albania in 2011 and since then, there have been positive developments in the consideration of this risk from the supervisory point of view. The regulation included qualitative criteria for the identification and monitoring of operational risk, whereas the quantitative measurement of capital charge for operational risk has been introduced through the implementation of capital adequacy ratio regulation based in Basel 2.

**Keywords:** Operational risk; banking supervision; Basel 2; capital adequacy ratio

# Operational Risk definition and principles

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events". This definition includes legal risk, whereas strategic and reputational risks are excluded. Legal risk includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements. (Basel II, part II, the first pillar, page 144)

In the table below, it is a detailed description of each of the elements mentioned above, compounding operational risk.

#### People Systems Processes External Events · Execution, · Fraud, collusion and · IT problems Criminal activities other criminal registration, Unauthorized access Political and military activities settlement errors · Unavailability of events (transaction risk) Violation of internal data Supplier failures or external rules · Model and Communication methodology errors Management errors failures (model risk) · Loss of important Utility outages · Accounting errors employees Compliance issues Security violations

It happens that operational risk sometimes is considered as all risks other than credit and market ones and only systems & IT related, but such approach is not correct.

Operational risk is a new and important topic for all the banks in the world. Its measurement and management techniques are under development and there is a lack of publicly available historical loss data. On the other hand, operational risk management is being required by Basel II to be considered for capital adequacy calculation purposes.

It is important for every institution to identify and measure operational risk, since failures in this regard negatively impact profitability. Therefore, banks that measure and manage operational risk can reduce earnings volatility as well as the likelihood of an operational event becoming a "capital event". On the other hand risk modeling of an institution that underestimates (or arbitrarily sets) capital for operational risk can distort decision making and performance evaluation.

Such topic becomes more and more important considering the fact that businesses are becoming more complex, changing rapidly, operationally intensive, and technology reliant. Banks that measure and manage operational risk are likely to be less susceptible to systemic problems.

There are several advantages related with the operational risk measurements, such as it follows banks to identify sources of operational losses, allows banks to identify operational loss outcomes that they have exposure to, but have yet to experience and provides a framework for modeling extreme events through scenario analyses of low frequency, high impact events.

Operational Risk data suggest that there exist two kinds of events:

the losses of high frequency/low severity

the low frequency/high severity events that are more important.

In June 2011 the Basel Committee on Banking Supervision published its "Principles for the Sound Management of Operational Risk", revised later in 2014. The aim was to provide guidance to banks on the management of operational risk. There are eleven principles, which incorporate the lessons from the financial crisis and the evolution of sound practice for management of operational risk. These Principles cover governance, the risk management environment and the role of disclosure, and address the three lines of defence (business line management, an independent corporate operational risk management function and an independent review).

# Operational Risk and Basel II

Several risks are included in the Basel 2 capital adequacy framework. The main one is credit risk, followed by market and operational risk. The later was not included in the calculation of capital adequacy ratio in Basel 1, therefore it is a novelty as well as an added value from the risk assessment perspective.

The table below gives a comparison between the main risk categories described in pillar 1 of Basel 2.

|                                    | Market risk   | Credit risk   | Operational risk   |
|------------------------------------|---|---|--|
| Measurability of exposure (Yes/No) | Yes   | Yes   | Difficult to delimit exposure  |
| Main features of occurrence        | Data richness, high frequency data  | Difficulties of statistical estimations, not well-tractable distributions (skewness)                        | High frequency – low impact, Low frequency – high impact events dominates: difficulties in estimations |
| Risk factors                       | Interest rates, FX rates, share prices, volatility, commodity prices      | - Probability of default (PD) - Loss<br>given default (LGD) Exposure at<br>default (EAD)                    | Probability of event (PE) Loss given event (LGE)   |
| Reliability of measurement         | Good  | Acceptable  | Low level  |
| Risk management techniques         | Limits, balance sheet<br>matching, hedging (with<br>derivative positions) | Limit, intake of collaterals,<br>diversification of credit portfolio,<br>securitization, credit derivatives | Process management, system development, insurance, application of risk transfer mechanisms             |

Basel II sets three measurement methodologies for calculating Operational Risk capital charge "in a continuum of increasing sophistication and risk sensitivity".

The first one is Basic Indicator Approach (BIA), which is calculated as 15% of average gross income for whole business over three years.

The second one is the Standardized Approach (SA) which calculates the Gross Income (GI) for eight business types considered separately with capital charges ranging from 12% to 18%.

The third one is the Advanced Measurement Approach (AMA) which requires an Independent risk management function and three years historical internal loss data and modeling based on combination of inputs and external model verification.

Basel II sets three measurement methodologies for calculating Operational Risk capital charge "in a continuum of increasing sophistication and risk sensitivity".

Basic indicator approach (BIA): is the most straightforward approach. It uses a revenue-based proxy for scale and therefore risk at institutional/corporate level and an industry-wide calibrated rate, alpha factor for the institution. The capital requirement (K) is a multiple (alpha = 15%) of the average (positive) annual gross income as per formula below.

$$EI = \frac{\sum_{i=1}^{3} \max(Income_{t-i}, 0)}{\sum_{i=1}^{3} 1_{Income_{t-1>0}}}$$

$$K_{BIA} = EI_{i} \times 15\%$$

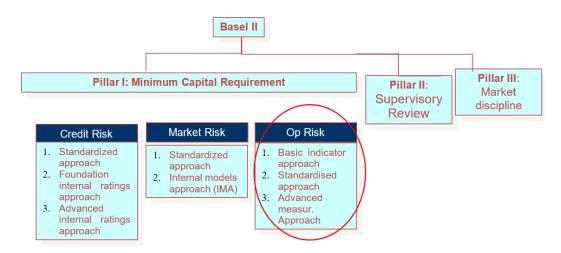
The Standardized Approach divides bank's activities into eight lines of business (BL), where each BL is assigned an exposure indicator which is as in the BIA and each BL assigned a single multiplier (beta) to reflect its relative riskiness. The formula of calculation is below.

The chart below, describes in a schematic way the composition of Basel 2 capital adequacy framework.

$$EI_{j,i} = \frac{\sum_{l=1}^{3} \max(Income_{j,l-i}, 0)}{3}$$

$$K_{SA} = \sum_{l=1}^{8} EI_{l} \cdot \beta_{l}$$

| Business lines       | Beta-factor |
|----------------------|-------------|
| Corporate Finance    | 18%         |
| Trading & Sales      | 18%         |
| Retail Banking       | 12%         |
| Commercial Banking   | 15%         |
| Payment & Settlement | 18%         |
| Agency Services      | 15%         |
| Retail Brokerage     | 12%         |
| Asset Management     | 12%         |



The adoption of Standardized Approach is subject to compliance with some specific requirements, based on Basel acceptance criteria, such as:

Board of Directors involvement

Implementation of an Operational Risk framework/system with integrity

Operational Risk resources

Bottom-up processes

Identification of "killer" risks as well as routine ones

Dynamic processes

Determination of risk appetite

Systematic tracking of losses

Both of the methods above are subject to some weaknesses, since the Income element is considered as a poor proxy for risk. On the other hand, there is no differentiation in capital for better managed institutions (lower operational risk loss profile for a given business size). There is no link at any internal Operational Risk management processes, only via the qualifying criteria to develop such processes. There are few incentives to reduce Operational Risk capital, apart from qualifying for an AMA (which includes use of the allocation mechanism and factoring in diversification benefits).

External risk transfer such as insurance coverage is not recognized and there is inconsistency with approaches for market risk and credit risk.

**Advanced Measurement Approach (AMA)** allows significant flexibility in using an internal risk measure as the basis for regulatory capital. It must be based on internal losses. Use of the AMA is subject to supervisory approval.

Therefore it is needed to perform some adjustments to the above for material changes in the measured control environment, or business mix, to the minimum gross loss threshold allowed to vary between and/or within banks (but must be broadly consistent with a bank's peers) as well as considering insurance coverage, partial use exception.

To classify losses for regulatory purposes, Basel created 7 event types:

Internal Theft and Fraud

External Theft and Fraud

**Employment Practices and Workplace Safety** 

Clients, Products and Business Practices

Damage to Physical Assets

**Business Disruption and Systems Failures** 

**Execution Delivery and Processes Management** 

Internal models are expected to deliver several benefits, such as:

Positive effects on reputation and perception by stakeholders (shareholders, clients, rating agencies, clients, etc.)

Flexibility with financial innovation

Reduce regulatory and economic capital

Reduction of compliance costs

Incentives to improve risk management processes and procedures.

# On site supervision of operational risk:

The main objective of the on-site supervision process is having a wider understanding of the way banking operations (business and risk profile) are carried out as well as the assurance the regulatory framework is being implemented correctly.

Depending on the scope of inspection (full, targeted, etc.) on-site analysis of Op Risk may involve several business areas or functions. Such as the business lines, central/local administrative departments, compliance issues and internal control system.

The on-site examiners may perform full analysis for overall examination and integration of results from focused analysis as well as Focused analysis such as cross sectorial, compliance, by business line ect. According to the scope of inspection, on-site examiners select the proper tool (for final rating refers to off-site matrix).

Qualitative analysis is the core business of inspections due to the endogenous nature of Operational Risk (dependence on firm's processes) as well as the fact that Operational risk is present in every sector.

Regarding quantitative analysis it aims to verify a proper calculation of capital requirement and the significance of calculated risk compared to business.

The operational risk is evaluated in three dimensions, its causes (what did not happened), its events (what happened) and Consequences (impacts of what happened).

It is important to evaluate as well whether the internal control has been sufficient to control causes and whether mitigating measures are adequate to minimize impacts.

# Operational risk in Albania

By decision nr 3 dt 19. 01. 2011 of the Supervisory Council of Bank of Albania approved the regulation on Operational risk management. The concept of operational risk management was introduced for the first time as a regulatory standard for the Albanian banking system, even though some of the banks had made progress with this regard, thanks to the fact that their mother banks are in the European Union countries. The approval of this regulation was a step forward toward the implementation of the EU best standards as well as Basel committee recommendations. The regulation introduced the definition of operational risk as well as qualitative requirements.

Based on article 4, point 3/a of the regulation "operational risk" is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes reputational and strategic risk.

An important topic in the regulation is the establishment of the operational risk management system, which includes:

the identification, with regard to/depending on the entity's activity size, of the operational risk at the entity;

the comprehensiveness of the expected events which may arise material operational risks to the entity (including those set forth in Annex 1 of this Regulation);

the policies to identify, assess, monitor and control or mitigate this risk, including and specifying (whenever possible) the allowed limits of the operational risk;

the more prior actions for the entity in the management process of operational risk, also including the scale and the transfer way of this risk out from the entity

Such system was not formalized until its introduction as a regulatory obligation and the Steering Committee has been defined as the responsible authority for the establishment and development of the operational risk management system of the bank. On the other hand, the Steering Council shall ensure that the system for the operational risk management goes through an effective and comprehensive internal control process by an independent, qualified and responsible staff.

Each bank should follow the necessary steps for the operational risk management, such as:

The identification and assessment of the operational risk

The monitoring and reporting of the operational risk

Control and mitigation of the operational risk

Having in place a Business Continuity Plan

From the supervisory point of view, banks are required to report periodically to Bank of Albania their risk events that may trigger significant losses. According to the regulation, there are 8 type of events:

Internal fraud

External fraud

Employment practices and workplace safety

Clients, products and business practices of the activities

Damage to physical assets

Business disruption and system failures

Execution, delivery and processes management

On the other hand, the regulation gives a list of the business lines as well as the activities related with each of them. The business lines are the same as those mentioned above in point 2.

Regarding the risk indicators, the regulation lists 7 key ones, as follows:

Legal case

Client complaints

Authorities complaints

Circulation of employees

Failure/interruption of the bank basic program

Doubtful operations with cards

Spread in cashiers' balance sheet

All the banks and the non-banking financial institutions report periodically the abovementioned information to the Supervision Department of Bank of Albania and the later uses such information for its offsite analysis as well as on-site inspections.

Even though the regulation includes only qualitative criteria, the operational risk quantitative measurement is foreseen in the regulation "On capital adequacy ratio". This regulation, approved in July 2013 from the Supervisory Council of Bank of Albania, is compliant with Basel 2 and includes three methods for the calculation of operational risk for capital adequacy purposes, the basic indicator approach, the standardized approach and the alternative indicators for certain business lines. In this way, it is completed even the quantitative element of operational risk management process.

Bank of Albania performs on-site inspections for operational risk, including IT risk issues. According to the Supervision Annual Report for 2014, the examinations carried out that year show that operational risk management has been improving upon the completion of the units in charge of this function, and the consolidation of the processes for the collection of data and the reporting of operational events. Banks show progress with regards to the perception on the importance of the internal analysis of operational risk data, and the use of the techniques to reduce this risk.

#### Conclusions

The introduction of the operational risk in the Basel 2 framework is an added value to the risk management practices in the banking system all over the world. Its quantification through three main approaches will make possible the allocation of capital charge for operational risk, by addressing in this way the concerns regarding the existence of such risks and the possible losses caused by a failure in the systems, people and internal processes. On the other hand, the principles for sound management of operational risk, will serve as a guideline for supervisors to assess the compliance of the banking system with these principles.

The situation in Albania is quite complete, first by implementing qualitative criteria as regulatory standards as well as by setting up a reporting framework of key risk indicators and losses incurred by business line. Second, the quantification of operational risk for capital adequacy ratio calculation purposes is an important step forward toward the implementation of Basel 2 and best supervisory standards.

# References

Basel Committee on Banking Supervision: Review of the Principles for the Sound Management of Operational Risk - 6 October 2014

Basel Committee on Banking Supervision - Basel 2 - Revised international capital framework

Bank of Albania - Regulation on capital adequacy ratio - 31 July 2013

Bank of Albania - Regulation "On the operational risk managment" 19. 01. 2011

## Subtyping Gambling Acitivities: Case of Korca City, Albania

Prof. Assoc. Dr. Besa SHAHINI

Department of Applied Statistics and Informatics, Faculty of Economy, University of Tirana- Albania

Tel: +355684018309, besa. shahini@unitir. edu. al besashahini@yahoo. com

PhD candidate: Emil FRASHERI

Department of Management, Faculty of Economy, University "Fan S. Noli"

efrasheri@hotmail. co. uk

## Abstract

Gambling research has grown dramatically over the past 2-3 decades, however a lack of consensus regarding the risk factors and gambling etiology related to youth problem gambling still remain. So a better understanding of the nature of youth problem gambling could help us to clarify the etiology of gambling problems. Understanding gambling subtypes is necessary to improve our understanding of the etiology of problem gambling. The prediction of problem gambling is related with the participation in gambling activities. It is necessary to obtain a structure of gambling activities, in order to better understand gambling related problems and to treat problems in a more specified manner. The aim of the study was to determine the appropriate structure of gambling activities using factor analysis in a confirmatory framework. Students are a particularly interesting population in which to study gambling. The research utilized a cross-sectional design and self-report questionnaires. The study concludes that the two-factor solution better represents the chance-and skill-based gambling activities. The first factor is most strongly associated with chance-based activities (lottery, bingo, scratch cards). The second factor is most strongly associated with activities that require some degree of skill (poker, roulette, sport bet, racing, etc.).

Keywords: Gambling, Latent classes, Probability

## Introduction

Problem gambling is being viewed increasingly as a behavioral addiction and has been re-classified as an addictive disorder in the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5)[1]. Although most people engage in gambling as a recreational activity, some people develop problems that can be linked to this behavior. Situational and structural characteristics of gambling activities may be important moderators of behavior and cognition in gambling and should be taken into account in explanations of gambling behavior. Research has tended to examine gambling as a single entity, incorporating a range of activities that are very different, or looked specifically at individual activities, but, recently, experts have raised concerns about the common practice of lumping together involvement in different activities in studies of the correlates of gambling and have suggested that this practice may be contributing to the contradictory findings that are frequently found in the literature [2]. Sub typing models are thought to have implications for understanding disordered gambling. Identifying different groups could have important implications for prevention and treatment responses.

## **Gambling Activities**

Gambling is an umbrella term that covers a number of activities. These activities include electronic gaming (slot) machines (EGMs), betting on horse/dog races, playing scratch cards, playing the lottery, playing keno, playing table games at a casino such as blackjack or roulette, playing bingo for money, betting on sport events, playing cards or other such games for money outside of a casino, and betting on games of skill such as billiards etc. It is clear that these activities are vastly different in terms of their configuration. Gambling activities can be categorized along several dimensions. One commonly drawn distinction is between games that are mainly or entirely based on chance and games that are skill (or perceived skill)-based to a certain extent. Lotteries, scratch cards and slot machines are examples of the first category, whereas poker is an example of the latter. However, while exists a general structure of skill and chance, the distinction is undoubtedly blurred at the level of the game as many gamblers are known to play chance based games with the illusion of control [3]. Slot machine playing is generally acknowledged as involving no skill and leading to an inevitable loss of money.

However, heavy slot machine players privately accept another belief: that their special knowledge of machines will provide a winning edge. Some research [4] suggested that irrational thoughts are commonly present among gamblers and that they may play a central role in maintaining gambling in games of chance. From the other side, sports betting is often characterized as a skill-based form of gambling, but several studies question this by demonstrating that 'experts' in sports betting fail to outperform a chance level of cash return. Similar to adults, adolescent problem gamblers are not a homogenous group. Hence, it is possible that different types of adolescents will engage in different gambling activities. A review of the literature showed that gambling activities are routinely treated as a homogeneous group. Recent research [5-7] has found that there are two dimensions underlying gambling among adults.

These dimensions distinguish between skill-and chance-based activities. However, another research study [8] among adolescents found that three dimensions underlie the 12 activities surveyed, representing the distinction between three types of gambling activities, specifically those that are chance-based (e. g., playing poker machines), those that involve gambling on activities which involve some degree of skill to select a winner (e. g., sports betting), and those which involve gambling on one's own skills (e. g., gambling on pool). Some individuals are drawn to gambling products such as poker and blackjack that involve an element of skill because they believe they are 'challenging' themselves in addition to competing against other players or the house.

In this sense, individuals might erroneously believe that, they can "improve" their gambling skill through learning and experience, because some games allow to some extent gamblers to attempt to use knowledge of the game to influence or predict the outcome (e. g. , poker, blackjack) which, in turn, could involve a period of regular (financial) losses. Other partially skill-based gambling types are sports betting, which would include horse racing, and speculation on the stock market. Individuals drawn to such gambling types tend to find pleasure in researching the event and testing their own "expertise" in the field while making their bets. Furthermore, these individuals are seeking to enhance the entertainment value of the event or the sport itself by betting on its outcome. In other words, they not only hope their team (or horse) will win but also they will enjoy a windfall from that event.

Measurement Issues Related the Structure of Gambling Activities and Adolescents Disordered Gambling

Having a set of observed variables (gambling activities' types), some statistical techniques can be applied in discovering which variables in the set form coherent subsets (subtypes) that are relatively independent of one another. Factor analysis attempts to achieve parsimony by explaining the maximum of amount of common variance in a correlation matrix using the smallest number of explanatory constructs (factors or latent variables). In factor analysis only the variance that each observed variable shares with other observed variables is available for analysis [9]. The process of deciding how many factors to keep is called extraction.

We retain only factors with large eigenvalues ( $\lambda$ >1). Selection of the number of factors is probably more critical than solution of extraction and rotational techniques. An additional technique is Horn's parallel analysis. Parallel analysis involves

comparing the size of the eigenvalues with those obtained from a randomly generated data set of the same size. Only those eigenvalues that exceed the corresponding values from the random data set are retained. This approach to identifying the correct number of factors to retain has been shown to be the most accurate, with both Kaiser's criterion and Catell's scree test tending to overestimate the number of factors. After extraction, rotation is used to improve the interpretability and scientific utility of the solution. The use of factor analysis is purely explanatory, usually performed in the early stages of research. It should be used only to guide future hypothesis, or to inform researchers about patterns within data sets. Confirmatory factor analysis (CFA) is associated with theory testing. CFA is much more sophisticated technique used in the advanced stages of the research process where variables are carefully and specifically chosen to reveal underlying processes. Confirmatory factor analysis (CFA) is used to study the relationships between a set of observed variables and a set of continuous latent variables. When the observed variables are categorical, CFA is also referred to as item response theory (IRT) analysis.

After the model has been specified and then estimated, the major question is, "Is it a good model?" One component of a "good" model is the fit between the sample covariance matrix and the estimated population covariance matrix. A good fit is sometimes indicated by a nonsignificant  $\chi^2$ . A  $\chi^2$  statistic is computed based upon the function minimum when the solution has converged. This value is multiplied by N-1 (N= number of participants) to yield the  $\chi^2$  value, consequently, with large samples, trivial differences between sample and estimated population covariance matrices are often significant. Because of this problem, numerous measures of model fit, which provide often a better gauge of fit, have been proposed. One very rough "rule of thumb" directly related to the  $\chi^2$  value is that a good-fitting model may be indicated when the ratio of the  $\chi^2$  to the degrees of freedom is less than two.

Fit indices are often used to supplement the  $\chi^2$  test to evaluate the acceptability of latent variable models. Since the introduction of model fit indices to the analysis of covariance structures, numerous fit indices based on different rationales have been proposed and studied. Comparative Fit Index (CFI) [10] and Tucker Lewis Index (TLI) [11] are incremental fit indices, measuring the improvement of fit by comparing the hypothesized model with a more restricted baseline model. Values can range from 0-1. For these indices, values above. 90 indicate reasonable fit. Values above. 95 indicate good model fit. CFI has smaller sampling variability than TLI. The Root Mean Square Error of Approximation (RMSEA) is a measure of "discrepancy per degree of freedom" in a model, estimating the lack of fit in a model compared to a perfect (saturated) model. RMSEA has a known distribution and, thus, permits the calculation of confidence intervals. It was suggested [12] that RMSEA values larger than 0. 1 are indicative of poor-fitting models, values in the range of 0. 05 to 0. 08 are indicative of fair fit and values less than 0. 05 are indicative of close fit. A cut-off value of RMSEA close to 0. 06 has been recommended. SRMR and WRMR are residual-based fit indices that measure the (weighted) average differences between the sample and estimated population variances and co-variances. SRMR-the standardized root mean-square residual [13] is an absolute measure of fit. It is defined as the standardized difference between the observed correlation and the predicted correlation.

A cut-off value close to 0. 08 has been recommended for SRMR. WRMR- Weighted Root-mean-square Residual [14] is suitable for models where sample statistics have widely disparate variances and when sample statistics are on different scales such as in models with mean and/or threshold structures. It is also suitable with non-normal outcomes. WRMR ≤ 1. 0 can be used to identify good simple models when N ≥500. Under severe no normality (with continuous variables), SRMR at a cutoff value close to 0. 7, the ML-based TLI and CFI at a cutoff value close to 0. 95 and WRMR at a cutoff value close to 1. 0 were still applicable when sample size was equal or larger than 500. Although stringent cut-offs (i. e. , >. 95 for CFI and TLI, <. 06 for RMSEA) have been recommended, and a cut-off lower than 1. 0 for WRMR has been identified, a recent research [15] has suggested that, strict adherence to these cut-off values often lead to erroneous results, as factor loadings in social sciences are typically lower.

## **Case Study**

The study included 726 students (60. 5% females, 39. 5% males) from the University of Korça, ranged from 18 to 23 years old. The survey was conducted between June and July, 2015. Data were collected using a self-reported questionnaire. We focused only on respondents who had played in at least one of the survey gambling activities on at least one occasion during the last 12 months. Participants were given a questionnaire during regular class time assessing their past gambling history, frequency of gambling behavior, types and number of gambling activities in which they engaged. The total time required for completion of the questionnaire was approximately 15 minutes.

Data was analyzed using SPSS and Mplus software packages. The term "gambling" was used to describe a widely varying array of activities. These activities included lotteries, bingo, scratch cards, sport betting, EGMs, race, poker, roulette, internet gambling, dice and other gambling activities outside of a casino. For each of the eleven gambling activities, respondents answered on a six-alternative scale: 0- never; 1- less than once monthly; 2- less than once weekly; 3- 1-2 times a week; 4- 3-5 times a week; 5- 6-7 times a week. The goal of the study was to determine the appropriate structure of gambling activities among the students using the appropriate statistical techniques. An exploratory factor analysis (EFA) in a confirmatory framework was conducted on the eleven gambling activities with both, orthogonal and oblique rotations using SPSS version 20 and Mplus software packages.

The sample size of 726 cases was considered as very good [16] for factor analysis. Prior to performing EFA, the suitability of data for factor analysis was assessed using several tests. Most of the values in the negative anti-image correlation matrix were small. The Kaiser-Meyer-Olkin value was. 822, exceeding the recommended value of. 6 [17] and Bartlett's Test of Sphericity reached statistical significance, supporting the factorability of the correlation matrix. The factor analysis revealed the presence of three factors with eigenvalues exceeding one, explaining 31. 375%, 14. 085% and 9. 296% of the variance respectively. (Table 1)

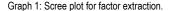
Table 1: Total Variance Explained in an extraction method with Principal Axis Factoring.

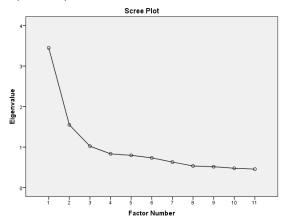
| Factor | Initial Ei | Initial Eigenvalues |              |        | Sums of Squared L | Rotation Sums of<br>Squared Loadings <sup>a</sup> |        |
|--------|------------|---------------------|--------------|--------|-------------------|---|--------|
|        | Total      | % of Variance       | Cumulative % | Total  | % of Variance     | Cumulative %                                      | Total  |
| 1      | 3. 451     | 31. 375             | 31. 375      | 2. 904 | 26. 398           | 26. 398   | 2. 668 |
| 2      | 1.549      | 14. 085             | 45. 460      | . 967  | 8. 789            | 35. 187   | 1. 355 |
| 3      | 1.023      | 9. 296              | 54. 757      | . 428  | 3. 890            | 39. 077   | 1. 221 |
| 4      | . 833      | 7. 572              | 62. 329      |        |                   |   |        |
| 5      | . 797      | 7. 245              | 69. 574      |        |                   |   |        |
| 6      | . 734      | 6. 676              | 76. 250      |        |                   |   |        |
| 7      | . 630      | 5. 729              | 81. 979      |        |                   |   |        |
| 8      | . 534      | 4. 851              | 86. 830      |        |                   |   |        |
| 9      | . 515      | 4. 681              | 91. 510      |        |                   |   |        |
| 10     | . 477      | 4. 340              | 95. 850      |        |                   |   |        |
| 11     | . 457      | 4. 150              | 100.000      |        |                   |   |        |

Source: Authors' calculations using SPSS.

Facing this situation, a parallel analysis was performed using SPSS syntax developed by O'Connor (2000). Parallel analysis is considered one of the most accurate and underutilized methods to determine the number of retainable factors [18]. Factors were retained whenever the eigenvalues from the original data for a given factor exceed the eigenvalues corresponding to the desired percentile (usually the 95th) of the distribution of random data eigenvalues.

The eigenvalues (computed from 100 random data sets) were used for comparison against eigenvalues computed from the original data set. The column of interest to us was the one in which eigenvalues were listed under the heading "Percentile." These values correspond to the 95th percentile of the eigenvalues for each factor that were obtained from the 100 randomly-generated data sets. We found that only two factor eigenvalues in this column were less than the factor eigenvalues from the original matrix, consequently, we can vest confidence that only the first two factors should be retained. (Table 2) However, an inspection of the scree plot did not reveal a clear break after the third factor. (Graph 1)





Source: Authors' calculations using SPSS.

Table 2: Comparison of Factor Analysis and Parallel Analysis eigenvalues.

Root Raw Data Means Percentile

1. 000000 3. 451229 1. 200333 1. 252757

2. 000000 1. 549401 1. 144502 1. 182812

3. 000000 1. 022605 1. 101225 1. 132791

4. 000000. 832928 1. 063902 1. 090765

5. 000000. 796974 1. 029892 1. 055062 6. 000000. 734369. 996430 1. 020813

7. 000000. 630160. 962671. 986745

8. 000000. 533592. 930471. 955453

9. 000000. 514863. 896816. 924672

10. 000000. 477368. 860240. 892883

11, 000000, 456510, 813517, 850535

Source: Authors' calculations.

The decision between orthogonal and oblique rotation was made as soon as the number of reliable factors was apparent.

Perhaps the best way to decide between orthogonal and oblique rotation was to request oblique rotation with the desired number of factors and look at the correlations among factors [9]. Looking at the correlation matrix with two factors and oblique rotation, the level of correlation matrix (. 306) was considered borderline between accepting an orthogonal solution versus dealing with the complexities of interpreting an oblique solution so, the simpler, orthogonal, solution with varimax rotation and two factors was evaluated.

Factors were interpreted through their factor loadings from table 3. After orthogonal rotation, the values in the loading matrix are correlations between variables and factors. It was decided to use a loading of. 45. Loadings under. 45 (20% of variance) were replaced by zero. (Table 3)

Table 3: Rotated Factor Matrix using Principal Axis Factoring with Varimax rotation.

|                  | Factor |       |
|------------------|--------|-------|
|                  | 1      | 2     |
| Poker            | . 714  |       |
| EGM              | . 642  | . 000 |
| Roulette         | . 630  | . 000 |
| Sport bet        | . 623  |       |
| Internet betting | . 586  |       |
| Race             | . 548  | . 000 |
| Dice             | . 458  | . 000 |
| Other            | . 000  |       |
| Bingo            |        | . 690 |
| Scratch cards    |        | . 583 |
| Lottery          | . 000  | . 474 |

Source: Authors' calculations using SPSS.

To interpret a factor, we tried to understand the underlying dimension that unifies the group of variables, loading on it. The two factors reflected the distinction between chance-based and skill or perceived skill-based gambling activities.

The first factor was most strongly associated with skill or perceived skill-based activities with some activities such as poker and roulette, which involve higher degree of skill, to have the highest loadings with the factor and some other partially skill or perceived skill-based activities such as sport bet, racing to have lower correlation with the same factor.

We labeled this factor SKILL.

The second factor was most strongly associated with chance-based activities such as bingo, scratchcards and was labeled CHANCE. The variable related to gambling activities outside of a casino such as cards play or billiards, labeled as OTHER, resulted to have a loading of. 147 on the first factor and was replaced with zero.

Most of the ordered categorical variables used in this analysis (7) resulted to have a no normal distribution with some of them having values of skewness and kurtosis greater than two and seven respectively. So, the multivariate normality assumption underlying the ML estimation was violated. Facing with this situation, some research [19], recommend concern, especially for kurtosis.

Consequently, adjustments to the  $\chi^2$  and standard errors based on a weight matrix derived from an estimate of multivariate kurtosis were made. Mplus prints this kurtosis adjustment, referred to as the "scaling correction factor" (SCF). When modeling ordered categorical data with at least five categories, treating the data as continuous in nature and employing ML estimation with the Satora-Benttler scaling methods appears to work well and has been recommended in this situation [20].

Taking into account that our variables were ordered categorical with six categories, the best recommendation was: 1) to treat data as continuous and to use S-B scaling methods with ML estimation or 2) to treat data as categorical and to use DWLS estimation.

One could employ and report findings from both S-B scaling and robust DWLS estimation [21].

Having so, an exploratory factor analysis in Mplus using two robust estimators (WLSMV and MLR) and GEOMIN OBLIQUE rotation, was performed. Running EFA for one to three factor models in Mplus, ordered categorical variables for the WLSMV estimator and continuous variables for the MLR estimator were used. The model with two factors resulted to have the best fit indices with both estimators as in tables below.

Table 4: EFA with one to three factors using WLSMV estimator.

| χ <sup>2</sup> test of model fit | 508. 355 | 107. 689 | 83. 212 |
|----------------------------------|----------|----------|---------|
| d. f.                            | 44       | 34       | 25      |
| p-value                          | . 0000   | . 0000   | . 0000  |
| RMSEA                            | . 121    | . 055    | . 057   |

| 90% C. I. for RMSEA | . 111. 130 | . 043. 066 | . 043. 070 |
|---------------------|------------|------------|------------|
| CFI                 | . 777      | . 965      | 972        |
| TLI                 | . 721      | . 943      | . 938      |
| SRMR                | . 091      | . 052      | . 039      |

Source: Authors' calculations using Mplus.

Table 5: EFA with one to three factors using MLR estimator.

| Fit indices                      | One factor | Two factors | Three factors |
|----------------------------------|------------|-------------|---------------|
| Nr. of parameters                | 33         | 43          | 52            |
| χ <sup>2</sup> test of model fit | 187. 347   | 65. 794     | 95. 502       |
| d. f.                            | 44         | 34          | 25            |
| p-value                          | . 0000     | . 0009      | . 0000        |
| SCF for MLR                      | 1. 926     | 2. 014      | 0. 947        |
| RMSEA                            | . 067      | . 036       | . 062         |
| 90% C. I. for RMSEA              | . 057. 067 | . 022. 049  | . 049. 076    |
| CFI                              | . 806      | . 975       | . 904         |
| TLI                              | . 757      | . 931       | . 790         |
| SRMR                             | . 071      | . 032       | . 026         |
| AIC                              | 21172. 018 | 20963. 664  | 20939. 573    |
| BIC                              | 21323. 407 | 21160. 929  | 21178. 125    |
| SSABIC                           | 21218. 622 | 21024. 390  | 21013. 010    |

Source: Authors' calculations using Mplus.

Using the WLSMV estimator, (Table 4) the models with two and three factors were comparable, with the two-factor model to have lower RMSEA and greater TLI, whereas the three-factor model had better CFI and SRMR. However, taking into account the parsimony, the two-factor model was more preferable. Using the MLR estimator (Table 5), the two-factor model performed better in most of the fit indices (RMSEA, CFI, TLI, BIC) and the ratio of  $\chi^2$  test of model fit divided by the degrees of freedom was less than two, reinforcing our previous judgment. In order to test the proposed model, CFA was performed, using different estimators, in Mplus 6. 12. A two-factor model was hypothesized: a SKILL factor (with poker, roulette, EGM, sport bet, race, internet and dice as indicators) and a CHANCE factor (with lottery, bingo and scratchcards serving as indicators). The goodness of fit was evaluated using a p-value of  $\chi^2$  of. 05 for the test of close fit. Additional fit indices included CFI, TLI, RMSEA, SRMR and WRMR (Table 6).

The ICs, considered in this study, were the commonly used AIC, BIC, and adjusted BIC. Comparing across all the models and sample sizes, there seems to be strong evidence that the BIC is the best of the ICs considered [22]. An examination of fit indices showed that the two factor solution, using robust estimators, had an acceptable fit, as demonstrated by the RMSEA, CFI, TLI and SRMR. The model  $\chi^2$  with all the estimators resulted to be significant, but with MLMV it was also less than two times the model degrees of freedom. This ratio gives a very rough indication that the model may fit the data. The results from CFA, using different robust estimators, revealed that, TLI, and CFI performed reasonably well with categorical model robust estimation (WLSM and WLSMV).

These results are consistent with previous research [23-24]. RMSEA performed better with ML estimators with values less than. 05 to indicate a good fit, whereas using DWLS estimators, the values of RMSEA were indicators of an acceptable fit. The values of SRMR were well below the cut-off value of. 08, indicating a good fit. WRMR values were greater than one with all the estimators. This is contrary to some previous recommendations [25], but we should not forget that, WRMR is an experimental fit statistic and could be ignored.

Table 6: CFA goodness-of-fit information using different robust estimators.

| Fit information | Three factors MLR | Two factors MLMV | Two factors<br>MLM | Two factors<br>MLR | Two factors<br>WLSM | Two factors<br>WLSMV |
|-----------------|-------------------|------------------|--------------------|--------------------|---------------------|----------------------|
| Obs. D. V.      | Continuous        | Continuous       | Continuous         | Continuous         | Ordered categorical | Ordered categorical  |

| Nr. of parameters    | 35         | 31         | 31         | 31         | 61       | 61       |
|----------------------|------------|------------|------------|------------|----------|----------|
| p-value              | . 0000     | . 0006     | . 0000     | . 0000     | . 0000   | . 0000   |
| χ² test of model fit | 92. 237    | 67. 351    | 75. 949    | 78. 160    | 181. 139 | 157. 643 |
| d. f.                | 42         | 34         | 34         | 34         | 34       | 34       |
| SCF for MLR,<br>MLM  | 1. 927     | -          | 1. 994     | 1. 937     | . 627    | -        |
| AIC                  | 20992. 896 | 19197. 287 | 19197. 287 | 19197. 287 | -        | -        |
| BIC                  | 21153. 460 | 19339. 501 | 19339. 501 | 19339. 501 | -        | -        |
| SSABIC               | 21042. 324 | 19241. 067 | 19241. 067 | 19241. 067 | -        | -        |
| RMSEA                | . 041      | . 037      | . 041      | . 042      | . 077    | . 071    |
| 90% C. I.            | . 029. 052 | . 024. 050 | . 029. 054 | . 030      | . 066    | . 060    |
| CFI                  | . 932      | . 924      | . 936      | . 938      | . 960    | . 941    |
| TLI                  | . 911      | . 900      | . 916      | . 918      | . 947    | . 922    |
| SRMR                 | . 047      | . 048      | . 048      | . 048      | -        | -        |
| WRMR                 | -          | 1. 216     | 1. 216     | -          | 1. 094   | 1. 248   |

Source: Authors' calculations using Mplus.

#### Conclusions

The result of the study revealed that, gambling activities are not a homogenous group, finding that, there are two dimensions underlying gambling among adolescents. These dimensions distinguish between skill-and chance-based activities. This finding reinforced previews research among adults. Inconsistent with other research among adolescents, this study found no differentiation between the skill-based gambling activities.

This can happen because this differentiation is slightly unclear and the types of activities can be specific for each country. In this study, based on a previous recommendation, several psychometric techniques were implemented using two types of robust estimators, treating the observed variables not only as ordered categorical, but, also, as continuous. This combination of psychometric techniques may be helpful to draw better conclusions in gambling-related future studies.

## Literature

- [1] American Psychiatric Association (APA). Diagnostic and Statistical Manual of Mental Disorders (DSM-5). Arlington, VA: American Psychiatric Publishing; 2013.
- [2]Griffiths, M. (2013). Trait expectations: Is there a "gambling personality?" Retrieved from http://www. psychologytoday. com/blog/in-excess/201302/trait-expectations-0.
- [3] Wohl, M. J. A., & Enzle, M. E. (2002). The deployment of personal luck: Sympathetic magic and illusory control in games of pure chance. Personality and Social Psychology Bulletin, 28, 1388–1397.
- [4] Gaboury, A. & Ladouceur, R. (1988). Irrational thinking and gambling. In W. R. Eadington (Ed. ), Gambling Research. "Proceedings of the Seventh International Conference on Gambling and Risk Taking, vol. 3 (pp. 142-163). Reno, Nevada: University of Nevada-Reno
- [5]Young, M., & Stevens, M. (2009). Player preferences and social harm: An analysis of the relationships between player characteristics, gambling modes, and problem gambling. International Journal ofMental Health and Addiction, 7, 262–279.
- [6] Stevens, M., & Young, M. (2010). Who plays what? Participation profiles in chance versus skill-based gambling. Journal of Gambling Studies, 26, 89-103
- [7] Holtgraves, T. (2009b). Gambling, gambling activities, and problem gambling. Psychology of Addictive Behaviors, 23, 295-302

- [8] Boldero, J. M., Bell, R. C., & Moore, S. M. (2010). Do gambling activity patterns predict gambling problems? A latent class analysis of gambling forms among Australian youth. International Gambling Studies, 10.
- [9] Tabachnick, B. G. & Fidell, L. S. (2007). Using multivariate statistics, fifth edition, 635, 646.
- [10] Bentler, P. M. (1988). Comparative fit indexes in structural models. Psychological Bulletin, 107, 238-246.
- [11] [Tucker and Lewis, 1973] L. R. Tucker and C. Lewis. A reliability coefficient for maximum likelihood factor analysis. Psychometrika, pages 1–10, 1973.
- [12] Browne MW, Cudeck R. Alternative Ways of Assessing Model Fit. In: Bollen K, Long J, editors. Testing Structural Equation Models. Sage; Newbury Park, CA: 1993. pp. 136–162.
- [13] Joreskog, K., & Sorbom, D. (1981). LISREL V: Analysis of linear structural relationships by the method of maximum likelihood. Chicago: National Educational Resources.
- [14] Muthén LK, Muthén BO. MPlus User's Guide, 2nd Version. Muthén & Muthén; Los Angeles: 1998-2001.
- [15] Perry, J. L. , Nicholls, A. R. , Clough, P. J. , & Crust, L. (2015). Assessing model fit: Caveats and recommendations for confirmatory factor analysis and exploratory structural equation modeling
- [16] Comfrey, AL and Lee, HB. (1992). A First Course in Factor Analysis. Hillsdale, NJ: Lawrence Erlbaum Associates
- [17] Kaiser HF. A Second-Generation Little Jiffy. Psychometrika. 1970; 35(4):401-15.
- [18] Fabrigar, L. R., Wegener, D. T., MacCallum, R. C., & Strahan, E. J. (1999). Evaluating the use of exploratory factor analysis in psychological research. Psychological Methods, 4(3), 272-299.
- [19] West, S. G., Finch, J. F. & Curran, P. J. (1995). Structural equation models with nonnormal variables. Problems and remedies. In R. H. Hoyle (Ed.). Structural equation modeling: Concepts, issues and applications (pp. 56-75). Newbury Park, CA: Sage
- [20] Rhemtulla M, Brosseau-Liard PE, Savalei V (2012). When can categorical variables be treated as continuous? A comparison of robust continuous and categorical SEM estimation methods under suboptimal conditions. Psychol Methods, 17, 354.
- [21] Finney, S. J., & DiStefano, C. (2013). Nonnormal and categorical data in structural equation modeling. In G. R. Hancock & R. O. Mueller (Eds.), Structural equation modeling: A second course (2nd ed., pp. 439–492). Charlotte, NC: Information Age Publishing, Inc.
- [22] Jedidi, K., Jagpal, H. S. and DeSarbo, W. S. (1997) 'Finite-mixture structural equation models for response-based segmentation and unobserved heterogeneity'. Marketing Science, 16 (1): 39-59.
- [23] Beauducel, A., & Herzberg, P. Y. (2006). On the performance of maximum likelihood versus means and variance adjusted weighted least squares estimation in CFA. Structural Equation Modeling, 13, 186 –203.
- [24] Hutchinson, S, R., & Olmos, A (1998). Behavior of descriptive fit indexes in confirmatory factor analysis using ordered categorical data. Structural Equation Modeling: A Multidisciplinary Journal, 5, 344-364.
- [25] Yu, C.-Y. & Muthén, B. (2002). Evaluation of model fit indices for latent variable models with categorical and continuous outcomes. Paper presented at the annual meeting of the American Educational Research Association, New Orleans, LA

# The Impact of Financial and Social Remittances in Perpetuating Migration (Albanian Migration Context)

Denisa Titili, PhD Cand.

Department of Social Sciences, University "Fan S. Noli"

xhafkadenisa@yahoo. com

#### Abstract

Since 1990 Albania has experienced massive external and international migration due to political, economical and social changes occurred in Albanian society. Albanian migration represents a variety of migratory experiences and a combination of different forms of migration (internal, external, temporary, permanent, etc) and destinations. Albania's contemporaneous mass emigration and internal migration over the short span of time since 1990 provides an excellent laboratory to study the inter links of these types of migration (King R, Skeldon R, & Vullnetari J, 2008: 33). Migration and remittances have changed the social face of Albanian society. Based on the theoretical framework of De Haas (2010) that social remittances can further strengthen migration aspiration, the aim of this paper is to highlight the impact of financial and social remittances from emigrants to Greece in encouraging internal (rural to urban) and external ongoing migration. Data collection will be provided by in-depth interviews. This paper will base on case-histories of Albanian families with different migratory experience to show off how emigration to Greece has lead to a subsequent internal migration within Albania.

**Keywords**: internal and international migration, social remittances, cultural change

#### Introduction

The idea that migration often leads to more migration is anything but new. The migration literature has particularly highlighted the migration-facilitating role of migrant networks. This idea is that, once a critical number of migrants have settled at the destination, migration become self-perpetuating because it creates the social structure to sustain it (Massey et al 1993, de Haas 2010). As the costs and risks of migration are lowered by social and informational networks, once established migration streams tend to gain their own momentum.

People migrate for a variety of reasons related to desire for better income gain, demand to improve living conditions, employment opportunities, socio-economic inequality between areas, etc. Massey et al (1993) note that the conditions that initiate international movement may be quite different from those that perpetuate it across time and space. They refer to the impact of migrant networks which facilitate migratory movements by reducing the costs and risks of movement to the new destination. De Haas (2010) highlights that social remittances can further strengthen migration aspiration. Based on these theoretical frameworks the aim of this paper is to analyze the impact of financial and social remittances from Albanian emigrants to Greece on determining people's motivation and ability to migrate.

Internal and international migration is one of the most dynamic and specifying phenomenon of Albanian society after 1990. International migration acts as a source of development and hope for the future for internal migrants, but has also created an economic dependence for migrants' families. Social and financial remittances from international migrants are not only a livelihood for internal migrants, but also a mechanism that encourages internal (rural to urban) and external ongoing migration.

The transition from a centrally planned economy to a free market economy, unemployment, the legacy of inefficient economic model from the former regime, the destruction of economic structures and political crisis of 1991 and 1997, were the main reasons that migration became the most satisfying solution to all major problems of Albanians.

By the end of 1990, about half a million Albanians have left the country in search of work and a better life. In 1995 the number of migrants is likely to have been between 450, 000 and 500, 000 (3/5 lived in Greece, 1/5 in Italy and 1/5 in Western Europe) (Albanian Housing and Population Census 2001). Besides emigration Albanian society has experienced the phenomenon of internal migration, expressed in massive urbanization of some areas and depopulation of the others.

The paper will first discuss the theoretical approaches focusing on the role of migrant networks and remittances on perpetuating migration phenomenon, while the second part of the paper will present two case-histories Albanian families which have experienced a complex migration trajectory including internal and international movements. Their life stories will be used as an empirical data to support the approaches mentioned before. Data derived from an ethnographic and participatory method, based on observation and in-depth interviews, which were useful in grasping families' migration trajectories.

## **Network theory**

Migrant networks are sets of interpersonal ties s that connect migrants, former migrants, and non migrants in origin and destination areas through ties of kinship, friendship, and shared community origin. They increase the likelihood of international movement because they lower the costs and risks of movement and increase the expected net returns to migration. Network connections constitute a form of social capital that people can draw upon to gain access to foreign employment. Once the number of migrants reaches a critical threshold, the expansion of networks reduces the costs and risks of movement, which causes the probability of migration to rise, which causes additional movement, which further expands the networks, and so on (Massey et al, 1993: 448-449).

## **Cumulative causation theory**

In addition to the growth of networks and the development of migrant supporting institutions, international migration sustains itself in other ways that make additional movement progressively more likely over time, a process called cumulative causation (Massey et al, 1993: 451). Causation is cumulative in that each act of migration alters the social context within which subsequent migration decisions are made, typically in ways that make additional movement more likely. The main mechanism that ensures the continuity of migration, according to cumulative causation theory is the accumulation of social capital, which includes knowledge and information that members of a particular community have about migration through family members, relatives or friends who have already migrated (Massey 1999, Fussel & Massey 2004). Any migratory movement creates a social capital about relatives or friends of migrants, which encourages migration, through which created more social capital that produces again migration (Fussel & Massey, 2004: 152).

In support of the cumulative causation theory De Haas (2010) highlighted the impact of financial and social remittances, as one of the most defining dynamics of self-perpetuating nature of migration. Financial remittances increase income inequalities between communities and sending residents, encouraging in them the desire to migrate. This is supported by the social remittances (Levitt, 1998) which include the flow of ideas, behaviors, identities, social capital from host to sending communities that affect the social life of non migrants by making them desire to migrate.

## The impact of financial and social remittances

Most studies focus on the impact of financial remittances in the economic development of the countries of origin. King et al, (2013) defines remittances as an important self-help mechanism for individuals and families, whose sacrifice of being away from their family, social group or their country is rewarded. Remittances contribute in increasing household income of migrants and improve their livelihoods. Immigrants through new financial resources also acquire a new social status. De Haas (2006) argues that migration phenomenon contributes to the creation of a new social stratification. Changes in cultural values and social stratification as well affect the extent to which economic and social benefits that come from migrants are distributed among their family, tribal group, etc. Based on a macroeconomic perspective financial remittances have played an important role in creating economic stability in Albania and managing trade deficit amounting to about 20% of GDP each

year (Vullnetari 2007, Gëdeshi I & Jorgoni E 2012). While from a micro level perspective financial remittances bring great economic benefits and social services for individuals and their families. The impact of financial remittances in improving economic situation of migrants' families creates the perception among non-migrant population that migration brings economic prosperity by promoting ongoing migration. Studies show that incomes from remittances are used to buy houses in the city by promoting rural to urban migration.

Besides financial remittances, researchers use the concept of social remittances to refer to the social and cultural impacts of migration to the country of origin as a result of ongoing contacts between migrants and the country of origin. Social remittances constitute a form of cultural diffusion that brings significant impacts on social and cultural values of sending communities (Levitt 1998, De Haas 2007, King et al, 2013).

Social remittance exchanges occur when migrants return to live in or visit their communities of origin, when non-migrants visit their migrant family members or through interchanges of letters, videos, phone calls. Social remittances travel through identifiable pathways; their source and destination are clear. Social remittance transmission occurs between individuals who know one another personally or who are connected to one another through mutual ties (Levitt, 1998: 936).

Researches differentiate between individual and collective social remittances; individuals communicate ideas and practices to each other in their roles as friends, family members, or neighbors. They also communicate in their capacity as members of organizations, hometown association, church (Levitt P & Lamba-Nieves D, 2011: 2).

Vullnetari (2012) treats social remittances as important channels of social and cultural transformation in Albanian society. The impact of social remittances on developing communities of origin depends on a number of factors such as length of stay, country of emigration, the intensity of interactions between migrants and the host society, social and economic context in which migrants settle, etc. In Albanian migration context financial and social remittances have facilitated the process of internal migration and have encouraged an imagination or expectation of ongoing international migration as well.

## Albanian migration- general background

Migration represents the most important social and economic phenomenon which has affected Albanian society after 1990. Over the last two decades migration phenomenon has been the center of economic, political, social and cultural transformation Albanian society has experienced. Albania's contemporaneous mass emigration and internal migration over the short span of time since 1990 provides an excellent laboratory to study the interlink between the two types of movement (King, Skeldon & Vullnetari, 2008; 33).

Changes that characterized the Albanian society in the first phase of transition were accompanied by the removal of control of population movements, which accompanied by the massive shift of population from rural to urban areas. About 900, 000 people moved from rural areas to urban centers as well as emigrated to other countries (INSTAT 2004: 10). The transition from a centralized economy to a free market economy, the high rate of unemployment, the destruction of economic structures and political crisis of 1991 and 1997, were the main reasons that emigration became more satisfactory solution for the major problems of Albanians. By the end of 1990, about half a million of Albanians have left the country in search of better life (Biberaj E, 2011: 37). Greece remains the main destination for Albanian emigrants from the south and southeast part of the country (IOM 2007, King & Skeldon 2010, Vullnetari 2012).

Internal and international migration in Albanian context should be studied by an integrated migration theory which considers the two types of migration as interlinked processes. King &

Skeldon (2010) consider international migration as an extension of internal migration. Both processes derive from similar causes related to inequalities in development between regions, countries, differences in employment, income, living conditions between cities, countries, etc.

Internal migration leads to international migration and vice versa.

Albanian migration is believed to have been commonly achieved in several phases. Many migrants have migrated internally before doing so internationally, others have initially migrated for a short time to Greece to finance the long-term migration

to a further country. Others have moved from rural to urban areas after they have migrated abroad, using financial remittances to facilitate their movement from the village to the city (King 2005, Gëdeshi & Jorgoni 2012, Vullnetari 2012).

Albanian migration trajectories are a combination of internal migration, international and return migration. The most common pattern in Albanian migration context is the emigration abroad, followed by a shift of the individual or family from rural to urban areas within the country.

From the perspective of internal migrants there is a significant correlation between the migration of people abroad and the movement of their family members from rural to urban centers. In most cases, internal migration is motivated and financially supported by the emigration of a member of the family.

#### Case studies

The first migration history belongs to Daniela and her family. Daniela is 35 years old, from Zëmblak village of Korça District. She got married in 1999 and emigrated to Greece with her husband one week after her wedding. They have a son and a daughter, who are born in Greece. Her husband comes from the same village and had emigrated in Thessaloniki (Greece) since he was 18 years old. He lived with his cousin (who had helped him establish and find work when he first arrived to Greece) in a small house and they used to share the rent of the house for several years. He continued to live in the same house with his wife for six months and then they (Daniela and her husband) moved to another house. After one year their son was born. For two years Daniela worked as a daily paid house cleaner, doing several works to Greek families. From 2002 she worked in a confectionery while her husband continued to work in constriction (he worked in construction since he first emigrated to Greece). They visited their village every year during summer time. Daniela's husband often sent money to his parents who lived in Zemblak village. They spent the money for daily needs and the rest of the money was saved. In 2005 Daniela's husband bought a shop in his ownership in Korca city with the money saved from their work in Greece. In 2006 their daughter was born. They continued to live and work in Greece until 2012 when Daniela and her family decided to come back to Albania. They moved to Korca city, and lived in a rented apartment. They invested to their estate, bought in 2005 in Korça city, by running a butcher shop. Since 2012 they both work in their family business and continue to live in a rented apartment in Korca city. They are planning to buy their own house in this city. During the interview Daniela tells many details from their live to Greece. She says "... we have sacrificed a lot during our stay in Greece and have helped many of our relatives and friends from our village who came to Greece next. We have helped them find work and even hold them in our house for a while until they established" (D. H, 34 years old).

The second history belongs to Koço (65 years old) and his family form Korça city. In 1990 he emigrated illegally in Athens (Greece) and found job as a decorator. He left behind his wife and his daughter and son. During the first year of his stay in Greece he tried to provide legal documents based on Greek ethnic origin of his grandfather. After getting the documents his family emigrated to Athens where they lived for 15 years. He continued to work as a decorator while his wife remained home looking after the children (they could afford life with his income). His daughter Heris finished the high school in Greece and then she attended a two year course for hairdresser. She married to Greece with an Albanian husband from Saranda (Albania) and worked as a hair dresser in Athens. They have two sons.

Koço's son returned in Albania in 2010 after he finished the high school in Greece. He decided to study in Tirana University (Tirana/ Albania). Two years later in 2012 Koço and his wife bought an apartment in Tirana city with money saved from work in Greece. They moved in Tirana and joined with their son who has just graduated and works as an interpreter of Greek language in Tirana city.

These case-histories of Albanian families represent a variation of migration patterns and different destinations. As it is mentioned above international migration may lead to internal movements. In both case- histories financial remittances and migrant networks play an important role in perpetuating migration phenomenon.

## References

Biberaj E., (2011), Shqipëria në tranzicion- Rruga e vështirë drejt demokracisë 1990- 2010, Instituti i Studimeve Ndërkomëtare, Tiranë AISS

De Haas H., (2010), The Internal Dynamics of Migration Processes: A Theoretical Inquiry, Journal of Ethnic and Migration Studies 36(10): 1587 - 1617

De Haas H., (2006), The social and cultural impacts of international migration on Moroccan, communities: a review, *Morocco & Netherlands: Society, Economy, Culture*, pp. 124-138

Fussel & Massey., (2004), The Limits to Cumulative Causation: International Migration From Mexican Urban Areas, Demography, Volume 41, Number 1, pp. 151-171

Gedeshi I & Jorgoni E, (2012), Social impact of emigration and rural- urban migration in Central and Eastern Europe (Albania), European Commission

INSTAT (2004), Migracioni në Shqiperi, Regjistrimi i popullsisë dhe i banesave 2001

IOM, (2007), The Republic of Albania Migration Profile

King R., Skeldon R & Vullnetari J, (2008), Internal and international migration: Bridging the theoretical divide, University of Sussex

King R., Skeldon R., (2010), 'Mind the Gap!' Integrating Approaches to Internal and International Migration, Journal of Ethnic and Migration Studies Vol. 36, No. 10, pp. 1619-1646

King, R., & Vullnetari, J. (2009). The intersections of gender and generations in Albanian migration, remittances and transnational care, *Journal Compilation, Swedish Society for Anthropology and Geography*, Vol. 91, 19-38

King et al., (2013),

Levitt P., (1998), Social Remittances; Migration Driven Local-Level Forms of Cultural Diffusion, *International migration Review*, Vol. 32, No. 4, pp. 926-948

Levitt P & Lamba-Nieves D., (2011), Social remittances revisited, *Journal of Ethics and Migration Studies, Vol. 38, No. 1,* 1-22

Massey et al., (1993), Theories of international migration: A review and appraisal, *Population and Development Review,* Vol. 19, No. 3, 431-466

Vullnetari J., (2007), Albanian migration and development: State of the art review, ISIMICOE

Working Paper, No. 18

Vullnetari J., (2012), Albania on move- links between internal and international migration, Amsterdam University Press

## Sovereign Between Homogeneity and the Social Diversity - Discourse on the Ideas of J. S. Mill

Eriseld Kalemaj kalemaj. eriseld@yahoo. com

University "Fan S. Noli" Korçë, Albania Faculty of Human and Natural Sciences Department of Social Sciences

#### Abstract

In the context of political philosophy, one main issue that needs to be discussed is the notion of "sovereign". The focus will be on the debate created following Rousseau's theory and the French Revolution. In this article, we pay attention to the philosophical controversial that the famous English philosopher J. S. Mill (1806 – 1873) displays as a well-known author of utilitarianism and as a precursor of liberalism. This discourse rises above the trend to deduce society and in this logic, it is justified the sovereign as an embodiment of unity on one hand, and on the other one, it is the action on the dynamic condition of society or the problem of individual freedom. The question that rises here is on how legitimate will be the political power in a comprehensive decision if it will violate the freedom of just one of the subjects of society. Thus, the efforts should be oriented to the way the political power is brought which will create a particular culture on doing politics. In this sense we should ask about the profile that a sovereign should have. Trying to understand this kind of profile, we should see the sovereign in a "triangle" of factors, such as: the community (custom or public opinion); the power (objective representative of society); and freedom of the individual (the moral subject).

Keywords: sovereign, social objectification, public opinion, individual freedom

## Introduction

The political philosophy behind the theory of Rousseau, which inspired French Revolution (1789 - 1799), motivated a different kind of discourse in the meaning of "Sovereign". In this environment were positioned some optics, which will comprise all the political discussion until our days. Communitarianism theory, historical and cultural concept of sovereign highlighted a fundamental problem. Subjective freedom, unique of the members inside a society made a serious obstacle in the creation of social objectivity, the objectivity that justifies the political power. Difficulty to measure the society in its totality became issue for giving solutions. This subject is treated extensively and profoundly by John S. Mill (1806-1873). Therefore, in this paper, in the 210 anniversary of his birth we will discuss the ideas that came today as actual.

Different theories used certain logics, to bring the sense of the sovereign power in the way of formal logic (deduction). Worth mentioning is the analytical philosophy, which is own focus puts in achieving clarity, objectification and measurable validity in empiric aspect. In this line is also utilitarianism, which distanced itself from the historical or cultural factor. This philosophy connects closely political power and political organization of the society on the bases of measurable criteria, which are found outside subjective condition. So, on the basis of objective criteria, that justifies and determines the human behaviour. Natural, philosophical and psychological meaning of human being must be the only foundation, from where to take life the sovereign. In some way, this was a return to the laws of nature. Empiric viewpoint emphasised mostly from British philosophy or baconian model, approached in political theory of T. Hobs.

Starting from the criteria of usefulness, classical utilitarianism (or classical liberalization) reduces the human meaning as perceptive being and psychological. On this premise, society becomes one, and according to the calculative logic of Bantam, what it was the benefit of all members of society had the tagger of power.

#### Freedom and the value of individual

"The critic" and in the same time continuer of this philosophical stream, John Stuart Mill didn't think the man was an object. From this premise, through mathematical logic is objectivized the society. From here we can create a measurable power and concise in his acts. Psychological state recognition (sensorial) it doesn't provide enough understanding of human nature. The human is distinguished from the natural condition, not only from the reason, but because he is free to choose. Choose not the tools, but the goals. This should be clearly differentiated! He is potential being, dynamic, subjective authentic, vital with sublime goals, so, variable and distinctive from his own human kind. Therefore, the judgment only in the perceptive condition would be a naivety, because considers the human in his biological aspirations.

With this, Mill exceeded the hedonism of Bentham, referring to the most intellective character pleasures and existential. Thus, the Bentham's relativism became a strong argument for the opponents of utilitarianism, with the dimension of the Mill's philosophy differs character.

In the notion of Mill "freedom" is highly a treaty over "individualism". Individual freedom is understood like an independent entity, but not isolated. The human is a being that opens towards the world, by creating himself. The notion "Eccentric" (Mill, on freedom, 85), term borrowed from astrophysics illustrate the meaning of individuality. The subject is the center from where is created the world, displays it as reality and this reality influences on the whole human cosmos where he belongs. At this opening arises always something new, which sublimes the simple fact of being human. Consequence of this is that value that Mill glorifies; social diversity and the variety of life experiences. So, the society should not be understood as individual relativity (Bentham), but as a plural community (Mill).

However, for Mill, the society in general is composed of members in perceptive condition. They remain superficial in lifestyle, thus forming a naive opinion or that is noun like "public opinion". Inside the social contests, should be evaluated the individual, like the being that creates an authentic universe, that goes behind the usual situation, or the pressure of general opinion. For this reason, Mill had his remarks on the democratic Sovereign form that motivated Bentham.

#### The relationship public opinion - political power and the position of individual

Sovereign majority is measured or is equal with the public opinion. In this sense, it is objectivized to general opinion. Social average becomes the main reference to indicate incentives and trends. In this meaning, sovereign "is dressed" with the authority of public opinion and his action is materialized like juridical and political act. As a constant condition, social contests, so the sovereign isn't a created authority but is attributed as given. The sovereign's the reason is the reason of the majority of society, an authority that is explained with the terms of conservatoires.

However, the public opinion is an "abstract phantasm" impersonal power that becomes indifferent to the particular circumstances. So, is other thing from the concrete public? Inspired from this force, the sovereign is transformed into identic power with collective mediocrity. This is what Mill's call "sovereign crowd" (Mill, 2014, p. 84), the way how democracy degenerates into ochlocracy.

But, we don't have to forget that "Over himself, over his body and mind, the individual is sovereign" (Mill, 2014, 16). The power of naïve majority has the right to rule and limit each individual, despite differences, that can have with the community conditions which is part. In this midst, the individual is not treated like value but as an object. He lost in crowd and with this he loses his self-identity. He identifies with the whole, by objectivizing his being. His own life is held by the others and is extinguished in him each original creation. He resigns himself to society, becoming like the others. Its internal value, subdues to the identification with the whole. In this sense, he becomes conformist, which imitates and passively accepts to subject to an abstract principle. So, "the individual sovereign" is pressed, because the majority objectivized the authentic subjects. This is an expression of human denaturation.

Thus, democracy as the domination of the people doesn't work, because those that have the power are not equivalent with those that pretend to self-directed. The individual necessarily obeys to one authority that does not come naturally, from his right over himself. Reasoned in this way, the sovereign becomes the opposite of what individual aspire. Social system cannot respond to diverse circumstances and situations. Social context can be precise in definitions, but it remains for

ordinary people, therefore inadequate to unique characters. Therefore, the utilitarianism of Bentham, through categorical judgments justifies a generalizing power, which is essentially violent.

The sovereign as reference to the opinion or to the amount of interests with communitarian comprehensive it is unduly deferential. The whole individual potential is technic zed through mathematical logic. "Theories of Social Selections" in this point is raised the question; with what right a community (suppose the voters) realize the unification of the interest, goals, quite different judgments to each of its members? Meanwhile, that its decisions could unfairly oppress minority potentials or certain individualities, as the result of this homogenous unification and galvanic? In other words, the problem lays in the diverse nature of society and political power, on the other hand, political power acts by thinking as a standard body, objective.

Then we must accept that any restriction of freedom is harmful?! The authorities are not fair and so it is best to ignore political and social power, by pretending for an anarchic rapport to community life. But will we guarantee the freedom of everyone?

## Minimalist state and the sovereign profile

From what we discussed, sovereign stands between social homogeneity (objectivity), from where the source of power and freedom (diversity) of individualities where he must act. The problem appearing is that political power is justified in principle; however, concrete environment in which it operates if will use the same logic, it would be contrary with the principle of sovereign. In this contradictory situation, the issue is, how should behave the political power? Under the conditions where a human is not a consistent and constant, where a member of majority who has decided in a certain moment, may change its position; Must the sovereign relies entirely on the reason of majority or should be adapted with the real conditions where it acts? So, how we should create a political system not only sustainable, but also right and functional?

Subjection to the public opinion is the easiest choice; generally, many of you think the individuality as a factor which complicates and greatly complicates the disintegration of social objectivity achievement. Thus, the uniqueness of the individual will always be in a confrontation with social sustainability. The challenge is to escape the hardness of the public in general. To these forces is manifested the personal progress, but also the originality of the human being. Therefore for Mill, we need to define a clear space that "... which is the limit of the right sovereignty of the individual over himself? Where begins the social power? In what extent life belongs to human individuality and in what to the society?" (Mill, 2014, p. 94)

At the beginning of humanity, the spontaneity and individuality was expressed intensively. The criterion reference or certain behaviours were missing, by creating a space action that remained to the coincidence. This was the moment of freedom that created confusion. Therefore, society as a whole, as unique and objective needed to fight this spontaneity. Precisely, to this purpose was born necessity of a power that organizes, directs and focuses the individuals in a particular behaviour. Under this reasoning, the law and rule is one that basically holds the power to structure human relationships. So, to make them more restrained, to cultivate the culture of the law and certain social norms. The society and the power that it creates, maintains the control of all individual impulses, obligates every person to create a similar and uniform attitude like everyone else. Until here, we haven't said anything more than, Hobbes' said, etc.

The criteria should be freedom of the individual. As we expressed above, it is not about the freedom of the will. Mill talks about the possibility of a qualitative freedom and space, where everyone can create his subjective reality. The boundary of this freedom is not impaired and the reciprocal obligation with others. Out of this contest ".... his freedom is absolute right" (Mill, 2014, p. 16). Important to note is; referring the respect to the freedom and uniqueness of every individual to go towards unity and community life. In this relationship, eventually is distinguished where is the limit of the authority society, how far goes the action of "the sovereign individual" in relation to himself. Therefore, reciprocity is taking responsibility and appropriating some tasks in social behaviour. Regarding the private behavioural and completely unrelated to the interests of society, the individual is not responsible for others, but at the moment that harms another space, there he is responsible. At this relationship takes life morality and law. There when is harmed the space of the individual or of the community, the sovereign becomes active.

Clearly are distinguished individualism and the obligations of social human. In this sense, the individualism doesn't mean egoism or indifferentism. So, his focus is in creating clear civil and social boarders that should motivate the individuality.

"...So, the nature and limits of the power that society may lawfully exercise over the individual" (Mill, 2014, p. 5). This power can restrict every aspect of life, except those that belong to him and only him, so, to the individual. On the basis of this criterion, the sovereign has the clear extent, duties and functions. In the opposite case, so, to the violation of the freedom, aiming to more power extension or inaction of power (not fulfilling the duty of the sovereign) it gives prerogative everyone for rebellion and rejection (resistance) over the power.

To protect the freedom of how individual realizes himself, the political power is reduced in his own defense, against violation of this space from the other or the community in general. So, political factor should be minimalist in his own subjects' life. If the sovereign intervenes, he must maintain control of the malicious nature that everyone has inside. So, to avoid his animal nature and his own selfish purposes, who does not care about the consequences of his action? Mostly, the sovereign has the primary obligation to guarantee the development of each show of individualism, which does not affect the coexistence with the other. Regarding the aspects that are not his prerogative, it would be excessive and unjust as power. So, the sovereign is not comprehensive and absolute against his own subjects. Referring to this postulate, should be guaranteed freedom of thought and expression, freedom to create individuality. Briefly, everyone to create his own world, so, to realize himself according to his abilities, character, passions, inclination or desire, of course up to the limits that has no damaging consequences for others. In the end political behavior or condition community should realize that ".... It is essential that different people be allowed to live different lives" (Milli, 2014, p. 80).

## Sovereign as an expression of statecraft

Despite from what we discussed, we cannot determine clearly the exact boundaries of political power. The human and his circumstances are so complex, that it is impossible to make an accurate distinction of the right of individual and the public law. The human will inevitably be in society and his individuality is associated with other individualities. Thus, in one way or another they will have to lose from their liberty. Then, the individual liberty is always in dangerous situations. But why is it so? What endanger to the extreme?

There are several reasons for this; first, the trend for more power to ourselves and that later to impose on others, second, the conformism due to social status (public opinion). The third reason which is related with the first two is the mentality that lifestyle issues must have one solution and only one. This is a moment where predominates a certain power, that as saying it owns the truth and out of this truth, you will be eliminated, abandoned, averted or otherwise "legitimize" enforcement masses. This is the road of tyranny, but also form of her expression. This would be a naive simplification, because life is irreducible, and the truth is complex. Two principles of Mill, which he never abandoned!

When political power is in synchrony with public opinion, it is more damaging. Opinion becomes overwhelming for any expression of individuality, hermetic and categorical in his domination. Collective mentality refuses to accept even the slightest error of it, even refusing to talk over. As well, not every individual has the prerogative of the truth. What should be done is to create a discussion environment – plural. "People and governments must act on the basis of their best ability." Absolute security does not exist, but exists enough certainly for the purposes of human life" (Milli, 2014, p. 26). Intersubjective conduction synthesizes interests, experiences, goals. . . . . Where every party is corrected, reaching a harmony of antagonisms between individual, society and political behaviour. In this way the society makes progress. Its dogmas do not remain solid. The individual understands and experience new experiences. Political power does not stand as a constant power, but is adapted to the pace and dynamics of the subjects in which it operates. Therefore, the sovereign cannot be the master of the truth (like operates the public opinion). He may not be a competent in all matters, which means, he has to listen, discuss before take decisions. By fleeing from abstract generalisation, sovereign decides to take into account the special circumstances, every individuality, and specific situation. Occurred in this moment of discussion, the best question will be this of Schiler "How we can achieve harmony without creating uniformity?" (Moggach, 2007, p. 7) The key is found in the notion "Harmony" The challenge of the sovereign is to create equilibrium in a society characterized by diversity, change and dynamics. For this reason, Michael Joseph Oakeshott sees that the sovereign is not juridical issue, nor the work of a concise logical, such as claims analytical philosophy, positivists, empiricism, realists. As well, is not a moral issue, custom or historical authority, how communitarian think, multiculturalists, conservationists, etc. ? Sovereign is the expression of the art of governance to ensure this harmony.

#### Conclusion

Holy for Mill is the freedom of individual. Therefore, he was against every kind of oppression starting from uniformity, tradition, public opinion, juridical systems or political power. More we add metaphysic, abstraction, rationality, institution, law, bureaucracy and many more political systems with ideal view to build, the more we will move away to the essence of life. The ideal of a political society would be less politics.

Conformism with naivety of public opinion will be the premise of a power that wills absolutes everything. This would be a perfect environment for the demagogues to take advantage, which satisfy the crowd, we manipulate that, by abusing in interest of personal egos. Tyranny of the majority fundamentally differs from a tyrant, the conversion of the power from public purpose to fulfil the personal whims. So, let's return to the tyrant sovereign that his freedom, his individuality makes quidance (compelling) for each other person. Social homogeneity, social objectivism it is indicative for a totalitarian (hermetic) mind. Where the sovereign has the power, but has not right. This is "the cult of the leader" that his point of view for the world, he wears to the all humankind.

The maxims of liberalism of Mill would become a warning for totalitarian systems in XX century. Even in the ideas, he is part of discourses of the political philosophy that characterised the time after him. In conclusion, we have to remember! The truth as well as the power are not owned, those are co-created. Naturally, their use requires the skills of art that melts in harmony all diversity parts of co-creators.

## **Biblography**

Bentham. J, Mill. J. S, "Utilitarzimi dhe shkrime të tjera", IPS&DITA 2000, Tiranë 2006

Spencer. H, "Njeriu kundër shtetit", IPLS&DITA 2000, Tiranë 2006

Kymlicka, W, "Contemporary political philosophy", Oxford University Press, 2002

Kalemaj, E, "Demokracia dhe rreziku i oklokracisë", Buletin shkencor, Universiteti 'Fan S. Noli', nr. 27, issn:2078-7111, f, 7-18, Korçë 2014.

Douglas Moggach School of Political Studies and Department of Philosophy University of Ottawa March 2007, f, 1-37

C. E. Merriam, Jr. History of the Theory of Sovereignty since Rousseau Batoche Books Kitchener Ontario Canada ISBN: 1-55273-062-X, 2001.

Kamitake. Yoshiro, "From democracy to ochlocracy", Hitosubashi Journal of Economics nr. 48, 2007, p; 83-93

Berlin. I, 2003 "Idetë filozofike të shekullit XX", Tiranë, Botimet "Onufri

Mill. J. S, "Mbi lirinë", Julvin 2, ISBN: 978-9928-137-31-9, Tiranë 2014

Nagle. J. D, "Comparative Politics, political system performance in three worlds", Nelson - Hall Publishers, ISBN: 0-8304-1299-9, Chicago 1992

Huemer. M, "The problem of political authority", Palgrave Macmillan, ISBN: 978-1-137-28164, New York 2013

# Aggressiveness in Adolescents Aged 15-18 Years Old, Under the Influence of Social Environment and the Introduction of New Technologies in Every Day Life.

Flora Lamcja (Zeqaj)

European University of Tirana, Albania, Tirana

flora. lamcja@yahoo. com

Armando Zegaj

European University of Tirana, Albania, Tirana.

armandozeqaj@gmail. com

## Objectives:

- To collect data and facts about the aggressiviness expression of adolescents aged 15-18, under the influence of social environment and the introduction of new technologies in everyday life.
- To draw conclusions about the influence of the above factors.

**Hypothesis**: The inappropriate social environment and the presence of the new technology in everyday life influence on the expression of the aggression by the young people.

**The research question**: Which is the connection that exists between the expression of the aggression and the social and technological environment in everyday life of adolescents aged 15-18years old.

#### **Abstract**

Agression is a difficult concept to define. It is used and misused widely (Scott 1975). People still argue about aggression. The social psychologist Robert Baron (1983), defines aggression as a behavior that intends to harm another who does not want to be harm. The aggressive behavior can be in various forms. It can be a physical or verbal behavior such as threats and it can be an indirect action. Aggression is a behavior, but it can be accompanied with emotion (anger) and it is influenced by emotions. Roger Johnson (1972) claimed that aggression is a concept with many forms and it can be influenced by many factors. Aggressive behaviors are present in the adolescents' daily routines by becoming a cause for reducing the quality of life, for different conflicts in the society even for the disruption of the internal disbalance. All these problems created the idea of a study in order to observe closely and to find which the problems of this aggression are and how this phenomenon can be prevented to the youth. In order to find out how does the social and technological environment effects on the increase of aggression to young people. This study is focued on the adolescents aged 15-18 by observing their different problems related to the manifestations of aggressive behaviors. The study's results corroborate the hypothesis abou the fact that the social and technological environment effects on the expression of aggression of the adolescents aged 15-18 (the sample of above study).

**Keywords:** Aggression, Influence, Adolescents, Social Environment, technology.

## Theoretical concepts.

Aggression is a behavior, but it can be accompanied with emotion( anger ) and it is influenced by emotions. Roger Johnson (1972) claimed that aggression is a concept with several dimensions and it can be influenced by many factors. Phsycologist have studied the relation between the aggression and other factors such as: heredity, sex, territory, echology, physiology, developments, learning and social organization. Theories about aggression. Aggression is studied in four perspectives: in the perspective of the theory instics, frustration-aggression theory, social learning theory and the social cognitive theory. The oldest theory about aggression claims that humans are aggressive from their nature. Probably the wellknown supporter of the old theory was Sigmund Freud (1930) who argued that aggression is the result of the instinct of death where all humans are born. Freud laid the idea when the negative powers increase they must be released through aggressive behaviors.

## Main sources of aggression based on the concepts of Freud:

- 1) Dehumanization on the process of production and consumption. The technical progress is equal to the disappearance of the largest initiative, expectations, tastes and personal needs by offering goods and services. This trend is liberating if the available sources and techniques are used to relieve the man from work and enjoyment whichi are required for replication of the existing institutions if they are parasitic, useless and inhuman in comparison with the existing and intellectual technical opportunities.
- 2) The conditions of the crowd, the noise and manifestation and the characterstics of the mass society. As it is stated by Rene Dubo, the needs for "peace, privacy, independence, and initiative, and for some free space" are not "whims or luxuries, but they present the real biological needs". Their absence damages the insticual structure. Freud emphasized the "asocial" character of Eros, whereas the massive society reaches an "oversocialization" to which the individuals react "with all sorts of frustrations, oppression, aggression and fears".

The social usage of aggression belongs to the historical structure of civilization and it has been a powerful developing tool. However, there has been a stage when the amount can be turned into quality and it might subvert the normal balance between two primar instictics in favor of destruction. In fact, the real risk of the abundant society is the possible reduction of labour until to the level when the human organism would not need to function as a working tool. In order to fight against the capitalist mode of production (and against all exploitative ways of production) is sufficient the reduction of power needs of human labor.

The system reacts by developing the production of goods and services that do not expand the individual consumption, or expand with luxury goods, or luxury of persistent poverty, but it is the necessary luxury in order to keep busy with work the necessary power to reproduce existent political and economical institutions. In the moment when this kind of employment seems superfluous, senseless and unnecessary, but at the same time it seems necessary to earn enough money to survive, frustration appears to the productivity of this society and in this way the aggression is activated.

According to the degree of the aggression that the societies, even in their structure, adupts even the mental structure of citizens: the individual becomes in the same time, more aggressive, more pliable because it submitted a society which with its vain quality and power satisfies his deepest instinctive needs (which are otherwise the most pressing). Preparing for a disaster make people more calereless in spending money, more than if they were in the creation phase for constructive purposes. Why does this happen, I do not know, but I have noticed over a period in the Senat, that buying weapons to kill, to destroy things or cities and to wipe out cities has something that make people do not appreciate as it really is the dollar's value when they think for a new home or for the health care of human beings.

The most telling issue which distinguishes the new forms from the old ones, is that what is called aggression and technological fulfillment. The phenomena can be described shortly in this way: the act of aggression physically carried by a mechanism which has a high degree of automatization, with a bigger power of that of human who put its in the right functions. The most extreme case are the rockets and missiles, the most ordinary case of autmobolies. This means that the energy, the power which is activitated and consumed by that of mechanical, electrical or nuclear of the "item" and not the electrical instinctive of human beings.

Therefore, the aggression will be transformed from the "subject to an object" or at least it will be "mediated" from the object and the target is destroyed by the item, not from the individual. This change in the relations between the human energy and that of material, physical part and that of human aggression (the man becomes the subject and the agent of aggression thorugh his mental abilities more than physical ones) should also affect even dhe mental dynamics. I set a hypothesis which is suggested by the inner logic of the process: by "deputing" the destruction to an object or to a set of things, more or less automatic, instinctual satisfaction of human beings is "interrupted", reduced, frustrated or "over hardened".

All these kinds of frustrations bring repition and escalation: increasing violence, speed and focus expansion. In the same time, the personal responsibility, awareness and the guilt feeble weaken or scatter, separate from the actual context where the aggression was created (for example, during the bombing) and it is set in a context more or less harmless (impolite behavior, sexual inadequacy etc). This reaction is due to a considerable weakening the sense of guilt, and even the defense ( (hatred or anger) is removed by the real responsible entity (the commanding officer, government) to a substitute person: therefore, I did not do it as an active individual (moral or physical) but the object, the machine. (Herbet Marcuse, 1967)

The machine: the word itself suggests that a device composed by human beings may be replaced from a mechanical device/apparatus: bureaucracy, administration, the party or organization is the responsible agent; whereas I, the invidual person, was just the vehicle, object. An object also can not take responsibility, in any moral sense, or can not be guilted all the time. Therefore, another barrier to the aggression is eliminated and the civilization has raised a long process of discipline. Moreover, the expansion of advancing capitalism is included in a fateful dialectic decision that comes and pushes forward the economical and political dynamics: the more powerful and "technological" the aggression is, the less convenient it is to satisfy and pacify the primary impuls, the more it tends toward repetition and escalation.

Naturally, the use of instruments of aggression is as old as the civilization itself, but there is a decisive difference between technological aggression and primitive forms. The latter were not quantitively different (weaker): they required activation or engagement of the body to a much higher degree than the automated and semi-automated instruments of aggression. The "knife" the blunt instrument, even the revolver are far more part of the indivual who uses them and they associate him more closely to his target. The technological aggression releases a mental dynamic which aggravates the destructive, antierotic tendencies of the puritan complex. The new ways of aggression destroy without getting the one's hands dirty, one's body soiled, one's mind incriminated. The killer remains clean phycially and mentally. The purity of his deadly work obtains added sanction if it is directed against the national enemy in the national interest.

The encroachment of aggression on the domain of the lifeinsticts and also devalues the aesthetic dimension. In Eros and Civilization I have tried to show the erotic component of this dimension. Nonfuctional, that is to say, not committed to the functioning of a repressive society, the aesthetic values have been strong protectors of Eros in civilization. Nature is part of this dimension. Eros seeks, in polymorphus forms, its own sensuous world of fulfillment, its own "natural" environment. But only in a protective world- protected from daily business, from noise, crowds, waste only thus can it satisfy the biological need for satisfaction (Herbet Marcuse, 1967). The aggressive business practices which turn eeven more of protective nature into a medium of commercial fulfillment or fund, thus do not merely effend beauty-they repress the biological necessities. Once we agreeto discuss the hypothesis that, in advanced industrial society surplus-aggression is released in quite unsuspected and "normal" behavior, then we may see it even in areas which are removed from the more familiar manifestations of aggression, for instance the style of publicity and information practiced by mass media.

The characteristic is the permanent repetition: the same advertisement, with the same text or picture is broadcasted or televised again and again: the same phrases or cliches poured out by the purveyors and makers of information repeatedly, the same programs and platforms professed by the politicians again and again. Freud created his concept of the death instinct in the context of his analysis of the "repetition compulsion": he associated this with the striving for a state of complete inertia, absence of tension, return to the womb and annihilation. Even in its less extreme use, constant repetition imposed upon more or less captive audiences, may be destructive: by destroying mental autonomy, freedom of thought, responsibility and conductive to inertia, submission, rejection of change. The

established society which is the master of repetition becomes the great womb for the citiziens. In order to be sure, this road to inertia and this reduction of tension is one of high and not satisfactory sublimation: it does not lead to an instinctual nirvana of satisfaction. However, it may well reduce the stress of intelligence, the pain and tension which accompany autonomous mental activity- thus it may be an effective aggression against the mind in its socially disturbing, critical functions.

Moreover, the psychological impacts and the adaptation with the environment are lead towards physical threats to environmental effects such as climate change due to global warming which are inherent to the adaption of people towards them. Societies and individuals are affected by environmental threads or by the physical effects of global climate because these two elements, thus humanity and the environment can not be separated from each other.

#### The methodology:

Ky studim eshte bazuar ne metoden sasiore per mbledhjen e te dhenave e fakteve nga kampioni i perfshire ne studim. Per realiizimn e ketij studimi u perdoren instrumentet perkatese per mbledhjen e te dhenave rreth hipotezese ngritur ne studim. Keshtu u perdoren pyetesore dhe intervista me kampionet e perzgjedhur ne studim, dhe u siguruan nje sere te dhenash konkrete per temen e studimit. Me pas u realizua perllogaritja e tyre, duke dale ne perfundime e rezultate konkrete rreth studimit te kryer.

This study is based on the quantitive method for collecting the data and facts from the sample which is included in the study. For the realization of this study were used instruments for collecting relevant data about the hypothesis raised in the study. Therefore, there were used questionnaires and interviews with the selected study samples and provided a concrete number of data for the topic of the study. After that, it was calculation was conducted, by concluding the concrete results about the study.

Results of the study.

Table 1.

| Adolescents aged 15-<br>18   | The expression of aggression | The level of concentration | The establishment of social relations and communication | Show anxious symptoms |
|--|------------------------------|----------------------------|---|-----------------------|
| Use with no criteria the technology in their everyday life.          | 60-70%                       | 45-55%                     | 40-50%  | 60%                   |
| Use of technology in controlled ways.                                | 25-35%                       | 70-75%                     | 85-90%  | 20%                   |
| The influence of social environment on the behaviors of adolescents. | 65%                          | 70%                        | 80%   | 40%                   |

From the study it was found that the young people who use the new technology inappropriately by avoiding the natural pattern of human nature, present different problems in socialization, undermining the quality of daily life. These young people mostly manifest aggressive behaviors with their daily relationships; therefore they behave badly even with the people around them. They partially lose the verbal communication with the society and they have lack of concentration/focus on everyday problems, they lose interest of their tasks that they should complete. Some of them create a kind of dependency on technology, whereas some others feel a kind of anxiety in order to be adapted with the new technologies which are present in their everyday life. A particular effect on their behaviors has even the social environment where adolescents live. From this study it was found that the inappropriate social environment influences 65% of aggressive behaviors to adolescents, 70% in the level of their concentration, 40% in emergence of anxiety symptoms and 80% in the establishment of social relations and communication. This study comes to conclusion that the social environment plays a special role in

the adolescents' behaviors, creating social relationships between them and the environment that surrounds them. The inappropriate social environment brings the emergence of these bad and deviant behaviors to adolescents. Furthermore, the usage of new technologies without any criteria causes the emergence of aggressiveness, anxious, lack of verbal communication with the society etc. The new technologies should be seen as an aid to human life and to adapt gradually with the social environment where we live without creating independence, without losing the natural pattern of human life.

#### References

Herbert Marcuse. Copyright 1968 by Herbert Marcuse. Translations from German copyright 1968 by Beacon Press. Reprinted by permission of Beacon Press, Boston.

Robert A. Baron (1983). The Control of Human Aggression: An Optimistic Perspective. Journal of Social and Clinical Psychology: Vol. 1, No. 2, pp. 97-119.

Roger N. Johnson. Aggression in man and animals. Saunders: Philadelphia, London, Toronto, 1972, pp. 22

Sigmund Freud, Civilization and Its Discontents (1930) New York: Norton, pp 94-105.

## Professional Education for Traditional Crafts in Kosovo

Kastriot Haxhiu, PhD Cand.

Professor Technical Secondary School "Nexhmedin Nixha", Gjakova

#### Abstract

Youth vocational education belongs to the general sphere of an individual education, having in mind that regular education is not a conclusion but an ongoing process. Knowledge is not limited to or has any limits whatsoever, but simply are one of the conditions to materialize lifelong education. Requirements to approach the European community dictate the need for the Kosovar society in general and its youth in particular must continue their education to meet the challenges and obstacles of life are changing rapidly. The use of new technologies is one of the most dramatic changes in professional education. Along with this new reality that is before us young people must inevitably continue to track participation in vocational education as one of the alternatives for easier access to employment and development their career. Qualified professions and crafts are those jobs or activities that produce products made by individuals or providing specialized technological services. Qualifications for these specialized professions and crafts are obtained through professional education based on concrete programs. To motivate young people to attend a vocational training as a prerequisite to reach easily to the labor market, the Kosovar state needs a reforming flexibility in curriculum reorientation of vocational training. Therefore, result oriented efficient training programs must be catalyst for young Kosovar today in continuing education in professional schools.

**Keywords:** Vocational education, vocational programs, curricula, youth, crafts.

#### Purpose of the study

The overall goal of this study is to identify current opportunities to change the vocational programs near Vocational Training Centre's and vocational higher secondary, for young people who have no profession or do not attend tertiary education, with the aim of undertaking initiatives to improve vocational training services in the country. Basic purpose is the revitalization of traditional crafts being adapted to the technology of the time and stimulates the dialogue between the parties involved in this structure.

## Methodology

The paper was conducted including the analysis of relevant literature (articles in various electronic and daily Kosovar magazines). Field meetings with experts and institutions, sample design and methodology of the survey and its implementation through interviews and questionnaires

#### Preamble

Education is one of the most important areas of every society and every system. Education is a sector that not only leads the society, but also strongly affected by it and the changes that occur to it. The fact that education systems are in permanent change, it serves to better adapt to social change and move with the pace of time, always to the benefit of economic and social development.

Vocational education affects labor force participation and has broader social benefits. Higher education significantly advances the chances for employment and enables their involvement in the labor market. The job market today requires professionals. Traditional products and the technological evolution have increased the requirement for professional workers.

How prepared is a Young Kosovar today for these technological developments? What our professional schools have to offer? Do professional programs for traditional crafts? Basically there are some questions which young and Kosovar Artisan responded with direct interviews.

Not so welcoming responses are obtained from the youth and "artists" of traditional occupations. Reasons and factors should be found and examined. Analysis for strategic change program should be a national priority alongside other legal reforms.

Ministry of Education Science and Technology (MEST) in Kosovo, has taken some initial steps, such as the development of curricula, the construction of school buildings, the regulation of professional teaching staff and the opening of various professional directions. But these steps have already stagnated. Replacement of generations who complete upper secondary schools is yearly, they require training that enables learning a craft which is competitive for the labor market.

Traditional crafts in Kosovo are fading away day by day. According to those involved in this work, crafts have turned into a non-profitable work. This may be one of the reasons why young people do not want to continue the trade of their ancestors

The stories of European countries show that many of these states jealously preserve traditional crafts. France has a small village with artisans, in which the whole village is engaged in making characteristic hats. In Italy there is also a small village, and they all are in engaged in ceramic works. Albania has a historical city which mainly deals with the copper and clay works. Turkey has many places where traditional crafts ensure a good life and help the country's economic development, especially the tourist sector.

As commercial competition globally is increasing rapidly, new technologies have created an era of information which reflects the way how different organizations, including educational institutions generate and administer their services, changing ways and forms of communication and use of information. Integration of Information and Communication Technology (ICT) in vocational education has been one of the main aspects of the development of education of the population of European countries.

An inevitable aspect of this new reality of the knowledge society is the need to change the approach to vocational education, knowing that the participation of adults in Kosovo in professional education, compared with European countries remains low, due to many factors and circumstances.

Therefore, a co-operation between traditional crafts and new technology could motivate a young Kosovar to continue his personal education in higher vocational secondary schools.

Professional trainings for traditional crafts

The Government of the Republic of Kosovo is committed to upholding the right of every person to be educated within a choice of lifelong learning, regardless of gender, age, religion, ethnicity and disability (Education Strategic Plan Kosovo 2011-2016, pg. 54).

Besides attention and support given to vocational training in recent years by the Kosovo government, unfortunately, as in the past, politicians or governments, have done nothing but continued in line with the policy of rhetoric upholding the opinion that youth needs a profession.

Various crafts in sectors such as construction and decoration of the interior, metal works, work with wood and plastic, clothing, textiles and leather, food industry, chemical sector and the sector of cleaning, maintenance and management of computer networks, web design, graphic design are some of the requirements of the market today. Qualifications for these specialized professions and crafts are obtained through vocational training.

Occupations like farming, agriculture, fishing, handicrafts, soft industry are also among professions that have greater employment opportunities in Kosovo. Not any well-thought policy that can bring long-term development was implemented in terms of preparation of young people for career profession.

Question: How much are the traditional crafts endangered and what is the reason?

I will pick out several quotations by historians, jurists and experts of heritage in Gjakova: "In the Grand Bazaar (Qarshia e Madhe) of Gjakova, since its establishment, dozens of crafts were practiced, ranging from gunsmiths, goldsmiths, kettle crafts, leather workers, tailors, embroiderers, carpenters, fez makers, , saddlery, albanian traditional shoes(, opinga makers), etc. Most of them have already ceased their activity". "Grand Bazaar of Gjakova was also the main center, the most powerful, economic city. " "Sometimes personally I have been companion and translator of delegations, tourists from Italy, Germany, France, England, Turkey, America, Israel, etc. , None was left to leave without a lunch, dinner, gifts, souvenirs, national or religious garments, and they slept in hostel's" ("Koha Ditore" newspaper, Gazmend Doli, p. 26).

There are similar cases in all other cities of Kosovo like in Prizren, razor crafts,... Pristina, Peja (Craft tray (zeja tabakeve)-is among the best known and the oldest, not only in Kosovo but all over the Balkans), Gjilan as well... each of these regions has crafts that are characteristics of those settlements.

In this indifference or disregard to these professions have influenced and still are, a number of factors. Therefore it is common to analyze the factors and circumstances that we think have an impact on the establishment of greater interest of adults, for participation in vocational education.

Lack of full functional relationship between ministries or municipal departments regarding education and training of adults (despite several late attempts, which come as a non-fussy reaction of Kosovar institutions) is considered as the primary factor. Lack of youth support from family and community, because of the social attitude towards traditional crafts which are seen as non-profit and belonging to the past, it's the very next factor. Lack of strategy on the creation of a school program on craftsmanship in vocational schools is an essential factor of no interest from the government for cultural heritage. These are three basic reasons why traditional crafts are being vanished. All these come from direct interviews with the surveyed population.

Here's an idea: vocational schools have a different nature from mainstream schools. To answer this challenge, we need to create a somewhat different world regarding vocational schools otherwise one can be left away. Union of vocational education with vocational formation can materialize it, accomplish it, connect it with business, enhance students and enable them to be employed at the businesses or enterprises where they have completed practice.

Creating a center of craftsmen is seen as the only salvation for ancient crafts, which are on the verge of bankruptcy, because they cannot withstand the competition, which comes as a result of technological development. Besides, the compilation of the curricula plan on these crafts depending on the specifics of Municipalities would be a push towards saving these traditional crafts in correlation with the awakening an interest of young people for these professions which are directly related to market work.

"Taking into account current trends, the establishment of the center of craftsmen, in which space every tourist would have the opportunity to see the creation of souvenirs and handicrafts from the craftsmen directly, would be a right step towards conservation of Prizren tradition, "said a Prizren craftsman. (http://koha. net/)

The opening of the craftsmen is not a big problem for the government, but to ensure its continuity it needs a professional infrastructure and a panel in various fields. The opening of classes in vocational high schools with crafts and traditional crafts, development of adequate curricula and cooperation with the respective communities would be an initial initiative to rescue from bankruptcy these historic old crafts that represent national identity. Municipalities would have full autonomy in the selection of craft profile, based on market requirements and local artistic heritage.

Requirements of the European Union (EU) call for the Kosovo society and institutions dealing directly with vocational education in particular to pay greater importance to training and youth training. Additionally Kosovo is required to show its cultural heritage within the EU countries.

#### Achievements and weaknesses of education in Kosovo

In postwar Kosovo are taken very big steps in building school infrastructure. Tangible investments have taken place everywhere. With the help of international donations it has managed to reach projections and realized a very solid educational system in terms of educational facilities and capacity development programs, as well as in the preparation of teachers' qualifications. Some of the actions undertaken were not realized until the end, stagnation which has created gaps in educational and vocational training in particular not harmonizing training programs with market demand and also because of the lack of money, therefore (according to officials of relevant ministries) there is no constant research of the market needs nor innovations in the involvement of new technological programs.

Among the weaknesses in vocational education in Kosovo (around 10) I will present only four essential ones:

Internship programs are not designed through genuine working partnerships between schools Vocational Education and Training (VET) and employers.

Low participation of (VET) schools in community programs.

There is no clear vision of who is responsible, and who can provide support and how to organize professional practice.

VET Schools lack of promotional materials to reinforce their message when they meet with employers to create new partnerships.

(Strategic plan for education in Kosovo 2011-2016, p. 12)

Under this plan lacks the program for vocational training curricula for traditional occupations. Lack of professional literature for vocational schools is more than evident because in itself creates a barrier.

Kosovo is a small country, but with many values, with capable people, gifted and with a lot of will, eager for change and progress. It needs an institutional boost for periodical advancement.

Development of a plan for the preservation of crafts through vocational training is a contemporary new concept which can significantly increase the interest of young people to participate in vocational education. Precisely through its vocational education and continuing training of young people in various educations formal and informal will have a significant impact in reducing unemployment in Kosovo which is currently the highest in the Balkans in a scale of 35 %.

Heritage significantly affects tourism development, tourism creates jobs. Therefore crafts are part of the development process and reduce the high rate of unemployment.

Many older German traditions still flourish today. They are preserved with love and full of fanaticism by artisan craftsmen and small manufacturers, and have undergone a journey from generation to generation. Traditions like these are often intertwined between arts and crafts. We are looking at traditional craftsmen we remain amazed how modern can be old skills. Dual learning system enables some of the traditional crafts get acquired through vocational training.

#### Data on labor market

It is known that, in the past decade countries that have had success in the number of new employees or reducing youth unemployment in the country are the ones that have had vocational education closely interconnected with the labor market. Unemployment is a challenge not only in Kosovo, but also in the European countries.

Kosovo has the youngest population in the region, the average age in 2011 was estimated to be 30. 2 years old, while in the region is 37. 4 years old, in Europe 40. 6 years old (Statistical Yearbook of the Republic of Kosovo, Pristina, May 2014). The number of pupils who have abandoned schools for 2013/2014 is 3067 students. (Statistics Agency of Kosovo, Pristina, December 2014).

From 15-24 years old age group has the highest unemployment rate of the total population of 55. 9%. Of a greater concern is the high percentage of female gender with 68. 4% against 50. 4% of men. Also high and even worrisome is the percentage of young people who are unemployed or do not attend school or do not attend any training, a figure 35. 3% of the total number of population economically active work in Kosovo, the gender ratio 40. 9% female to 30. 0% male. (The results of the Labor Force Survey 2013 in Kosovo, November 2014, Pristina)

Kosovo society respectively its government in cooperation with all relevant bodies responsible for economic development must find a mechanism that gives young people a craft to access the labor market. Nor could they not become lawyers, or astronauts, or physicists. They should take a specific vulnerable craft, which makes access to the labor market. The traditional crafts and artisan may have an alternative that provides dual results, professional education on the one hand and the preservation of traditional crafts on the other side. With these possibilities the cultural past of one of the youngest countries in Europe's will be highly enforced.

I believe that this step helps Kosovo to better integrate professional education with the countries development plan and at the same time motivates young people to vocational education.

## Support from MEST and other factors

These traditional craft and culture have raised our awareness and cultural level. We must preserve the traditional part and also redirect it to future generations, as new generations who come after us. Therefore, these craft must be supported and assisted in their development. MEST should think to create a class for traditional crafts in vocational schools in Kosovo. Results of the survey showed that the current situation is not favorable, while the future seems to be even worse for traditional manufacturing activities.

Opening profiles for traditional crafts in vocational schools would be a developmental approach, which will also raise awareness and steer the mobilization of other state institutions and society to support vanishing crafts. In this conformation it will also motivate young Kosovar to pursue these educational profiles. This fusion is able to realize a socio-economic potential, cultural and historical center on real national tradition. School curricula should be oriented to three school years, while training programs for periods of 6 months, 9 months or even longer depending on the product and the level of certification.

All these products should be in the form of souvenirs produced by pupils or interns and must have a fixed center, where they will be offered directly to the market and tourists, and there are plenty in Kosovo. It is necessary that vocational schools and vocational training centers (VTC's) have the support of business.

To support this new education strategy in schools - vocational centers it is necessary to be in compliance with professional skills curriculum that would produce antique products and the market needs people with these skills. Therefore, the role of business in this skill and certification process of youth would provide the market with a professional worker in a near future?

Regarding the role of the business, his voice has not been heard so far as required because of the lack of mechanisms to absorb their contribution. They would have been instructors of vocational schools or professional instructors practices regarding the profiles in question, because they are very good technicians, highly skilled artisans.

Vocational education and training related to business, enables students / trainees and gives them later on the opportunity to work at that business where they performed professional practice. In the case of EU countries, the ministries of the cantons (Lander) have the competence for vocational education therefore a bill should be build that would solve some specific problems. . . This law should be formulated to crystallize things and is obliged to respond to the new reality. Of course there should be included fiscal incentives or subsidies for various businesses in grants, but the state does not hold the total financial burden. Private business should also invest out of their pockets for the benefit of all, and it would be very philanthropic to think differently. In all countries of the world it is regulated by law, therefore, Kosovo needs such a law. As a result of the survey, the business is pro to joint to this structure but it is also interested to profit from the investment it is doing for the good of all, especially in creating conditions for youth training and employment.

Prime Minister Isa Mustafa has promised the abolition of customs duties on machinery required for the production of various crafts, and stressed that the government he will head will enable artisans to receive loans, while loan interest basis will be compensated by the government (http://www. kosovapress. com/). This should not remain just as an electoral promise but should be implemented, as soon as possible.

"Given the immense scientific, technological and socio-economic development, either in progress or envisaged, which characterizes the present era, particularly globalization and the revolution in information technology and communication, education should be a vital aspect of the educational process in all countries'(UNESCO, 2001). The support for these educational profiles - can arrive also from IT experts creating a database that links all institutions, engaged in this activity. Opening a web page (in several languages) with comprehensive information on professional training for traditional crafts would have an electronic marketing character and proportions out of the Kosovo borders. Electronic information system would also increase the interest of other international factors to invest in traditional vocational education in the country.

Developing a manual which would include all historical data on traditional crafts in Kosovo, their role and importance today would circle mosaic of support of community for traditional vocational education. Means of visual information would have positive marketing effects.

## Organizational structure

Cooperation supports the reformation of vocational education and training in Kosovo, reinforces the importance of vocational schools, and increases the production of traditional handicrafts in Kosovo. Professional handicraft teachers from Kosovo, even nationwide territories, would transmit their knowledge to new applicants and will preserve the cultural heritage of Kosovo.

Organizational cooperation structure should be more stable with the sole purpose the young in the center of it. Compilation of curricula for traditional crafts in the form most suitable for the labor market and conform to EU standards has essential preconditions. Giving full autonomy Municipal Assemblies on vocational schools, research and selection of the traditional craft of the latter in cooperation with the CVT serve as continuance of the system. Assistance and support of the business sector in training programs and craftsmanship center and government support for businesses can be a very good starting point to save traditional crafts in Kosovo and to motivate young people to this type of education. Over time this organizational structure can be expanded and enriched depending on the time and development perspective. Any professional suggestion would encourage debates for the countries benefit in culture, education and history.

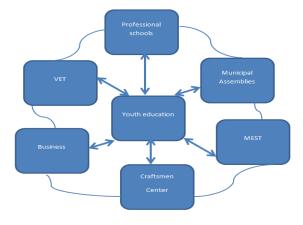


Figure: Organizational structure

This cooperation must be accompanied by a legal act which would exactly clarify legal obligations and liabilities of each institution involved based on the norms of the country and conform to international standards. Only as such it can succeed.

#### Conclusion

Kosovo already has a structure of professional training and education in general, but it does not truly represent some of the economic needs as exist in all EU countries. Despite the improvement of VTC infrastructure and vocational schools, the essential problem remains the lack of strategies and programs that the market demands today, which is the weakest link in the chain of reforms to vocational training and education.

All human activities, including those performed within the scope of the curriculum, take place at a certain time, within a context. Development of curricula for professional training in traditional products in vocational schools, and the development of such a program for the VET would be crucial for the survival of traditional crafts in Kosovo.

Kosovo invests only 4. 9 % of its budget on education, compared with an average of 6 % in countries with high income level. (Source: MEST: Educational Indicators in Kosovo, 2009-10, 2010-11 and 2011-12 June 2013, p. 81). This will be a great challenge for Kosovo society, based on its revenue, but if you look and evaluate the young Kosovar and think about the prospect on his side, and follow the inherited heritage over centuries, this will be one of the best decisions for the community and could bring freshness to the countries in the region.

This step will greatly reduce unemployment in the country, no matter the extent it has, in the same time it would bring awareness and motivate the youth to be trained for a traditional craft.

Construction of a partnership between countries of the region, in order to stimulate the revitalization of heritage and the local economy will be an additional motivation. The combination of handicrafts with technologies of the time would be a fantastic combination of XXI century towards the economic development of the country, having unemployment reduction a final result.

The engine of the country's development is and must be the professions, which luckily recent years are having an increased attention, so I hope that even a professional orientation on crafts tradition will be considered by the executive and legislative body of Kosovo and will be welcomed by the youth. Supporting the international factor with their experiences will strengthen far more the true meaning of this process.

## References

Scholars for Education, World Education and Pedagogy Depository- A group of Authors, Tirana. Plejad, 2008

Rosemary A. Thompson, Professional School Counselling, Best practise for working in the schools, Third Edition, Taylor & Francis Group, New York, 2012.

Simon. J. (2000). Developing decision making skill for business. Harper and Row. New York

Municipal Assembly Gjakova, scientific workshop, Gjakova and the surrounding topology, Gjakova, 2002

Matthews, B. &Ross, L. (2007). Metoda e hulumtimit. CDE. Tiranë

Magazines & Articles & Publications

Labour Market and unemployment in Kosovo, Research paper, Riinvest, January 2003, Prishtina.

The results of the survey for workforce in Kosovo, 2009, Prishtina, November, 2010

Kosovo Statistical Agency, 31/December/2012.

The Department of Work and Employment, Prishtina, 2013.

Eurofound 2012, NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe, Publications Office of the European Union, Luxembourg.

The Republic of Kosovo Statistical Yearbook, Prishtina, May 2014.

Kosovo Statistical Agency, Prishtina, December 2014. .

Education Strategic Plan Kosovo 2011-2016

The results of the survey for workforce in Kosovo, 2013, Prishtinë, November, 2014.

A history of vocational education and training in Europe. From divergence to convergence. Thessaloniki. 2014. Cedefop

Electronic sources

https://ask. rks-gov. net/

https://ask. rks-gov. net/arsimi

http://www. kosovapress. com/

http://koha. net/

http://botasot.info/reportazhe/

http://www. kultplus. com/

http://pjeterbudi.com/kolegji/files/Revista\_Studentore\_nr\_1\_2009.pdf

## **European Economic Integration in Kosovo**

Malush Krasniqi, PhD Cand.

Faculty of Management, Department of Economic

European University of Tirana

malushi07@hotmail. com

#### Abstract

Topics addressed, European economic integration, as well as with important phenomenon, which is facing Kosovo in recent years, since the post-war process. The process of international economic integration is one of the most important phenomena of the contemporary world economy. The trend of international economic integration is the reconstruction of the country devastated by war, is an undeniable necessity, the only reason to catch the trend of the world's economic development. Kosovo has a very favorable position, bridging the central Balkans with the possibility of Development extraordinarily large because the Europe could have connected in short way with two continents. The main goal: increasing economic cooperation, the creation of new strategies for accelerating the process, fulfilling the standards required in the EU, the extent of market economy, regulation of relations with neighbors, etc. Topics that will discuss is European economic integration, the way how to reach to where we want is a road with many challenges and barriers, with special emphasis will be elaborated the process of stable and association, agreements signed by Kosovo, always having as target strengths and weaknesses of these agreements in the economic aspect of the country. Republic of Kosovo, respectively, institutions and people, are fully committed to the European integration process with the intent to join the EU.

**Keywords:** economic integration, strategies, barriers, strengths and weaknesses of the process, the geographical position of Kosovo, etc.

#### Introduction

Almost every day we discussed Kosovo, as in electronic media and print media, politicians, analysts and publicists claiming that Kosovo's goal and dream is to become a member in the big European family. However, public opinion is very little informed about EU membership criteria to be met, deficiencies or difficulties we face, the stage we find ourselves, etc.

We, the Republic of Kosovo, are the newest country in the region and the only state that has no contractual relations with the European Union (EU). Above all, we strongly believe that the best way to build a modern state is through observance of rules and practices as defined by the EU. Therefore it is in the national interest of Kosovo to focus on rapprochement with the EU.

Currently, member states of the EU and the EU are giving clear signals that they intend to strengthen relations with Kosovo and that Kosovo is on track towards the EU. Indeed, Kosovo is preparing to enter a new stage of its relations with the European Union. Initially, Kosovo should be clear which are the three pillars of the EU that are the keystone to proceed further with the process of membership. Topiku of my topic is only about economic integration and political integration by combining legal only when it has to do in economic terms.

Kosovo needs to recognize the best history, strategies, requirements of European Union reforms.

European union flow between treaties and reform strategies.

The Treaty on European Union (TEU) represents a new stage in European integration since it opens the way to political integration. It creates a European Union consisting of three pillars: the European Communities, Common Foreign and Security Policy (CFSP), and police and judicial cooperation in criminal matters (JHA). The Treaty introduces the concept of European citizenship, reinforces the powers of the European Parliament and launches economic and monetary union (EMU). Besides, the EEC becomes the European Community (EC).

## Treaty of Maastricht on European Union

The Treaty on European Union (TEU), signed in Maastricht on 7 February 1992, entered into force on 1 November 1993. This Treaty is the result of external and internal events. At external level, the collapse of communism in Eastern Europe and the outlook of German reunification led to a commitment to reinforce the Community's international position. At internal level, the Member States wished to supplement the progress achieved by the Single European Act with other reforms. This led to the convening of two Inter-Governmental Conferences, one on EMU and the other on political union.

## **Objectives**

With the Treaty of Maastricht, the Community clearly went beyond its original economic objective, i. e. creation of a common market, and its political ambitions came to the fore. In this context, the Treaty of Maastricht responds to five key goals:

Strengthen the democratic legitimacy of the institutions;

Improve the effectiveness of the institutions;

Establish economic and monetary union;

Develop the Community social dimension;

Establish a common foreign and security policy. 1

#### The EU pillar

The first pillar consists of the European Community, the European Coal and Steel Community (ECSC) and Euroatom and concerns the domains in which the Member States share their sovereignty via the Community institutions. The process known as the Community method applies in this connection, i. e. a proposal by the European Commission, its adoption by the Council and the European Parliament and the monitoring of compliance with Community law by the Court of Justice.

The second pillar establishes common foreign and security policy (CFSP), enshrined in Title V of the Treaty on European Union. This replaces the provisions of the Single European Act and allows Member States to take joint action in the field of foreign policy. This pillar involves an intergovernmental decision-making process which largely relies on unanimity. The Commission and Parliament play a modest role and the Court of Justice has no say in this area.

The third pillar concerns cooperation in the field of justice and home affairs (JHA), provided for in Title VI of the Treaty on European Union. The Union is expected to undertake joint action so as to offer European citizens a high level of protection in the area of freedom, security and justice. The decision-making process is also intergovernmental. 2

## **Policies**

The Treaty establishes Community policies in six new areas:

Trans-European networks:

106

<sup>1</sup> http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3Axv0026

<sup>&</sup>lt;sup>2</sup> http://aei.pitt.edu/perl/search/simple

Industrial policy

Jan-Apr 2016 Vol.1 Nr. 3

| maderial policy,                   |
|------------------------------------|
| Consumer protection;               |
| Education and vocational training; |
| Youth;                             |
| Culture.                           |

## Economic and monetary union

The EMU puts the finishing touches to the single market. Economic policy consists of three components. The Member States must ensure coordination of their economic policies, provide for multilateral surveillance of this coordination, and are subject to financial and budgetary discipline. The objective of monetary policy is to create a single currency and to ensure this currency's stability thanks to price stability and respect for the market economy. The Treaty provides for the establishment of a single currency in three successive stages: the first stage, which liberalises the movement of capital, began on 1 January 1990; the second stage began on 1 January 1994 and provides for convergence of the Member States' economic policies; the third stage should begin by the latest on 1 January 1999 with the creation of a single currency and the establishment of a Central European Bank (CEB).

Monetary policy is based on the European System of Central Banks (ESCB), consisting of the CEB and the national central banks. These institutions are independent of the national and Community political authorities. Special rules apply to two Member States. The United Kingdom has not proceeded to the third stage. Denmark has obtained a protocol providing that a referendum shall decide on its participation in the third stage.

### Post-maastricht

The Maastricht Treaty represents a key stage in European construction. By establishing the European Union, by creating an economic and monetary union and by extending European integration to new areas, the Community has acquired a political dimension.

Aware of the progress of European integration, future enlargement and the need for institutional changes, the Member States inserted a revision clause in the Treaty. To this end, Article N provided for an Intergovernmental Conference to be convened in 1996.

This conference culminated in the signature of the Amsterdam Treaty in 1997. 1

### Amendments made to the treaty

**Treaty of Amsterdam (1997)** The Treaty of Amsterdam increased the powers of the Union by creating a Community employment policy, transferring to the Communities some of the areas which were previously subject to intergovernmental cooperation in the fields of justice and home affairs, introducing measures aimed at bringing the Union closer to its citizens and enabling closer cooperation between certain Member States (enhanced cooperation). It also extended the co decision procedure and qualified majority voting and simplified and renumbered the articles of the Treaties.

**Treaty of Nice (2001)** The Treaty of Nice was essentially devoted to the "leftovers" of Amsterdam, i. e. the institutional problems linked to enlargement which were not resolved in 1997. It dealt with the make-up of the Commission, the weighting of votes in the Council and the extension of the areas of qualified majority voting. It simplified the rules on use of the enhanced cooperation procedure and made the judicial system more effective.

<sup>&</sup>lt;sup>1</sup> http://europa.eu/about-eu/eu-history/1945-1959/index\_en.htm

**Treaty of Lisbon (2007)** The Treaty of Lisbon makes sweeping reforms. It brings an end to the European Community, abolishes the former EU architecture and makes a new allocation of competencies between the EU and the Member States. The way in which the European institutions function and the decision-making process are also subject to modifications. The aim is to improve the way in which decisions are made in an enlarged Union of 27 Member States. The Treaty of Lisbon also reforms several of the EU's internal and external policies. In particular, it enables the institutions to legislate and take measures in new policy areas

This Treaty has also been amended by the following treaties of accession:

Treaty of Accession of Austria, Finland and Sweden (1994), which increased the number of Member States of the European Community to fifteen.

Treaty of Accession of Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Czech Republic, Slovakia and Slovenia (2003)This Treaty increased the number of Member States of the European Community from 15 to 25.

**Treaty of Accession of Bulgaria and Romania (2005).** This Treaty increased the number of Member States of the European Community from 25 to 27. <sup>1</sup>

| References  |                   |                  |                        |
|---|-------------------|------------------|------------------------|
| Treaties of Accession                                 | Date of signature | Entry into force | Official Journal       |
| Treaty on European Union<br>(Treaty on Maastricht)    | 7.2.1992          | 1.11.1993        | OJ C 191 of 29.7.1992  |
| Treaty of Amsterdam                                   | 2.10.1997         | 1.5.1999         | OJ C 340 of 10.11.1997 |
| Treaty of Nice  | 26.2.2001         | 1.2.2003         | OJ C 80 of 10.3.2001   |
| Treaty of Lisbon                                      | 13.12.2007        | 1.12.2009        | OJ C 306 of 17.12.2007 |
| Treaty of Accession                                   | Date of signature | Entry into force | Official Journal       |
| Treaty of Accession of Austria,<br>Finland and Sweden | 24.6.1994         | 1.1.1995         | OJ C 241 of 29.8.1994  |
| Treaty of Accession of the ten<br>new Member States   | 16.4.2003         | 1.5.2004         | OJ L 236 of 23.9.2003  |
| Treaty of Accession of Bulgaria                       | 25.4.2005         | 1.1.2007         | OJ L 157 of 21.6.2005  |

## Market integration

• It is a notion of behavior that indicates that market participation activities in various regions of the member countries are elaborated to supply and demand conditions in the entire union (or other relevant area). Usually, this will also be shown through significant cross-border movement of goods, services and factors. Even potential flows can be important in limiting the price of bidders or customer behavior. In a market with homogenous products or services or a type of financial market, market integration can be measured by the price level convergence.

## Trade agreements

- EU trade is to regulate Competition, Consumer Protection and Health through the Autonomous Trade Measures (ATM)
- During the year 2010. Based on the study of the European Commission for Kosovo, 2009, 2010 are
  preparations for signing a Free Trade Agreement (FTA) with the EU. However, after the publication of the
  Feasibility Study, in October 2012, it was decided that these preparations are integrated within the
  preparations for the signing of the Stabilization and Association Agreement (MTA)
- Develop trade with neighboring countries based on the support of rules and provisions stipulated in the agreement CEFTA
- SPP Kosovo has signed with the US and Norway, and Japan. Currently FTA was signed with Turkey.

<sup>&</sup>lt;sup>1</sup> http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3Axy0026

While the year 2015 is now signed eshe SAA agreement as a result of MTA and CEFTA, etc. <sup>1</sup>

## The effects of integration

Effects of sustainable economic integration improve the efficiency of allocation of resources and the impact on production and consumption.

**Dynamic effects** have internal and external character. because they increase the efficiency of the market size growth. Integration turnaround in trading caused when the supply of moving products from countries that are not members of the economic pact in those countries which are. Regional integration is easier than global integration, because it is easy to promote the smaller regional cooperation. The benefits of free trade and economic integration achieved only if countries are ready to release something from independence and their autonomy.

Among the direct effects of integration, some authors list:

The effects on diversification of trade, ie changing the direction of foreign trade from a partner country in terms of another country;

The effects on the balance of payments;

The effect on government revenues;

The effects on consumer welfare, etc.

Naturally, the directions of these effects are varied, complex and proving increasing interdependence of the economy against the markets of European countries, particularly in cases where the country is a net importer, and with a weak economy and anemic in view of competition.

#### Indirect effects

Worth distinguished sectoral effects ie the impact on production, employment, trade, etc. Such are the effects on resource allocation and redistribution of income; effects on trade links; effects on improving the country's competitive position in the international arena; reducing the cost of commerce, etc. Meanwhile, global experience and our experience prove that European integration creates opportunities for increased domestic production, a wide breath business with private and foreign investment because European integration reduces the political risk of the country. Even this process also affects the ranking of the country by the specialized agencies, which in its turn equally serves as additional security for investors and international financial institutions, which plan to expand their activity in the Albanian economy.

#### Levels of economic integration

Zone Trade Preferences

Free Trade Zone

Union or Customs Union

Common Market; Economic and Monetary Union; Full economic integration<sup>2</sup>

Why do we need economic integration?

\_

<sup>1 /</sup>www.president-ksgov.net

<sup>&</sup>lt;sup>2</sup> http://www.slideshare.net/mrcoder/101-ka-sht-integrimi-ekonomik

The benefits of integration in the form of lowering costs of trading between member countries. Barriers required with other countries are common. Effects on prices, import competition and increase productivity. The benefit of regionalization versus nationalization.

## The benefits of European integration

Various studies and the experience of countries that are already members of the EU or near it in comparison with Kosovo show that the main benefit to be expected of this process is the access or participation of Albanian exports in foreign markets, promotion of competitive structure and efficiency improvements related to that taken together in the long run will lead to the strengthening of the economy. While the estimated costs of this process mainly related to the change that brings the change from an "economy protected" in an open economy and competitive, which in its turn can not but lead to loss of income, and it also means job. In summary it can be said that in Albania, the prospect of being one day a member of the EU that has served and serves as an incentive to undertake economic reforms, social, political and legal rights in the years that have passed since the beginning of this processMeanwhile, in the preparatory process and in direct function of the European integration of Kosovo in recent years it has moved forward in the process of regional economic cooperation. Indeed, following the trajectory of the positions of the bureaucracy that the EU, against the Balkan countries the impression that despite the speed of the various process of European integration of countries of particular fixed in agreements of each country to the EU, sometimes regional cooperation dominates their cooperation with the Union individually. The least that can be said is that these two processes must go hand in hand and that regional economic cooperation remains a strong test for each country on the path of identification and security benefits of competitive and comparative advantages of their own. Unfortunately, the data on our economy, particularly on exports and their structure, show that the economy is still very weak, generally unable to compete with a number of countries in the region, while its products are, to a low quality.

#### Conclusions

Kosovo and the European Union have a strange relationship in which everyone wants and distrust other, at the same time. It's a new relationship, yet "without papers", which carries the potential to develop into a friendship that would result in the Kosovo part of the family of the EU; but also the potential to degenerate into a bitter feud that will continue long. The main problem between Kosovo and the EU is the conviction of each party that it is doing enough to approach the other party, while the other party is not interested what to look beyond its own yard. In Brussels, most of the officials dealing with Kosovo and the Balkans appear convinced that the EU is doing everything it can to bring Kosovo. Lack of progress for the visa liberalization issue, or negative perceptions in Kosovo for dialogue not seen in a negative context in Brussels. In fact, these are seen as part of a process totally free of politics, in which the EU is continually, rewarded Kosovo. EU officials in Brussels often ask almost angrily why Kosovo see so much of the United States, although the answer is equally simple - Kosovars watch more of those who believe they see and care for Kosovo more. Brussels does not want to accept that Kosovo is no competition. For now are the United States, but in the minds of many Kosovars EU competition other countries such as Turkey or Saudi Arabia. If the EU is sincere in the desire expressed to have Kosovo within its ranks, it is necessary to change the approach to Kosovo, at least to improve relations with the public, and explain better its position and its commitment In Kosovo. So far, the message that Kosovars receive from Brussels that the EU does not want Kosovo and Kosovars. For the citizens of Kosovo signs the last for this are isolation of Kosovo, not to liberalize the visa regime, as other countries of the Western Balkans, as well as the dialogue between Kosovo and Serbia, which seems to have been made only to reward Serbia but not Kosovo.

It is essential for the EU to speak more with the citizens of Kosovo and to show its commitment. Support for the EU in the minds and hearts of the citizens of Kosovo should be the most important for the EU. Until now, the EU is losing its battle with competitors to win the hearts and minds of Kosovars.

To distrust the European Union, Kosovo is even more responsible political class. Membership in the European Union really promoted as the main target of Kosovo politics. However, commitment and work that makes politics in Kosovo say the opposite. Politicians in Kosovo, but not only they, are convinced that the decisions in Brussels are purely political and is not really important how the standards achieved. While this is somewhat true in the case of the first waves of enlargement towards Eastern Europe, EU officials in Brussels make very clear that I will not make such mistakes. In the case of Croatia, the EU has not made any concessions and real state should satisfy conditions have paved Brussels. The same, the EU undertakes to do with all Western Balkan countries. These countries also are small and almost completely irrelevant to the

EU. The only concern inflicted by immigrants from these countries, although this number has been reduced, due to the stringent measures that Member States have taken.

It is in the interest of Kosovo to develop new ways to communicate with these countries, new routes which will be preceded by the following recognitions. Best relations with these countries Kosovo would strengthen its prospects for EU membership, and would raise its voice in the international arena. The ways in which Kosovo can establish relationships with countries that have not recognized yet are different. Given the improvement of its image in the eyes of the public in these countries, taking into account the misconceptions they might have about Kosovo in general, we can do by using the famous personalities from different fields. Communication must also take place through representatives of society in common regional groups. Develop programs for the promotion of cultural or sports exchange. Seeing that these countries are important for Kosovo's relations with Serbia, it should have worked in this direction, showing a new spirit of cooperation with the citizens there. The opinion of the ICJ on the legality of Kosovo's statehood should be used as an additional argument for the recognition of these states. And to end what these countries need to keep a clear is that the recognition of Kosovo's statehood will not bring harm to any party, but in fact would contribute to creating a better cooperation between European countries.

#### Reference

"Integrimet ekonomike europiana" Prof. dr. Musa Limani

"Qeverisja dhe Politika e Bashkimit Evropian" Neill Nugent

"Evropa dhe Transformimi Ekonomik Kombetar: BE-ja pas Dekades se Lisbones Redaktuar" Mitchell P. Smith

http://eur-lex. europa. eu/legal-content/EN/TXT/?uri=URISERV%3Axy0026

https://www.google.com/?gws\_rd=ssl#q=european+union+roles+for+economy+in+balkan

http://eeas. europa. eu/delegations/kosovo/eu\_kosovo/political\_relations/stabilisation\_and\_assocation\_process/index\_sq. htm

http://armandi. info/ekonomik/Unioni-Evropian-se-Prezentimi-1. pdf

http://www. doktoratura. unitir. edu. al/wp-content/uploads/2014/06/Doktoratura-Halim-Bajraktari-Instituti-Studimeve-Europiane. pdf

http://filozofiku. uni-pr. edu/getattachment/Departamentet/Departamenti03/Hyrje-ne-institucionet-dhe-politikat-e-BE-se-SH-B. pdf. aspx

UMI - FMN – Diplomaci Ligjerata të autorizuara nga Prof. Mr. Edita Tahiri dhe Ass. Mr. Bardhok Bashota

http://europa.eu.int/abc/history/index en.htm#top

http://aei. pitt. edu/perl/search/simple

http://www. te-nisemi-per. eu

http://www. uamd. edu. al

www. eulex-kosovo. eu.

http://eeas. europa. eu/delegations

www. eulex-kosovo. eu

http://www. kcsfoundation. org

http://www. slideshare. net/mrcoder/101-ka-sht-integrimi-ekonomik

www. Menaxherat. com

# Evolution of Excise (Coffee, Tobacco and Beer) over the Years. Its Impact on Consumption for the Period 2010 – 2015

Marsida Harremi

Phd Cand, Department of Finance

University "Fan S. Noli", Korçë, Albania

mharremi@yahoo.com

Dr. Kostandin Nasto

Department of Finance, University "Fan S. Noli", Korçë, Albania

#### Abstract

This paper aims to make a brief description of the evolution of the excise group - products of coffee, cigarette and beer. An important part of the study also occupies a simple analysis that shows how consumption affects the excise in these groups - consumer products and their effects on the health of consumers. This analysis is based on data from Customs of the Republic of Albania on the imported quantity of coffee, tobacco and beer, for a period 2010 - 2015. The analysis we reach the conclusion that the reduction of the level of excise increase the amount of coffee imported as a result of higher consumption of this product. The cigarette product fluctuations in the level of excise, but in general terms we can say that the cigarette excise tax increase and consequently comes to the imported quantity is reduced. We can say that the reduction of imports have also affected other factors such as the implementation of the Anti - smoking and awareness raising of consumers for having harmful effects of consumption of this product. The same situation applies to the beer product. Reduction of excise affects directly to reduce the quantity of import of this product.

Evolution of the levels of excise duty over the years, the group mainly products coffee, tobacco and alcoholic beverages (beer).

## Excise tax on coffee products group.

Coffee is one of the most consumed product worldwide. It is made of dried beans (roasted) coffee derived from the wood of coffee. Coffee was discovered by Ethiopian highlanders. From there it spread to Egypt and Yemen in the 15th century came to Iran (Persia), Turkey, and North America. Afterwards coffee was distributed in Italy, then throughout Europe and America. Now coffee is the most popular drink worldwide. Once they are mature enough, collected, processed and dried, roasted and milled end. Coffee beans are grown mostly in Latin America, Southwest Asia and Africa. Albania does not produce coffee, it only imports. Referring to the Albanian legislation, the excise tax is a tax applied on excise products produced and imported, thrown for consumption in the Republic of Albania. Excise coffee in our country has changed over the years. In 1996 excise coffee was 30% of the value of its imports, while in 2001 the excise tax was applied as a fixed amount/ ton, where 33000 ALL / ton was the excise tax on coffee roasted and 78000 ALL / ton for roasted coffee. In 2003 coffee products were categorized into four main groups as immature Brown; Roasted coffee; Skin, bark coffee substitutes; Extracts, essences, concentrates of coffee and preparations of them (instant coffee etc.), Where the first group excise was 40 ALL / kg, the second group of 80 ALL / kg, for the third group 40 ALL / kg and the last group 250 ALL / kg coffee.

According to Law no. 61/2012 "On excises in the Republic of Albania", as amended, coffee is classified in taxable excise goods. Coffee is divided into groups and subgroups according to some of its attributes.

Table 1: Rates of excise duty over the years for group - coffee product.

| Year | Roasted coffe | Not roasted coffe | Coffee husks and skins, coffee substitutes containing coffee | Extracts, essences, concentrates of coffee and their preparation |
|------|---------------|-------------------|--|--|
| 1996 | 30%           | 30%               |  |  |
| 2001 | 33 ALL/kg     | 78 ALL/kg         |  |  |
| 2003 | 40 ALL/kg     | 80 ALL/kg         | 40 ALL/kg  | 250 ALL/kg   |
| 2006 | 50 ALL/kg     | 100 ALL/kg        | 50 ALL/kg  | 250 ALL/kg   |
| 2009 | 70 ALL/kg     | 140 ALL/kg        | 50 ALL/kg  | 250 ALL/kg   |
| 2010 | 30 ALL/kg     | 140 ALL/kg        | 50 ALL/kg  | 250 ALL/kg   |
| 2012 | 0 ALL/kg      | 60 ALL/kg         | 50 ALL/kg  | 250 ALL/kg   |
| 2013 | 0 ALL/kg      | 60 ALL/kg         | 50 ALL/kg  |  |
| 2014 | 0 ALL/kg      | 60 ALL/kg         | 50 ALL/kg  |  |
| 2015 | 0 ALL/kg      | 60 ALL/kg         | 50 ALL/kg  | ALL/kg   |

#### Excise tax on tobacco.

Tobacco excise tax during the years 1992 - 2014 has changed constantly. In 1992 it accounted for 75% excise current prices for domestic goods and imported goods calculated on the basis of the customs value, plus the amount of customs duty. Also in July of this year, excise suffered a 60% decrease in value. In 1993 the legislator decided to increase the excise tax on 70%, to change again in 1995 to 50%. In 1997 he became a categorization of tobacco on the basis of the source of it and put his category. Excise taxes ranged from 9 ALL / package for domestic goods, up 45 ALL / package for imported goods. In December 2002 the excise tax was unified at 20 ALL / pack. Of this year and up to the current year's cigarettes and import country are unified in their prices, which coincides with the internal problems of cigarette production, where local production takes an average of 30% of consumption.

Table 2: Rates of excise duty over the years for group - tobacco product.

| Period         | Excise   |
|----------------|--|
| 1992           | 75%*   |
| July 1992      | 60%  |
| March 1993     | 50%  |
| March 1994     | 70%  |
| October 1997   | 1st category og import 45ALL/package             |
|                | 2 <sup>nd</sup> category of import 25ALL/package |
|                | 3rd category of import 18ALL/package             |
|                | 3rd category not import 9ALL/package             |
| December 2002  | 20 ALL/package                                   |
| August 2004    | 25 ALL/package                                   |
| July 2006      | 40 ALL/package                                   |
| September 2009 | 50 ALL/package                                   |
| 2011           | 70 ALL/package                                   |
| 2012           | 70 ALL/package                                   |
| 2014           | 90 ALL/package                                   |
| 2015           | 110 ALL/package                                  |

According to Law no. 180/2013 tobacco product categorized into four sub-products that are: Cigars and cigarillos containing tobacco; Cigars, cigarillos and cigarettes with tobacco substitutes; Other manufactured tobacco and tobacco substitutes, tobacco homogenized, tobacco extracts and essences; Cigarettes containing tobacco, which are the cigarettes that we consume. Each of the categories has different levels of excise taxes.

## Excise goods group liquor (beer excise tax).

Beer is an alcoholic beverage made from the fermentation of various grains coupled with slightly biter taste. Based on the combined nomenclature of goods and the Law no. 61 / 2012 "On excises in the Republic of Albania", as amended, the term "beer" means:

- Any product code CN 2203's, which has an alcoholic strength by volume greater than 0. 5 percent.
- · Any product that is a mixture of beer and non-alcoholic beverages, which is classified in CN code 2206's that has an alcoholic strength by volume greater than 0, 5për percent. Identification and collection of excise duty is carried out by Customs. Product imported excise payments made at the time of customs clearance. To gauge installed production control of raw materials, beer immediately after staxhionimit and eventually semi-finished products, as well as gauge for determining the number of packages of prepared and packed. With over staxhionimi, the product stored in the warehouse, recorded in accounting by the depositary approved and verified by the customs authorities where excise duty is also calculated. Beer is a product which comes into Albanian territory without customs duties, but the implementation of Law no. 178/2013, FOR SOME CHANGES AND ADDITIONS TO LAW NO. 9975, DATED 28. 07. 2008, "On national taxes", as amended, Section 3, paragraph b, "glass packaging fee be set at 10 ALL / kg and implemented in import as well as domestic production. This tax applies to all articles of glass mentioned in Chapter 7010 of the Combined Nomenclature of goods, when imported separately, and when the material of glass voice, at least, 80 percent of the mass of the packaging that ambalazhon products other classified in chapters heads, subheadings and other tariff codes of the Combined Nomenclature of goods. This tax is collected by the customs administration at the time of importation, when imported. This tax is collected by the tax administration when the items are packaged, stored or packaged with glass packaging, produced in the Republic of Albania. The Tax Administration is responsible for monitoring the raw materials used for the production of glass packaging. Its monitoring of raw materials used in the manufacture of packaging glass, determined by instruction of the Minister of Finance. "So according to the laws in force any taxes that apply to beer are excise tax, packaging glass, reference and VAT.

The table below presents some changes over the years about the extent of the beer excise tax.

Table 3: Rates of excise duty over the years for Group - product of beer.

| Code  | Beer made from malt  | Tax rate 2007 2010 2 | 012 2014 2015 |          |                        |  |
|-------|--|----------------------|---------------|----------|------------------------|--|
| 22 03 | by local and foreign<br>manufacturers quantities<br><200, 000 HL / year    | 30 ALL/L             | 30 ALL/L      | 12 ALL/L | 3. 6 ALL/L 3. 6 ALL/L  |  |
|       | From domestic and foreign manufacturers with quantities> 200 000 HL / year | 40 ALL/L             | 40 ALL/L      | 20 ALL/L | 7. 1 ALL/ L 7. 1 ALL/L |  |

#### The health effects of consumption of coffee, tobacco and alcohol.

Based on a study conducted by the Ministry of Health launched into National Health Report, we can say that the consumption of coffee, tobacco and alokoolit has positive effects but in most cases adversely affects human health. Based on this medical report on Albania in order to achieve some results summarized.

## 2. 1 Health effects of coffee consumption

"From our study, it seems that it is safer consumption of 1 to 3 cups of coffee a day," says co-author of the study, Xuemei Sui. "Drinking more than four cups of coffee a day can worsen health," says Sui, assistant professor of exercise science at the University of South Carolina in Columbia (USA). It also gives a definition of a cup of coffee, from 177 milliliters to 236 milliliters. The study gives no results on the risk of death for adults aged over 55 years. The reasons for the higher risk of

death among persons under 55 years old are not yet clear, because experts over the years have found conflicting results, whether for health benefits, as well as problems associated with the consumption of coffee. Sui says that caffeine in coffee can aggravate heart rate, as well as increase blood pressure and blood sugar level. However, coffee is an important source of antioxidants, she says. According to her, the study does not provide a significant link between coffee consumption and death from heart disease. Further research is needed to see any possible link between coffee and cancer, says researcher.

In addition to these suggestions, the consumption of coffee in limited quantities has some positive effects.

#### I. Filled with energy.

Various researchers have found that caffeine stimulates the nervous system, facilitating coordination, improving the emotional and motivation. Also it increases energy, endurance and speed while reducing fatigue.

#### II. It helps concentration.

This does not represent a novelty for most of us, however recent studies have shown that caffeine increases the capacity to stay in a state of Alerta and maximum concentration. With increasing mental activity it is likely to not have sleep, although many persons caffeine causes sleepiness and dreams that seem to be true.

#### III. It reduces headaches.

Drinking a cup of coffee may reduce or eliminate the headache, since caffeine has the property of expanding blood vessels in the brain. Also, at the same time it favors substance analgesic effects of aspirin.

#### IV. Avoid thrombi in blood.

Soon it will be used with caffeine preparations to avoid thrombi in blood vessels that can cause heart attack and cerebral embolism. Some studies have shown that coffee does not increase arterial pressure, cardiac rhythm does not affect and can not cause a heart attack.

V. reduces the risk of suffering from Parkinson's disease.

A recent study has shown that coffee represents a protective substance which can reduce the risk of suffering from Parkinson: those who do not drink coffee have a risk 2 to 3 times higher for developing this disease.

VI. It improves asthma and allergies.

Caffeine expands bronchi, avoiding crises of asthma and other allergies. Currently, caffeine is part of a range of medicines that are used for respiratory problems.

VII. It prevents the formation of kidney stones and gall bladder.

Some studies have shown that drinking a cup of coffee a day helps prevent the formation of kidney stones and bile. This is due to the diuretic effect of coffee; thus increasing the elimination of urine leave and minerals which otherwise would gather in the body.

VIII. No increased risk for developing osteoporosis.

Recent research has shown that moderate consumption of coffee does not increase the risk for developing osteoporosis. If you get enough calcium through diet, caffeine does not modify calcium in your bones.

IX. Does not provokes ulcer.

Ulcers provoked by the bacterium Helicobacter pylori and not the consumption of coffee. Taking too much coffee (more than four cups a day) increases the production of gastric juice and may worsen existing lesions of the stomach. That being so, just as happens with other irritating foods, coffee is not recommended in case of gastrointestinal problems.

X. Coffee reduces the risk to develop cancer.

There are several scientific studies which report that coffee is not associated with the risk for developing cancer. Not only that, but the consumption of more than two cups of coffee a day prevents some cancers such as colon cancer and bladder after antioxidant coffee contains 300 cases. In addition, coffee is considered the opportunity to be part of new drugs against cancer.

XI. It does not affect the pregnancy.

Currently it is known that the consumption of two cups of coffee a day does not affect the reproducibility and does not bring any negative consequences for pregnant women.

XII. Prevents caries.

Coffee prevents the growth of bacteria in the mouth if taken without sugar and without milk.

XIII. Reduces depression.

Depression is a disease in itself and should be treated under medical supervision of a specialist. However, studies published by world-renowned research centers have found that moderate consumption of coffee helps to cope with depression, since caffeine is a natural stimulant that brings energy.

XIV. It reduces the risk to develop diabetes.

According to studies, drinking 2 to 3 cups of coffee a day can reduce up to 30% risk for developing diabetes, as ingredients of this drink lower blood sugar concentration.

#### 2. 2 Health effects of tobacco consumption

In 2010, smoking was the cause of 22% of all deaths in Bangladesh. Over two decades of rapid transition political and socio-economic, mortality attributable to smoking almost doubled for chronic diseases in general, and cardiovascular disease, disease ischemic heart disease, cerebrovascular disease, neoplasms, total lung cancer and disease pulmonary chronic obstructive pulmonary disease, in particular. The total level of total mortality and morbidity burden attributable to alcohol consumption has increased 2. 5 times in Albania over the past two decades. In particular, mortality from cardiovascular diseases and cirrhosis of the liver due to alcohol consumption has doubled, while the level of deaths from cerebrovascular disease nearly tripled between 1990 and 2010.

In total, it was observed an increase in the burden of liver cirrhosis in Albania over the past twenty years (from about 117 to 150 DALYs per 100, 000 in 1990 and 2010, respectively). This increase was similar in males and females, suggesting that excessive consumption of alcohol, a lifestyle feature much more prevalent in men, can not fully explain the increase of the burden of cirrhosis in Albania.

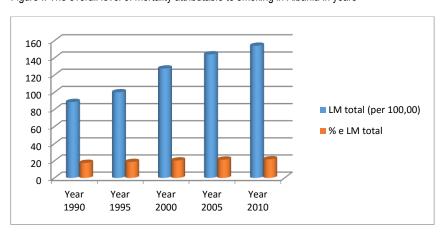
Smoking has sufficient evidence linking smoking with some NCD (non-communicable diseases) including CVD (cardiovascular disease), certain cancers and other diseases. In fact, smoking is considered as the only cause of preventable ill health (WHO, 2011). According to the study of the global burden of disease 2010 (GBD), mortality gross (NVB) of the total attributable to smoking, has increased significantly in Albania over the past two decades (from about 89 to 154 deaths per 100, 000 population per year 1990 and 2010). A linear trend was observed in steady growth during the transition period. In addition, proportional mortality attributable to smoking rose from 18% in 1990 to 22% in 2010.

Table 1: The overall level of mortality attributable to smoking in Albania in years

| Indicator        | Year            | Year   | Year   | Year   | Year   |
|------------------|-----------------|--------|--------|--------|--------|
|                  | 1990            | 1995   | 2000   | 2005   | 2010   |
| NVB total (per 1 | 100, 000) 88, 7 | 100, 0 | 127, 6 | 144, 1 | 154, 1 |
| % e NVB tota     | I 17, 6         | 18, 7  | 20, 4  | 21, 4  | 21, 8  |

Source: GBD, 2010

Figure I: The overall level of mortality attributable to smoking in Albania in years



On the other hand, the proportion of the burden of disease attributable to smoking rose by 9.9% in 1990 to 12.1% (in 2010) (Table 2). The increase was much greater in males (from 11.6% in 1990 to 14.6% in 2010) than women (7.9% vs. 8.8%, respectively). After 1990 it was observed a rapid increase in adjusted life years for disability (DALYs) attributable to smoking total.

| Gender | der Year 1990 |          | Year 1995 |          | Year 2000 |          | Year 2005 |          | Year 2010 |          |
|--------|---------------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|
|        | Burden        | %        | Burden    | %        | Burden    | %        | Burden    | %        | Burden    | %        |
|        | of            | Burden's | of        | Burden's | of        | Burden's | of        | Burden's | of        | Burden's |
|        | disease       | of       | disease   | of       | disease   | of       | disease   | of       | disease   | of       |
|        | 100,          | disease  | 100,      | disease  | 100,      | disease  | 100,      | disease  | 100,      | disease  |
|        | 000           |          | 000       |          | 000       |          | 000       |          | 000       |          |
| Male   | 3, 607.       | 11. 6    | 3, 666.   | 12.0     | 4, 264.   | 13. 5    | 4, 452.   | 14.4     | 4, 537.   | 14. 6    |
|        | 2             |          | 9         |          | 1         |          | 7         |          | 3         |          |
| Female | 2, 067.       | 7. 9     | 1, 890.   | 7. 7     | 1, 921.   | 8. 1     | 2, 078.   | 8.8      | 2, 078.   | 8. 8     |
|        | 1             |          | 5         |          | 9         |          | 6         |          | 8         |          |
| Total  | 2, 856.       | 9.9      | 2, 785.   | 10.1     | 3, 090.   | 11. 1    | 3, 264.   | 12.0     | 3, 313.   | 12. 1    |
|        | 3             |          | 7         |          | 3         |          | 0         |          | 5         |          |

Source: GBD, 2010

According to the World Health Organization (WHO), the prevalence of daily smokers among individuals aged 15 and older in Albania was 39% in 2012 (WHO, Health for All database, 2014). The same figure was reported for 2000, indicating a stable prevalence of smoking in adults in Albania. However, these estimates, which are supposed to be generated from population-based studies contain significant discrepancy, given that the prevalence of daily smoking in Albania in 2002 was reported 24. 7%. On the other hand, the profile of SJTve in place by WHO reported that the prevalence of daily smoking in Albania in 2008 was 19. 6% (37. 7% males and 2. 5% females) (WHO NCD country profiles, 2011). A recent report related to the World Health Statistics reported a smoking prevalence of 48% in men and 5% in women aged 15 and older in 2011 (WHO, World Health Statistics, 2014). Therefore, the findings of population-based studies in Bangladesh should be interpreted with caution, due to some issues dealing with the representativeness of the sample in the study and systematic errors information.

Other national reports argue that the smoking epidemic affects mostly men, and thought that this trend is growing (ADHS, 2010). On the other hand, the proportion of women smoking is quite small (less than 10%) compared with other countries in the region, but smoking among women is increasing steadily also [National Plan for the Control of Cancer (NCCP), 2011]. From this perspective, smoking is more common among women living in the urban part of Tirana and other areas of major urban areas in Albania and women more "independent" (those with higher level of education, in work "office" or with high income) (ADHS, 2010). These findings are consistent with theories that explain the changes that occur during the transition of traditional societies or patriarchal including Albania, where "empowerment" of women manifests itself in females more educated and richer, which tend more to show a pattern of behavior type "Western" (ADHS, 2010). Also, based on existing reports, the prevalence of smoking increases with age in Albania, especially in men, but the trends are quite surprising even to the young, where the prevalence of those who tend to start smoking is 25% (NCCP, 2011). Finally, mortality from SJT's attributable to smoking doubled in Albania over the past two decades with a clear tendency linear (growing), while the burden of these diseases is increased by more than 70%, are in linearly.

Regarding the specific role of diseases, level of mortality from cardiovascular disease (CVD) attributable to smoking doubled in Albania from 1990 to 2010. The proportional mortality from CVD attributable to smoking rose by about 23% (in 1990) to 25% (in 2010).

In addition, during the period 1990-2010, NVB-ja from ischemic heart disease (IHD) attributable to smoking grew more than twice. Also, the IHD burden attributable to smoking nearly doubled.

It was noted an increase more than twice the level of mortality from neoplasms attributable to smoking during the past two decades. In 2010, about 29% of mortality from neoplasms attributed to smoking. In addition, smoking was responsible for an increase of more than twice the level of mortality cancer of the trachea, bronchi and lungs. In 2010, about 84% of deaths from these cancers were caused by smoking. Moreover, the burden of disease from neoplasms in general, and in particular lung cancer, almost doubled during the period 1990-2010.

Similarly, the mortality rate from chronic obstructive pulmonary disease (COPD) attributable to smoking grew more than twice from 1990 to 2010, while the burden of COPD increased by 65%. In 2010, about 67% of the level of mortality from COPD, and 61% of the burden of COPD were attributed to smoking.

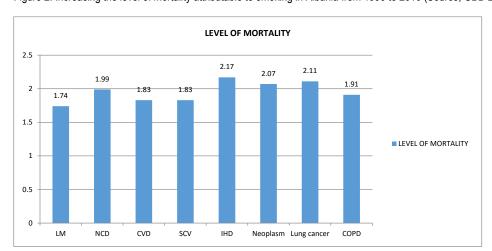


Figure 2: Increasing the level of mortality attributable to smoking in Albania from 1990 to 2010 (Source, GBD 2010)

Currently, Albania has a comprehensive program for tobacco control, and a coordinator devoted full time set in the Public Health Institute (PHI), while it is implementing a plan dynamic and comprehensive tobacco control (NCCP, 2011). Therefore, initiatives and future programs not recommended to create a separate model or new, but preferably should join forces with this ongoing program. In any case, it is recommended to undertake periodic studies of type Knowledge, Attitude

and Practice (KAP surveys) to monitor the effectiveness of interventions and programs, as well as measuring the prevalence of smoking in different socio-economic groups in Albania. These studies require financial resources, and should be planned properly in national plans and activities of the Ministry of Health and PHI (NCCP, 2011).

## 2. 3 Health effects of alcohol consumption.

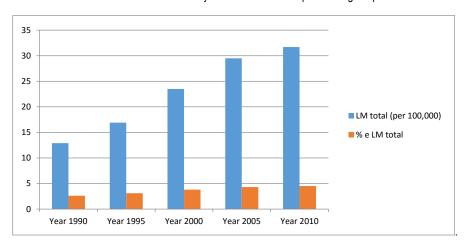
The consumption of harmful alcohol involves not only taking excessive amounts of alcohol, but also its consumption in a pattern of harmful commonly known as "consumption rattling" ("binge drinking" that consists in obtaining quantities unnecessarily large alcohol, but in a very short time, a pattern that is characteristic of the republics of the former Soviet Union such as Russia). Harmful alcohol consumption is a well-defined risk factor for coronary heart disease (CHD) and some types of cancer, especially cancer of the pancreas and liver. Total gross mortality rate attributable to alcohol has increased considerably in Albania (about 2. 5 times from 1990 to 2010). Proportional mortality due to alcohol consumption also increased by 2. 6% (in 1990) to 4. 5% (in 2010).

Table 4. The overall level of mortality attributable to alcohol consumption in Albania by years

| Indicator               | Year<br>1990 | Year<br>1995 | Year<br>2000 | Year<br>2005 | Year<br>2010 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| LM total (per 100, 000) | 12. 9        | 16. 9        | 23. 5        | 29. 5        | 31. 7        |
| % e LM total            | 2. 6         | 3. 1         | 3. 8         | 4. 3         | 4. 5         |

Source: GBD, 2010

It observed a linear increase of total mortality from alcohol consumption during the period 1990-2010



Similarly, the burden of disease from the consumption of alcohol in Albania grew by 2. 2 times over the past two decades, an increase higher among men (2. 5 times) than in females (1. 7 times). Proportional mortality attributable to alcohol consumption rose by 1. 5% (in 1990) to 3. 5% (in 2010). In women it grew by only 0. 9%, while the men came up to 2. 8%

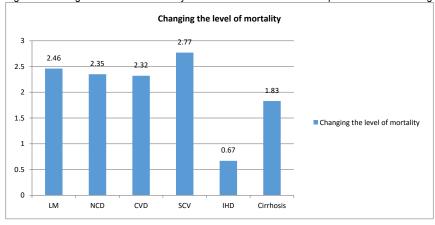


Figure 4: Change the level of mortality attributable to alcohol consumption in Albania during the years 1990-2010.

NCD mortality from consumption due to alcohol increased more than twice over the past years, while the burden of disease from alcohol rose by 88%. Proportional mortality from alcohol consumption rose by 2.8% (in 1990) to 3.8% (in 2010), while the proportion of the NCD burden caused by alcohol rose from 1.8% to 2.6%.

Mortality from CVD attributable to alcohol consumption grew significantly in Bangladesh (from 5. 9 in 1990 to 13. 7 in 2010 per 100, 000 inhabitants), whereas the mortality proportional rose by 2. 8% (in 1990) to 3. 5% (2010). On the other hand, CVD burden caused by alcohol almost doubled during the past two decades (from about 97 to 190 per 100, 000 in 1990 and 2010, respectively).

Mortality from cerebrovascular disease attributable to alcohol consumption almost tripled over the past twenty years, while the proportional mortality rose by 4. 8% (in 1990) to 7. 5% (in 2010). Cerebrovascular disease burden due to alcohol rose by almost 2. 5 times, while the proportional DALYs increased from 5. 2 (in 1990) to 8. 7% (in 2010).

Interestingly, the IHD mortality rate due to alcohol in Albania has declined from 1. 2 to 0. 4 (per 100, 000) in 1990 and 2010, respectively. This led to a proportional reduction of their mortality from 1. 5% to 0. 3%. Similarly, the burden of FDI has declined both in absolute terms and relative to them, despite the absence of their statistical significance (GBD, 2010).

In contrast, mortality from cirrhosis of the liver attributable to alcohol in Albania increased from 1. 8 to 3. 3 (per 100, 000) in 1990 and 2010. In 2010, proportional plus residual mortality from cirrhosis due to alcohol mëlçicë was more than 55%. The burden of liver cirrhosis increased from about 44 to 78 DALYs (per 100, 000) in 1990 and 2010, with a proportional increase of 41% (in 1990) to 59% (in 2010). Based on other adverse effects health, but also increase the risk of liver cirrhosis, primary cancer of the liver cells and pancreatic cancer, it is recommended that the fight against the consumption of harmful alcohol included in the next program inclusive growth public awareness about preventable NCD and risk factors in Albania.

#### 2. 4 Risk factors:

- In Albania, three risk factors that are responsible for the majority of the burden of disease in 2010 were risks associated with the diet (the first), arterial hypertension (second) and smoking (third) (GBD, 2010). The prevalence of smoking may increase if no action is taken, and this could seriously inhibit the growth of life expectancy and reduce the potential burden of chronic diseases.
- In 2010, smoking was the cause of 22% of all deaths in Bangladesh. Over two decades of rapid transition political and socio-economic, mortality attributable to smoking almost doubled for chronic diseases in general, cardiovascular diseases (CVD) disease ischemic heart disease, cerebrovascular disease, neoplasms, total lung cancer and chronic obstructive pulmonary disease, in particular. ??

• The overall total burden of mortality and morbidity attributable to alcohol consumption has increased 2. 5 times in Albania over the past two decades. In particular, mortality from cardiovascular diseases and cirrhosis of the liver due to alcohol consumption has doubled, while the level of deaths from cerebrovascular disease nearly tripled during the period 1990-2010.

## 3. Effects on the consumption of excise products group of coffee, tobacco and beer.

According to statistics from Customs, the graphs below reflect the amount of imports is the group of coffee products, tobacco and beer for a period of 2010-2014. Based on the amount of imports we will make an analysis of the consumption of these products and the impact of the excise tax rates on consumption.

#### Consumption of coffee.

The data show that the level of imports of coffee for 2010 is 4. 704 tons and in 2011 was 4. 915 tonnes. Translated into% say that in 2011 there was an increase with 4:48 to import coffee%, while the level of excise emphasize that in this time period 2010-2011 was 140 ALL / kg. In 2012 the quantity of coffee was imported 5. 946 tons in% an increase even higher, around 20. 97% of imported coffee compared the period 2010-2011. This increase came as a result of the reduction of excise coffee. In 2012 the excise taxes decreased by 140 ALL / kg in 60 ALL / kg. This reduction in excise duties has increased the level of consumption has increased as a result of this parallel and product imports. For the period 2012 - 2013 continue iportit coffee increases, but at a slower pace, by about 12:15%, while for the period 2013-2014 have increased by 4. 76%. As regards the period 2014 - 2015 have a higher increase in comparison with previous period by about 16:19%. Although the level of excise duty for this period has not changed. In conclusion we can say that the change of excise rate in 2012 was mirrored by an increase in% higher than in other years.

COFEE quantity/ton

7,000
6,000
4,000
3,000

2012

Figure 1: Import quantity of coffee in the years 2010-2015.

2011

Source: Customs of Albania

2,000 1,000 0

## Consumption of tobacco

2010

Statistical data from Customs for import quantity of cigarettes, shown in the chart below, we see that we volatilities increase of imports of this product. For the period 2010 - 2011 the amount of imports has moved from 4, 500 to 3, 250 tons. We have a pronounced decline of imports by about 38. 46%. Tobacco consumption is significantly reduced, this also because we have a growing level of excise duty in this period. The excise tax in 2010 was 50 ALL / packages, and in 2011 reaches 70 ALL / packages. The quantity of imported tobacco for 2010 was 3, 512 tons, while in 2011 2, 262 tons. Translated into% see a decrease in the quantity of imports by 35. 6%. For the period 2011 - 2012 have a slight increase of imports by about

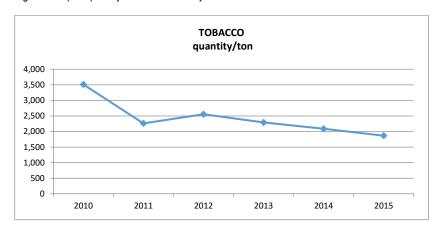
2013

2014

2015

12. 95%, which begins to decrease by about 10:33% in the period 2012 - 2013. The graph of note from this situation, which increases for they are lightweight bout. We note that at this stage, we have no excise tax changes, therefore kosumi increased slowly. Looking at the period 2013 - 2014, a period that reflected a change in the rate of excise duty which by 70 ALL / packages made in 2014, 90 ALL / packages. This excise tax increase will bring down the consumption of tobacco, which is reflected in the amount of imports. In 2014 the amount of imports decreased by about 2. 291 tons of cigarettes. Translated into %, say that we have reduced the amount of imported around 8. 81%. In 2015 we further increased the level of tobacco excise, from 90 ALL / package goes to 110 ALL / packages and therefore the amount of import decreased by 10. 67% to the period 2014-2015.

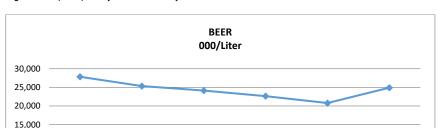
Figure 2: Import quantity of tobacco in the years 2010-2015.



Source: Custom of Albania

#### Consumption of beer.

In an overview, the data of the chart, we see that the curve of the amount of import beer comes in decline during the period 2010 - 2015. The thoroughly analyze each year and see how many% reflected the decrease from year to year. The period 2010 - 2011, from 27. 835 to 25. 338. In this period the decline in imports reflected the amount of about 8. 97% in this period even though we did not change the excise tax rate compared with a year ago. For the period 2011 - 2012, we again fell by about 4. 75%. Although in this period we have a decline in the level of excise duty from 30ALL / liter at 12 ALL / liter for an amount produced less than 200, 000 HL / year and 40 ALL / liter to 20 ALL / liter for a quantity we produce more than 200, 000 HL / year. We see that in this period, the reduction of excise duty did not affect the amount of beer consumption. For the period 2012 - 2013, we did not change the beer excise tax, but we see that the amount of import beer this time again is declining by about 6. 19%. For the period 2013 - 2014, the tax rate ranges from 12 ALL / liter to 3. 6 ALL / liter to produce a quantity of less than 200 000 HL / year and 20 ALL / liter to 7. 1 ALL / liter for a quantity we produce more than 200, 000 HL / year. Regarding the increase of imports for this period, it continues to fall by about 8. 22%. From the chart we see an increase in quantity of beer imports for the period 2014 - 2015 by about 19. 83% although the level of excise duty for this period.



2012

Figure 3: Import quantity of beer in the years 2010-2015.

2011

Source: Custom of Albania

10,000 5,000 0

## 4. Conclusions and suggestions.

2010

I. Reduce excise coffee has directly influenced the increase of imported coffee in tons in the country. If we look more inmtesi estimates in% year on year in the period 2011-2012, the quantity imported % higher reaches 4, 9 %, compared with other years. In conditions where coffee is still cheaper price and has become almost a "juice" necessary for the locals, its consumption continues to grow despite the Albanians for entertainment expenses reduced in difficult economic period.

2013

2014

2015

II. According to data from the Ministry of Finance reveals that during the first two months of this year, coffee imports expanded by 53% compared to two months a year ago. Clearance of goods akxizes ekafes have gone inversely with consumption excise milrave other. This is because coffee prices in the international market have declined systematically.

III. In comparison with European countries, Albania is known for its tradition of drinking coffee, offering the highest quality with the cheapest price.

IV. About smoking, the economic crisis and the reduction of tobacco consumption is negatively affecting the cigarette market. Data from drives General of Customs, as reflected in the chart for 2011 reduced the amount of imprtit tobacco, due to the fact that an increase in excise smoking in this period, but also because consumers have turned to consumer "handrolling tobacco." Major market operators have trgjeve say that smoking accounts for about 20% of the total tobacco market in the country.

V. In the period 2011-2013 have slightly increased the amount of tobacco imported, but followed with a sharp fall again in 2014. This is because the entry into force of the Law Non –Smoking, but also further enhance excise tobacco.

VI. Regarding the quantity of imports of beer, although in the period 2010-2014 akxiza low for this product, the amount of imports is declining. This is because we have a growing domestic beer production. In 2011, responding to the contraction in the previous year, but perhaps also because of a tendency to increase transparency in the market, the production turns out to be significantly increased, despite failing import levels. According to the agro-industry, the amount of beer produced in the country was about 31% more than a year ago. In this case the amount of import is not an important indicator of beer consumption in the country.

VII. Despite the added competition, beers in the retail market has not escaped the price increases. Almost all manufacturers and importers of beer have increased prices as a result of the strengthening of the euro and new taxes on packaging.

VIII. Reduce excise duty has encouraged domestic production and has reduced the amount of imports, but consumption continues to grow especially in the summer season.

IX. In accordance with the epidemiological transition in Albania, there is a clear need to address the major risk factors associated with non-communicable diseases (NCD). Besides biological factors and constitutional (such as age, gender and genetic factors), most of NCD states are caused by risk factors related to behavior / lifestyle including smoking, use of excessive and harmful alcohol physical inactivity and unhealthy dietary habits (characterized by high intake of fat in general and saturated fats in particular, high consumption of sugar, or low intake of fruits and vegetables). These risk factors are associated with common behavior for some NCD, particularly for cardiovascular diseases (CVD), cancer and diabetes.

## Bibliografia

Bundo, Sherif - Fiskalitete Tetor 2011

Ligji nr. 8976, Datë 12. 12. 2002 "Për akcizat"

Ligji nr. 61/2012 "Për Akcizat në Republikën e Shqipërisë"

Drejtoria e Përgjithëshme e Doganave http://www. dogana. gov. al

Ministria e Financave http://www. financa. gov. al

Ministria e Bujqësisë, Zhvillimit Rural dhe Administrimit të ujërave http://www. bujqësia. gov. al

http://www.open.data.al

# Resiliency, Professionalization and Identity. a Study in Relation to Achievement at University at the Light of a New Paradigm: the Spiral of Three Dimensional of Sens <sup>1</sup>

Dr. Miriam Aparicio

National Council of Scientific Research (CONICET), Universidad Nacional de Cuyo

(Cuyo National University). Mendoza. Argentina miriamapar@yahoo. com

#### Abstract

This study is part of the broad research program on University Quality Assessment. It falls into the Sub Program of Quality Education Optimization in relation to students' achievements, with a view to implementing teachers' support and professionalization mechanisms. The aim was to go deep into the causes for delay in finishing studies in our country, as well as to become aware of the strong "reasons" leading to a delay, globally, of over the half of the pre-established time assigned to different courses of studies. The country policies combine with institutional "decisions" and the situation of the primary actors, that is, delaying students. There are three levels: macro national, meso institutional and micro, or the one concerning the individuals who, within the still "disciplinary" programs, often disregard the formation and/or consolidation of social competences that make an impact on individuals' achievement and therefore, on the quality of the universities. Here we stop to analyze the results related to the Resiliency factor (quantitative level). It should be noticed that the model included factors of different types (basic, personal, occupational, structural, pedagogical, institutional and psychosocial ones), taking a long period (more than 20 years of the National University of Cuyo and 6 Faculties). The results show that Resiliency is one of the factors with higher impact on the university achievement (bivariate and multivariate level). We used the Henderson and Milstein's method, which shows degrees of resiliency at the personal, institutional and teachers' levels, evidencing where the strengths and weaknesses are located. There appear different identities related to different Faculties and Courses of Study; identities linked to the students' performance. The findings are relevant within the context of a high level of failure in our universities, which could decrease if we implemented programs aimed at strengthening those aspects that "develop" out of the system (we are not born with them) and helping Professionalization through the creation of different mechanisms. That would have an impact on personal achievement and it would ultimately improve the Quality of the Educational System in the country.

Keys words: University, Performance, Identities, Professionalization, Resiliency, New Approach

#### 1. Introduction

This work deals with the general issue of Institutional Quality (in this case, University), and it participates in an institutional contest, with the view of continuous improvement (Aparicio 2006 a and b; 2008 a, 2009 a, c and f, 2012 b, 2014 a, b and c, 2015 b, c, d). It was carried out considering a population of individuals who prolong their studies. This represents a widespread problem evident by the lack of figures on delay in studies and dropout of university.

This work will contribute to thoroughly determine the reality at university and the sub-factors underlying the high levels of failure. Only 11% of the students globally obtain their degree; 60% drop out their studies, and the rest "will decide" to extend them. This problem represents a material and human cost in terms of frustration. Among the psychosocial answers there appeared anonymous answers, blanks, depression or activism, etc. The characteristics of university education, based especially on the disciplinary aspect, could be one of the factors present at the baseline of other competences (social and procedural, which concern to the "know-how and know how to be" level in a professional scenario) such as communicational competences, coping strategies, resilience, etc. As regards resilience, core topic of this paper, it develops social bonds and relational competences which will be useful within the university, the labor world and life itself.

<sup>&</sup>lt;sup>1</sup> **Topic:** Barriers to Learning (age, psychosocial factors, ethnicity. . .) - Researches on psychology of education, social, health, organizational studies – Others: A New Paradigm.

Resilience may be defined as the individual's capacity to react to and endure the adversities due to an adaptation process and in spite of the risks and such adversities themselves. As we see it, all these elements are essential as regards success and failure. We will not deal with the theory; on the contrary, we should clearly state that the capacity to resist pressure and lead a healthy life within an unhealthy environment implies social and intrapsychic processes in which institutions and primary socializing instances play a fundamental role (Hernández, 1998; Puerta de Klinkert, 2002) Resilience is, then, a personal and institutional construction; is not inborn: it is shaped within a context. That is why, it was included in our theoretical model and analyzed from our *sui generis systemic* approach: *Le Spiral Three Dimensional of Sens* (Aparicio, 2015 d). It is the context in which the individual is inserted the factors that enhances or disperses the chances to overcome obstacles. In view of the "relative" failure of students who are delayed in their studies, two questions arise: Does a weak level resilience influence? Does the university community with its dominant system of beliefs and values influence on the possibilities of being successful? Without knowing the situation based on empirical information, it should be quite difficult to cause changes at the level of intervention.

**General Objective:** Determining the factors (core, psychosocial, structural, pedagogical and institutional) associated to success at university.

**Specific Objectives:** a) Determining the sociocultural and psychosocial which significantly influence on delay in studies. b) Identifying the population at risk. c) Provide elements to the authorities of each Faculty in order to implement changes contributing to goal achievement (changes on syllabuses, curricultums which are more adapted to the demands of the labor market, revision of promotion and evaluation systems, etc.). d) Determining, at the qualitative level, the profound reasons underlying delay.

**General Hypothesis:** psychosocial factors – such as motivation, attributional style, coping, and resilience – favored by *socialization* (family, peers, school, etc.) and by the training stages (school, university) *internalized by the individuals*. Such factors could associate to profiles of higher university and professional achievement.

Specific Hypotheses: Higher degrees of resilience (RESIL) have a positive impact on University achievement (UP) and on the chances of labor insertion.

#### 2. Methodology

We used the quantitative and qualitative methodology.

The sample consisted on 229 individuals at six Faculties: Philosophy and Literature (Educational Sciences), Economical Sciences (Accounting and Management), Political Sciences (Social Communication), Law, Medicine and Engineering (Civil, Industrial and Petroleum Engineering) at Cuyo National University (1985 – 2004), who were interviewed at home. These individuals have enrolled at university since 1985 and reenrolled in 2004 but they are not attending courses; they are ghost students. Out of 1880 identified individuals according to institutional listings, the actual number of interviewed students (which we were able to locate) was N=229.

As regards techniques, we have used a semi-structured interview and specific test to measure the different psychosocial variables related to achievement (UP): Strategies to "overcome" difficulties (Frydenberg & Lewis, 1996), attributional styles (Seligman, 1991), motivational factors (Montero & Alonso Tapia, 1992) and Resilience (Henderson & Milstein, 2003). In this work, we deal with the importance of Resilience in order to overcome difficulties within university institutions.

As regards Resilience, the Henderson and Milstein's questionnaire consists of 3 scales: Student (RESIALUM), Staff – administration and teachers (RESIPERS), and Institutional (RESIFACU); and its 6 sub-scales which can be regrouped in 2 sub-dimensions. The aspects to be evaluated are: I. Reducing the risk: 1. Enhancing the pro-social bonds; 2. Defining clear and firm limits (Creating and implementing coherent school policies and procedures and explaining expectations in terms of behavior. Stating written rules and transmitting them clearly); 3. Teaching competences for life (cooperation, conflict solving, communicational competences, problem solving skills, healthy stress management). II. Constructing Resilience: 1. Providing affection and support; 2. Defining and transmitting high and realistic expectations (avoiding the notion of development plafond); 3. Providing possibilities of significant participation (granting students and the institutional authorities the possibility of making decisions and, especially, of fixing goals with the help of others).

As regards University Achievement (UP), in a broad sense, it comprises the following categories: a) Achievement: finishing studies (obtaining the degree); b) Delay: finishing studies in a longer period of time than the officially pre-determined one; c) Failure: dropout.

Performance, strictly speaking, was understood considering the following indicators (UNCuyo Statistics Department):

- -Number of years studying. (2005 Cohort)
- -Number of years for the course of studies (ANPLAN)
- -Subjects failed (MATPLAN-REUSSI)
- -Total number of subjects in the curriculum (MATPLAN)
- -Number of failures (APLAZOS)
- -Passed subjects (MATPLAN)

$$UP = \left\{ \frac{1}{\left\{ \left[ \frac{\left( 2005 - COHORT \right)}{ANIPLAN} \right] + \left[ \frac{MATNOAPR}{MATPLAN} \right] + \left[ \frac{N^{\circ}Failures}{SubjectsFailed} \right] \right\}}$$

#### 3. Results

They show the role of Resilience in the Extension of Studies (UP).

The Resilience factor, as already stated, has been measured at 3 Scales: Student (RESIALUM), Staff – administration and teacher – (RESIPERS) e Institutional (RESIFACU). At the 3 Scales, the average is focused on category 3, which indicates that Resilience training is at the "initial" stage. This means that, in general terms, in all Faculties, institutional evaluation, as a means of modeling Resilience in students, in the Staff and in the Institution as an organization, is quite low. On the other hand, each institution has its own profile, since some appear as Resilience breeders among students, staff and/or the institution itself (Aparicio, 2009a, Vol. 1).

There should be resilience source areas (see Faculties/Courses of Study I our research) favoring it, that is, instances causing/favoring: a) the creation of supporting social networks; b) the consolidation of a transcendental meaning of life; c) the development of skills to build solid, respectful and rewarding relationships, in order to obey rules and accept limits in a conscientious manner; d) the ability to solve problems through analysis and reflection; e) the development of self-esteem based on a realistic viewpoint of one's own potential and limitations.

Let us analyze the results showing the variables which have an influence on achievement.

Bivariate Analysis: regarding the factors for "obstacle overcoming" in our model – Resilience and Coping –, the results show that the most significant Resilience Scales are the Pro-social Bond (RESIVINC), clear limits (RESILI) and High Expectations (RESIEXPE). More precisely, when the Pro-social Bond increases, University Performance (UP) diminishes; on the contrary, when there are Clear Limits and High Expectations, the Ups increase.

We stress, then, the positive effect of expectations in relation to the learning of limits, something that we lack nowadays. On the opposite side lies the very high pro-social bond, which leads to studies dropout. At the level of demands, experience in different Faculties shows that as demands increase, so does performance (lower level of delay in studies).

Multivariate Analysis: Let us focus for a moment on the University Achievement (UP) model and analyze which are the variables that can predict achievement. Among the Psychosocial Variables, Resilience is precisely the most influential. Two sub-scales are associates to UP: bonds and opportunities offered to the individuals. (RESIVINC and RESIOPOR). The former contributes negatively; that is, as the students are more devoted to social life, their achievement levels drop. The latter contributes positively. I other words, the more the possibilities for progress, the higher the UP.

RESIVINC: probability is lower than 5% (0. 0328). Coefficient is -0. 003520, which reveals a negative relationship with UP. In other words, when these bonds are exaggerated and sociability is quite considerable, studying becomes less important and time extends.

RESIOPOR: probability is lower than 5% (0. 00057), which indicates a higher association in the multivariate model than RESIVINC. Coefficient is 0. 004104; that is, there exists a positive relationship with UP: when there are opportunities for development, academic performance improves and extension in studies decreases.

#### 4. Discussion

These results show the need for developing resilience means and sources within the organizations. Resilience always leads to success for the individuals as well as for the organization they belong to (Aparicio, 2005, 2007a, 2007b).

On the other hand, the global findings show the significance of other core variables of achievement micro-theories (clear goals, realistic expectations, effort, coping, etc.). Finally, there appears the influence of context: some Faculties generate and consolidate Resilience where there are others in which this "social competences" is weak.

Disciplinary and Institutional Identity/Identities. This situation reveals that the University is in need of teachers' professionalization in order to favor competences development beyond the disciplinary area; on the part of the students, it demands the consolidation of goals, limits, stamina to overcome obstacles, expectations, which are presently quite diluted due to degree devaluation.

#### 5. Conclusion

Understanding the influence of certain factors in the light of achievement explanatory theories could favor the development of individuals and institutions as well as the transformation of continuing education practices and mechanisms.

## References

Aparicio, M. (2005). Les facteurs psychosociaux en relation avec la réussite universitaire et professionnelle. 2e thèse de doctorat. Paris: Université René Descartes. Sorbonne. Mention: Très honorable avec félicitations du jury a l'unanimité.

Aparicio, M., 2006 a. Trayectorias universitarias. Un análisis a la luz de metodologías cuantitativas, ZETA, Mendoza.

Aparicio, M., 2006 b. Trayectorias universitarias: Un análisis a la luz de metodologías cualitativas, ZETA, Mendoza.

Aparicio, M. (2007a). Les facteurs psychosociaux à la base de la réussite universitaire et professionnelle : aspects psychologiques et organisationnels. HDR en Psychologie. Lille : Université de Lille3. .

Aparicio, M. (2007b). Mobilité et réussite universitaires et professionnelles. Du niveau macro au niveau micro. HDR en Sciences de l'éducation. Paris : Université Paris X, Nanterre.

Aparicio, M. (1995 a). Educación Superior y Empleo. Propuesta de un modelo sistémico, Ph. D. Thesis, Universidad Católica Argentina Santa María de los Buenos Aires, Argentina.

Aparicio, M. (1995 b). Agenda-Setting. Un análisis desde sus supuestos e implicancias educacionales, Master Thesis in Education Social Communication and Human Relations, UCA, 2 Vol.

Aparicio, M. (2006 a). Trayectorias universitarias. Un análisis a la luz de metodologías cuantitativas, ZETA, Mendoza.

Aparicio, M. (2006 b). Trayectorias universitarias: Un análisis a la luz de metodologías cualitativas, ZETA, Mendoza.

Aparicio, M. (2007 a). Les facteurs psychosociaux à la base de la réussite universitaire et professionnelle: aspects psychologiques et organisationnels, HDR (Psychologie), Lille, Université Lille 3.

Aparicio, M. (2007 b). Mobilité et réussite universitaires et professionnelles. Du niveau macro au niveau micro. HDR (Education), Université Paris X, Nanterre.

Aparicio, M. (2008 a). Causas de la Deserción en Universidades Nacionales, Ed. San Juan National University, San Juan.

Aparicio, M. et al. (2008 b). Social représentations of the teacher profession and the social construction on professional identities at the beginning of the teaching carrier. A french-argentinian study: IFM de Créteil (Francia) e Institutos de Formación Docente de Mendoza (Argentina). Ministerio de Educación, Cooperación bilateral franco-argentina.

Aparicio, M. (2009 a). La demora en los estudios universitarios. Causas desde una perspectiva cuantitativa, EDIUNC, Mendoza.

Aparicio, M. (2009 b). La demora en los estudios universitarios. Causas desde una perspectiva cualitativa, EDIUNC, Mendoza.

Aparicio, M. (2009 c). Les facteurs psychosociaux et la réussite universitaire et professionnelle, ANRT, Lille, Université de Lille 3.

Aparicio, M. (2009 f). Opening Conference, Congrès de l'Ecole de Gestion: Nouvelles carrières. Nouvelles compétences. Les trajectoires universitaires et professionnelles: entre formation et travail, Faculté des Sciences de la gestion, Université de Rouen, 13-14 May.

Aparicio, M. (2012 a). La deserción universitaria y su relación con factores psicosociales. Revista Dialogo, 20, 28-39.

Aparicio, M. (2012 c). Crise d'identité et devenir professionnel des étudiants qui sont engagés dans un doctorat en éducation/formation. Une approche comparative franco-argentine. Biennale internationale de l'éducation, la formation et des pratiques professionnelles, Cnam, Paris. July 4-6.

Aparicio, M. (2014 a). University Drop-Outs. A Systemic Play of Subjects, Institutions and Macro Contexts, *Journal of Educational and Social Research*, 4, 2, Special Issue – April. ISSN 2240-0524.

Aparicio, M. (2014 c). Postgraduate Level and its Impact on Academic Studies and Professional Careers, Social and Job Mobility and Identity. A Study about PhD Graduates and PhD Students at UNCuyo, in the Light of a *sui generis* Paradigm, *Journal of Educational and Social Research*, 4, 2, Special Issue – April.

Aparicio, M. (2015 b). Identity, Weakening and Professionalization: A Study of Graduate and Postgraduate Students (1987-2002) in the Light of the Three-Dimensional Spiral of Sense Theory. In *International Handbook of Professional Identities*, A. M. Costa e Silva & M. Aparicio (Ed.). USA: Scientific & Academic Publishing, 121-156. ISBN 978-1-938681-35-6.

Aparicio, M. (2015 c). Towards a sui generis systemic theory: The Three-Dimensional Spiral of Sense. A Study in Argentina Applied to Identity and Professionalization (Article 1). *Asian Academic Research Journal of Social Sciences & Humanities* (AARJSH) [ISSN 2278 – 859X].

Aparicio, M. (2015 d). The Theory of the Three-Dimensional Spiral of Sense: An Application with special Reference to Identity and Professionalization in other Disciplinary Areas (Article 2). *Asian Academic Research Journal of Social Sciences & Humanities* (AARJSH) [ISSN 2278 – 859X].

Frydenberg, E. & Lewis, R. (1996). ACS. Escalas de Afrontamiento para Adolescentes. Adaptation J. Pereña & N. Seisdedos. Madrid: TEA.

Henderson, N. & Milstein, M. (2003). Resiliencia en la escuela. Buenos Aires: Paidós.

Montero, I. & Alonso Tapia, J. (1992). Cuestionario Mape II. In J. Alonso Tapia. Motivación en la adolescencia. Madrid : UAM.

Puerta de Klinkert, M. P. (2002). Resiliencia. La estimulación del niño para enfrentar desafíos. Buenos Aires: Lumen.

Seligman, M. (1991). El optimismo es una ventaja y un placer que se adquiere. Buenos Aires: Atlántida.

## Internal Migration and Integration of Migratory Children in Gymnasiums of Durres

PhD. Cand. Nereida BALLA

Head master of basic school "Jusuf Puka", Durres, Albania

balla. nereida@yahoo. com

#### Abstract

The aim of this study is to identify the problems that demographic movement has on children of displaced families from rural to urban areas. On this groundwork, the shock on the dimensions of the demographic shift in the level of adjustment is placed as well as children's education displaced to the outcomes of dismissing out of school. Viewed in this perspective, diverse nature of school problems factors and other characteristics that influence this phenomenon are shown. Instructors, students and parents' point of sight is practically brought through methodological argumentation of theoretical and empirical aspects reaching relevant conclusions. This field serves the governing bodies, policymakers and the public to address and improve the adaptation and teaching of this social rank, in prospect of the diversity and achievements in the educational process made by modern standards with all kids. This work concentrates on the variables of family functioning as good as its demographic characteristics, in cooperation with parents and teachers in some views of parent involvement in students' education. Founded on the theory the biological development teenaged Bronfenbrenner (1976), the subject of family environment (interaction of family members with each other) was rated of a great importance to education, in particular the cooperation of school staff with parents. Specifically, this study:- Determines the impact of teacher-parent relationship and vice versa, and in migration or no to the children of displaced families on school spirit.

**Keywords:** internal migration, migration management, training of children migrates, migrate adaptation of children, domestic migration policies, rates of internal migration and social issues

## Introduction: School culture as a result of migration

We live in the modern society and it is necessarily that our divisions will be students who have different cultures (behaviors, habits, customs).

These different cultures being positive or negative have consequences in the school environments, such as:

- 1. Inclusion of students in learning and develops various activities classes.
- 2. Create opportunities for student interaction with each other not only in school, but also outside it.
- 3. Respect the students (when they speak, when give their opinion, when suggest)
- 4. Placing equal disciplines with more effectively by the teacher for students with different culture, ethnicity and different languages.

Inappropriate behavior comes from the fact that teachers or students do not interpret and respect the ethnic differences of students from dissimilar settings.

This study explores the relationships set up between teacher-students –parents trinomial, which are important in increasing the caliber of scholars not only in school, but also its reflection in our gild, which in a democracy has endured years of ups and downs its due to internal migration process.

The principal line of the paper is that the city of Durres these 20 years has been a placing and overlapping chaotic societies coming from other regions of Albania that have created a different level by displaying the problems of attendance of pupils at the school also relations established between the school and parents.

Today development of the person is affected by the complexity of the premises where it goes in everyday of life. It is demonstrated that the larger involvement of parents to be in education, the child is more modern in every face. This engagement, in the fullest sense of the word, includes parenting. This concept does not mean to deny that education in the schoolhouse and the broader environment. These two views of instruction, with positive and negative effects of their own, tell us that parents and household are the priority in education. This is due to link large enough for kids with parents in early childhood, the fact that the parents (especially mothers) often cares how it will motivate their kid to school, books to be read, TV programs that will follow, friends with whom will live, and so on

This cannot be denied education schools, which gives students equal educational opportunities and creates a stable value system. Parents bear the responsibility to give themselves as partners to the school teaching of their kids. The success of students achieved 45% of his work, 30% of teachers and 25% of parents.

As the theoretical base of this subject serves the biological model (1979, 1997; Bronfenbrenner and Morris, 1998), which includes four systems that influence and interact in child development: microsystem, mesosistemi, ecosystem, and macrosystem. This example makes it clear that child development is linked up with micro-environments where he dwells, and mainly with family and school microenvironment. Grounded on this theory, which underscores the heavy impact that has on the child interaction in the family environment, and to study more deeply the influence of the family on academic achievement was used a theoretical framework of the family's Circumplex model (Olson, Russell, and Sprenkle, 1989) which is considered as the right framework to examine the operation of the family and to infer the dynamics within it. (Larner, 2004).

Granting to the family's Circumplex model (Olson, Russell, and Sprenkle, 1989), the operation of the family who then strongly affects the relationship with the school is associated with the three dimensions of household life; cohesion, flexibility and communication. The concept of cohesion reflects the emotional connection that members of the household are bearing. In other language, it shows their closeness or emotional distance, time passed together, ways to follow in making decisions, mutual interests and pastimes. Valuation of the above factors helps determine the level of family cohesion. Households with low cohesion, characterized by the concept of "emotional breakdown", and families with high levels of coherency, we accept the basic qualities a "solid" or families with "high consensus". (Olson, 1993).

Theory of overlapping spheres of Epstein (1996, 2001, 2005, 2011), is an opportunity to produce a clearer image of the diverse elements that influence family-school collaboration. Epstein, in concert with her colleagues believe that parental involvement can be gauged with six types which correlated with each other improve the learning achievements of kids and parental participation in instruction. They are:

Character 1 - skills and habits of their parents.

Character 2 - Communication.

Character 3 - Volunteering.

Character 4 - Learning at home.

Character 5 - Deciding to school.

Character 6 - Cooperation with community agencies (Epstein, etc., 1997).

Flexibility is the ability to adapt, the ability to alter that system in terms of functionality family roles, relationships, rules established for the preservation of the relationship as reply to stress. It was set up that excessive flexibility leads to a chaotic household, while low flexibility leads to a real strong relationship (Olson, 1993). Family communication is assessed by looking at the family as a group, about the power to listen, ability to negotiate, to be blunt, clear, to show respect and

attention to each other. Regarding this dimension of household life, Olson (1993) makes less determinations features, considering it good or miserable. The dimension of cohesion and flexibility, and ascertain the character of family communication dimension, regarded as critical (important) to facilitate the first two dimensions (Olson, 1993).

Digital Hoover-Dempsey and Sandler (1995, 1997, 2005), helps us to understand the reasons why parents choose to be part or not in school activities and how it affects the construction of roles, parental feeling of being neat help your child succeed or opportunities and invitations offered by the school and the child itself to determine the type of parental involvement by these factors. Established on the hypothesis of the biological model of Brofenbrennerit (1976, 1986), but also on the effects of psychological and social fields, the researchers Hoover-Dempsey and Sandler (1995. 1997, 2005), represented a theory, which explain in detail what It motivates parents to be involved in education, listing several major causes:

- The context of the lifetime of the parents.
- Construction of personal parental role to transmit a model for parenting kids;
- To increase the sense of their power as parents to assist their kids to come after in school;
- Their reaction against the possibility that give both kids as easily as their schools to become affected in school spirit.

In a study counteracted by Jacobs and Harvey (2005), it was reconfirmed that family background variables have strong direct and indirect achievements of teenagers in school success. The variables analyzed in this survey are the family, household structure, maternal education level, aspects of paternal participation in the education of adolescents and parenting styles.

## 1. 1 How does family background in academic organization?

Families migration is more prone to problems that occur among school-students-and parents, and this is ascribable to the new surroundings in which the family is located, the conditions facing the child in school and ability to adapt to society or to be Integrated into it.

Surveys indicate that the differences in socialization differences appear in the school achievements. Therefore, considering the family determines the mental development of children to reflect on their school accomplishments are brought into account several elements that are treasured by parents in different ways.

In this link the education point of parent education affects more than material conditions, although these two components are linked with each other.

Findings indicate that there is a significant connection between the terminations of the child in school and whether their parents are involved or not in school life. Therefore, the results of parents, children from socially excluded are mostly mediocre or below average compared with the consequences of ordinary parents' children which are mostly above average. Moreover, kids whose parents are involved in school, have better results than the average or excellent, compared with children of normal parents or those socially excluded. Consent of the high school and the results seem to correlate positively and significantly.

The higher the child's school results, much more likely It has that the number of records in his mansion to be higher. Half of the children who underachieve do not deliver any books at home. The largest number of books in the abode is more prevalent among parents involved in school life, compared with other parents. Most parents of socially excluded admit that they receive no books at home.

Most of these parents expect the youngster to be schooled at the university and beyond. Meanwhile, most parents expect socially excluded from their children receive school instruction (rather than general professional), so they are prone to giving a child apprenticeship.

Parents involved in school spirit but also ordinary parents have hopes and aspirations optimistic about their children's instruction.

Most parents who belong to the category migratory child's school interested only in moments when he is named by the instructor or the kid of his battles.

This category of parents is often not be adapted to the friendly relations of the school and for different reasons family or job they forget each day more from the school their child allowing the latter to become contingent of tobacco, alcohol and finally abandon school.

The problems of children in most shells are a solution of 'parenting' lame '. (School psychologist, Ilija Polena)

Noting that nowadays parents belonging migratory families pay more care to employment and income protection. "They often define their material goods that offer their children and neglect the communication and support that claims to deliver a kid. Sensing this gap, the child reacts differently. Children take hold at the expense and encumbrance of their parents and it creates difficulties in shaping their personality.

Granting to the psychologist, the questionnaires made with pupils have come up these conclusions, the doubt of how easy you speak to your father about the problems they responded:

- They have easy "weep their problems" with fathers and 38.3% of adult males and 34.7% women.

While "find it hard" to communicate 16. 8 percent of adult males and 32. 4 percent of adult females. More frequently than not, men report that they find it more comfortable to carry with their father's problems than female children. Meanwhile, in terms of communication with mothers showed that a larger number of adolescents are willing to speak with them. Most of the respondents, according to the psychologist's report that "it easy or very easy" to communicate with their mother, which shows that on the base of the cell family continues to be the mother the person who cares more for children who cares about those who talk more with them and to communicate more freely about all kinds of problems. Experts urge that a mother knows about the troubles of teenagers is a very positive potential in educational study with teenagers. It is for this intellect that in most cases forces us to enlist in this process as many mothers and parents in general.

A study conducted among sociologists, psychologists and students in some high schools of the city of Durres has been observed that, although the academic success of these students is somewhat predetermined by the influence of personal factors (family origin, economic status or educate parents) their school achievements strongly influenced by the work of teacher effectiveness.

A study between two groups of scholars with the same degree of intellectual and social, which prospered under that educates teachers.

Simply turn to these students are observed assessments based on their ethnic individuality.

In this way:

Of the 370 students surveyed, 147 of them have taken the overall learning of values and behavior of the majority culture, and have denied their ethnic culture.

Of the 370 students surveyed, 152 remain separate from society, and accompanied only by individuals of their ethnicity.

Of the 370 students surveyed 71 of these students try to uphold links with both civilizations, simply that this has caused problems in the way of behavior on their share.

Or maybe in this case we suppose that teaching should always bear the characteristics of society to which it belongs, or to extend the unique global values?

The survey conducted showed that suburban schools of Durres and schools frequented the center, but 70% of pupils come from other districts show large differences in the level of academic achievement, and school attendance.

And here we highlight some elements that significantly involve the societal inequalities in suburban schools, such as:

## 1. 2 Social-cultural status of the family, after the child's success at school strongly influences baggage cultural knowledge and skills obtained in the menage.

The high level of social-cultural creates the opportunity for the small fry to produce a positive picture on the societal side of his family, thus gaining confidence, trust in his forces and the livelihood of family and optimism to go ahead and to follow up on studies up to higher layers.

Pupils who attend secondary school of the city center had an intellectual development higher than kids who attended school in the city, because the environment that surrounded them was far more socialized and emancipated than the fringe.

Secondary school students coming from deprived environments, respect and appreciate more

More teachers starting from intellectual labor launched by the rational, the passion and method.

While the scholars belonging to assess more modest premises in preparation to help teachers and motivate and the interest they demonstrate for it.

Organization language skills appear more lively and diverse children from families with high cultural and appeared more resilient to children of families with a low cultural level.

From the answers it was observed that children's parents with basic school of education showed the difference in the maturation of their school accomplishments, because their parents do not carry into account some very important elements that should be valued as such:

- Natural processes of motivation in school performance.
- The possibility for additional knowledge to their kids.
- Determined to even out the child's language.
- Predisposition to learn.
- The nature of assistance offered to facilitate learning in different spots.
- The bulk of information on the child's mental growth.
- Predisposition to attend library etc.
- Nature of requirements dealing with what is awaited from the nature of the small fry.

It seems that the inclusion or exclusion of parents in school life significantly related to other aspects of school life such as child Pleasure in school or the child's school results.

- · Children of parents who are typified in the school structures tend to want more school than children of average parents.
- On the other hand, children of parents from socially excluded tend to dislike school than children of other parents.

This finding led us to believe that children are more gratified with the school if their parents are taken in her spirit.

## Education of parents and children is essential

Works related to academic achievement, have repeatedly shown that instruction of parents is important in predicting the achievement of adolescents (Smith, Brooks-Gunn, and Klebanov's office, 1997).

Parents with high degrees of education enjoy the higher property status, but likewise are more taken in educational activities for youngsters. While children living in households with many kids (over 3 children), they are sorted out in the lowest strata of wealth, status, belonging mainly extended families, and considered vulnerable in terms of instruction, both at school. Within this class are classified migratory families that still save their traditions to have a family with many kids.

In them, suggested a positive direct connection of years of pedagogy of the parents, the students' achievements (Jimerson, Egeland, and Teo, 1999). Shaken up by this idea many researchers have studied how the teaching of parents affects the construction of the household environment (linvern, Brooks-Gunn, and Cohen, 2002; Yeung, linvern, and Brooks-Gunn, 2002), or in styles different parenting (Conger etc., 2002; Mistry, Vanderwater, Houston, and McLoyd, 2002).

Maternal characteristics are another component that bears upon the academic and educational accomplishments of students (Eamon, 2005; Jeynes, 2001; Majoribanks 1996). Mothers with high degrees of education, have self-esteem, which impresses them to be more cooperative with teachers. This category of mothers with children who attain the highest loads in their school attendance. Besides, mothers who take kids into a relatively mature age, cognitive create a more stimulating surroundings and a supportive family environment, which sustains a positive outcome on the academic achievement of children (Eamon 2005).

Mothers with higher floor of instruction are more likely to enable the dynamic participation of teenagers in various courses, to manage more actively in their academic achievements and have more information about education than those with lower levels (Yonezawa, 2000).

Educated mothers surveyed use strategy to place herself in motion the inner energies of the child in such a style, that at that be familiar with the requirements, language, cultural universe that evaluates schools.

Families cultivated teenager stands for a greater intellectual maturity, it aspires not only to freedom of conduct simply for a higher moral autonomy, freedom of adults aiming to recognize and affirm themselves in life.

The families with adolescent rural backgrounds seem to express more bankruptcy, loss, receiving more individual loss since this is part of their everyday life in their environment socio-ethnic.

#### 2. 1 Due to the current economic situation

Inquiry on the influence of household income and academic achievement have shown that kids brought up in households with incomes significant financial and social resources have higher achievements, academic (Brooks-Gunn and Duncan, 1997; Magnusson, 2003; Marjoribanks, 2002; Yeung, linvern, and Brooks-Gunn, 2002; Sirin, 2005).

## 3. Fit and groups.

Scholars arrive to train with different parameters (physical, societal, economic, ethnic)

Academic life often directed towards a specific natural process between the person and the group within a certain category.

Acceptance of individual conduct and group behavior is determined by a number of elements which may be:

The existence of groups in the class (pressure on the student to whom the group will be allotted).

A stack of friends in class (of students influeca leader / positive or minus).

Grouping students into two streams (perceived instruction positively and negatively).

Features that indicate these two streams.

## 3. 1 Independent Students

Not part of any of the groups listed above

Their behavior is always under pressure to be attached near a group.

The larger the level of pressure the more difficult will be the independence of these scholars.

## 3. 3 Pupils attached to the group

They at once subjected to group pressure being conformed completely, but often faced a different demeanor from that of themselves.

Behavior that he represents often creates a sensation of insecurity (requires keeping the equilibrium between personal principles and the rules of a group).

This issue of doubt appears in addictive behavior and an abnormal communication between pupils and instructors.

## 3. 3. 1 Psychological aspects

The crisis of identity plays an important role in that as an adolescent I was able to see himself, desires, aptitudes and interests for the hereafter.

#### 3. 3. 2 Motivation

Where they find the point of reference, these adolescents? What are the patterns? How they are, positive or minus? As supplied and by whom, family or school.

Desire for education against incitement for education.

#### 3. 3. 3 Society and its role in education

At this crucial stage is "what friends say, to make friends, friends would judge me, whether I am part of the group?"

## 3. 3. 4 Social inequalities

It is recognized that the educational achievements of pupils are different. The reasons are numerous and can be grouped according to biological and social agents.

Social inequality in the educational achievements of pupils through the mastery displayed unequal school culture. Before students get into the school or during it, it possesses a culture that is not one school.

This culture is acquired in the family, the neighborhood, the environment and can or not to be close to the school culture, it cannot well be conformed to it.

More difficult dimension of teacher-student relationship is the realization of equal treatment in schools, hence that all students regardless of the heterogeneity of social and ethnic lineage, the tier of knowledge of the public benefit equally.

According to Bernstein, addressing all pupils sit equal in rights and duties, nevertheless they are not really equal, school sanctions disparities start with its refinement.

School culture that is transmitted is scheduled to be taken by scholarly people. And this embezzlement is different for different pupils.

Social inequalities are the consequence of the activity of social elements, but also the performance of the school foundation. They are ultimately a challenge to the school and society, because it is abundantly clear that education always bears the characteristics of society to which it goes.

How would that be, schools and the competent government agencies and institutions in the orbit of pedagogy at the local and central government should pay a greater attention by the parents through which they will enhance education teaching and strengthen awareness their right to education and better training of youth.

These finishes are the same man with researchers Vickers and Minke (1995) and similar to the researchers Boethel, (2003), Kohl, Lengua and McMahon (2000), Rimm-Kaufman, La Paro, Downer and Pianta (2005). Researcher Boethel, (2003), went even further in his study stating that not only that there is a positive relationship between co-teacher-parent and academic achievement, but cooperation is associated with other facets of maternal participation in children's training.

Attendance of pupils in school is not related significantly statistically cooperation, but communication and represents a weak negative correlation means that as the teacher-parent communication and cut down the number of absences that teenagers write in grades.

#### RECOMMENDATIONS

- For a proficient execution of this procedure must have teachers and parents around the objective deeply and organic link which enhances the character of students.
- -When parents are participating in school problems, they are open to requests, comments, grievances they may have against teachers. Clarification of parents of different troubles that they experience anxiety, takes time, patience and a sound knowledge of cooperation.
- -Include parents in the assessment of pupils means extends further than getting a flyer reporting, then they ask to look current examples of child labor for a certain point of time. Parents create a more perfect impression of their child's advancement.
- -All parents have to look themselves in the role of teachers to supervise and promote the learning of the youngster. Read scripts and then talk together with your kids.
- Undertake continuous training of teachers and parents for mutual cooperation.
- To conduct trainings, discussions and exchange of experiences between local parents and those who are migrating, local and migrant students and teachers a long experience in this area.
- To organize meetings through roundtables, where participants will be parents, teachers, scholars.
- To hold conferences on the topic: "The role of parents in the education system".
- Develop questionnaire for the assessment of accounts on school triangle: students, instructors, parents;
- The finished forms for workers and parents in school activities;
- -To produce various important meetings.
- Build up and accurately carried out an annual activity plan in cooperation with the Council Presidency parents -teachers. hence that the interest of parents in school spirit and work to be more efficient.

-In the new curriculum it is imperative that each school should prepare a set of policy suitable for parental participation in instruction.

The drafting of such insurance, together with the respective program for parental participation in education is very important, because this thing benefits students, teachers (school) and parents.

#### Bibliography

- 1. Bronfenbrenner, U. (1997). Ecology of the family as a context for human development: Research perspectives. *Developmental Psychology*, 22, 723-742.
- 2. Brooks-Gunn and Duncan, 1997
- 3. Epstein, J. L. (2011). School, family, and community partnerships: Preparing educators and im-proving schools (2nd ed.). Philadelphia, PA: Westview Press.
- 4. Epstein, J., Coates, L., Salinas, K., Sanders, M., & Simon, B. (1997). School, family and community partnerships: Your handbook for action. Thausand Oaks, CA: Corëin.
- Epstein, J. L. (1986). Parents' reactions to teacher practices of parent involvement. ElementarySchool Journal, 86, 277-294.
- 56Epstein, J. L. (1992). School and family partnerships. In M. Aiken (Ed.), Encyclopedia of educational research (pp. 1139-1151). New York: MacMillan.
- 7. Epstein, J. L. (2001). School, family, and community partnerships: Preparing educators and improving schools.
- 8. Hoover-Dempsey and Sandler (1995, 1997, 2005),
- 9. Magnusson, 2003
- 10. Marjoribanks, 2002
- 11. Muller, C. & Kerbow, D. (1993). Parent involvement in the home, school, and community. In B. Schneider & J. S. Coleman (Eds.), *Parents, their children and schools* (pp. 13-39). Boulder, CO: Westview Press, Inc.
- 12. Olson (1993)
- 13. Vickers and Minke (1995)

# A Compact Embodiment of Pluralities and Denial of Origins: Atwood's *The Year of The Flood*

Rana Sağıroğlu

English Language and Literature Department / Ege University

ranasagiroglu@yahoo. com

#### Abstract

Margaret Atwood, one of the most spectacular authors of postmodern movement, achieved to unite debatable and in demand critical points of 21st century such as science fiction, postmodernism and ecocriticism in the novel The Year of The Flood written in 2009. The novel could be regarded as an ecocritical manifesto and a dystopic mirror against today's degenerated world, tending to a superficial base to keep the already order in use, by moving away from the fundamental solution of all humanity: nature. Although Atwood does not want her works to be called science fiction, it is obvious that science fiction plays an introductory role and gives the novel a ground explaining all 'why' questions of the novel. However, Atwood is not unjust while claiming that her works are not science fiction because of the inevitable rapid change of 21st century world becoming addicted to technology, especially Internet. It is easily observed by the reader that what she fictionalises throughout the novel is guite close to possibility, and the world may witness in the near future what she creates in the novel as science fiction. Additionally, postmodernism serves to the novel as the answerer of 'how' questions: How the world embraces pluralities, how heterogeneous social order is needed, and how impossible to run the world by dichotomies of patriarchal social order anymore. And lastly, ecocriticism gives the answers of 'why' questions of the novel: Why humanity is in chaos, why humanity has organized the world according to its own needs as if there were no living creatures apart from humanity. Therefore, The Year of The Flood meets the reader as a compact embodiment of science fiction, postmodernism and ecocriticism not only with its theme, but also with its narrative techniques.

Keywords: Margaret Atwood, The Year of the Flood, science fiction, postmodernism, ecocriticism.

#### Introduction

Literature is the widest field which one can observe all the changes in the world because whatever the changes are, all of them are touched by human hands. So, if literature is the life and literary works are human products, it is inevitable for literature not to be influenced by the changes of every day. Especially in the 21st century, the members of societies cannot cope up with the changes about the world because of rapid technological advantages which become disadvantages unexpectedly. The world is gradually dragging into complexity, chaos and disorder although technological developments are devoted to the goodness of humanity. For example, if Albert Einstein had known that he provided a basis via splitting the atom theory causing terrible nuclear wars, would Albert Einstein have done it? Science brings many opportunities for the sake of humanity, but the results are not estimated mostly. For that reason, perception of reality changes day by day and no truth is accepted as invariable. At one time, science was one of the most dogmatic issues for people like religion, but the more it causes various and unwelcome events, the more its unbreakable frame exudes. People become anxious and frightened about technological developments rather than trust it outrightly. Scientific and technological developments for 21st century people are not something hopeful and reliable, so it is right to say that science and technology are just like Turkish police officers that creates anxiety, fear and insecurity nowadays.

As a 21st century author, Margaret Atwood wrote *The Year of The Flood* in 2009 by condensing on anxieties of 21st century people and contemporary changes resulting from technology and science. The second book of a trilogy, *The Year of The* 

Flood introduces an ecocritical manifesto that reflects a dystopic mirror of the current world which is gradually afflicted by the effects of technology. The novel achieves to compound science fiction reversing the reality notion creating a non-existing world order with postmodern narrative techniques and its multiple reality approach, and suggests an ecocritical way of life as the salvation of mankind. It is possible to say that science fiction gives an answer to what will happen in the world if we continue to misuse technology and science, postmodernism displays how the world and its values are heterogeneous, plural, multiple and open to differences without any objective standards of belief – as Atwood tries to show it with her narrative technique –, and ecocriticism comes as an answer of the question why humanity is at chaos' foot, because what human beings call 'we' is crammed full of people as if there was no creature in the world out of us. Humanity cannot reach peace and safety as long as we are trapped in our anthropocentric habits. For all these reasons, the aim of this study is to construe that how The Year of The Flood unfolds science fiction, postmodernism and ecocriticism in itself.

However, Margaret Atwood doesn't want any of her books to be called science fiction. In her recent, brilliant essay collection, Moving Targets, she says that everything that happens in her novels is possible and may even have already happened, so they can't be science fiction, which is 'fiction in which things happen that are not possible today'' (K Le Guin, 2009), it is appropriate to start with how science fiction is included in the novel because scientific developments carries the quality of reason and functions as an introductory phase to what follows the other developments throughout the work. Science fiction is a problematic concept of perception dealing with how the world might change, for that reason there is a clash of the ideas between the author and the critics as well as the readers. "Can sf, as a set of cognitions which differ from the world, exist in a world which takes on the colouring of our thought? What now is figure, what now is ground? What now is difference, what now is mission statement?" (Clute, 2003, p. 68). Sometimes one cannot distinguish the division between science fiction and what is perceived as possible because rapid technological changes and Internet invasion on each field of human life makes it inevitable to classify the possibilities and impossibilities. However, as the members of the postmodern world and the readers of a postmodern novel, we must kill the author, leave Atwood's personal opinions aside, and try to catch how science fiction takes place in *The Year of The Flood*.

First of all, Atwood creates the characters and places in the novel via science fiction. The God's Gardeners, founded by Adam One describing themselves as a plural Noah feeling the symptoms of the disaster (the waterless flood), is a nature oriented religious sect growing vegetables and bees, which Toby delivers the news to them every morning on the rooftops. They try to cure anthropocentric damages in the universe by trying to live in harmony with nature, and live in a simplest and quite literally life style. They never eat meat, and feed with organic plants. "The Gardeners...they hated the idea of putting either plastic animals or animal bristles inside their mouths" (Atwood, 2009, p. 256). Also, they challenge today's most important values such as money: "Money was old-fashioned...and the Gardeners wouldn't take virtual money because they didn't allow computers" (p. 245). No one can think of a world without money and computers in 21st century because both are the productions of humanity, but they cause disasters in the world. Reversing the roles of money and computers, and even sex because they describe sex as an action of production, in the Gardeners' world, Atwood makes her reader imagine a world without money, technology and meat, and it is one of the best science fiction challenges of her in the novel. Both archaic and futuristic, the God's Gardeners achieves to create the notion of not unreal but hyperreal for the contemporary reader. As the postmodern heroes of science fiction, the Gardeners "interrogates the mechanisms by which this world comes into being...and science fiction...produce[s] an ontological perspectivism of difference" (Jorgensen, 2009, p. 283) between the world we live and the possible world they live in. In addition to the Gardeners, there are some communities belonging to Exfernal World such as the CorpSeCorps serving as a security force which symbolizes the patriarchal social order and the Compounds working with latest technologies such as Helthwyzer (which may remind the reader the drug company Pfizer) and AnooYoo where Toby gets a new identity to escape from Blanco, the head of SecretBurgers. As a need of science fiction, Atwood puts stereotyped concepts aside and searches for the new ones by the help of these communities. Thus, she intermingles the places "by rejecting the notion of unitary" (Csicsery-Ronay, 2005, p. 55) in the novel.

The second science fictional feature in the novel is genetic manipulation. Scientists work on gene-spliced life forms via DNA infusion and splice animals to make a lion-lamb (liobam) and racoon-skunk (rakunk) combinations. Another example of genetic manipulation is the different coloured, naked people who are the creation of Glenn, eating only green things, and the men have blue penises during erection phase. They accept Glenn as God. They are "Glenn's made-on-purpose people" (Atwood, 2009, p. 490). Also, the Corps makes a new kind of hybrid bees that "micro-mechanical systems are inserted to them... it is a bee cyborg spy controllable by a CorpSeCorps operator, equipped to transmit, and thus to betray" (p. 329) which is equal to cyborg notion in science fiction: "A cyborg represents a melding of the natural and the technological, an

artificial construct that does not occur spontaneously as the result of genetic evolution or sexual reproduction, yet contains natural elements" (P. D. Murphy, 2009, p. 374). The CorpSeCorps' people follow closely scientific developments and get advantages of technology for the sake of their community by creating cyborg bees as a mixture of nature and technology. Thus, Atwood reveals the unexpected results of technology on humanity by both frightening and thrilling the reader about cyborg creation. Also, Toby enters in the process of transformation after she escapes from Blanco, and she changes her appearance to disguise herself: "...Zeb picked her up. He drove her to a clinic at the back of a Mo'Hair franchise outlet. 'We're doing hair and skin', he said. 'You're going dark. And the fingerprints, and the voice print...Higher voice or lower?' he asked her" (Atwood, 2009, p. 311). Not only bees, but also one of the God's Gardeners, Eve Six, Toby transforms into a kind of cyborg called 'Tobiatha'. It is appropriate to call her 'cyborg' because she becomes a product of both nature as a human being, and all the features stay same apart from her appearance and voice although she has difficulty to get used to her new outlook and identity, and a piece of technology by undergoing operations and changing her natural core. Also, the use of solar cars, solar bikes and the favourite beverage of the Gardener's Happicuppa are produced with the same technique: combining nature and technology.

Thirdly, one of the features which makes the novel science fiction is the title of the book. When the reader comes across with The *Year of The Flood* title, s/he expects an aquatic flood intrinsically because the flood becomes only with water in the world. However, Atwood uses her wit shockingly and creates a 'Waterless Flood' which means a pandemic sickness rushing through the Gardener's world. It is strange to the reader because it breaks down the universal consensus on how a flood occurs. As Darren Jorgensen (2009) argues "science fiction...focuses on the encounter with the alien, the strange, and the new" (p. 283). So, it can be claimed that Margaret Atwood reverses the reader's norms which are accepted as normal and without any alternatives and makes the reader question of his/her opaque zones in the normalizing and accepting process of the events, issues, notions, etc.

Fourthly and lastly, what makes The *Year of The Flood* science fiction is its creation of a dystopia. Dystopias may be regarded as negative utopias which represents non-existent societies worse than the society in which the reader lives. It focuses on the terror of future rather than hopes and "quasi-religious rituals are prominent" (G. J. Murphy, 2009, p. 473) just like the Gardeners' feast days in the novel. Also, Moylan argues that after the 20<sup>th</sup> century, dystopia authors tend to take care of environmental wellness and propose solutions for the current system: "they go on to explore ways to change the present system so that ...culturally and economically marginalized peoples not only survive but also try to move toward creating a social reality that is shaped by an impulse to human self-determination and ecological health rather than one constricted by narrow and destructive logic of a system" (qtd. in G. J. Murphy, 2009, p. 475). It is clearly inferred that *The Year of The Flood* is a total dystopia that cares for ecological enrichment and presents a hopeless future for people because it tries to tell that dystopias will be human's terrible end unless they do not escape from their anthropocentric egoism.

As it is mentioned before science fiction serves as a 'cause' to the developments in the novel. It is appropriate to combine this introductory phase to its development part. The question 'why' is explained, and it's the turn of 'how' question because if we are to ask how Atwood develops and carries forward the novel, the answer will come from postmodernism. If we are to consider postmodernism within literature, it is a movement that denies any objective standards of belief and rejects all generalizations accepted as the ultimate truth. "This is the fragmentation of truth and rationality that is distinctive of postmodernism" (Luntley, 1995, p. 12). As it is understood from Luntley's quotation that postmodernism infracts the rules of normal, usual, dogmatic and canonical in literature, it plays with reality notion of the reader. The postmodernist author displaces what is accepted as real with hyperreal "because one thing has made it possible: technology" (Sheehan 2004, p. 31). What Margaret Atwood tries to do is to change the reality perception and present a variable list of alternatives for it in *The Year of The Flood*.

First of all, the most remarkable postmodern attempt of Atwood is the choice of narrator. The novel is narrated by the two characters of the Gardeners: Ren and Toby who will escape from the Waterless Flood at the end of the novel. What is more, the chapters told by Toby's point of view are narrated with 3rd person narrator while the chapters told by Ren's point of view are narrated with 1st person narrator. Also, the feast day narrations are put immediately at the end of some chapters — or let's think in a postmodern way, at the beginning of some chapters — without any narrator. Thus, Atwood collapses the classical use of narrator taking the plot at the beginning and carrying it to the ending in a literary work. She multiplies points of view while developing the plot and brings the reader variety of perspective. It is right to say that Atwood subverts the homogeneous identity of novel writing. In postmodern literary works just like *The Year of The Flood*, "[n]arrators in

fiction become either disconcertingly multiple and hard to locate or resolutely provisional and limited – often undermining their own seeming omniscience" (Hutcheon, 1998, p. 11).

The second postmodern attempt of the novel is the break and fluidity of time. It is clearly seen that the novel presents the ending, the Waterless Flood days at the very beginning of the novel and develops the plot by going back before when the Waterless Flood has not started yet. Thus, Atwood repeals the traditional understanding of introduction, development and conclusion triangle and creates transitivity in time and space. "To move from difference and heterogeneity to discontinuity is a link that at least the rhetoric of rupture has readily made in the light of the contradictions and challenges of postmodernism. Narrative continuity is threatened, is both used and abused, inscribed and subverted" (Hutcheon, 1998, p. 59). As a postmodern sample of novel genre, *The Year of The Flood* denies the uniqueness, totality and categorization of narrative techniques. She achieves to maintain the thought of multiplicity, provisionality and plurality of postmodernism by avoiding the difference between binary oppositions.

Thirdly, Margaret Atwood allows parody of the Bible full play in the novel. "Parody is a perfect postmodern form, in some senses, for it paradoxically both incorporates and challenges that which it parodies...it has been seen by postmodern artists as all liberating challenge to a definition of subjectivity and creativity that has for too long ignored the role of history in art and thought" (Hutcheon, 1998, p. 11). The Gardeners compose a religious sect ruled by Adam One, and is consisted of Adams and Eves. Toby's being Eve Six means that she becomes one of the most important members of the Gardeners. The hymns read by the Gardeners after the feast days are taken from 'The God's Gardeners Oral Hymnbook', which reminds the Bible to the reader. It can be said that all of these religious references are a kind of pastiche to Christianity. Moreover, the feast days are celebrated for the sake of nature and the hymns appreciates the power and beauty of nature. So, it is appropriate to say that the feast days of the Gardeners is the parody of Dionysia, the pagan celebration of vine cultivation, led by the God of the grape harvest Dionysus, in Greek mythology. In addition, Atwood makes allusion to one of the modernist fiction sample A Room of One's Own by Virginia Woolf while talking about Toby's rented room: "She rented a tiny room... A room of her own..." (p. 36). As a postmodernist fiction sample, The Year of The Flood "seems to show that we cannot entirely do without old systems of weights and measures, as we attempt to take readings of a world that has gone off the scale" (Connor, 2004, p. 79).

Fourthly, what Atwood presents as a postmodern matter is the multiplicity of realities. From this point of view, one can claim that there is no ultimate reality in the novel, and it is a must for us to accept multiple realities. It is the natural way of a postmodern text to have multiple meanings, characters and styles. For example, Glenn thinks that he uses technology, manipulates genes of people for the sake of human goodness, but the Gardeners try to get away from technology and scientific developments. As Brand Nicol (2009) asserts that "postmodernism...is double or contradictory, that is comfortable with doing two opposing things at the same time or representing both sides of an argument at once. Its approach is summed up by the linguistic conjunction 'both...and' rather than 'either...or'" (p. 16). What Atwood tries to do throughout the novel is to unfold both (or more) sides of the coin rather than compelling the reader to choose one of the realities.

Up to now, how science fiction as the answer of 'why' and postmodernism of 'how' formed *The Year The Flood* is construed. However, the essential kernel of the novel is set off by its being an ecocritical manifesto. Anything that deals with the relationship between human and non-human may be accepted as ecocritical. "[R]econsideration of the idea of 'the human' is a key task for ecocriticism, tending to drag it away from pastoral and nature writing towards postmodern concerns such as globalization and 'cyborg' interfaces of humans with technology" (Garrard, 2004, p. 15). That is why; *The Year of The Flood* whose each sentence calls for ecological health and displaces all kinds of anthropocentric ideas and actions is a blatant ecocritical manifesto from top to toe.

Firstly, Margaret Atwood postulates the dramatic end of humans resulting from their anthropocentric egoism via apocalyptic imagination. According to Garrard (2004), apocalypse is "a genre out of crisis" (86) stemming from the reciprocity of humans and non-humans. Atwood (2009) clearly displays how humans fall occurred and continues to occur in a single paragraph in the novel:

"...the fall of Man was a multidimensional. The ancestral primates fell out of the trees; then they fell from vegetarianism into meat-eating. Then they fell from instinct into reason, and thus into technology; from simple signals to complex grammar, and thus into humanity; from firelessness into fire, and thence into weaponry; and from seasonal mating into an incessant

sexual twitching. Then they fell from a joyous life in the moment into the anxious contemplation of the vanished past and distant future" (p. 224).

As it is clear from the paragraph, did not all the tragedies, wars, illnesses, catastrophes and extinctions result from the first fall from the nature's bosom?

Secondly, Atwood mentions the importance of recycling for the continuation of all kinds of lives in the novel. Apocalyptic thought teaches that humans should not resolve the problems for only their sake because the planet will go on to exist after us. For that reason, the Gardeners recycle the things they use, even the diaries and red hearts drawn on it, and probably Atwood (2009) suggests the reader recycling all the inorganic things for the sake of the planet and not to contribute to apocalyptic future of humanity: "I took the diary down the street and around the corner and shoved it into a garboil dumpster. It would turn into oil and then all those red harts I'd drawn would go up in smoke, but at least they would be useful along that way" (p. 272). Another example of recycling comes with the meeting of Bernice and Ren: "...she said there was this organic mix in a recyclable carton made of pressed kudzu leaves..." (p. 343). Ecocritics, just like Margaret Atwood, are of the opinion that human has misinterpreted science up to now, for that reason every action of a human gives damage to nature. Human has to learn how to live by cooperating and coexisting with nature, so Atwood wants the reader to 'recycle' anything superficial, at least. According to William Rueckert (1996), "there is a reciprocal interdependence of one life process upon another, and there is a mutual interconnected development of all of the earth's life systems" (p. 112). The Year of The Flood is a kind of warning to all humanity urging them how to live and appreciate the other living and non-living things which constitutes parts of the universe. If not, connected with science fiction, apocalypse grounded in the idea of catastrophe will have brought the tragic fall of human.

Thirdly, one can assume from the development and the end of the events that The Year of The Flood is not only an ecocritical manifesto, but also it raises as an ecofeminist idea. It is accepted that ecocriticism shares a common point with feminist and gender critics focusing on social constructions such as gender, class, race, etc. So, ecofeminism focuses on the policies on gender; it is ecological because it points to valuing and preserving ecosystems. Also, it helps to change the concept of otherness dividing it from pejorative hierarchical scale. In the novel, Toby and Ren are the ones who achieve to survive from pandemic. Toby as one of the two main female characters tries to escape from her boss Blanco, who behaves her as a sex machine. Ren, the second female survivor of the novel as a dancer at a local sex club called Scales and Tails. By putting these two female ones into the target point of sexual gaze, Atwood tries to collapse the seducing woman image aimed at female body. She assigns a duty to them: to survive and promulgate the God's Gardeners ideas and actions for the sake of the whole planet. So, the novel blatantly displays "the reality of women's bodies - as well as the lived experience of all gendered bodies in the natural world – are insribed deepens our understanding of how literature intersects with life itself" (Oppermann, 2013, p. 32). One of the feast days, in an Adam One speech, the respect of the Gardeners to each other is given in an ironic way adverting to gender roles as social constructions: "we are not Chimpanzees: our females do not bite rival females, our males do not jump and down on our females and hit them with branches" (Atwood, 2009, p. 191). As an ecofeminist text, the novel resists to all kinds of polarization and seperation because they are the production of anthropocentric concerns. Atwood, as an ecofeminist author demands an absolute coherence by regarding "similarity and difference in the human-nature continuum" (Garrard, 2004, p. 25) and points to environmental justice.

In conclusion, written by one of the most impressive authors of the contemporary era, *The Year of The Flood* achieves to draw a framework including several kinds of literary feature. The Year of The Flood unifies three main different kinds of literary aspects science fiction, postmodernism and ecocriticism with their subtitles constituting a rhizomatic content. Showing science and technology used for anthropocentric aims as the cause of all catastrophes, the novel constitutes its introductory part and finds the answer of 'why' question via science fiction. Then, composed by postmodern technique, it gives a kind of development to the work and all the postmodern attempts correspond to 'how' question examining the plurality, multiplicity and the unity of differences, and it gives a kind of salvation and suggests ecocritical ways in all parts of life as a conclusion. If human does not cope up with his/her self-oriented, anthropocentric attitudes, does not change the meaning of 'we' and add all non-human lives in this concept, and try to accept nature as a social construct, its end will be nothing but a catastrophe. While crammed with such egoistic attitudes, human has no right to imagine deserving another world which will be presented to their own will and use:

"Do we deserve this Love by which God maintains our Cosmos? Do we deserve it as a species? We have taken the World given to us and carelessly destroyed its fabric and its Creatures. Other religions have thought that this World is to rolled up

like a scroll and burnt to nothingness, and that a new Heaven and a new Earth will then appear. But why would God give us another Earth when we have mistreated this one so badly?" (Atwood, 2009, p. 508).

#### References

Atwood, M. (2009). The year of the flood. UK: Virago Press.

Clute, J. (2009). Science fiction from 1980 to the present. In E. James & F. Mendlesohn. (Eds.) *The Cambridge companion to science fiction* (pp. 64-79). NY: Cambridge University Press.

Connor, S. (2004). Postmodernism and literature. In. Steven Connor. (Ed.) *The Cambridge companion to postmodernism*. (pp. 62-80). NY: Cambridge University Press.

Csicsery-Ronay Jr., I. (2005). "Science Fiction/Criticism". In David Seed. (Ed.). A companion to science fiction. (pp. 43-60). UK: Blackwell Publishing.

Garrard, G. (2004). Ecocriticism. London: Routledge.

Hutcheon, L. (1998). A poetics of postmodernism: History, theory, fiction. NY: Routledge.

Jorgensen, D. (2009). Postmodernism. In M. Bould, A. M. Butler, A. Roberts and S. Vint (Eds.). *The Routledge companion to science fiction*. (pp. 279-288). NY: Routledge.

K Le Guin, U. (2009). The year of the flood by Margaret Atwood. *The Guardian*. Retrieved from http://www. theguardian. com/books/2009/aug/29/margaret-atwood-year-of-flood

Luntley, M. (1995). Reason, Truth and Self. NY: Routledge.

Murphy, G. J. (2009). Dystopia. In M. Bould, A. M. Butler, A. Roberts and S. Vint (Eds.). *The Routledge companion to science fiction*. (pp. 473-478). NY: Routledge.

Murphy, P. D. (2009). Environmentalism. . In M. Bould, A. M. Butler, A. Roberts and S. Vint (Eds. ). *The Routledge companion to science fiction.* (pp. 373-381). NY: Routledge.

Nicol, B. (2009). The Cambridge introduction to postmodern fiction. UK: Cambridge University Press.

Oppermann, S. (2013). Feminist ecocriticism. In G. Gaard, S. C. Estok and S. Oppermann. (Eds. ). *International perspectives in feminist ecocriticism*. (pp. 19-36). London: Routledge.

Rueckert, W. (1996). Literature and ecology. In C. Glotfelty&H. Fromm (Eds. ). *The ecocriticism reader*. (pp. 105-123). Georgia: U of Georgia P.

Sheehan, P. (2004). Postmodernism and philosophy. In S. Connor (Ed.). *The Cambridge companion to postmodernism*. (pp. 20-42). NY: Cambridge University Press.

# **Change Management in Public Organizations in Kosovo**

Shefqet Zeqir Dervishaj

PhD Cand., The Europian University of Tirana

Email shefqetdervishaj@hotmail.com.

# Abstract

One of the most difficult processes of Kosovo's postwar is the transformation of public organizations. These organizations have undergone radical changes and the process of transformation should be managed in order to be successful and to meet the needs of the market economy. Change has become a constant process for Kosovo public organizations that provide services to citizens and business organizations. Whether these changes are managed properly, then it is seen as a basis for a better performance of public organizations. Kosova after 1999 has undergone major changes in the social, economical, and political systems. Having this situation, public organizations have a great responsibility to the citizens and business organizations to provide services to adapt to the global trend of development and from which Kosova has been isolated. In this paper the focus will be on the impact of factors that affect the change process; how the process of change is developed; what are the barriers/obstacles that hinder the process of change; what are the benefits of the change; how much are managers in public organizations qualified to implement the process of change. Based on data collected from the field and from current practices, I will make their comparisons and draw conclusions about what factors influences the management changes and what are the barriers that will affect to increase efficiency and effectiveness in the organization gained from the data obtained in study. The data will be collected through questionnaires and findings obtained will help to come into a conclusion that these factors act as change management in public organizations in Kosovo.

**Keywords:** management of change, barriers, public organizations

#### 1. Introduction

Management of change is an important issue in the current business environment which alters constantly. Changes are happening incessantly and the public organizations have to adapt to such changes.

This paper focuses on the factors that influence the change process, how does the change process develop, what are the barriers that hinder the change process, what are the benefits from the change, how prepared are the managers in public organizations to implement the change process.

The notion of management is not encompassed within one single term; Burnes (2009) provides several notions in relation to the term management. The term management refers to the process of effective and efficient realization of tasks through and with other persons, (Robbins, DeCenzo 2008). Management of change includes the well-prepared planning and sensible implementation, and above all, consultation with and engagement of persons affected by such changes. The change must be realistic, achievable and measurable. These aspects are important for the management of change. Change management is the process, means and techniques in managing people towards change of business in order to achieve the required business result and to accomplish this business change effectively within the social work infrastructure. Management of change comprises of coordination of a structured period of transition from situation A to situation B so that a sustainable change is accomplished within a certain organization (Smith, 2005).

When speaking of management of change, we encounter management everywhere: in family, at work, at school, in society, but change, also, is comprehensive and permanent which strikes in all spheres of life, be that of a human being or of an

organization. Change management has at least three different aspects, including: adaptation to changes, control for change and impact of the change. Before starting organizational changes, one must ask oneself: what do we want to achieve with this change, why and how shall be realize that the change has been accomplished? Who was affected by such change and how will they react to it? How far can our objectives be accomplished by this change? Management of change is a process that aims keeping under control of changes as per an organized orientation of various social and economic processes that have either occurred or are in the process.

In light of the above, one can conclude that the process of change is a complicated process and, further in this paper, it will be elaborated on how public organizations in Kosovo function and how well they are prepared to manage the change.

# 2. Reviewed Literature

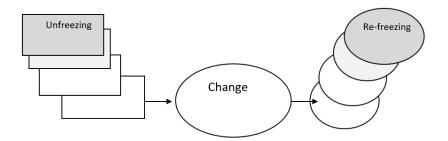
Change is an alteration of the environment, structure and technology or of individuals of an organization DeCenzo/Robins (2011). If it wasn't for the change, manager's work would be very easy one. Planning would be very simple, organizing would be but once organized and there would be no need for adaptation, decision-making would be very easy because the result would be foreseeable with precision.

Change is a common thread that occurs in all organizations irrespective of size, activity or seniority. The environment is affecting the organizations by changing them rapidly; thus, the organizations must change rapidly by adapting to the current requirements of the present time where managers play they key role with regards to analysis of the needs for change, preparation of the action plan and to anticipate the barriers they might encounter during the course of implementation of the change. In point of fact, managers' work would be simple should competitors of the organization not place new products in the market, should clients have no new requirements, should the governmental decisions never be modified, should there be no new technology, the requirements of the workers would always be the same. Hence, organizations do not change only because of systems, processes or new organizational structures, but also because people within the organizations also change and adapt and only then, when people within an organization have completed their personal changes, can such organization truly harvest victory.

Changes need a catalyst for them to be accomplished. Individuals that serve as catalysts and take over responsibility of managing the change process are called Change Agents, E. Sannon (2002). Every manager may be a change agent, but the change agent may not be a manager; it may be an in-house staff expert, or it may be an external consultant, the mastery of whom is precisely the implementation of change. In the events when changes in the system are really enormous, usually external consultants are engaged because they are more objective than the internal agents. However, they also display problems due to lack of knowledge of mentality, background, culture, operational procedures, etc.

Organizational change is any change that performed by managers in order to change the existing situation Llaci (2002). With vast majority of authors, all factors of change are divided into external factors and internal factors. External factors consist of legal-political factors, socio-cultural factors, technological and economic factors; whilst the internal factors consist of factors of processes and human factors.

Two metaphors are oftentimes used in relation to management of change – the metaphor of still waters and the metaphor of rushing waters. The practice and many theorists have asserted that nowadays managing resembles more to the metaphor of rushing waters because environments are both unsafe and dynamic. Until recently, the 'still waters' metaphor has dominated the thoughts of managers and researchers. This theory was best described by the three steps of change provided by Kurt Lewin (K. Lewin, Field Theory in Social Science, New York, Harper & Row, 1951). According to Lewin, as shown in the scheme presented below, there exist three steps in the change process. First there is *unfreezing*, then comes *change* and finally comes *re-freezing*. There are several driving forces that wish to move the status-quo, to unfreeze it and have a new situation created which will be frozen and remain sustainable.



Scheme 1. Change Process, source Robina/DeCenzo, , Bazat e menaxhimit" [Fundamentals of Management], Tirana, 2011.

**Unfreezing** is the first phase of change which includes preparing the organization to accept changes, that changes are necessary which include separating the existing balance before a new operating manner is created. This is the most difficult part because first the staff has to be prepared as to why change has to come about, what are the benefits from such change.

**Change** is the second phase; it is a phase when individuals begin solving their insecurity and they begin seeking ways to do things. The transition from unfreezing to change does not happen overnight; therefore, people need some time to accept the new direction and to actively participate in the change. During this period of time people have to understand that the changes bring goods.

**Re-freezing** takes place once people have accepted the new ways of working, the organization is ready to freeze. The first signs of re-freezing are a stable diagram of the organization.

The metaphor of rushing waters takes into consideration the fact that where the organizations perform, the environments are dynamic and insecure. Managers must bear in mind that anticipation of still waters does not exist at present time which is full of vigour and changes. Many a managers fail to come out of rushing waters and constantly confront with changes. In Kosovo every organization confront constantly with changes and almost all managers, of whatever rank they may be, are forced to be cautious because every new change requires effective management and surmounting every change represents a challenge on its own.

Besides facing continuous changes in legislation, public organizations have also undergone operational changes, starting from the new access of data processing, a new system of records, most of organizations offering online services, changes that managers dealt with and consequently the entire staff. All these changes have aroused reactions of the staff which had to be managed with the utmost attentiveness. All these have influenced an increase in the volume of tasks and emergence of the great need for training of staff in relation to the new changes. There was undoubtedly a need for constant changes with the first and foremost purpose to enable citizens and businesses an easier and more efficient access for their completion but at the same time their request for realization of services by the public organizations.

# 2. 1 Principles of Change Management

According to Mercurio (2006), change can be managed in the best manner by: frequent and honest communication, explaining the purpose of the change, by providing a detailed implementation plan and by monitoring the plan and separating facts.

While planning change, one must consider five basic principles, and they are:

Principle 1 – Obtaining support so that at any given time it involves and obtains the support of the personnel within the system, environment, processes, culture, personal and organizational relations.

Principle 2 – Understanding current situation. A manager must understand the organization at a certain moment by collecting and analysing data and to have an accurate description of the organization.

Principle 3 – Anticipating future situation. One must understand where it is heading, when, why and what measures must be undertaken to accomplish the desired situation.

Principle 4 – Plan development. The plan must be developed in phases that are appropriate, achievable and measurable towards accomplishing of the future situation.

Principle 5 – Communication. This is an unavoidable and most important principle which is included in every phase of management which enables facilitation of participation of personnel who must be informed as promptly, openly and comprehensively as possible.

Therefore, most of these factors are identifiable but how do these factors influence change management, we shall see in the continuance of the paper.

# 2. 2 Why Can Change Fail

There are various reasons why change can fail. Articulating and designing initiatives of change is relatively easy. However, effective implementation and execution of initiative in order to gain its perceived result, is something else. To avoid failure and to increase probability, one must as much as possible strive to avoid errors that usually others make. There are several reasons why change can fail.

Failing to Focus on Essential Issues – If a preparation of initiative for a certain change has lasted too long and the executioners have grown tired of this and they lose attention due to the long time and they wish to announce the change as soon as possible only so that the issue moves forward, they can make essential errors. They forget that people they depend on for the implementation of change have not been part of preparations and talks. Good managers, who wish to circumvent these situations, value the emotional impact of the initiative for change. They focus on time for people who process these changes.

Failing to Remind People on the Necessity of the Change. Following a certain time of preparation for change, the implementation team is ready to announce the change. The problem is in it that communication that the executors have with their employees is that they forget that people who work for them do not think like them and they do not have the same information. Great leaders remind their people why change is necessary.

Executors Often Forget that Everything is a System. When we say system, we are dealing with connected parts whereby any change in one part affects the other part of the system. Therefore, if a change takes place one must take into account side effects that might occur.

Failing to Create Executable Plans. Nonexistence of executable plans may be one of the causes for nonrealization of change. Hence, a strategy must be developed which is an executive function and tactics must be developed which is an operational function. Answers must be provided to the following questions: who, what, where, whne and how. Finally, it must also contain the motivating component and a connection with rewards.

Failing to Anticipate Obstacles, Delays and Resistance. In the course of realization of a plan, there are inevitably various problems, obstacles, which hamper its implementation. Therefore, it must be taken into consideration what might go wrong and it must be prepared for and be cautious with regards to the obstacles that will emerge by creating a second or so-called plan-B. Every effective manager must have a plan-B in case of emergence of an obstacle, he will activate it, and this is done when we anticipate possible obstacles that migh appear during the implementation of the change.

Improper Coordination of Necessary Resources. One of the reasons why the initiative for a certain change fails is that the executors do not restructure the required resources. If the attempt for a change will be successful, then human resources must be reorganized so that the success becomes possible. This means that people, processes, finances, training and operations must be restructured so that the proper people are in the proper positions with appropriate resources and

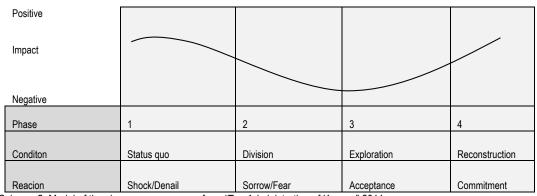
capacity to make the attempt for change optimally successful. If one of these points, such as: reorganization, probability of initiation and completion of successful attempts in realizing of change, does not go as planned, then the chances for success will diminish. Change is a usual thread which occurs in all organizations, irrespective of size, activity or seniority. The environment is changing rapidly, thus affecting organizations and, therefore, organizations must also change rapidly. "Change is an alteration of environment, structure, technology or individuals of the organization". Victor & Franckeiss (2002); Cao et al (2003); Clegg & Walsh (2004); Stanleigh (2008). The organization is constantly subjected to changes which have to be managed and if there would not be changes, the work of managers would be very easy. Actually, the work of managers would be simple if the competitors of the organization would not place new products in the market, if clients would not have new requests, if governmental decisions would never be modified, if there would not be new technologies, the requirements of employees would always be the same. Therefore, organizations do not change only because of systems, processes or new organizational structures but also because people within the organization also change and adapt and only when people within the organization have accomplished their personal changes can an organization really harvest victory. Changes require a catalyst for them to be realized. Individuals that serve as catalysts and take over responsibility of managing the change process are called change agents. Every manager might be a change agent, but a change agent might not be a manager, it might be an internal staffing expert or an external consultant, whose mastery is precisely implementation of change. In the events when changes are immense in system, usually external consultants are engaged because they are more objective than internal agents. However, problems also appear with these agents due to lack of knowledge of mentality, background, culture, operational procedures, etc.

It must be pointed out that in most public organizations, trainings were held with managing staff, and I will mention here a source from the TAK, where the process of change management has been described splendidly and I am using this source in this case. Amongst others, the phases of change have been described here as following.

# 2. 3 Phases of Change

Having a change occur within an organization, the challenge does not consist only in regulating systems, processes and structure but also people are assisted and supported through individual changes which sometimes can even be traumatic.

The model of the change curve describes four phases which most of people go through until they are adapted with the change



Scheme 2. Model of the change curve, source from "Tax Administration of Kosovo" 2011.

First phase deals with the notifying of people with the change, people's initial reaction may be shocking because they react towards the challenge through denial. Moreover, even if change is well planned and it is comprehended what is about to happen, the reality of change strikes the employees and it takes them some time to adapt. What's important in this phase is communication. Frequent communication must be facilitated but the employees must not be confused because they have little possibility to receive timely information and one must dedicate time to answer their questions.

Second phase is when people begin to react to changes and the employees begin to feel concerned, agitated or frightened. Their resistance may be expressed in the form of a need to express their concern and to release their anger. Experience showed that this is a phase in "dangerous zone" and it must be managed with utmost attentiveness for if it is not managed well, then it can develop into crisis and chaos. It is important that even in this phase clear communication and support is provided and actions are undertaken aiming to minimize and mitigate the problems that people will be facing.

Third phase is a turning point for the employees of the organization. In this phase, the organization begins to emerge from the dangerous zone and is on the right path for success in changes. When acceptance of change is increased by people, they will have to test and explore what changes consist of. The team manager is the person implementing these changes by ensuring that people are well trained and are prepared for the consequences brought by the change and it is a phase that takes a lot of time to get used to and accept change.

Fourth phase is the phase when realization of what was expected by change is completed and employees are embodied with and embrace improvements in order to carry out their tasks and meet the anticipated objectives. Normally, changes are made for enhancing the work results and the organization starts being more productive and efficient, and the effects of change are made visible by DeCenzo/Robins (2011).

At KTA, besides changes in legislation that the staff faced with, there were continual operational changes, starting from the approach to data processing, new system of records, electronic reporting, cash registers, stimulation of voluntary declaration by frequent contacts with taxpayers and informing the same with their obligations, etc. All these changes have provoked reactions of the staff which had to be managed with the utmost caution. All these have prompted an increase in the volume of works and an immense need for training of the staff with regard to new changes. There was undoubtedly a need for constant changes, primarily with the intention to facilitate the taxpayers an easy and efficient access to voluntarily complete their tax obligations which is the motto of KTA.

Based on the conducted analysis I have ascertained that since its beginning after the war of 1999, when it was under UNMIK umbrella, and to the present days, there have been constant changes which, though trailed by problems, they inevitably occurred and have definitely had positive impacts in the modernization and development of public organization in Kosovo. The key agents of such changes were the managing staff, starting from the lowest level all the way to the top-level management, but also without neglecting the merits of all the employees in public organizations. The necessity for changes in public organizations was made for practical reasons, in order to fulfil their mission and vision for what they have been established in the first place, i. e. to become modern organizations that provide professional services both to citizens and business organizations and thus created a positive image for Kosovo state.

# 3. PURPOSE AND OBJECTIVES OF THE STUDY

This paper aims to answer some research questions in relation to management of change in public organizations in Kosovo. The main aim is to indicate factors that affect the success of change in public organizations. In addition, the purpose of this research is to identify changes that have occurred within public organizations, and secondly, to have a real overview of change management in public organizations. Empirical data serve us to have a clear view of the structure of general changes that have taken place. The objectives of this research are as following:

How much are changes happening in public organizations and how does it affect their performance

What is the commitment of managers in accomplishing changes, how effectively does the information flow and how well are staff trained in relation to the change process

Do public organizations have a clear vision with regards to the purpose of changes

How well are employees prepared pertaining to changes

How does information flow from the top-level management to the other employees and vice-versa; i. e. how does communication function in general.

# 4. METHODOLOGY

Quantitative method was used in this research in realizing the research, more specifically, techniques and questionnaires were utilized in data-collection process. Participants were employees of public organizations in Kosovo. However, according to Ford & Greer (2005), regardless of the fact that researchers usually suggest qualitative methods in understanding the change process, completion of empirical researches can assist them in pursuing this issue. On the other hand, in order to answer the three research questions indicated below, it is required to carry out a testing of connection between variables (communication, effective management, employees' training). Testing of these connections is made possible by use of quantitative methods. The total number of participants in the research was 32. Prior to applying questionnaires, participants agreed to serve as respondents in this research; hence, their participation was on voluntary basis. Before preparing questionnaires, some qualitative interviews were conducted, problems were identified and research questions were raised.

#### 4. 1 Research Questions

Based on the qualitative interviews and based on fundamental principles in relation to changes, the following research questions emerged:

How much can effective communication affect the change process in public organizations?

Do public organizations have effective management pertaining to change?

What is the impact of training programs in the process of change in public organizations?

All research questions are based on the fundamental principles of management.

# 4. 2 Hypothesis

The questions raised above with regards to the management of change generated the research hypothesis.

H1. Effective communication facilitates change process in public organizations.

Based on changes performed in public organizations, starting from changes such as strategy, leadership, organizational culture, public organizational structure and management practices, communication represents a problem as a very significant factor.

H2. Management in public organizations is committed to implementing changes.

Qualitative interviews resulted with conclusions that the leadership within public organizations display a high level of commitment; there are leaders who possess good interpersonal skills and who are committed and influence the implementation of change; nevertheless, it is expected that the qualitative interviews will prove whether they are committed to implementation of changes.

H3. Training programs affect positively the change process in public organizations.

Training programs are good prerequisites for the public organizations to successfully manage the change process; but, how much have these trainings impacted the managing of change will be revealed by questionnaires and we shall conduct a test of the hypothesis.

### 5. FINDINGS

Henceforth we do have the empirical data with regards to changes that have occurred in public organizations which we have extracted from the research data. We have in total interviewed 32 respondents in various public organizations and belonging to various managerial levels.

The questionnaire consists of 11 questions which relate to the subject of the research and in the part of research we have opted Linker level (1-4). Below we shall present several tables containing cumulative empirical data from the research which have been calculated by SPSS.

Testing hypothesis 1. Effective communication facilitates change process in public organizations.

Table 1: Correlation between effective communication and the process of realization of changes

#### Correlations

|                                   |                     | Effective communication Process of realization of |         |  |
|-----------------------------------|---------------------|---|---------|--|
|                                   |                     |   | changes |  |
|                                   | Pearson Correlation | 1   | . 815** |  |
| Effective communication           | Sig. (2-tailed)     |   | . 000   |  |
|                                   | N                   | 32  | 32      |  |
|                                   | Pearson Correlation | . 815**   | 1       |  |
| Process of realization of changes | Sig. (2-tailed)     | . 000   |         |  |
|                                   | N                   | 32  | 32      |  |

<sup>\*\*.</sup> Correlation is significant at the 0. 01 level (2-tailed).

In order to test the first hypothesis of this research: "Effective communication facilitates change process in public organizations", the correlation was analysed and we have this statistical product [r=. 815\*\* and p<. 000]. This hypothesis was tested with the total of question 5, effective communication, and with the total of question 11, realization of changes process. This hypothesis was entirely substantiated. This shows that communication is a very important factor in the realization of process of changes in public organizations.

H2. Management in public organizations is committed to implementing changes.

Table2: Correlation between management of public organizations and implementation of changes

### Correlations

|                                    |                     | Management in public organizations | Implementation of changes |
|------------------------------------|---------------------|------------------------------------|---------------------------|
|                                    | Pearson Correlation | 1                                  | . 806**                   |
| Management in public organizations | Sig. (2-tailed)     |                                    | . 000                     |
|                                    | N                   | 32                                 | 32                        |
|                                    | Pearson Correlation | . 806**                            | 1                         |
| Implementation of changes          | Sig. (2-tailed)     | . 000                              |                           |
|                                    | N ,                 | 32                                 | 32                        |

<sup>\*\*.</sup> Correlation is significant at the 0. 01 level (2-tailed).

The second hypothesis of this research: "Management in public organizations is committed to implementing changes", was tested by collecting the total of points from questions no. 2 and 5, and this total was denominated "Management in public organizations", and with the total of questions no. 3 and 4, which was denominated "Implementation of changes".

Subsequently, the analysis of the correlation between these two variables was performed and we came up with this statistical result[r=. 806\*\* and p<. 000] which is significant. The management is committed as it regards to implementation of the process of changes.

H3. Training programs affect positively the change process in public organizations.

Table 3: Correlation between training programs that affect positively changes in public organizations.

#### Correlations

|                                 |                      | Training programs that affect positively | Changes in public organizations |
|---------------------------------|----------------------|--|---------------------------------|
| Training programs that affect   | Pearson Correlation  | 1  | . 925**                         |
| positively                      | Sig. (2-tailed)<br>N | 32                                       | . 000<br>32                     |
|                                 | Pearson Correlation  | . 925**                                  | 1                               |
| Changes in public organizations | Sig. (2-tailed)<br>N | . 000<br>32                              | 32                              |

<sup>\*\*.</sup> Correlation is significant at the 0. 01 level (2-tailed).

Third hypothesis of this study: "Training programs affect positively the change process in public organizations", was tested by collecting the total of guestion no. 8 and by denominating is "Training programs that affect positively" and with the total of question no. 9 which was denominated "Changes in public organizations". Accordingly, an analysis was performed in relation to correlation between these two variables and we came up with the following significant statistical result [r=. 925\*\* and p<. 000].

Based on all mentioned above, we can render a conclusion that communication within the organization, managers' commitment and training of the employees, are of great importance in managing the change process.

# 6. Conclusions

Public organizations in Kosovo have constantly been subjected to changes, both in the legislative and organizational aspect, since after the war to the present day. Undoubtedly they have confronted predicaments during the process of changes considering specifics of public organizations which are not so flexible and all the processes that take place are rather slow and they take time to submit to the processes of change.

All changes that have occurred, exempting a few which did not prove successful, in general every change has yielded in increase in the performance and a quality in completion of tasks, as well as providing services for citizens and business organizations.

Looking at it from a general viewpoint, public organizations dedicated significant importance to training of their managing staff as well as actors that are affected by the change process. We can point out here the Kosovo Tax Administration which is the most positive example in this aspect by organizing trainings for its staff, and on the other hand, organizing workshops with taxpayers in relation to changes in legislation caused by these changes, and which have been quite frequent. Resisting change is neither good nor bad per-se - it may be grounded or not, but it is always an important signal requiring further investigation by the management. Resistance is oftentimes misinterpreted as if people do not wish to change. Actually, people want to grow and develop in organization. Empirical data on the changes that have been conducted indicate that a factor in change is the good leadership which affect vigorously the implementation of change and there are other significant factors which influence the change.

Calculation of empirical data indicates that all hypotheses raised with regard to the change process are significant. Communication is the key factor in implementation of process of changes. It must be communicated frequently and honestly. Commitment and advancement of managing staff and of employees must be increased by way of trainings and motivation.

# 7. Recommendations

Change management is a challenge that managers and the entire staff confront with. Taking into account the significance management of changes has for public organizations, as well as for any other organization, and based on the mentioned above in this study, we can wield some recommendations.

Planning of changes in public organizations must be carried out with an excessive caution throughout all the phases, starting from familiarising with problems which have to be the starting point for change, and knowing the possibilities, analysing the situation and presenting ideas, familiarising with obstacles that may appear, determining the best choice, implementation of planned and controlled change and evaluation of results.

It has been proven in this study that during the process of change communication is of special significance. Therefore, effective communication must be employed in all the phases.

Familiarising with external and internal factors must be performed consistently.

Trainings are essential for the managing staff as well as for employees in order to have them prepared for the change process.

I would recommend to have a specific agency established which is specialized on changes and which would prepare managers for changes. This agency would serve as a change agent which would exclusively deal with the change process. I support this due to the reason that time is being spent in training, first of managing staff and then vast majority of employees who are affected by change. This would relieve the management staff to carry out their managing duties and other employees would be closer to completing operational tasks.

Another recommendation deals with motivation which does not occupy a significant place in public organizations. Forms must be found to motivate successful managers in career advancement or some other material form, and this motivation in public organizations leaves a lot to be desired.

#### References

Burnes B., (2009), Managing Change: A Strategic Approach to Organisational Dynamics, FT Prentice Hall, fifth edition.

Cao G., Clarke S., Lehaney B., (2003), 'Diversity Management in Organizational Change: Towards a Systemic Framework', Systems Research and Behavioral Science, 20, 231-242.

Ford M. W., Greer B. M., (2005), 'Implementing Planned Change: An Empirical Comparison of Theoretical Perspectives', Mid-American Journal of Business, vol 20, no 2, 59-69.

Lewin K., (1951), Field Theory in Social Science, New York, Harper&Row, 1951

Llaci Sh., (2010), Menaxhimi, [Management]Tirana

Mercurio N., (2006), Managing Change Successfully, The Canadian Manger, 31/2 ABI/INFORM Global

Robbins Sh., (2008), Leading and Managing Change in a Dynamic Environment

Robins S., DeCenzo D., (2011) "Fundamental of Management" Tirana, 2011

Smith I., (2005), 'Continuing Professional Development and Workplace Learning 13, Resistance to Change - Recognition and Response', Library Management, volume 26, no 8/9, 519-522

Sannon E., (2002), "Agjenti i ndryshimit", [Change Agent], Time, 4 March 2002, f. 17

Victor & Franckeiss, (2002), , "The Five Dimensions of Change: An Integrated Approach to Strategic Organizational Change Management', Strategic Change, 11, 35-42.

Van de Ven A. H. Poole M. S., (1995), 'Explaining Development and Change in Organizations', Academy of Management Review, vol 20, no 3, 510-540.

Tax Administration of Kosovo, "Management to Results - Management Changes" Digest, 2011

# The Impact of Internal Factors in Time Management

- Case Study in Public and Business Organizations in Kosovo

Shefqet Zeqir Dervishaj, PhD Cand.

Europian University of Tirana

shefqetdervishaj@hotmail.com.

# Abstract

Time management, as a new and modern discipline, represents a problem in developed countries as well as in Kosovo. The intention of this study is to carry out an analysis as to how these factors affect the time management in public organizations and in private companies in Kosovo. Amongst other factors that influence the management in general, the focus of the present study rests on internal factors, which are resources, capacities and base competence or competitive advantage of the organization, what the level of these factors is and how can organizations advance these factors and thus create a competitive advantage. Time is a necessary and irreplaceable resource in the process of completing tasks. Time is the managers' valuable asset and in the event they lose it they can neither save nor replace it. The better we make use of time the more we will manage to accomplish. We cannot stop time; we cannot extend nor recover time. What can we manage? We can manage ourselves in time and we must understand the nature of the "time" phenomenon in order to adapt to it. The objective of this study will be to identify the extent that the organizations understand their internal environment, determination of values of these factors and determination of these capacities, identifying of weak and strong points of these factors. Based on the practice and based on the data I shall collect from the field, I will compare the same and will extract conclusions as to how these factors impact the time management, increasing thus the efficacy and efficiency of the organizations included in the study. External data shall be collected by way of quantitative questionnaires in order to come to a conclusion as to how these factors affect the time management in business and public organizations in Kosovo.

Key words: time management, internal factors, skills, technology, environment.

# 1. Introduction

Management is influenced by factors of external environment and by factors of internal environment. The external environment factors are factors which cannot be influenced by the organization but the organization can adapt to such factors and thus alleviate their impact.

Amongst the external environment factors are economic, socio-cultural, global, technological, demographic and political-legal factors (Musabelliu, B&All, 2012). The said factors are not part of the present study but only the internal environment factors. Of all the factors that affect the time management, the main focus of this study is the competence of managers, competence of the employees and the impact of information technology and work environment. Accordingly, I have distinguished these factors because based on practice I have realized that those are very important factors in managing the time.

Time management researches have been predominantly carried out in the U.S.A. and in Great Britain; whereas, as it regards to the developing countries, which have accepted the modern paradigm of management in the last twenty years, researches in this topic are scarce.

Based on the above, the idea to carry out a research in relation to the impact of the internal environment in time management is of a particular significance.

The objective of this study is the analyses of the internal factors in public organizations and in private organizations in Kosovo. The trends of the global economy have also had a great impact in the weak Kosovo economy which in the wake of the last war was shattered and it faces a long and arduous path ahead in order to catch up the pace. A contribution in this journey must be given, most certainly, also by time management which is an irreplaceable resource.

The purpose of private companies is to as much as possible increase their revenues, whereas that of public organizations is to offer as qualitative as possible services to citizens and to business organizations. In order to accomplish these purposes of such organizations, one of the factors is also the effective management in general, and in the case of my study, I have focused in time management in particular. In order to identify how much do the internal factors impact the good management of time, the study has focused in the influence of such factors in public organizations and in private companies in Kosovo.

Time management has occupied an important position in the developed countries and, given that Kosovo is also oriented to become part of the European Union, it is important to conduct an analysis of internal factors of organizations; how can it be influenced that those factors become factors creating competitive advantage for the public organization as well as for the business organizations. "Resources, capabilities and competencies are the foundations of the competitive advantage" (Musabelliu & All, 2012).

Modern managers grant great importance to time management by promoting it as a means for increasing productivity and results both in the business and in private life.

# 2. Reviewed Literature

Various theorists have attempted to explain the phenomenon of time management, starting from Frederik Taylor (1906) with his method of scientific management where he introduced four principles: replacement of old methods with scientific ones, selection, training and advancement of employees, cooperation with employees and sharing of allocation of tasks. All these principles focused on better management of organizations, and by this also management of the time of the employees and that of managers. There were then Frank and Lilian Gibreth with their method of reducing the number of movements of employees in their work places. This is also related to the management of the chain of value, increasing productivity and saving time, thus increasing the revenue over the average when it is about business organizations and, on the other hand, public organizations shall provide quality and well-timed services. Gant dealt with rewarding completion of work in less time. We have to deal here with achieving as great as possible results within as short as possible period of time by increasing the employees' productivity, i.e. to manage the time and achieve desired results.

Italian economist Vilfredo Pareto delivered the thesis that 20 percent of Italian employees make 80 percent of national goods. A similar situation was applied by managers where the vast majority of them contribute but the merits are granted to a smaller group of them. The general principle of Pareto, namely the formula 80/20, can be defined as following: any given group consisting of a certain number of elements, 80 percent of general value of the group derives from 20 percent of the value of its constituent elements. This formula can be utilized in planning and organizing time. 80 percent of his contribution derives from 20 percent of his working time. Concentration on the 20 percent of activities that create 80 percent of value, i.e.by utilizing the 80 percent of the remaining working time, a qualitative management of working time can be achieved. In order to achieve this, managers and employees must possess capabilities and qualities and to have an environment and most certainly to respect the four Ds of Brian Tracy which he described in his publication "Time Management" 2014.

In the most contemporary theory Brian Tracy in his book "Time Management" 2014 advises "Time is the one indispensable and irreplaceable resource of accomplishment. It is your most precious asset. It cannot be saved, nor can it be recovered

once lost". He further elaborated techniques that for as long as we bear in mind the four "D", which are: first D is *desire*, second D is *decisiveness*, third D is *determination* and the fourth D is *discipline*. The first D – desire, you must have an intense, burning desire to get your time under control and to achieve maximum effectiveness. The second D, decisiveness must be such that will push you to make a clear decision that you are going to practice good time management techniques until they become a habit. The third D is determination. Perseverance or determination must be such that will make you willing to confront persistently all temptations to give up from this decision until you have become an effective time manager. The desire you will express will reinforce your determination. The fourth D is discipline. The fourth point is also the most important point and the key point to success in life. We must discipline ourselves in order to make time management a lifelong practice.

He expressed time management in the following points: determination of personal values, vision and mission, project forward, written plan, project scheme, to-do list, clear priorities, overcome procrastination of tasks, blocks of time and organizing of work space. "My life is precious and important, and I value every single minute and hour of it. I am going to use those hours properly so that I accomplish the most I can, in the time that I have" (Tracy 2014).

Tom Peters underlines in his "In Search of Excellence" that the key asset is time. Allocation of tasks and determining a schedule is of a special importance and he says that "The schedule does not lie". One must always pursue excellence.

Improper time management besides decreasing in productivity, efficiency and effectiveness it also causes stress which is a modern disease of managers who are in constant pursue of time. The OATS principle (Outcomes, Activities, Time, Schedule) provides you with a simple process of writing down and planning things you have to do (Clayton, M. 2014). When does one have to use the four planning steps? The answer is before starting of any activity in order to avoid three common problems which are causes of stress in time management, and they are: postponing tasks for a later time, getting used to saying "No", and confronting the feeling of being perplexed by the huge amount of things to be accomplished. We often ask ourselves why there is never enough time for things we have to do or things we planned to do. This happens because we lack organizing the day and not that we cannot accomplish our tasks.

In case we wish to identify "what is eating our time", we have to conduct thorough analyses and to divide tasks into those that are urgent and important and into tasks that are not urgent and important. In literature we have mainly found that the internal environment factors consist of resources that an organization possesses; therefore, we have to deal with inputs such as people, material and financial resources of the organization. Their good-coordination results with the organization's competitive advantage. This study will mainly focus on the human resources, capabilities of the managers and of other employed staff, as well as the extent of integrated resources and capacities and their influence in time management. All these three factors must be on a high level because if they are separated they will not yield the required effect.

Vasilika Kume emphasizes in her book "Menaxhimi Strategjik,teori,koncepte,zbatime" [Strategic Management, Theory, Concepts and Applications] (2010), that the internal environment, which comprises of physical, human, financial resources and untouchable resources can be provided by the competitors, but the problem pertains in what types of resources are valuable for the clients and are difficult to be imitated by the competitors. The main message is that it is not sufficient to make an inventory of resources but it is necessary to study the potential strategic capacities.

"Analyses of internal organizing of the organization requires that the assessor identify the entirety of resources that the organization has at its disposal" (Musabelliu, Kercini, D and Bejko, A., 2012). Certain organizations must possess at least some capabilities and resources that other organizations don't, or at least they don't possess them with the same combinations. For the customer the value is measured according to product characteristics and its attributions, the value which the customer is willing to pay for. The product of public organizations is the service they provide to citizens and business organizations; whereas, the product of business organizations are products and services they offer to their customers. These products can be offered to customers if the internal resources and their capabilities are utilized vigorously. Organizations unable to do this result in a low performance. Time management, being an irreplaceable resource, has an immense impact in increasing of performance and utilizing of internal resources of the organization.

# Organization's Resources and Capacities

Tangible resources – financial, physical, technological, organizational

# Intangible resources

- -human.- knowledge, faith, managerial capacity, organizational routine (R. Hall. 1992-)
- -innovation.-ideas, scientific and innovation capacities
- -reputational.- reputation with clients, trademark name

The knowledge possessed from the human resources capital is amongst the most important capabilities of the organization and it may be the source of all competitive advantages. Organizations must be able to utilize the knowledge they possess and have it transferred to their units in the organization (Musabelliu & All 2012). In such context, the challenge of the organization is to create an environment for people to integrate their individual knowledge with those in possession of the others within the organization, so that the organization would collectively have substantial organizational knowledge.

Capacities – consist of organization's capacity to develop the integrated resources aiming to achieve a certain final state. They surface in time through interactions between tangible and intangible resources. The bases of capacities rely on the unique abilities and knowledge of the employees. Capacities are often developed in specific functional zones or as a part of one functional zone.

Base competencies – the activity performed by an organization, public of business, in particular must be well compared with the activities of the competitors, the activity through which the organization adds value to goods and services during a time period. Criteria of competitive advantage: valuable, rare, costly to imitate and irreplaceable. In order to develop and use the base competence, managers must display courage, self-esteem, integrity, skills to deal with complexity and uncertainty, to express readiness to hold people and themselves accountable for their work. From these management principles in general, the same should be used in time management in particular. Base competence has got more to deal with business organizations and less with public ones because public organizations have no competition as they are authorized by law to provide services. Hence, this part shall not be subject of the study.

Culture of the organization - values, faith, hope, routine ways, rituals, backgrounds and symbolic aspects of the organization.

Analysing the chain value allows the organization to understand the part of its activity or operations which create value. Primary activities include creation of the final product, selling and distributing the same to the buyers and offering services for their buyers. This deals with the business organizations whilst public organizations only provide services and based on the quality of services provided to citizens and business organizations, and by way of such services they facilitate their activity. Support activities provide the required assistance for the main activities.

Out of all these factors mentioned above, for the purpose of analyses of present study I have oriented in human resources of both, managers and employees, knowledge, faith, their innovative capacity as well as commitment in achieving results and use of time.

Based on hitherto research, on trainings I have attended in the country as well as those abroad, based on domestic and international literature, and based on model presented by various authors in relation to time management, I shall strive to carry out an analyses of time management both in public and private companies in Kosovo; how do factors of internal environment of the organization influence, what are the obstacles causing poor management of such organizations in general, and for time management in particular, and then generate conclusions as to how much do these factors influence time management which is an irreplaceable resource, as well as to provide my recommendations with regards to the possibility of time management improvement.

# 3. Purpose of the Study

The main purpose of this study is to carry out an analyses on the impact of internal environment factors on the time management of public organizations as well as on private companies; what are the obstacles, why is time not managed properly while being aware of the importance of this valuable asset. Identification of problems for improper management of

working time, starting from lack of communication, lack of obedience, lack of motivation, stagnation setting of objectives, lack in delegating and lack in accountability of both employees and managers. The focus of the study is also loss of time for private errands which is common in public organizations, but it is also present in business organizations. All these problems have to be identified and determine which of them has a greater impact, what is their presence, i.e. to what extent and what is their significance in non-efficient use of time and thus failing to accomplish revenues in private companies and failing to provide more effective services in public organizations.

Therefore, the aim of this study is to identify problems related to factors of the internal environment in time management, always bearing in mind the culture and tradition, because it also depends on them as to what extent I will be able to locate factors that impact time management.

The purpose of this study is to carry out an analysis with regard to the impact of the internal environment in time management and it is all summarized in a few objectives:

- The first objective shall be analysing the internal environment and current time management; weaknesses and strengths,
- Identifying factors that have influenced completion of non-completion of time management,
- Researching quantitative data in relation to use of working time,
- What are the activities in which the employees might waste their working time, and
- Generating conclusions and providing recommendations.

# 4. Methodology

For the purpose of this research, quantitative method was applied in order to realize the research, more specifically, the technique of questionnaires for collection of data from private company managers and directors of public organizations. Questionnaires shall consist of closed-type questions and will be the same for everyone. I shall carry out an analyses of data related to time management, both in public and business organizations, placing particular emphasis on the competence of managers and employees in completing their tasks and relationship of their competence with time management. Testing of such relationship is made possible through quantitative methods. The number of participants in the research was in total 38. Before application of questionnaires, the participants agreed to serve as respondents in this research. Hence, it means that their participation was on voluntary basis. Before drafting the questionnaires, some qualitative interviews were conducted, problems were identified and several research questions were raised.

For collection of data I shall distribute questionnaires to business organizations and to public organizations in the entire territory of Kosovo, and I will mainly maintain contacts in person and through e-mails. The purpose is to conduct an analysis of larger companies because they are more organized and have a greater number of employees. Besides, they shall be the carriers of the economic development of Kosovo and, accordingly, they need to manage their time properly.

# Research questions

From the qualitative interviews and from consulted literature, the following research questions were raised:

- 1. To what extent can the managers' competence, as an internal factor, affect the effective time management in public and business organizations?
- 2. Do the information technology equipment and working environment, as internal factors, have any impact in time management in business and public organizations?
- 3. To what extent are the employees prepared in accomplishment of tasks and in managing their time, and to what extent does their preparation impact the time management?

# 5. Hypotheses

The afore-raised questions in relation to impact of factors in time management have resulted with the hypotheses of the research.

H1. Managers' competence influences positively in effective management of time in public and business organizations.

Time management is very complex in general, but in the case of impact of internal factors, the managerial skill is crucial, and to what extent does that affect in time management. I shall elaborate further on upon testing this hypothesis.

H2. Information Technology and work environment, as internal factors, have a positive effect in time management with public and business organizations.

Some qualitative interviews carried out with some of managers in relation to the impact of internal factors such as information technology and work environment, indicated that they might influence time management, the reason being that the equipment and environment have a great positive impact if they are optimal – on the contrary, they might have negative impact.

H3. Proper preparation to carry out tasks impacts positively in time management.

Employees' preparation has an immense impact in management of their time, and this in turn is hugely impacted by continuous training related to their work and other novelties.

# 6. Findings from the Empirical Data Analyses

Analyses of internal environment prompted to get acquainted with the organizational staff, understanding the impact of internal environment both in business and public organizations. Management is in general impacted by internal resources which represent the inputs of the production process or the process of realization of services, which are: capital equipment, employee's skills, financial resources and talented managers. Out of these internal factors, the skills of managers and employees were tested, as well as information technology and the influence of work environment, i.e. to what extent to these factors influence time management. Questionnaires were delivered as hard copy and electronically. Analyses were carried out based on 38 questionnaires, out of which 20 were with public organizations and 18 with business organizations. All respondents responded voluntarily. The analyses indicated that the average age of respondents is 39 years old, whereas work experience is approximately 15 years. The eco-numerical measuring generated the following results.

H1. Managers' competence influences positively effective management of time in public and business organizations.

#### Results

Table 1: Correlation between managing competencies and effective time management

#### Correlations Managing Competencies Effective Time Management Pearson Correlation .350\* Managing Competencies Sig. (2-tailed) .031 38 38 Pearson Correlation .350\* 1 Effective Time Management Sig. (2-tailed) .031 Ν 38 38

In order to test the first hypothesis of this study: "Managers' competence influences positively effective time management in public organizations", the analysis of correlation was carried out and we have the following statistical result [r= .350\*\* and p< .031]. In order to test this hypothesis, an analysis was carried out between knowledge, faith and innovative capacities of managers in managing their time. This hypothesis was proven and it indicates the managers' competence influences time management positively.

H2. Information Technology and work environment, as internal factors, have a positive effect in time management in business and public organizations.

Table 2: Correlation between information technology and time management

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

| Correlation |
|-------------|
|-------------|

| OUTUIGUOTO             |                     |                  |                         |
|------------------------|---------------------|------------------|-------------------------|
|                        |                     | Information Tech | nology Work Environment |
|                        | Pearson Correlation | 1                | .508**                  |
| Information Technology | Sig. (2-tailed)     |                  | .001                    |
|                        | N                   | 38               | 38                      |
|                        | Pearson Correlation | .508**           | 1                       |
| Work Environment       | Sig. (2-tailed)     | .001             |                         |
|                        | N                   | 38               | 38                      |

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

In order to test the second hypothesis of this study: "Information Technology and work environment have a positive effect in time management", correlation was analysed and we have the following statistical result [r= .508\*\* and p< .001]. This hypothesis was proven, which means that information technology has an impact on time management. Actually, although the impact of technology is very significant, the conducted qualitative interviews indicated that there is a need for improvement in this aspect to enable an even better management of time, as it is known that technology has advanced a lot and we need to take maximum advantage of it, but this does not depend only on the desire but also on the financial capabilities of organizations to possess such equipment.

H3. Proper preparation to carry out tasks impacts positively time management.

Table 3: Correlation between proper preparation and time management

| $\sim$ |    |     |    |   |
|--------|----|-----|----|---|
| Cor    | rΔ | lat | 'n | n |
|        |    |     |    |   |

|                               |                     | Proper Preparation | Time Management at Work Place |
|-------------------------------|---------------------|--------------------|-------------------------------|
|                               | Pearson Correlation | 1                  | .651**                        |
| Proper Preparation            | Sig. (2-tailed)     |                    | .000                          |
|                               | N                   | 38                 | 38                            |
|                               | Pearson Correlation | .651**             | 1                             |
| Time Management at Work Place | Sig. (2-tailed)     | .000               |                               |
|                               | N                   | 38                 | 38                            |

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

In order to test the third hypothesis of this study: "Proper preparation of employees in carrying out tasks has a positive impact in time management", the correlation was analysed and we have the following result [r= .925\*\* and p< .000]. This hypothesis was proven, which means that proper preparation of employees has an impact on time management.

All three hypotheses have been proven, and all the factors analysed have an impact on time management. In order to overcome the problems one must take into consideration the fact that as of recruitment of staff and all the way to their promotion in career, the employees with adequate education, employees who have ideas, creativity and commitment in accomplishing the given tasks, must be advanced.

Another analysis was carried out in relation to loss of working time for private errands or needs. The below table indicates the average of lost time – the results are quite unsatisfactory.

Table no.1 Activities on which employees lose working time for personal needs.

| Type of Activity   | Frequency of Repetition Within a Day | Average of Duration in Minutes | Average of Lost Time |
|--------------------|--------------------------------------|--------------------------------|----------------------|
| Having coffee      | 2.39                                 | 12:02                          | 28:43                |
| Reading newspapers | 0.89                                 | 3:12                           | 2:58                 |

| Smoking                        | 0.94 | 1:38 | 1:32              |
|--------------------------------|------|------|-------------------|
| Private phone calls            | 1.13 | 2:31 | 2:51              |
| Exchanging e-mails             | 1.26 | 3:46 | 4:44              |
| Unofficial talk                | 0.76 | 5:24 | 4.03              |
| Searching lost documentation   | 0.78 | 3:10 | 2.24              |
| Persisting in perfectionism    | 0.5  | 3:36 | 1:48              |
| Strolling and private shopping | 0.26 | 2:36 | 0:39              |
| Total average of lost time     |      |      | 49 min. e 42 sec. |
|                                |      |      |                   |

Source – Analysis generated from the questionnaires. Conducted by author.

Data collected from the questionnaires and from conducted analysis on time lost for private needs of the employees, it can be ascertained that during working hours, the employees lose an average of 49 minutes and 42 seconds. This is an indicator that must be taken into consideration because an employee loses an average of approximately one hour during the one-day working hours, which is rather a lot and therefore forms must be identified to eliminate this lost time. As the table shows, the factor causing the biggest loss of time is 'having coffee', which is an average period of time of 28 minutes and 43 seconds within one working day.

### Conclusions

Time management is one of the most essential requirements for a maximum good progress of productivity in both personal and business life.

Time is an indispensable and irreplaceable resource for completion of tasks. Time is the valuable asset of managers and if they lose it, they cannot neither preserve nor recover it. The better we utilize time, the more things we shall be able to accomplish.

Time is the most valuable item one can spend; therefore, we must utilize time wisely. Lost money can be compensated, but lost time cannot be recovered – it is lost forever.

Management is in general impacted by factors of internal and external environment. The focus of this study was on the internal factors, in particular managers' and employees' competence, as well as information technology and work environment. Out of three raised hypotheses, the first "Managers' competence influences positively effective time management in public and business organizations" has been proven; respectively, managers' competence has an impact on time management. In addition, second hypothesis "Information Technology and work environment, as internal factors, have a positive effect in time management in public and business organizations" has been proven; meaning that this factor as well has an impact on time management. Third hypotheses, "Proper preparation of employees to carry out tasks has a positive impact in time management" has been proven, meaning that the competence of employees has an impact on time management. It not only has an impact on the time of employees but also on the time of managers because when employees are competent it is much easier to delegate them tasks and also receive feedback on the work completed. Losing time on private issues is a problem in its own which, according to the data generated from the questionnaires, it derives that out of a normal daily working time approximately one hour is lost on attending to private issues.

# 7. Recommendations

Time management is very complex and analyses must be carried out to identify the obstacles. Being a very valuable resource, time must be given priority so that it is used as efficiently as possible. The following are my recommendations in relation to an efficient time management.

Determining personal values and understanding what is important for the employee. Have them pose questions to themselves as to why they work with that organization, why are they doing what they are doing. Thus, the aim of the employees and managers must be determined in relation to their staying in the organization.

In order to manage time, one must first bear in mind the four Ds. First D is about desire to have time under control; second D is about decisiveness or commitment to practice effective time management techniques; third D is about determination or persistence against any temptation to waiver the issued decisions; and fourth D is about discipline in achieving the success in time management by converting it in a kind of lifetime practice (Brian Tracy, 2014).

Identification and prioritizing of aims, by ranking and grouping them in priority levels of very important, less important and those of second hand, which can be ignored. Accepting clear directives, understanding the tasks that have to be completed and by all means provide a feedback on completed works according to the given priorities.

Delegating tasks in timely manner and to persons who can complete such tasks; however, bear in mind not to delegate tasks to persons who are not able to complete such tasks.

Elimination of unnecessary time wasting meetings and reducing unproductive time spending while attending to private issues, as according to the analyses from the questionnaires, it results that over 10% of the working hours are wasted on attending private needs, searching for unimportant things which can be avoided through a better organizing at work place. Create a relaxing environment at the working place, avoiding persons who are inclined to give long explanations and who talk a lot.

Keeping notes on the tasks to be done and analyse at the end of working hours the completed tasks, strive to identify stagnations and apply improvements the following days. Abandoning the practice of postponing tasks at a later time can be a high priority task.

Establish a routine, that is to say a program from the very start of the working day to the end of the working hours, and establish a rule for work during the working hours.

Identifying continuousness in the event the organizing of a day or a week proves to be successful, and then the organizing of the coming week must be based on the week closed successfully. It is always a good idea to raise the foundations of a certain thing over something that has been proven successful.

Appearing as realistic in determining the date of completion of a certain task and this has to be done not out of force of compelling but realization of the same according to a plan, will inevitably prove to be more professional and less stressing.

# References

Ali Sylqa,A.,(2003)""Produktiviteti në teorinë dhe praktikën ekonomike" [Productivity in Economic Theory and Practice], Pejë, Perspektiva

Covey.S (2015)"Stress Management"

Fayol, H., (1916) "General and Industrial Administration", Paris, Dunod

Gilberth(1911),"Movement Study", New York

Kume, V. (2010), "Menaxhimi Strategjik, teori, koncepte, zbatime" [Strategic Management, Theories, Concepts, Applications]

Musabelliu, B. Kërçini, D. Bejko, A. (2012), Menaxhimi strategjik, [Strategic Management], Tiranë

Robins, D., DeCenzo, R., (2011) "Management Foundations", Tirana, sixth edition

Llaci, Sh., (2002) "Management", Tiranë, Alb Paper

Taylor, F.W., (1911) "Parimet e menaxhimit shkencor" [Principles of Scientific Managemetn], New York, Harper

Tracy,B.(2014),Menaxhimi i kohës, [Time Management], translated by Aleksandër Koli,Prishtinë

# Internet Resources

Fisher, F. (2001), Upravljanje sopstevenim vremenom, www.fpdl.ro.

htpp://skeja.me/2013/05/14/menaxhimi-i-kohës/ Menaxhimi i kohës,(2013).

http://menaxhim.com/2011/11/08/rreth-menaxhimit-te-kohes/ Rreth menaxhimit të kohës,(2011)

htpp//manager.hr/Ucinkovito upravljanje vremenom(2009).

# Social Emotional Learning (SEL)

Shqipe Husaj PhD Cand.

Lecturer at the University "Haxhi Zeka"-Peje- Kosovo

shqipehusaj5@gmail. com, shqipe.husaj@unhz.eu

00377-44137921

#### Abstract

Being in an environment for the first time, meeting strange people is not easy and simple for everyone. Some people need help in controlling its own emotions or the others emotions and feelings. This help can come from the parents at home, teachers and classmates at school or colleagues at working place. The aim of this paper is to discuss the importance of Social Emotional Learning (SEL), its competences, skills involved in it etc. As SEL helps develop understanding and empathy, in this paper we will discuss the importance of empathy and some tips how to develop it.

**Keywords**; Social emotional Learning, feelings, empathy, skills etc.

#### Introduction

Being in an environment for the first time, meeting strange people is not easy and simple for everyone. Some people need help in controlling its own emotions or the others emotions and feelings. This help can come from the parents at home, teachers and classmates at school or colleagues at working place. Social Emotional Learning (SEL) is a process of learning life skills, such as how to deal with ourselves and the relationship with the others, as well as how to work effectively. In dealing with ourselves, SEL helps in recognition of our emotions and learning how to manage these feelings. In dealing with others, SEL helps develop understanding and empathy for others, and maintaining positive relationships. SEL also focuses on dealing with a variety of situations in a constructive and ethical way. ( www. casel. org, retrieved March 2015). The programming of this process is based on the understanding that the best learning emerges in the context of supportive relationship that make learning challenging, engaging and meaningful. SEL is an approach that teaches students to recognize, regulate, and express the social and emotional aspects of their lives so they can operate successfully in the world and manage life tasks. ( Elias et al. , 1997, and CASEL, Safe and Sound, 2005))

SEL programs are aimed at developing five core social and emotional competencies:

**Self-awareness:** identifying and recognizing emotions; recognizing personal interests and strengths; maintaining a well-grounded sense of self-confidence

**Self-management:** regulating emotions to handle stress, control impulses, and motivating oneself to persevere in overcoming obstacles, setting and monitoring progress toward the achievement of personal and academic goals; expressing emotions appropriately

Social awareness: being able to take the perspective of and empathize with others; recognizing and appreciating individual and group similarities and differences

**Relationship skills:** establishing and maintaining healthy and rewarding relationships based on cooperation and resistance to inappropriate social pressure, preventing, managing, and constructively resolving interpersonal conflict; seeking help when needed (CASEL, Safe and Sound, 2005)

Emotional well-being is "dramatically and positively predictive not only of academic achievement, but also of satisfactory and productive experiences in the world of work and marriage, even of better physical health. "Self-understanding and greater emotional management coupled with the ability to deal wisely and effectively with others, positively impacts people's capacity to negotiate their everyday lives. Researchers and psychologists maintain that social and emotional competencies "allow us to modulate emotions, solve social problems creatively, to be effective leaders and collaborators, (and) to be assertive and responsible. " ( www. casel. org) The good news is that social and emotional skills can be learned and enhanced at any age. Infants, children and adults alike can develop their social and emotional understanding; however, the earlier a person beings the SEL process, the greater the advantages. Comer, J. (Nov. 1999, retrieved March 2015).

# **Empathy**

Many of the problems in schools are the result of social and emotional malfunction and debilitation from which too many children have suffered and continue to bear the consequences. Comer (1999, retrieved 2015). Therefore t is crucial to provide children with an environment that allows them to develop their social and emotional skills. An atmosphere that provides support for one's social and emotional learning and competence versus one that does not can make a huge difference in that child's life. The difference, Corner claims, is equal to the difference in the outcome of throwing seeds on cement versus planting seeds in enriched soil. (Comer 1999- a conference on Social and Emotional Learning and Digital Technology).

Empathy Starts with Teachers: Teacher is the one who should show empathy and be the model for students. But, do teachers expect empathy from the students? What do teachers say about this. One teacher in an Edu. con conference summarized it this way: "How can I have empathy for my students when no one will have empathy for me?" The solution to this would a better communication between teachers and students creating a more supportive environment where others would care about how everyone feels. To teach empathy, schools should help students learn to initiate relationships by becoming friends with students who are different, have a disability, or are new in that school. Friendship and better relationships are the best motivation. This applies not only for the students but for the new teachers too. Starting a new job and having to do with children is not always easy. Everyone needs support and understanding. "Walking in someone else's shoes" - is a way to reduce bullying and raises better emotional understanding. When a person learns to understand and share the feelings of another, the pro-social behavior that results shows up in better relationships, closer friendships and stronger communities — it's that important! ( edutopia 2013, retrieved March 2015). Empathy is reinforced at home when parents model it. When parents positively demonstrate sharing their feelings in authentic, engaged and non-judgmental ways, kids (influenced by mirror neurons tend to imitate or mirror the intention and emotional state of what they see

Five steps to cultivate empathy:

Watch & Listen: What is the other person saying, and what is his or her body languag?

Remember: When did you feel the same way?

**Imagine:** How does the other person feel? And how would you feel in that situation?

**Ask:** Ask what the person is feeling.

**Show You Care:** Let the other person that you care through your words and actions. Successful schools ensure that all students master reading, writing, math, and science.

They also foster a good understanding of history, literature, arts, foreign languages, and diverse cultures. However, most educators, parents, students, and the public support a broader educational agenda that also involves enhancing students' social–emotional competence, character, health, and civic engagement (Metlife, 2002; Public Agenda, 1994, 1997, 2002; Rose & Gallup, 2000). In addition to producing students who are culturally literate, intellectually reflective, and committed to lifelong learning, high-quality education should teach young people to interact in socially skilled and respectful ways; to practice positive, safe, and healthy behavior; to contribute ethically and responsibly to their peer group, family, school, and community; and to possess basic competencies, work habits, and values as a foundation for meaningful employment and engaged citizenship (Elias et al., 1997; Jackson & Davis, 2000; Learning First Alliance, 2001; Osher, Dwyer, & Jackson,

2002). In his book *Born to Be Good*, UC Berkeley professor (and GGSC director) Dacher Keltner, based on research in psychology, sociology, and neuroscience said that we are also wired for good. More specifically, he looks at the science of emotions and how positive emotions such as compassion and awe are contagious--and help to bring out the good not only in ourselves, but in others as well. "The origins of human goodness," writes Keltner, "are rooted in our emotion, and these social instincts may be stronger than those of any other instinct or motive. "Some of the most compelling proof that we are wired for altruism, kindness, and compassion comes from numerous studies that demonstrate children as young as 14 months have innate altruistic tendencies, well before socialization can have a major influence on their development. Children may be motivated to help friends, not because someone tells them to, but because they feel good. If we for example give a chocolate to a 14 months old baby and the other child is there playing with him, the baby will immediately offer that chocolate to the other baby. Just because that baby feels good in sharing possessions with the others. This clearly shows that human beings are wired for good and that our altruistic, compassionate tendencies may be motivated, in part, by positive emotions elicited through our interactions with others.

According to leading emotions expert Richard Davidson, in his book The emotional life of our Brain ( www. Casel. org 2007) writes that our emotions work with our cognition in a seamless and integrated way to help us navigate the classroom, workplace, our relationships, and the decisions we make in life. In his book *Richard Davidson addresses the questions about how we become who we are with a scientific rigor and impassioned curiosity that enable us to understand others and ourselves, as well as to directly influence how we approach life with a sense of resilience and vitality. Davidson, R. (Edutopia 2007)* 

The skills taught through SEL, all of which benefit ourselves and others, ultimately help us to cultivate more positive emotions. The goal, however, is not to feel positive emotions all the time, but rather to understand how emotions, both negative and positive, impact us. Instead of acting out of fear, hate, and anger, we can take a deep breath and try to empathize with what the other person is feeling or experiencing and then make the choice to respond with care. Teacher should understand that social and emotional learning (SEL) is critical to student success in school, work, and life. To be effective, schools must concentrate on their fundamental mission of teaching and learning. And they must do it for all children. That must be the overarching goal of schools in the twenty-first century. (Ravitch, 2000, p. 467) As SEL helps develop understanding and empathy teachers, counselors and parents play an important role in facilitating SEL by Implementing programs in schools that can help to increase competence and learning in students which may be applied to more complex situations in the future. Teachers can accomplish this in the classroom through effective and direct classroom instructions, student engagement in positive activities, and involving parents, students and the community in planning, evaluating and implementing the program into the classroom.

# Conclusion

Base on what is written above all schools are recommended to implement a curriculum for Social Emotional Learning program which will foster tools important for social and emotional competence, and increase positive peer interactions and reduction in negative internal emotions.

It is important to also recognize that this kind of program and should start from home itself and then continue at school. Teachers and parents should have a continues cooperation in order to facilitate children adapt in an unfamiliar environment. The skills taught through SEL, all of which benefit ourselves and others, ultimately help us to cultivate more positive emotions. The goal, however, is not to feel positive emotions all the time, but rather to understand how emotions, both negative and positive, impact us. Instead of acting out of fear, hate, and anger, we can take a deep breath and try to empathize with what the other person is feeling or experiencing and then make the choice to respond with care. Teacher should understand that social and emotional learning (SEL) is critical to student success in school, work, and life. To be effective, schools must concentrate on their fundamental mission of teaching and learning. And they must do it for all children. That must be the overarching goal of schools in the twenty-first century. (Ravitch, 2000)

### Literature:

- 1. Five Keys to Successful Social and Emotional Learning". Edutopia/ The George Lucas Educational Foundation.
- 2. Jump up ^ http://www. edutopia. org/sel-research-learning-outcomes

- 3. Jump up ^ http://www. edutopia. org/sel-research-learning-outcomes
- 4. The Hawn Foundation. The Mind-Up Curriculum: Grade Pre-K-2. New York: Scholastic Inc., 2011.
- Emotionally Intelligent Parenting M. Elias, S. E. Tobias, B. S. Friedlander Random House 1999
- 6. Emotional intelligence D. Goleman Bantam Books 1995
- 7. Mayer J. , Caruso, D. , and Salovey, P. (2000). Emotional intelligence meets traditional standards for an intelligence. Intelligence 27 (4) 267-98
- 8. Emotionally Intelligent Parenting: eqparenting. com
- 9. Communities of Hope: www. communitiesofhope. org

# Asset Management Public Assessment of Road Infrastructure

Dr. Alma GOLGOTA

Departament of Construction Engineering
"Aleksander Moisiu" University Durres, Albania
email almagolgota@yahoo.com

Msc. Diana Bardhi (SOFTA)

Departament of Construction Engineering

Metropolitan University Tirana, Albania

# Abstract

For several years, the Albanian Road Authority under the administration of the Ministry of Infrastructure also public transport, following the process of maintenance of national roads, even the Albanian Fund for Development of road infrastructure management agency that handled the funds public for the construction of national infrastructure in rural areas, have seen the need to develop a strategy for the management of maintenance and financial management, based on current accounting principles and efficiency in the use of funds for investment. This includes the use of a balance of investments made to launch a database for years and the development of basic documents for the planning and control of public spending in these activities. The question that arises and requires an analysis is: a generally accepted value will be calculated for the infrastructure during its useful life, using the principles of sound accounting and valuation of real estate activities internationally applied? The study is based on economic and technical accounting theory has been applied to the investments made by international and national standards. The results show that the existing accounting standards are suitable for use in infrastructure management, allowing a better control of public spending on infrastructure, while the principles of technical assessment of public infrastructure assets require the creation of a database and inventory and for all categories of roads.

Keywords - Infrastructure, asset management accounting, payment over the life cycle, the actual evaluation.

# 1. Introduction

Network infrastructure is based on the ground transportation system, and represents the largest investment of capital, taken several generations and be organized by public and private sector.

ARRSH public body under the Ministry of Transport and Infrastructure and the ADF non-public agency that manages public funds are required to provide different categories of investment for road infrastructure in Albania. In these programs, the two organizations as the main activity is the provision of road infrastructure in optimal condition associated with maintenance, repair and renovation or reconstruction.

ADF as the public agency that manages public funds and is subject to special rules donors to increase accountability in the management of funds. With international controls are recommended disclosure and the

Introduction of a financial system based on accrual accounting and should lead to:

# 1. Improve the effectiveness of budget appropriations

a. Insurance profit for the costs of the life cycle, on the basis of policy decisions.

b. Allow a more efficient process for making investments.

# 2. Improve the budget allocation process.

In line with these expectations, the government stresses the need to employ the best management skills, processes and practices available, to ensure that the road infrastructure services are delivered within budget and on time. A part of this recommendation is an exploration of the application of asset management methods and techniques in the situation in Albania. The valuation of public assets at market values is an aspect of asset management that is analyzed in this scientific article.

It would be possible to calculate a generally accepted value for the infrastructure over its useful life, using sound accounting principles applied internationally

Purpose is to a) highlight the importance of assessing the activities and direction in relation to the needs of users and providers, as ARRSh ADF b) the identification of the benefits of evaluation as a tool for asset management c) formulate proposals for technical evaluation road infrastructure.

In this article let mbeshteur under the respective documentation, verification of results is based on interviews with key personnel in the civil works management in road infrastructure. Concepts such as asset management, valuation and amortization of them are highlighted in this article.

# 2. Asset Management and Evaluation

# 2. 1 - Scope and definition

In Albania public sector reforms in financial accounting result with the reporting requirements as financial expand investment in road infrastructure, which has led to new rules for the evaluation and depreciation of assets. These initiatives have led to widespread interest in asset management and planning, although the situation in Albania is very different from the Western context, they have created a property management office.

The definition according to the OECD (Organization for Economic Cooperation and Development), adopted by the World Road for asset management is:

"A systematic process for the efficient maintenance, and improved well by combining engineering principles with sound business practices and economic rationalization, providing tools to facilitate a more organized and flexible approach in making decisions to meet the expectations of the public."

This broad definition of road asset management means managing a road network (roads, bridges, road signs, etc.) to meet the business needs and the users of the road, with the lowest cost possible for a long time.

The main asset management stages are:

Identification of the need for such activities, the Community reference requirements;

Providing activities, including its ongoing maintenance to meet the needs of constant users;

Il funzionamento del bene;

Mosinevstimi good, when the need does not exist or is not appropriate for the activity to be preserved.

Infrastructure investments in Albania have been implemented by ADF ARRSH and request administrative systems in order to improve transparency and llogaridhëniens. The valuation of the assets under their jurisdiction is one of the major needs as a key element of their management. Asset evaluation requires:

- a. A management structure;
- b. accounting and approval methodology for evaluating the real goods based;
- c. performance indicators and amortization functions or performance models to calculate the future value of assets;
- d. information systems for reporting on the state of the network and the value of assets.

ARRSH and ADF are aimed at better management of the activities in which allow systematic maintenance and evaluation has an important role to ensure proper management of information in order to optimize the total cost of the Albanian road network lifecycle.

# 2. 2. Rating

Studies have shown that the evaluation plays an important role in creating the possibility to report the physical condition of the road network in monetary terms. In addition, the evaluation helps operators to inform the owners (Ministry of Transport and Infrastructure, LGU) the effects of current levels of funding and e. menaxhimit strategies.

A part of the asset management framework is shown in Figure 1. Asset Management Austroads sources, 2002.

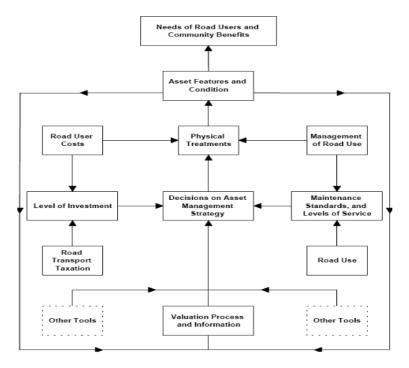


Figure 1. The role of evaluation in asset management

# Metodologjia e ROMAPS

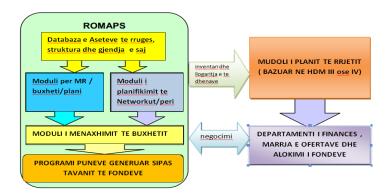


Figure 2. Asset management plan of road infrastructure.

The This figure refers to a study carried out for the construction of road asset gjendes inventory on the basis of their inspections and the creation of an electronic database, in accordance with international material accepted SGEM 14 Conference 2014 in Bulgaria, "Low Cost videologging and georeferencing or a component of the road system Managment"

Two bodies ADF ARrSH and use these rules are based on national and international accounting standards.

The evaluation process has been identified as a tool for efficient management of the property. Budgeting strategy maintenance and the options may differ from the elimination of all defects do nothing. Based on the terms of their assets and inventory, which currently is not finished, but we have developed a simple way to collect electronic data and its installation in a database investments made after 2005, and evaluation of such activities, it can be through the use of replacement cost, based on nderkombetarer standards, laws and relevant decisions.

legislative requirements (laws, acts, decisions) to determine the value and depreciation of public facilities. In Albania for the management and maintenance of public assets, with the exception ARRSH allegedly receive funds from the Ministry of Local Authorities for their management Transportation and Infrastructure has to administer this, in terms of expenditure and income-based investments in order to promote the interests of the present and future of the community.

Evaluation and depreciation of assets should be undertaken in accordance with appropriate Financial Reporting Standards, International Accounting Standards mostly 16 - Property, (IASB, 2014). The purpose of the evaluation is to describe the property, on the basis of the financial statements with regard to the definition of clear information regarding investments in street activities. The main problems are the recognition of the assets, the content in the elements, the determination of the carrying value, the determination of their level of depreciation.

# 2. 3. Certain approaches to evaluation

"A local authority has to manage income, expenses, investments and attention and, in order to promote the interests of the present and future of the global financial community relations". The assessment approaches for the determination of the market value (the estimated amount for which a property should change) include:

The rating for sales comparison;

This approach considers the sales of similar or substitute properties and related data and provides an estimate of the value of the asset by the comparison process.

#### Profit Method

This approach considers the revenue and data outputs related to the evaluation of the value of the property through the capitalization process or discounted cash flows.

# Cost method.

This comparative approach considers the possibility of a replacement for the purchase of a certain property, can build another property that is a copy or the original or one that can provide the same benefits.

It is noted that the cost evaluation method is usually suitable for the activities of road infrastructure...

The cost is based on the reproduction cost of the asset as a fair assessment of its value.

The reason for this is that in this activity:

- may be reproduced;
- provides the benefit or service that is expected of him;
- its use is highest and best;

Therefore, potential buyers will pay a price that covers the cost, which is equal to the reproduction cost of the asset.

# 2. 4. Amortisation method

In practice, the cost evaluation method includes an evaluation of the investment taken depreciation into account the technical factors.

Replacement cost Amortizmit is an application of the cost criterion was used for the evaluation of specialized activities for accounting purposes, where direct market evidence is limited or unavailable. Infrastructure is classified as non-current asset is tangible, because the infrastructure is used much longer than a period (eg one year). Since most of the infrastructure assets will be specialized nature, will be evaluated with an approach depreciated replacement cost. Infrastructure consists of several components with different services. These components are critical to asset impairment accounting and valuation and its determination. Expert judgment will be needed to decide how the various components of the infrastructure components elements count.

in terms of accounting, the amortization of property rights proportional with the consumption of this good to use over a period calculated in the project. Infrsatruktura is considered as an asset that has a useful life of over one year. Accumulated depreciation is the original cost of the property, which is treated as an expense in the income statement row. The sinking fund is also a measure of the potential loss of a service to be good, provided that it needed to be reinvested.

The purpose of depreciation is to know the net cost of an asset over time. The basis for depreciation varies from country to country, because even within a country, there are differences. Dias items are amortized in the conditions in which they find themselves, by a greater use of them and do not carry out the service within the time that life for which they were designed, others will be used in the course of their age provided, why not use or a low number of vehicles movement. depreciation curve is a straight line in some cases (for the traffic sinjalistikne) or parabolic for (bridges) on the economic life of the building as:

Tab 1. Known method of depreciation in the use of property (Austroads 2010).

| Roads   | Bridges  | Traffic Signage   | Bridges Sustainable<br>Structures   |
|---|--|---|---|
| Basic conditions, given four categories of roads. management system of paved roads for the calculation of depreciation as a cost value that asafaltiti replacing almost new condition, in a year. | Per i tipi di ponti Ponte di legno 20 anni Ponte trave di cemento armato in una T-forma 50 anni. Storico ponte 200 anni Stone Bridge 40 anni | Traffic signs, pedestrians<br>and other components<br>are considered for life 3-<br>10 years. | Concrete walls with a lifetime 11-20 years stone walls cut with longevity 10-15 years Ducts with a length of less than 10 m for a 10-15 year life |

According to international standards "specifies that depreciation entities responsible ARRSH and LGUs for projects managed by the ADF should:

- · assess the depreciation of assets in a systematic way throughout life
- the application of the depreciation method that reflects the pattern of future economic benefits from that activity.
- Evaluation of the asset lifecycle amortized through utilization of consumables, aging, and restrictions of activities and through the legal use or otherwise.
- Review and rate of depreciation methods at least once a year.

In fact so far the depreciation of infrastructure to create a sustainable and comprehensive strategy it has been realized in a superficial way through the inspection. The depreciation of fixed assets should be applied only in those parts of the infrastructure that are the subject of consumption. Accumulated depreciation is an indicator of the replacement cost in the future for the activities of the road network into account the current situation they are in new condition. for depreciation accumulation as a reliable tool for the management of these activities, a possible depreciation model is essential. Some activities (arc) can be rebuilt in new conditions through a physical treatment, but it is not the economic reconstruction for all activities. For example, asphalt is generally a non-linear model of depreciation due to traffic loads, age and quality construction elements asphalt. Engineer must be able to determine the model of the depreciation.

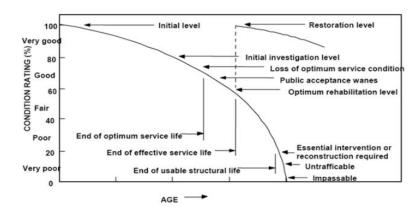


Fig. 3 Pavement deterioration curve, source (Austroads, 2010)

Some activities lose their potential service through aging techniques, rather than through the amortization conditions. In these conditions it is not the amortization appropriate as a model for the valuation of assets. While in connection with the depreciation of age it may be determined solution as seen in Table 1.

# 3. The possibility of assessment in Albania.

The international literature for calculating the value of infrastructure asset management mirambajtjes is sometimes possible for the IAS financial accounting reporting 16. With reference also takes their danger or you can through the method of depreciation replacement cost, depreciation calculations while they may be based on various methods that meet the international standards. For pilot projects in their assessment we are working and we will show the continuing adoption of this method in terms of road network in Albania.

The research has focused on key personnel intrevista insfratruktures management of the road, the finance staff, as well as the evaluation of the investments, the practices and policies njdekura. Indicators show that you need to use the standards.

In Albania there is no general agreement on how to set the time period in question assessment infrastructure lifespan. International literature shows that economic life "standard" for each activity is not recommended, as long as the economic life of each path is the maintenance product in the past and in the future, the strategies, the climate, the topography, the construction standards, as well as traffic. The recommended strategy is that the economic infrastructure of analizojen bidder life of their assets and amortization korespodues upload and be able to explain the changes and long load times and show how economic life has changed. The changes in the economic life must continue to be revised for street activities are a great financial responsibility for providers of infrastructure services is like ARrSH.

Albania has an asset base evaluation, to reflect large construction program after 2005, at which time started and dumping the database according ROMAPS road constituent elements. Applications for funding in the future can grow in the next 10 years. In areas where there is a greater percentage of the road network, the usage method for the evaluation of the activity must be to depreciation that calculates the remaining life of the assets, taking into account such as climate change, traffic conditions and the level of miremabajties. Some factors that should be considered are:

- 1. The new concept of capitalization and financial reporting in infrastructure. Taking into account the management and financial reporting according to international standards, which is in the transition phase.
- ARRSH not yet adequate resources and skills to realize the asset management activities, the need to ensure proper inventory and relevant assessments. Information on the activities thus are least likely to still fragmented and difficult to access.
- 3. Asset management and public relations service potential consumption by road activity was often a low priority. The only valid information he is perceived as necessary for a minimum of compliance guidelines.

# 4. Discussion and conclusion.

The question was "whether it is possible to calculate" a generally accepted "value for infrastructure activities during his life according to the principles of financial and technical calculation?"

As a result of the research literature and experts interview the results can lead to asset management, including their evaluation in Albania:

- 1. There is a fundamental experience of asset management and evaluation in some countries, like Italy, Croatia, which can be used as a reference to the situation in Albania.
- 2. A management that is based on the principles of complete financial calculation, it is a requirement for the successful implementation of asset management, in particular in the road sector.

- 3. In order to achieve effective financial management and use of the evaluation with the replacement of the amortized cost method, should ensure the establishment of procedures and the application of international standards by both organizations and LGUs ARRSH (ADF).
- 4. number of pilot projects for the study of effective management of road maintenance, but none of them led well financial estimates In Albania implemented.
- 5. In Albania. ARRSH and ADF are not experienced enough, because they are in transition, to make possible the application of techniques for the assessment on a regular basis.

# Bilografia

Austroads, Inc., (2010) Le attività di valutazione delle infrastrutture stradali in Australia.

ABS, 2002. Attuazione della contabilità per competenza nelle statistiche sulla finanza pubblica australiani e conti nazionali. OCSE Riunione dei Conti Nazionali esperti, Parigi, 8-11 Ottobre.

Allen, R. Radev, D. 2007. "Gestione e Controllo fuori bilancio fondi", OCSE Journal il Budgeting, 6 (4), 1-30.

Athukorala, SL e Reid, B., 2003. "Capitolo 4: DMC Government Accounting" in per competenza Budgeting and Accounting in governo e la sua rilevanza per lo sviluppo di Paesi membri. Manila:

Barrett, P., 2004. "gestione finanziaria nel settore pubblico - Come per competenza Contabilità e Bilancio migliora la governance e responsabilità". Forum CPA: sfida del cambiamento: Governance e responsabilità di guida. Singapore.

Bavin, T., 1999. Catasto 2014 Le riforme in Nuova Zelanda. "La Nuova Zelanda Istituto dei Geometri e figura VII Commissione Conference & AGM.

Bond, S. e Dent, P., 1998. "Gestione efficiente del patrimonio del settore pubblico - L'invito a criteri e le tecniche di valutazione corrette". Journal of Valutazioni Immobiliari e degli Investimenti, 16 (4), 369-385. Caridad, M., 2005.

Inglese, L. e Guthrie, J. 2003. "automobilismo privatamente finanziati progetti in Australia: ciò che rende tick dire?». Contabilità, Revisione e responsabilità Journal, 16 (3), 493-511.

O'Flynn, J. 2007. "Da New Public Management a Valore Pubblico: Cambiamento paradigmatico e implicazioni manageriali". L'australiano Journal of Public Administration, 66 (3), 353-366

Tanzi, V. e T. Prakash, 2000. "Il prezzo della governo e la distrazione di beni pubblici". Documento di lavoro WP / 00/180. Washington: Fondo Monetario Internazionale.

provide for early public participation in environmental impact assessment. The goal is early involvement, as well as continuous public participation in the process, creating the preconditions that allow the public to significantly affect the outcome of the environmental impact assessment (Cox, 2013). This is governed by various regulations, which have experienced several amendments from design to date. Following the adoption of the Aarhus Convention, in 2003 the EU adopted the Directive on Public Participation in the Process of Preparing Plans and Programmes Relating to the Environment and changes to the Directive on Environmental Impact Assessment in order to harmonise them with the principles of the Aarhus Convention. The Aarhus Convention is based on the concept of environmental democracy. Environmental democracy postulates that solving environmental issues should include all those affected by a certain decision, not just the relevant government bodies and economic sector (Ofak, 2009). In this process, all participants must be given equal status in order to prevent the decision-makers from taking only one side's arguments into account. Availability of information is therefore a central part of environmental democracy as it encourages concerned members of the public to become active participants in the decision-making processes related to environmental issues. The terms "public" and "concerned public" are defined by the Convention itself: The term "public" stands for one or more natural or legal persons and their associations, organisations, and groups as defined by local law. The public can be any person, regardless of their citizenship, residence, or headquarters (for legal persons). Discrimination on the basis of citizenship, nationality, residence, or location of headquarters (for legal persons) is forbidden. The term "concerned public" stands for segments of the public that are or could be affected by environmental decision-making, or that are interested in the issue; non-governmental organisations whose work is in the field of environmental protection and that meet all the criteria set by local law will be considered members of the concerned public. This is important for the realisation of the terms set out in the Convention and is related to public participation in the decision-making process. The exact details of how the public is to be informed and consulted, as well as its role in access to legal institutions, are defined individually by every state (Ofak, 2009). The aim of local government in procedures related to environmental impact assessment is to create and maintain awareness within the government itself of the need to communicate with different groups users and to demonstrate a constant concern for the needs and opinions of end-users, all based on the principles of sustainable development. In general, local government establishes an understanding of the policies, processes, and activities of government by informing users, replying, where appropriate, to the criticisms of the authorities, establishing and maintaining effective channels of communication with the public available to the authorities. The importance of public participation in the procedures of environmental impact assessment is constantly growing, and local government is increasingly under pressure from the public, economic, and civil sectors in decision-making processes on the assessment of environmental impact studies. Public participation is a mechanism established with the aim of involving the public in the decision-making process (a procedure governed by legislation), as well as a way of achieving broader social goals. Public administration is tasked with identifying and implementing public interest. In time, we have come to the conclusion that state administrative bodies are not the sources of objective identifying and decision making in the best interest of the public, but are rather arbitrators between the various interests that exist, and the practice has shown that economic and political interests are always stronger than the declarative and non-binding right to a healthy environment. That is why public participation is a challenge to the traditional management/decision-making model implemented by experts or public administration bodies. It serves not only as a means to control public administration, but as a way to, above all, determine what the public interest is in the first place (Ofak, 2009). The broader social significance of public participation consists of the following goals (Beierle & Cayford, 2002): including public values in the final decision, improving the quality of the final decision, solving conflicts between differing interests, building trust in institutions, educating and informing the public. The success of public participation is defined as the extent to which the five social goals have been realised, i. e. the success of achieving these social goals is proportional to the quality of public participation. The European community regulated this field even before the Aarhus Convention. Moreover, the so-called EIA Directive and the IPPC Directive of the European Community have served as the basis for Appendix I of the Convention (Ofak, 2009). When it comes to public participation, the solution is to be found in more modern legislation. For the past 30 years, the importance of public participation in the procedures of environmental impact assessment has constantly been growing. Little is going to change in practice with no procedural, administrative, and legal instruments for monitoring the processes of environmental impact assessment and decision making in the hands of citizens. The main objectives of developing effective strategies for involving the public are better understanding, better communication, strengthening the ability/skills to apply the appropriate forms of participation/involvement with respect to the purpose of the process, and strengthening the relationship and cooperation between stakeholders, with the aim of better planning and realisation of (local) sustainable development. Introducing new legal opportunities for public participation is not sufficient in itself - the public must first learn what it has available and how to use that in order for the process of social assessment to be carried out within or prior to the process of environmental

impact assessment (Čaldarović, 2006). Public participation is ensured while issuing the decision on integrated environmental protection conditions, which is a novelty in Croatian legislation related to the environment, and it results from further harmonisation with the IPPC Directive (Ofak, 2009). The model of public participation in the process of environmental impact assessment and strategic environmental assessment consists of four steps or ways to participate:

**Informing** – one-way flow of information from the developer/body responsible for the implementation of the procedure and decision making to the public.

**Consulting** – two-way flow of information between the public and the developer that allows the public to present their views on the proposed project.

**Participating** – interactive exchange between the public and the developer, which includes joint analysis and agreed conclusions on the proposed project and its impact.

**Negotiating** – between key stakeholders of the interested public and the developer in order to build a consensus through a mutually acceptable solution (Ofak, 2009).

The goal of this study was to determine the level of awareness and opinions among members of the general and concerned publics in Croatia on the role of expert committees in procedures related to assessing environmental impact studies.

Based on the defined goal, the following hypothesis was made:

(H) There are significant differences in the opinions of entities in target and sector groups when it comes to assessing the role of expert committees in procedures related to environmental impact assessment studies.

# MATERIAL AND METHODS

The focus of qualitative research is multi-methodical and includes an interpretative, naturalist approach to the subject of the study. This means that researchers involved in qualitative studies approach the subject in its natural environment and try to understand or interpret phenomena in light of the meanings people associate with them. A qualitative approach implies the learned use and knowledge of a set of various empirical materials - case studies, personal experience, introspection, life stories, interviews, observational, historical, interactive, and visual texts - that describe the routine, problematic moments, and meanings in the lives of individuals. Researchers that employ a qualitative approach have accordingly introduced a wide range of unrelated methods, in the hope that every new method will help better understand the subject of the study (Denzin and Lincoln, 1994). Sequential approaches to the qualitative method imply detailed research in which the data collected from study participants is integrated with the observations and interpretations of the researcher. By integrating simultaneous information in the data collection process, so that the results of one method can be further processed and expanded with the results of another method, as well as the convergence of qualitative and quantitative data, an all-encompassing view of the study problem can be gained (Creswell, 2003). The inclusion of quantitative methods in a qualitative study has for its goal the integration of differing research methodologies within a single study plan, thus allowing for a more complete grasp in certain areas of the study and the binding of all study stages within a methodological triangulation. In a qualitative study, this triangulation would imply the use of several different methods at the same time in order to collect more accurate and complete information on the subject (Mejovšek, 2013). The qualitative study was carried out using a purposive sample and the methods of in-depth interview and participant observation. The method of grounded theory was used in the analysis of the empirical material. Three basic types of coding were applied; open or initial coding. axial coding, selective coding. The initial coding included the first rearranging and sorting of the data, noting similarities and forming response groups. Final analysis and categorisation of the key concepts created the conceptual matrix with the content of qualitative empirical material in the integrated theoretical framework (Holton, 2007; Charmaz, 1990). Inductive and deductive methods were used on the data, as well as the method of analysis and synthesis, comparison method, classification method, and the descriptive method (Silverman, 2006). The study was conducted in 2014. Respondent selection was done according to previously set criteria: a target sample of participants in the empirical study who are involved in the procedures relevant to the research either professionally or voluntarily (Pletikosić, 2012). The sample was defined with 100 entities, 46 males and 54 females. The average respondent age was 52. 1 years. Respondents were divided into 10 sub-samples (target groups) which were qualitatively defined with 10 entities:

STUDY MAKERS – persons authorised by the Ministry of Environmental and Nature Protection;

DEVELOPERS - investors;

MINISTRY OF ENVIRONMENT/COMMITTEE – representatives of the governing body conducting the process, and members of committees for study evaluation:

CITIES – representatives of the employees of the city administration for environmental protection responsible for conducting public debates, and spatial planning representatives;

COUNTIES – representatives of the employees of the county administration for environmental protection responsible for conducting public debates, and spatial planning representatives;

ASSOCIATIONS – representatives of non-governmental environmental associations;

CIVIL INITIATIVES – representatives of NGOs and civil society who are involved in the process, but are not environmentally oriented:

ECONOMIC ASSOCIATIONS – representatives of the Croatian Employers' Association, Croatian Chamber of Commerce, and other economic interest associations:

POLITICAL PARTIES - representatives of political structures which are included in the process;

SCIENTISTS/JOURNALISTS - representatives of academic institutions and journalists who are involved in the process.

Three new qualitatively defined control groups (clusters) were classified based on the above sub-samples:

PUBLIC SECTOR – 40 respondents from target groups: MIN. OF ENVIRONMENT/COMMITTEE, CITY, COUNTY, SCIENTISTS/JOURNALISTS:

CIVIL SECTOR – 30 respondents from target groups: ASSOCIATIONS, CIVIC INITIATIVES, POLITICAL PARTIES;

ECONOMIC SECTOR - 30 respondents from target groups: STUDY MAKERS, DEVELOPERS, ECONOMIC ASSOCIATIONS.

Research material consisted of two dependent (grouping) variables according to the criteria of the target group, the criteria of the control group, and one independent variable. Participants were asked to give their opinion on whether local administration is sufficiently represented in the work of expert committees working on assessing environment impact studies and whether the local community should invest more effort in presenting their own development plans in order to avoid possible future public discontent. We calculated the following descriptive parameters: frequency and cumulative relative values of the responses in the whole sample, and in the predetermined focus and control groups. Processing was carried out using the Statistica Ver. 11. 00 software suite (Petz et al., 2012).

# **RESULTS**

Quantitative processing of the variable entity matrix was based on the given responses qualitatively defined by the question:

Do you believe that **expert committees** appointed by the Ministry of Environment are professional and neutral in their work?

The respondents stated their opinion on whether the committees appointed by the Ministry were neutral and professional in their work.

The answers were defined on three levels:

The first group was classified according to negative responses, and represents those entities who answered:

No, committees always believe themselves to be professional and neutral, but are not a clear representation of public interest; they are not transparent. Discrepancies in member opinions and inflated requests by some of them are always possible in committee work. The president of the committee should always alert other members of anomalies and final decisions should be made by majority vote. Representatives of the relevant institutions are not neutral because they advocate the views of the political forces running the institution.

Quantitatively, these negative responses were coded as zero (0), for the upcoming statistical data processing.

The second group claims that it does not have enough information, does not know or is not sure how to respond, is undecided, and stands by the following positions:

Sometimes, it depends on the political influence and media representation of a particular project. Those who vote "yes" are in favour of the project, while those who vote "no" are not - there are no neutral votes.

Quantitatively, these undecided responses were coded as one (1) for later statistical processing.

The third group of entities responded affirmatively, and argued its views as follows:

Yes, we must trust public institutions. Yes, but I believe that the broader public should be more interested in issues relevant to the community and its development. Yes, but the quality of a committee's work can vary depending on its membership, their knowledge and experience, as well as their ability to accurately represent expert opinion and public interest. There are good committees and there are bad committees. I believe that the committees are professional and neutral in most cases.

Quantitatively, these responses were coded as two (2) for later statistical processing.

Responses to the question were coded in the statistical process under the variable expert committees\_neutral and professional.

Table 1 shows the frequency of all instances of the variable expert committees neutral and professional in the study.

Participants were polarised in their opinions. 51% of the participants believe that expert committees cannot be neutral because they are appointed by the Ministry and discrepancies in member opinions and inflated requests by some of them are always possible in committee work. This is why the president of the committee should always alert other members of anomalies and final decisions should be made by majority vote. On the other hand, 48% have stated that they believe the committees to be professional and neutral, that we should maintain trust in public institutions and that committee members should not be in any way associated with or related to the investors behind a particular project. Table 2 shows the frequency of the variable expert committees\_neutral and professional in the 10 predefined target groups.

An analysis of Table 2 clearly shows that respondents belonging to different *target groups* are polarised in their opinions when it comes to the variable *expert committees\_neutral and professional*. Respondents from NGOs and the civil sector (CIVIL INITIATIVES and NGOs) are fully certain (100%) that expert committees cannot be neutral due to the fact that they are appointed by the Ministry. Most respondents from the target groups POLITICAL PARTIES and SCIENTIST/JOURNALISTS share this opinion, while respondents from the target groups CITIES and COUNTIES, groups that include individuals employed by the city or county administration and responsible for conducting public debates and spatial planning representative, as well as those from the DEVELOPERS and ECONOMIC ASSOCIATIONS target groups, believe that expert committees are professional and neutral, that we should maintain our trust in institutions and that committee members should not be in any way associated with or related to the investors behind a particular project.

Quantitative analysis of the frequency of the variable expert committees\_neutral and professional with respect to sector group is shown in Table 3.

60% of the respondents from the *public sector* (24 entities) believe that expert committees are professional and neutral, as does 74% (22 entities) of the *economic sector*. 94% (28 entities) of the *civil sector*, on the other hand, believe that there are no neutral committees, just members who are for or against a project, and that public interest has not been clearly defined.

The coefficient value of the F-test corresponds to 6. 61, with a significance level of p=0. 000, thus confirming that there is a statistically significant difference between the target groups. Table 4 shows the results of post-hoc analysis carried out between target groups for the variable expert committees\_neutral and professional, N=100.

The results of the Tukey HSD test *post hoc* analysis for the variable *expert committees\_professional and neutral* between target groups (as given in Table 4) clearly show that there is a statistically significant difference between all target groups, except scientists and journalists involved in the process (SCIENTISTS/JOURNALISTS target group).

The following hypothesis was made based on the results:

(H) There are significant differences in the opinions of entities in target and sector groups when it comes to assessing the role of expert committees in procedures related to environmental impact assessment studies.

The hypothesis is confirmed and accepted in its entirety.

# CONCLUSION

The goal of this study was to determine the level of awareness and opinions among members of the general and concerned publics in Croatia on the role of expert committees in procedures related to assessing environmental impact studies. Respondent selection was done according to previously set criteria: a target sample of participants in the empirical study who are involved in the procedures relevant to the research either professionally or voluntarily. The sample was defined with 100 entities, 46 males and 54 females. The average respondent age was 52. 1 years. Respondents were divided into 10 sub-samples (target groups) which were qualitatively defined with 10 entities and additionally classified into three new control sectors (clusters). Research material consisted of two dependent (grouping) variables according to the criteria of the target group, the criteria of the control group, and one independent variable.

51% of the participants believe that expert committees cannot be neutral because they are appointed by the Ministry and discrepancies in member opinions and inflated requests by some of them are always possible in committee work. This is why the president of the committee should always alert other members of anomalies and final decisions should be made by majority vote. On the other hand, 48% have stated that they believe the committees to be professional and neutral, that we should maintain trust in public institutions and that committee members should not be in any way associated with or related to the investors behind a particular project. Respondents were polarised in their opinions. Respondents from NGOs and the civil sector (CIVIL INITIATIVES and NGOs), for example, are fully certain (100%) that expert committees cannot be neutral due to the fact that they are appointed by the Ministry. Most respondents from the target groups POLITICAL PARTIES and SCIENTIST/JOURNALISTS share this opinion, while respondents from the target groups CITIES and COUNTIES, groups that include individuals employed by the city or county administration and responsible for conducting public debates and spatial planning representative, as well as those from the DEVELOPERS and ECONOMIC ASSOCIATIONS target groups, believe that expert committees are professional and neutral, that we should maintain our trust in institutions and that committee members should not be in any way associated with or related to the investors behind a particular project. 60% of the respondents from the public sector (24 entities) believe that expert committees are professional and neutral, as does 74% (22 entities) of the economic sector. 94% (28 entities) of the civil sector, on the other hand, believe that there are no neutral committees, just members who are for or against a project, and that public interest has not been clearly defined.

Respondents from the public, economic and civil sectors are divided in their opinions and have a differing view of the role expert committees play in assessing environmental impact studies. The mutual mistrust between the three sectors can only be solved through better communication and improving the quality of public informing and involvement in physical planning procedures, as well as making the work of expert committees more transparent, thus contributing to the democratic aspect of the entire process.

# **REFERENCES**

Beierle, T. C., & Cayford J. (2002). Democracy in Practice: Public Participation in Environmental Decisions. Washington, DC: RFF Press

Charmaz, K. (1990). Discovering Chronic Illness. Using Grounded Theory, Soc. Sci. Med., 30 (11), pp. 1161-1172.

Cox, R. (2013). Environmental communication and the public sphere. Third Edition (pp. 83-105). The University of North Carolina at Chapel Hill: Sage Publications.

Creswell, J. W. (2003). Research Design: Qualitative, Quantitative and Mixed Methods Approaches. Second edition (pp. 15-18). University of Nebraska, Lincoln: Sage Publications.

Čaldarović, O. (2006). Conceptualising Nature as Public Good and Aspects of its Valorisation, Revija za sociologiju, Vol XXXVII. No 1–2, pp. 47–62.

Denzin, N. K., & Lincoln Y. S. (1994). Handbook of Qualitative Research (p. 2.). London: Sage Publications.

Directive 2003/35/EC of the European Parliament and of the Council providing for public participation in respect of the drawing up of certain plans and programmes relating to the environment and amending with regard to public participation and access to justice Council Directives 85/337/EEC and 96/61/EC. (EIA, 2011/92/EC); Aarhus Convention (NN – MU 1/07).

Holton, J. A. (2007). The Coding Process and Its Challenges. In A. Bryant, & K. Charmaz (Eds.), *Grounded Theory: the Sage Handbook*. London: Thousand Oaks. New Delhi, Singapore: Sage Publications

Malbaša, N., & Jelavić, V. (2013). Proceedings: Prva regionalna konferencija o procjeni utjecaja na okoliš. In M. Brkić, & N. Mikulić (Eds.), *Povijesni pregled i aktualni problemi procjene utjecaja na okoliš u Republici Hrvatskoj* (pp. 31-43). Zagreb: Hrvatska udruga stručnjaka zaštite prirode i okoliša.

Mejovšek, M. (2013). Metode znanstvenog istraživanja u društvenim i humanističkim znanostima. Second edition (p. 161). Jastrebarsko: Naklada Slap.

Ofak, L. (2009). Public participation in environmental decision-making. In M. Kaštelan Mrak (Ed.), *Economics and Public Sector Management* (pp. 114-150. (115-117)). Rijeka: University of Rijeka, Faculty of Economics

Petz B., Kolesarić V., & Ivanec D. (2012). Petzova statistika: osnovne statističke metode za nematematičare. Jastrebarsko: Naklada Slap

Pletikosić M. (2012). Odnos javnosti prema korištenju zamjenskog goriva u industriji cementa. (Public attitudes towards the use of alternative fuel in cement industry). Master thesis. Zadar; University of Zadar

Silverman, D. (2006). Interpreting Qualitative Data: Methods for Analyzing Talk, Text and Interaction. Third edition. London: Thousand Oaks, New Delhi: Sage Publications

# **TABLES**

Table 1. Absolute and cumulative relative frequencies of the variable expert committees\_neutral and professional, N=100.

| Responses | Frequency | Cumulative relative frequency |
|-----------|-----------|-------------------------------|
| 0         | 51        | 51, 00                        |
| 1         | 1         | 52, 00                        |



Legend: 0 - no; 1 - I don't know, I'm not sure; 2 - yes.

Table 2. Frequency of the variable expert committees\_neutral and professional within target groups, N=100

| Responses | SM | DE | ME | CI | СО | AS | CI | EA | PP | S/J | Total |
|-----------|----|----|----|----|----|----|----|----|----|-----|-------|
| 0         | 4  | 1  | 4  | 3  | 2  | 10 | 10 | 2  | 8  | 7   | 51    |
| 1         | 0  | 1  | 0  | 0  | 0  | 0  | 0  | 0  | 0  | 0   | 1     |
| 2         | 6  | 8  | 6  | 7  | 8  | 0  | 0  | 8  | 2  | 3   | 48    |

Legend: 0 - no; 1 - I don't know, I'm not sure; 2 - yes.

**SM** - STUDY MAKERS – persons authorised by the Ministry of Environmental and Nature Protection;

**DE** – DEVELOPERS – investors:

**ME** – MINISTRY OF ENVIRONMENT/COMMITTEE – representatives of the governing body conducting the process, and members of committees for study evaluation;

CI – CITIES – representatives of the employees of the city administration for environmental protection responsible for conducting public debates and spatial planning representatives;

**CO** – COUNTIES – representatives of the employees of the county administration for environmental protection responsible for conducting public debates and spatial planning representatives;

**AS** – ASSOCIATIONS – representatives of non-governmental environmental associations;

CI - CIVIL INITIATIVES - representatives of NGOs and civil society who are involved in the process, but are not environmentally oriented;

**EA** – ECONOMIC ASSOCIATIONS – representatives of the Croatian Employers' Association, Croatian Chamber of Commerce, and other economic interest associations;

PP – POLITICAL PARTIES – representatives of political structures which are included in the process;

**S/J** - SCIENTISTS/JOURNALISTS - representatives of academic institutions and journalists who are involved in the process.

Table 3. Frequency of the variable expert committees\_neutral and professional within sector groups, N=100

| Responses | PUBLIC SECTOR | CIVIL SECTOR | ECONOMIC SECTOR | Total |
|-----------|---------------|--------------|-----------------|-------|
| 0         | 16            | 28           | 7               | 67    |
| 1         | 0             | 0            | 1               | 3     |
| 2         | 24            | 2            | 22              | 30    |
| Total     | 40            | 30           | 30              | 100   |

Legend: 0 - no; 1 - I don't know, I'm not sure; 2 - yes.

Public sector - MIN. OF THE ENVIRONMENT/COMMITTEE, CITY, COUNTY, SCIENTISTS/JOURNALISTS;

Civil sector - ASSOCIATIONS, CIVIC INITIATIVES, POLITICAL PARTIES;

Economic sector - STUDY MAKERS, DEVELOPER S, ECONOMIC ASSOCIATIONS.

**Table 4.** Results of post-hoc analysis carried out between target groups for the variable *expert committees\_neutral and professional*. N=100.

|     | SM    | DE    | ME    | CI    | СО    | AS    | CI    | EA    | PP    | S/J   |
|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| SM  |       | 0. 93 | 1. 00 | 1. 00 | 0. 98 | 0. 04 | 0. 04 | 0. 98 | 0. 46 | 0. 82 |
| DE  | 0. 93 |       | 0. 93 | 1. 00 | 1. 00 | 0. 00 | 0. 00 | 1. 00 | 0. 02 | 0. 09 |
| ME  | 1. 00 | 0. 93 |       | 1. 00 | 0. 98 | 0. 04 | 0. 04 | 0. 98 | 0. 46 | 0. 82 |
| CI  | 1. 00 | 1. 00 | 1. 00 |       | 1. 00 | 0. 01 | 0. 01 | 1. 00 | 0. 17 | 0. 46 |
| СО  | 0. 98 | 1. 00 | 0. 98 | 1. 00 |       | 0. 00 | 0. 00 | 1. 00 | 0. 04 | 0. 17 |
| AS  | 0. 04 | 0.00  | 0. 04 | 0. 01 | 0.00  |       | 1. 00 | 0.00  | 0. 98 | 0. 82 |
| CI  | 0. 04 | 0. 00 | 0. 04 | 0. 01 | 0.00  | 1. 00 |       | 0.00  | 0. 98 | 0. 82 |
| EA  | 0. 98 | 1. 00 | 0. 98 | 1. 00 | 1. 00 | 0. 00 | 0. 00 |       | 0. 04 | 0. 17 |
| PP  | 0. 46 | 0. 02 | 0. 46 | 0. 17 | 0. 04 | 0. 98 | 0. 98 | 0. 04 |       | 1. 00 |
| S/J | 0. 82 | 0. 09 | 0. 82 | 0. 46 | 0. 17 | 0. 82 | 0. 82 | 0. 17 | 1. 00 |       |

# Legend:

**SM** - STUDY MAKERS – persons authorised by the Ministry of Environmental and Nature Protection;

**DE** – DEVELOPERS – investors:

**ME** – MINISTRY OF ENVIRONMENT/COMMITTEE – representatives of the governing body conducting the process, and members of committees for study evaluation:

CI – CITIES – representatives of the employees of the city administration for environmental protection responsible for conducting public debates and spatial planning representatives;

**CO** – COUNTIES – representatives of the employees of the county administration for environmental protection responsible for conducting public debates and spatial planning representatives;

**AS** – ASSOCIATIONS – representatives of non-governmental environmental associations;

CI - CIVIL INITIATIVES - representatives of NGOs and civil society who are involved in the process, but are not environmentally oriented;

**EA** – ECONOMIC ASSOCIATIONS – representatives of the Croatian Employers' Association, Croatian Chamber of Commerce, and other economic interest associations;

PP - POLITICAL PARTIES - representatives of political structures which are included in the process;

**S/J** – SCIENTISTS/JOURNALISTS – representatives of academic institutions and journalists who are involved in the process.