

# Albania

by Gledis Gjipali

*Capital:* Tirana  
*Population:* 3.2 million  
*GNI/capita, PPP:* US\$8,520

Source: The data above were provided by The World Bank, *World Development Indicators 2012*.

## Nations in Transit Ratings and Averaged Scores

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Electoral Process	3.75	3.75	3.75	3.50	4.00	4.00	3.75	3.75	4.00	4.25
Civil Society	3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Independent Media	4.00	3.75	4.00	3.75	3.75	3.75	3.75	4.00	4.00	4.00
Governance*	4.25	4.25	n/a							
National Democratic Governance	n/a	n/a	4.25	4.00	4.25	4.25	4.25	4.50	4.75	4.75
Local Democratic Governance	n/a	n/a	3.25	2.75	2.75	2.75	2.75	3.00	3.25	3.25
Judicial Framework and Independence	4.25	4.25	4.50	4.25	4.00	4.00	4.25	4.25	4.25	4.75
Corruption	5.00	5.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00	5.00
Democracy Score	4.17	4.13	4.04	3.79	3.82	3.82	3.82	3.93	4.04	4.14

\* Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

## EXECUTIVE SUMMARY

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Albania has been a member of the North American Treaty Organization (NATO) since 2009 and aspires to join the European Union (EU). Despite the fact that Euro-Atlantic integration is widely recognized as the only option for Albania's further democratic development, a lack of agreement between major political forces on crucial reforms has frequently paralyzed politics in the country and delayed progress on this goal.

Local administrative elections in May 2011 were again marred by serious irregularities. A legal battle ensued over the outcome of the Tirana mayoral elections, leading the Central Elections Commission (CEC) to reverse the initial results and declare Democratic Party candidate Lulzim Basha the winner. The opposition lodged an appeal on the grounds that such procedural changes must be made well in advance of the elections, but it was rejected by the CEC, the only body authorized to resolve election disputes. The EU and European Commission expressed concerns about the controversy and polarization that resulted from the CEC's actions, especially its rejections of the opposition's appeal.

Albania failed to properly address the 12 key priorities identified by the European Commission for beginning accession talks. As a consequence, the country's bid for official EU candidacy was rejected for the second time in October 2011. A political conflict in early 2011 escalated into street demonstrations, resulting in casualties. Towards the end of the year, the ruling majority and the opposition smoothed out their differences and agreed to work together on some areas such as electoral and judicial reform and improving the functionality of the parliament. Further, deteriorations of conditions in the justice sector led to the assassination of one judge and official protection orders for 15 others. No noticeable progress was achieved on judicial reform.

**National Democratic Governance.** On 21 January, the Republican Guard opened fire on a crowd of opposition protesters, killing four people and wounding dozens more. No cross-party consensus was reached to facilitate crucial reforms in 2011, nor was a qualified majority achieved for approving new legislation. Local administrative elections did not meet international standards—a major factor in the rejection of Albania's application for EU candidacy. *Therefore, Albania's national democratic governance rating remains at 4.75.*

**Electoral Process.** Local administrative elections on 8 May were the most important electoral event of 2011. The electoral campaign was marred by a large number of violent incidents, and public administration officials were reportedly forced to participate in campaigning, especially in Tirana. The close electoral battle

in Tirana revealed the significance of every single vote and increased overall public interest in electoral participation. However, the fact that the election dispute had to be settled through a legal battle—one in which the judiciary was under constant pressure to favor the ruling party—highlighted the lack of political will to organize free and fair elections. *As a result, Albania's electoral process rating worsens from 4.00 to 4.25.*

**Civil Society.** Albania's civil society sector remains weak and struggles to find space for meaningful activity in a highly politicized environment. Even civic activists appear to view running for office as the only real way to influence policymaking; a large number of them competed in local elections in 2011, especially in elections to municipal councils. Workers' unions in Albania remain weak due to the presence of a large informal economy and the fact that very few large companies operate in the country. *Albania's civil society rating remains at 3.00.*

**Independent Media.** Freedom of expression is generally respected in Albania, but progress in increasing media independence and professionalism has stalled. Because it requires extensive human and financial resources, investigative journalism remains underdeveloped. Online and television media helped to provide a more complete and independent picture of the 21 January events than print media, which focused entirely on the exchange of accusations between opposing political forces. Changes of ownership at the most influential media enterprises led to the firing of the editorial director at one of the last critical newspapers in the country. State-sponsored advertising was increasingly monopolized by progovernment media. *Albania's independent media rating remains unchanged at 4.00.*

**Local Democratic Governance.** The ongoing decentralization process has proceeded slowly, with few political and financial resources allocated to local institutions. Current administrative and territorial divisions no longer reflect the country's development patterns, rendering local governance structures fragmented and ineffective. Financial dependence on the central government remains high, as locally collected revenue is limited and local governments rely heavily on investments from the central government to finance infrastructural development. Confrontations between opposition-dominated local governments and local representatives of the central government occurred frequently in the first half of the year. Following the election of Lulzim Basha as mayor of Tirana, some 20 departmental directors and high-level staff resigned in protest, while mid and entry-level staff were subsequently laid off by the new administration. *Albania's rating for local democratic governance remains unchanged at 3.25.*

**Judicial Framework and Independence.** Albania's judicial institutions continue to suffer from political interference, financial instability, and corruption. Enforcement of court decisions is weak, and the year saw no progress in revising and adopting critical judicial reforms. In 2011 Prime Minister Sali Berisha publically

challenged the state prosecutor's right to detain several members of the Republican Guard accused of involvement in the January shootings. It took two weeks of international outcry for state police to detain the guards in question. Investigations into the January events were proceeding very slowly at year's end. On 9 September, Skerdilajd Konomi, a judge known for his integrity and professionalism, was assassinated in a car explosion in the city of Vlora. A record number of 15 judges were put under police protection in 2011. Due to blatant undermining of the state prosecutor's authority and failure to make headway on judicial reforms, *Albania's judicial framework and independence rating worsens from 4.25 to 4.75.*

**Corruption.** Corruption remained deeply entrenched in all sectors of life in Albania, negatively affecting the country's economic and political development as well as the consolidation of democratic institutions. While some efforts to combat low and mid-level corruption have been successful, high-level corruption remains largely untouched. Growing political interference in institutions, legal immunity for a wide range of officials, a lack of transparency in accessing information, and insufficient self-regulating mechanisms all complicated efforts to improve the situation of corruption in 2011. Albanian Deputy Prime Minister Ilir Meta resigned in early January following the publication of a video allegedly showing him and former minister of economy Dritan Prifti discussing corrupt deals. The case motivated public demonstrations and dominated political discourse throughout the year. The government made some progress on drafting and implementing policies to fight corruption with the approval of a new anticorruption action plan for 2011–13. *Albania's corruption rating remains at 5.00.*

**Outlook for 2012.** The year 2012 will mark one hundred years of independence since the establishment of the modern state of Albania. Resolving the ongoing political and institutional crises before preparations begin for the 2013 presidential election campaign will be crucial for ensuring a stable election environment. The president, who has considerable influence over the judiciary, will be elected for the first time by parliament through a simple majority vote. The general prosecutor will finish her current mandate and the newly elected president will nominate a new appointee to be approved by parliament.

# MAIN REPORT

## National Democratic Governance

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
n/a	n/a	4.25	4.00	4.25	4.25	4.25	4.50	4.75	4.75

Albania's government has been in a state of managed political crisis since the 2009 parliamentary elections, when the opposition Socialists accused the ruling coalition led by Prime Minister Sali Berisha's Democratic Party (DP) of electoral fraud. In 2011, slow or lacking implementation of democratic reforms stalled Albania's progress towards European integration. Parliament's ability to approve laws and appoint high-level state officials, which requires a qualified majority vote, was paralyzed by the ongoing political crisis.

Tensions between the ruling party and the opposition increased over events in January 2011, when Albania's former minister of economy, trade, and energy, Dritan Prifti, released a video to television journalists implicating the leader of his party, the Socialist Movement for Integration (SMI), in a corruption scandal. The video shows a March 2010 conversation in which Deputy Prime Minister for Foreign Affairs Ilir Meta allegedly pressured then minister Prifti to appoint SMI party allies to public administration positions and grant energy infrastructure concessions to select companies in return for a bribe amounting to 7 percent of their €10 million investment. Meta admitted that a conversation had taken place in Prifti's office but denied any mention of bribery. He resigned from his position in January and the case was brought to the Albanian Supreme Court in May 2011. Judicial review for the trial was concluded in December, with the court scheduled to announce its verdict in January 2012.<sup>1</sup>

Following the resignation of Mr. Meta, the opposition called for protests against corruption and the political situation in the country. On 21 January, thousands of people led by opposition parties gathered in the main boulevard of the capital to march in front of the prime minister's office. The demonstration culminated in physical confrontations between protesters and police, which continued for several hours until police forces were forced to withdraw, leaving the armed Republican Guard to face the protesters. Republican Guard officials and Special Forces opened fire in the air and then at protesters, killing four people and wounding dozens more. The demonstrations ended by late afternoon, but the threat of violence lingered for several days as both the leader of the opposition and the prime minister called their supporters to organize public rallies. The international community immediately responded to the violence, demanding that both leaders call off the planned rallies in order to avoid further aggravation of the situation.

Prime Minister Berisha and the speaker of parliament accused the opposition of organizing a coup d'état with the cooperation of the president, general prosecutor, and state secret service. Berisha claimed opposition protesters had been equipped with

weapons disguised as pens and umbrellas. An inquiry committee comprised only of majority members of parliament (MPs) was established in response to these allegations, and the committee requested the interrogation of well-known journalists who had also been accused of participating in the conspiracy. The prosecution investigated the events and dozens of demonstrators were detained, while six detention orders issued for members of the Republican Guard were inexplicably ignored by state police.

The crisis worsened the already tense relations between the prime minister, president, legislature, and judiciary. Tensions between the legislative majority and the opposition increased when the ruling party unilaterally pushed through changes to the parliamentary rules of procedure in February. Local administrative elections in May further distracted the government from resolving the crisis as both central and local administrations were highly involved in the election campaign.

The economic situation remained stable during 2011, with an estimated gross domestic product (GDP) real growth of 3 percent.<sup>2</sup> However, financial crises in neighboring Italy and Greece, where the majority of Albanian emigrants reside, have begun to affect the Albanian economy. Remittances have decreased and few long-term migrants have returned. Government debt is a concern as Albania has the most vulnerable economy in the Western Balkans, with debt accounting for more than double the annual revenues.<sup>3</sup>

Property rights remain a major problem in Albania, and the inability of the justice system to address this issue has negatively affected economic development and anticorruption efforts in the country. The complex legal framework governing the return of property or compensation is inconsistent, and at present there is no accurate estimation of the costs or timeframes associated with compensation processes. The ex-proprietor's association, Ownership with Justice, estimates that the Albanian government owes a total of US\$30 billion in compensation, but only provided US\$7 million in 2011.<sup>4</sup> The state's failure to guarantee property rights has prompted a number of citizens to seek redress with the European Court of Human Rights (ECHR). Over 80 percent of the court's judgments have been in favor of the owners, and the government is facing large compensation rewards and penalties.<sup>5</sup> If all, or at least many, of the outstanding property-related claims were taken to the ECHR, Albania could potentially face a compensation bill of several billion euros, which would pose an unaffordable burden on the country's public finances. The ECHR has noted that the non-enforcement of domestic judgments and administrative decisions concerning restitution and/or compensation to former owners in Albania is a systemic problem.<sup>6</sup>

#### Electoral Process

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
3.75	3.75	3.75	3.50	4.00	4.00	3.75	3.75	4.00	4.25

Local administrative elections on 8 May were an important test for Albania's electoral process, which has been highly contentious since the disputed 2009 legislative

elections. Political polarization and legal battles surrounding the 2009 vote led the Organization for Security and Cooperation in Europe/Office for Democratic Institutions and Human Rights (OSCE/ODIHR) and the European Commission (EC) to make specific recommendations for changes to Albania's electoral code. By law, any changes to Albanian electoral law must be carried out six months before any upcoming elections; however, the political stalemate resulting from the 2009 fallout blocked reforms from addressing the international recommendations within this time limit. The recommendations are key priorities of the EC, which Albania is required to fulfill in order to become an EU candidate country.

Administration of all elections is led by the Central Election Commission (CEC), a permanent body composed of seven members elected by parliament for a four-year mandate. Four members, including the chair of the CEC, are appointed by the parliamentary majority and three other members are appointed by the parliamentary opposition. This arrangement aims to provide a balance between the majority and opposition, although important decisions are often voted along partisan lines, favoring the ruling party by one vote. In January 2011, the CEC followed through with an earlier decision to burn the ballot boxes from the 2009 elections, putting an end to the opposition's ongoing requests for a recount.

As preparations began for the May local elections, the opposition expressed deep mistrust in the authorities and the election administration. The leading opposition party, the Socialist Party (SP), demanded additional safeguards for the election process, including all-party access to the preparation of voter lists, scanning of identity cards at voting stations, ballots recounts if requested by two CEC members, and postelection audits of election materials.<sup>7</sup> The ruling coalition refused to provide these safeguards, prompting the opposition to threaten a boycott of the elections. Because the election administration relies on party-appointed officials, the opposition's boycott risked creating gaps in administrative structures and breaching legal deadlines. By the end of March, however, opposition parties had decided to participate in the elections and submitted their nominations.

Electoral campaigning officially started on 8 April and was marred by a large number of violent incidents. Campaign discourse centered on national politics and personal accusations between candidates, with little attention to local and municipal issues. Public administration officials at the local and central level were put under heavy pressure to participate in the campaign activities of the DP. The OSCE/ODIHR Elections Observer Mission received a large number of complaints from across the country that pressure was exerted on students and civil servants, including teachers and healthcare workers, to either participate in DP events or abstain from participating in opposition activities.<sup>8</sup> Significant pressure was exerted over staff at government ministries in Tirana, where the most important electoral battle took place between SP opposition leader and incumbent mayor Edi Rama, and former minister of interior Lulzim Basha from the DP. Human resources departments in the ministries were required to coordinate and enforce the participation of civil servants in rallies, door-to-door campaigning, and phone surveys.

Voting proceeded relatively smoothly in most parts of the country, though the OSCE noted significant shortcomings at 10 percent of voting stations. The most

problematic aspect of the elections unfolded days later during the ballot counting process for Tirana. Having been delayed for several days in situ, international observers and ambassadors helped to finalize the counting of the ballots. Preliminary results in the Tirana mayoral election gave SP incumbent Rama a 10-vote win over DP challenger Basha, out of approximately 250,000 votes counted. The DP claimed that some votes intended for Basha had been placed in the wrong ballot box and insisted that the CEC recount these incorrect ballots as Basha votes, rather than invalid ones. Although the electoral code had no rules concerning ballots placed in incorrect boxes, CEC members appointed by the DP voted to approve the request. After seven weeks of disputes, the CEC reversed the initial electoral results, declaring Lulzim Basha the winner by a margin of 93 votes. The SP appealed the decision on the grounds that amendments to election rules must be approved well ahead of elections and cannot be changed during the counting of ballots. The Electoral College, the only body authorized to resolve election disputes, rejected the appeal and the results remained unchanged.

The opposition's negative reaction to the outcome of the Tirana election was echoed by international organizations and institutions. A joint statement by EU High Representative Catherine Ashton and Commissioner Stefan Füle expressed concern about the controversy and polarization over decisions made by the CEC, especially the rejection of the opposition's appeal. Both bodies concurred that the elections reconfirmed the need to reform Albania's electoral framework.<sup>9</sup> In November, the DP and SP agreed to jointly establish a parliamentary committee on electoral reform for the first time since the 2009 elections. The committee aims to address both the previous and most recent OSCE/ODIHR recommendations in order to tackle the evident shortcomings in the current electoral code and make further improvements.

Overall mismanagement of the electoral process, especially the handling of its legal aspects, undermined public trust in the electoral process. The fact that the election dispute had to be settled through a legal battle, where the judiciary was under constant pressure to favor the ruling party, demonstrated a lack of political will to organize free and fair elections. On a positive note, the close electoral battle in Tirana seemed to show the leverage of every single vote and increased overall public interest in electoral participation.

#### Civil Society

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
3.75	3.50	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00

The civil society sector in Albania continues to be weak and struggles to find public space in a highly politicized environment. Political infighting has dominated public debate and left little room for other actors to contribute to the country's development. However, a wider range of civil society figures have become more

active in demanding greater inclusion in the consultation process and in opposing government policies.

Civil society organizations (CSOs) rely heavily on foreign donors as volunteerism and domestic support are in a nascent phase. Since the public still associates CSOs and trade unions with compulsory activities organized under the communist regime, many Albanians refrain from engaging or supporting civil society activities. The general decrease in funding from international donors has negatively affected the capacity and professionalism of CSOs, especially smaller organizations that struggle financially. As organizations compete for grants from an increasingly shrinking pool of international funding, their activities become driven by donors' interests rather than their own organizational missions. In 2011, foreign donors increasingly placed conditions on funding to CSOs, requiring the explicit support of the organizations' activities from central or local level state institutions. These requirements hindered the impartiality of CSOs engaging in watchdog or monitoring activities and providing services to communities.

Attempts to diversify funding through for-profit activities are also difficult because of a lack of legislative regulation and unclear taxing procedures. Albania lags behind other countries in the region in the creation of legislation for regulating charitable donations from individuals or companies. The recently established Agency for Support to Civil Society (ASCS) issued its second and third calls for such legislation in 2011. ASCS decisionmaking bodies are made up of government officials and progovernment civil society activists, which affects the agency's impartiality. Watchdog organizations and movements campaigning against government policies are unlikely to receive support from the agency.

Public trust in nongovernmental organizations (NGOs) is low and state as well as non-state actors often use them as scapegoats for various problems. In February, a large Roma community close to the center of Tirana was forcefully evicted by an unidentified group of people. When the media made the issue public two weeks after the eviction, state authorities took the opportunity to blame international organizations and domestic NGOs working on Roma issues for not coordinating a solution to the "Roma problem" before the eviction took place. Although the Roma community still remains homeless, NGOs were the first to provide support. The state had yet to offer a permanent solution for housing the community at year's end.

NGOs organized several events in the run up to the local administrative elections on 8 May. A coalition of Albanian civil society activists organized election observation missions, providing accurate real-time data by mirroring the ballot counting process. The coalition's successful monitoring of the elections proved civil society organizations' expertise and coordination capacities. Representatives from civil society organizations, activists and well-known professionals also organized a dialogue for candidates running in Tirana's municipal elections. The dialogue, called "Initiative for Tirana," drew attention away from the politicized issues of the campaign, focusing instead on local development policies and alternatives. Despite the fact that it was organized by bipartisan groups, the dialogue was accused of favoring one of the running candidates. Although it did not reach its full potential

as a bipartisan discussion platform, the initiative represented a step forward for civil society's increased involvement in policymaking.

In 2011, a number of civil society activists ran as party- or coalition-affiliated candidates in local elections, mostly for positions on municipal councils. While this situation narrows the already thin line between civic and political engagement, it is still viewed as the most effective way for civil society to influence policymaking at either the local or central level.

Trade unions in Albania are weak due to the presence of a large informal economy and the fact that very few large companies operate within the country. In 2011, with the exception of the Union of Mineworkers, which has been in the spotlight many times for its activism, other unions were nearly absent from the public sphere. The Union of Mineworkers fought energetically against government and private companies, demanding better pensions, salaries, and working conditions. Rallies, site occupations, and hunger strikes were carried out with some results, even though state authorities mostly ignored the union's requests and declined to play the role of mediator in disputes with private companies.

#### Independent Media

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
4.00	3.75	4.00	3.75	3.75	3.75	3.75	4.00	4.00	4.00

While freedom of expression is generally respected in Albania, progress on improving media independence and professionalism has stalled. The financial interests of media owners often influence reporting and analysis. Nevertheless, media play a vital role in monitoring the country's institutions, which are weak and subject to strong political influence.

Television and online media extensively covered the 21 January demonstrations, offering a more independent picture of the events than was presented by print media, which instead focused on accusations exchanged between opposing political forces. Independent media came under scrutiny for their close coverage of the events when the prime minister accused well-known journalists of participating in an opposition-led coup d'état. A camera operator was also wounded during the shootings, and pressure from his employers to cover up the injury led to his dismissal. After receiving anonymous threats, he was eventually forced to flee the country and seek asylum in Belgium.

Edisud, one of the biggest media groups in the country, which owns a television news station, a daily newspaper (*Gazeta Shqiptare*), and the most frequented news website in Albania, was sold to a company jointly owned by a bank and a businessman closely aligned with the government. Soon after the change of ownership, the director of the *Gazeta Shqiptare* was dismissed, resulting in a visible shift in the tone of the newspaper's editorial content. Before the sale, the newspaper was distinguished for its opposition to the government and noteworthy investigative reports. The change represents a major setback for critical journalism in the country.

In June 2010, the district court of Tirana issued a fine of €400,000 (US\$559,000) to the TOP television channel for violating the privacy of former minister of culture Ylli Pango. The station caused a scandal by airing a tape in which the minister requested sexual favors from a woman seeking work in his office. The judicial decision, which was the highest fine ever imposed on an Albanian media outlet, was considered disproportionate to the offense and a threat to investigative journalism in the country. Due to irregularities in the case, the court of appeals sent the decision back to a first-degree court for retrial in September. The court questioned the disproportionate fine and the motivation behind the original ruling. The judge responsible for the first ruling was known to have past grievances with TOP for its unflattering investigative reports about him.

The government promotes state-owned services through expensive and often unnecessary advertising campaigns. Media compete aggressively for these advertising contracts, which are a vital source of income. In the pursuit of these funds, media have been known to apply serious pressure on government agencies. In July, national broadcaster TV Klan led a harshly critical campaign against the National Tourism Agency (NTA), which—for procedural reasons—had delayed bidding on a major contract for tourism-related media advertising. The previous year's winner of the contract was a company with close relations to TV Klan. Due to TV Klan's heavy public criticism, the head of the NTA resigned and a new director was appointed. A few days later, the contract was awarded to the previous year's winner.

Several media organizations and unions exist, but they have had little influence on working conditions, editorial freedom, or relations between journalists and media owners. Most focus on advancing professional capacities, exchange programs, and resource-sharing, rather than promoting journalists' rights or freedom of speech. Self-censorship is common and journalists see it as a necessary precaution for keeping their jobs or advancing their careers. Investigative journalism, with a few exceptions, is almost nonexistent. Because the necessary abundant human and financial resources are lacking, the field remains underdeveloped. Funding for investigative reporting is hard to find and comes mostly from international donors looking to support freelance journalists.<sup>10</sup>

Technological innovation has increased the quality of broadcasting and outreach but has had only modest effects on programming and content. The gradual shift from rebroadcasting foreign programs to purchasing production rights and the use of international formats has boosted fair competition between broadcasters. Viewer feedback has next to no influence on media content, as little attention is paid to opinion polls or closed audience tests. Media owners maintain control over most program content and format. Being a small market, media is led by domestic development patterns with little foreign investment.

Libel and defamation remain criminal offenses although no investigations or trials were carried out in 2011. Changes to the criminal code required for decriminalizing these offenses remain on hold.

## Local Democratic Governance

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
n/a	n/a	3.25	2.75	2.75	2.75	2.75	3.00	3.25	3.25

Albania's governance is highly centralized with few relevant forms of local democratic government. Local government is divided into 373 directly elected units made up of 65 municipalities in urban areas and 308 communes. Indirectly elected mayors and representatives of municipalities and communes govern 12 regions. The ongoing decentralization process has proceeded slowly, and few political and financial powers have been transferred to local institutions. Financially, local governments are highly dependent on the central government, as local revenues are low and infrastructure development depends on central government investments. Local authorities have little access to credit because of legal restraints and the lack of interest from private banks in lending to them. Grants from the central government remain the most important financial resource, but they are often allocated according to political loyalties. Many larger cities are run by opposition leaders and the central government has little political motivation to invest in their competencies or resources.

In the runup to local elections in May, the government dedicated little attention to the decentralization process. Strategic documents on decentralization remain out of date and contradict existing legislation. The decentralization of water and sewage services to local government was successful only in small municipalities or communes. Most of the water and sewage sector is not economically viable, which discourages local entities from accepting the transfer of responsibility. One positive development in this area during the year was the distribution of a compensation fund to local entities for carrying the burden of reimbursing the purchase of electronic cash registers for local businesses.

Prior to the start of the campaigning period for the local administrative elections, frequent confrontations occurred between opposition-controlled local governments and local representatives of the central government. In larger cities such as Tirana, Korca, and Durres, local representatives of the central government blocked several ongoing public infrastructure projects. However, with elected officials and administrative staff concentrated on the campaign, little attention was paid to infrastructure development. Political debate mainly focused on national issues, addressing local problems only superficially.

Local elections—with the exception of elections in Tirana—are generally an opportunity for local and central governments to campaign together for the reelection of incumbents. After the elections, the relationship between local and central governments usually weakens. Local elections in May were expected to proceed in a similar fashion. However, confrontations between local and central government over control of regional councils continued well after the elections.

Controversy arose when DP candidate Lulzim Basha won the highly contested mayoral position in Tirana. Soon after the CEC reversed the initial results and declared Basha the winner, 20 directors and high-level staff resigned in protest.

Large numbers of mid- and entry-level staff were subsequently laid off by the new administration.

The current administrative and territorial divisions no longer reflect the country's development patterns, rendering local governance structures fragmented and less effective. Legislative changes are needed to simplify local frameworks and more clearly define their competencies. However, such amendments require a qualified majority, which would necessitate a compromise between the two main political forces. With so little progress made in reaching cross-party consensus in 2011, no major breakthroughs were expected in the near future.

#### Judicial Framework and Independence

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
4.25	4.25	4.50	4.25	4.00	4.00	4.25	4.25	4.25	4.75

While the Albanian constitution provides the foundation for a well-functioning and independent judicial system, events in 2011 demonstrated chronic weaknesses resulting from political polarization and pressures, decreasing financial support, and the persistence of corruption. Critically important reforms, investigations, and appointments stagnated due to the political crisis.

In January 2011, the prosecutor's office issued four detention orders for high-level officials of the Republican Guard implicated in the shooting of demonstrators during opposition protests. However, the state police neither executed these orders nor provided a legal explanation for their refusal to apprehend the guardsmen. In a public meeting with members of the Republican Guard, Prime Minister Berisha openly challenged the state prosecutor, stating that no guardsman would be handed over. Under international pressure to resolve the issue, the prosecution and the Republican Guard finally agreed that only one of the guardsmen would be arrested, and the others allowed to go free. The investigation continued slowly, hampered by non-cooperation of the executive branch. Evidence captured by security cameras outside the prime minister's office was apparently destroyed. A trial had not yet begun at year's end.

The ruling parties delayed plans to amend the criminal and procedural codes and establish an administrative court, unable to broker consensus with the opposition to achieve a qualified majority in parliament. The executive branch has drafted many other laws regulating the Constitutional Court, the High Court, and the Ministry of Justice, but has not yet even submitted them to the parliament. In order to bypass legislative delays, these institutions have issued administrative acts to regulate their work, but the minimal reach of these acts has limited their success.

The judiciary is often subject to external interference and despite public statements on the need to select the best judges possible, judicial appointments and transfers often lack sufficient transparency, as does the justice system as a whole. The High Council of Justice (HCJ), the highest justice institution in Albania, is in charge of judicial appointments and undertaking disciplinary measures for judges

and courts. The HCJ continues to function based on constitutionally unclear legal grounds since 9 out of 15 of its members are appointed from the National Judicial Conference (NJC), and the law regulating NJC's work was ruled unconstitutional in 2008. Currently the NJC meets and appoints members of the HCJ in the existing legal vacuum until a new law is approved.

Three out of seven members of the Constitutional Court have finished their mandates but are still holding office because parliament has refused President Bamir Topi's proposals for new appointees. In response to a request from members of parliament, the Constitutional Court ruled in June 2011 that both the president and parliamentary assembly must agree on selection criteria for appointments to the Constitutional Court and High Court. The ruling majority also requested that the president be required to consult parliament on his proposals before sending them for approval. However, the president refused parliament's request, resulting in the subsequent rejection of his nominees. No immediate solution to the situation is expected. The People's Advocate mandate, which expired in February 2010, remains vacant due to the lack of a qualified majority in parliament.

Skerdilajd Konomi, a judge known for his independence and professionalism, was assassinated by a remote-controlled car explosion in the city of Vlora in September 2011. Investigations into the assassination are ongoing, with no conclusions reached by the end of 2011. Konomi's assassination was the second attempt on the life of a judge in the last two years and the first one to succeed.<sup>11</sup> In 2011, as many as 15 judges were put under protection, the highest-ever figure in Albania.<sup>12</sup>

A case related to the deadly explosion of an ammunition-dismantling factory in the village of Gërdec in March 2008 was ongoing at year's end, though it appeared closer to resolution. The investigation into the explosion, which killed 26 people and wounded 300 others, led to the arrest of 29 people on charges ranging from abuse of power to murder. The case has been dragged out, owing to the large number of defendants and gaps in the criminal code allowing the continuous postponement of sessions when defense lawyers fail to appear at court hearings.<sup>13</sup> The lack of appropriate or effective legal instruments to avoid trial delays prevents Albania from meeting the requirements for a fair trial enshrined in domestic and international legislation.

Enforcement of court decisions remains weak, particularly when state institutions are responsible for implementing them. The situation improved slightly with the new private bailiff system, but their ability to enforce still depends on judicial institutions providing timely and accurate information.

Budget planning and financial management reforms are a necessity for the Albanian justice system. While the workload of the courts has been somewhat remedied by a gradual increase in the number of judges, budget allocations have continuously decreased in the recent years, with some courts suffering 30–50 percent budget cuts in 2011.<sup>14</sup> Insufficient funding directly affects the capacity of the courts to deliver justice as many lack basic infrastructure. Around 90 percent of trials are held at judges' offices instead of courtrooms,<sup>15</sup> hindering the ability

of the courts to carry out open trials and increasing opportunities for abuse and corrupt practices. The lack of audio and video recording equipment in the offices also prevents the transparent monitoring of sessions.

In July 2011, a Judicial Reform Strategy and Action Plan for 2011–13 was approved by the Council of Ministers. It contains the government’s strategic vision for improving the judiciary’s independence and accountability as well as its efficiency. The president considers the plan a positive step forward because it addresses ongoing concerns related to the EU integration process. However, its potential for improving the functioning of the judiciary remains to be seen.

### Corruption

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
5.00	5.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00	5.00

Widespread corruption remains a serious concern for continued democratic development in Albania. While some efforts to combat low and mid-level corruption have been successful, high-level corruption remains largely unaddressed. Weak institutions and a lack of political will have prevented the fight against corruption from yielding substantial results. Growing political interference in institutions, legal immunity offered to a wide range of officials, lack of transparency and access to information, and the absence of self-regulating mechanisms all complicated efforts to improve the situation in 2011. Transparency International lowered Albania’s standing from 87<sup>th</sup> to 95<sup>th</sup> place out of 183 countries included in its Corruption Perceptions Index for 2011.<sup>16</sup>

The year’s most visible corruption scandal erupted in early January with the bribery accusations against Deputy Prime Minister Ilir Meta (SMI). The case sparked public demonstrations, which led to several casualties, and dominated political discourse throughout 2011. Meta denied the accusations of bribery made against him, and offered to waive his parliamentary immunity in order to allow investigations to proceed. His immunity was lifted by a vote in parliament, and the recording of Mr. Meta’s alleged crime was presented to an international expert to confirm its authenticity. When, during the examination, a second recording emerged showing former minister of economy Dritan Prifti and his deputy minister discussing issues of dubious legality, the state prosecutor’s office brought charges against Mr. Prifti, as well, and his immunity was also lifted by parliament. The case was sent to the High Court, which was vested as a first instance court, since both defendants are members of parliament. The court refused to admit the findings of the international expert and instead appointed three Albanian experts to reexamine the recording. Although the prosecution challenged the qualifications of all three, newly appointed experts, the court stood by its decision. The Albanian experts concluded that the authenticity of the recording could not be confirmed, and it was disqualified as evidence in the trial. The trial was still ongoing at year’s end.

The controversial nature of this case revealed once again the vulnerability of independent institutions to influence from the ruling majority. Members of the High Court are directly exposed to political pressure as they are nominated by the president and elected by a simple majority in parliament. At the same time, the High Court is the only institution capable of handling cases against members of parliament. Recent refusals of the ruling majority to approve candidacies proposed by the president based on unwritten criteria have intimidated judges. Several candidates proposed by parliament have been rejected for seemingly arbitrary reasons (trials judged under communism, for example) or because they have opposed legislation proposed by the current majority. A refusal means that these judges have virtually no chance of being appointed to similar positions within the judiciary under the current government.

High-profile corruption cases face a number of legal barriers, including parliamentary immunity. They are also subject to pressure from other institutions and the ruling majority. In accordance with the 2008 constitutional changes, the president of the republic—who chairs the HCJ and proposes appointments to the High Court—will be elected in June 2012 by a simple majority voting instead of a qualified majority one, which will further politicize this institution and distort the system of checks and balances between the legislative and judicial branches. Only constitutional changes can restore this balance, which especially affects the appointments of judges of the High Court and Constitutional Court, and open the way for substantive results in the fight against political corruption.

One of the main factors obstructing and discouraging investigation of corruption cases in the judiciary is the full immunity also enjoyed by judges. While the minister of justice has the power to propose the lifting of immunity, the HCJ is the body responsible for executing these orders and for taking disciplinary action. Several corruption cases brought by the prosecution to the HCJ against judges have resulted in the removal of immunity, but none of these cases has been finalized with indictments by the prosecution office. The failure on the part of the prosecution to try judges accused of corruption hampers the image of HCJ as an institution, which has in the past lifted judges' immunities with no sound evidence of wrongdoing.

Some progress was made by the government in drafting and implementing policies to fight corruption. In June 2011, a new anticorruption action plan was approved for 2011–13, containing improved action plans for each individual government ministry and agency. However, no direct improvements were visible as a result of the new action plan and no concrete cases were pursued. In the past, several anticorruption strategic documents have been approved with little practical relevance and it is still unclear whether this new plan will be any different.

In November 2011, a group of nine, mid-level officials were arrested for their participation in a corruption scheme involving the oil distribution system. After a months-long investigation by the state prosecutor's office, all the staff of the inspection unit of the General Directorate of Metrology and Calibration (subordinate to the Ministry of Economy, Trade, and Energy) were arrested. At year's end the case was still pending trial.

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