

The International Institute for Middle-East and Balkan Studies (**IFIMES**) from Ljubljana, Slovenia, regularly analyses events in the Middle East and the Balkans. IFIMES has prepared an analysis of the current political situation in Albania in the light of the early parliamentary election scheduled for **23 June 2013**. The most relevant and interesting sections from the comprehensive analysis entitled “**Albania: Retirement of Berisha and return of the left-wing**” are published below.

### Albania:

## **Retirement of Berisha and return of the left-wing**

The eighth parliamentary election since the fall of **Enver Hoxha's** communist regime in 1991 will be held in Albania on 23 June 2013. The main race is expected between two leading coalitions: The Alliance for Employment, Prosperity and Integration led by the incumbent Prime Minister **Sali Berisha's** Democratic Party (PD), and The Alliance for a European Albania led by the Socialist Party (PS) and the opposition leader **Edi Rama**. Other parties with sound chances of entering the Parliament are New Democratic Spirit (FRD) led by former President of Albania **Bamir Topi** and the Red and Black Alliance, a nationalistic party that may win a firm share of votes thanks to the dissatisfaction among the citizens caused by the traditional alternating left/right governments that have ruled in Albania for the past 20 years. The Socialist Movement for Integration (LSI) led by the former (Deputy) Prime Minister **Illir Meta** will participate at the election as part of the Alliance for a European Albania. The EU and the US have strongly urged the leaders to make sure elections are fair and free. Swept up by the recession, Albanian economy has marked a modest 1.6% growth, the lowest in the past 16 years, so it is practically stagnating. The International Monetary Fund (IMF) has noted a significant slow down in GDP growth in 2012 and anticipated only minimal upturn in 2013. The state budget is depleted, the consequences of the euro zone crisis have started to be felt in the country and investor confidence has decreased significantly.

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### **BERISHA TO RETIRE FROM POLITICS**

The results of pre-election polls in Albania are not always a reliable reflection of the factors influencing electorate preferences in comparison with the Election Day. They are nevertheless used as the basis for determining election strategies and carrying out discussions and analyses.

The IFIMES International Institute anticipates the electorate's tendency to vote for the left political option on the basis of the following factors: **1)** the Democratic Party has been in power for eight years, ruling arbitrarily and under deteriorating economic conditions; **2)** the Socialist Party has applied a much more intensive election

offensive using the modern political rhetoric; **3)** PS is using a modernised political vocabulary that emphasises acceleration of EU accession process; **4)** Democratic Party is burdened with the accusations of having fixed previous election results; **5)** the incumbent government has been driving Albania away from EU membership for the last eight years; **6)** by having released two police officer who participated in the killing of demonstrators in January 2011, the incumbent government has created further mistrust among the voters; **7)** the most pleasant surprise is PS leader Edi Rama who has modernised his political concept and justifiably aspires to become the next Prime Minister of Albania, unlike Berisha who has taken the path of nationalism.

### MAJORITY FAVOURS THE LEFT-WING

Albanian voters seem to be ready to send the incumbent Prime Minister and PD leader Sali Berisha to retirement after his eight years of ruling. The atmosphere in Albania reflects the need for a change in power, which was also confirmed by the recent public opinion polls. According to AlbStat research agency, the Socialist Party would win 40.4% and the Democratic Party 31.4% of votes, while the left-wing coalition would get as much as 60% of votes. This trend has been further confirmed by the Italian institute for public opinion research Istituto Piepoli whose international public opinion poll points to the victory of Socialists with 50.2% while the right-wing coalition led by the Democratic Party would get only 42%. Berisha represents some kind of political phenomenon and controversy. Unlike the Albanians in Albania who are fed up with Berisha and his politics, the Albanians in Kosovo and Macedonia still regard him positively. If they were to vote at the election, he would probably remain Albania's Prime Minister for the next four years, but they are not entitled to vote. Being aware of that Berisha has tried to change the law on citizenship in order to enable each ethnic Albanian, regardless of his/her place of birth and residence, to gain Albanian citizenship and – consequently – the right to vote. His attempt to change the law on citizenship was not the result of his concern for Albanians living outside Albania, but of his desire to ensure the sufficient number of votes to keep his position as Prime Minister. His attempt failed after it did not receive sufficient support.

### THE RETURN OF THE LEFT-WING

After its victory was stolen in 2009, the Socialist Party now stands the best chances of forming the government at the forthcoming election. The difference between the opposition and the incumbent government is much higher this time, which will prevent the ruling Democratic Party from another attempt to fix the election results. Besides the large support among the voters, Edi Rama obviously enjoys sympathies from the international community representatives to Albania and abroad. It is speculated that British former Prime Minister **Tony Blair** might be the counsellor to

the new Albanian government led by Edi Rama. The fact that Edi Rama and his opposition party are undoubtedly expected to win the election is illustrated by the support expressed for them in the *Daily Telegraph*, which is rather unusual for this British conservative newspaper that usually favours the right political option, which in this case would be Berisha's Democratic Party.

During the past four years in the opposition, Edi Rama has totally rebranded the Socialists into a modern European left party, including its programme and ideology. Economic recovery, revival of the society, restoration of democracy and European integration are four key pillars of their programme, and the Albanian voters have accepted them very well.

Besides the promising programme, their candidate list offers the combination of experience and youth with names such as the popular former Albanian Prime Minister **Pandeli Majko**, **Ben Blushi**, **Erion Brace** on one hand and the young candidates presented as the leaders of the Socialists' youth such as **Elisa Spiropali** and **Ditmir Bushati** on the other hand.

### THE ISSUE OF KOSOVO'S UNIFICATION

Albania's incumbent Prime Minister Sali Berisha has been recently using nationalistic statements based on the idea of the "greater Albania", which has triggered reactions in the neighbouring countries and their governments, especially in those that are home to numerous ethnic Albanians.

Unification with Kosovo has become the subject of public debate. Until very recently the state of Albania has not had any expansion projects in place. In his last attempt to remain in power Sali Berisha has obviously resorted to Pan-Albanian ideas and to the celebration of the centenary of Albania's statehood in November 2012.

The official Washington has warned political parties and leaders to concentrate on priorities, and Euro-Atlantic integration is certainly one of them.

### UNEQUAL TREATMENT OF FOREIGN AND DOMESTIC COMPANIES

Privatisation of large state-owned companies has turned out to be a failure. This was evident in the privatisation of the energy sector. The Czech energy company ČEZ has withdrawn its 160 million EUR worth investments due to a dispute with Albanian government, i.e. its Energy Regulatory Entity, over the price of electricity and state institutions' unpaid electricity bills. Numerous irregularities were identified in the tenders carried out in the Albanian power corporation *KESH*. KESH promoted certain companies, especially in the field of electric power supply, while the Energy Regulatory Entity one-sidedly opted for certain foreign companies. For a long time ČEZ enjoyed a privileged status on the Albanian market, until it entered into a

dispute over the division of profit and unsettled invoices with the state. Those are obvious elements of corruption that have not been properly investigated.

Moreover, Albanian Tax Administration has rejected the reimbursement of VAT to certain companies in foreign ownership, thus reducing their working capital and bringing them to an unfavourable position in comparison with companies that enjoyed political sponsorship.

The new government will have to create better conditions for public sector investments. It will have to resolve numerous ownership issues, lacking rule of law, widespread corruption and underdeveloped infrastructure.

The sale of state-owned oil company *Albpetrola* was stopped after negotiations with the main investor were interrupted.

Analysts are of the opinion that Albania is heading in the wrong direction, mostly due to unfavourable economic situation with high unemployment rates, increasing costs of living and low wages and pensions that do not enable a decent life.

#### **ILIR META HAS “RETURNED” HOME**

After four years in coalition with the Democratic Party, Ilir Meta and his LSI have “returned” home, i.e. to the left political option. Ilir Meta has left the incumbent government and joined the left-wing coalition led by Edi Rama. At first the PS–LSI coalition raised many negative reactions, but eventually pragmatism prevailed. Obviously the new PS–LSI coalition was promoted by the European socialists who demanded Ilir Meta to decide whether he would remain Berisha's satellite or re-establish the left-oriented identity of his party. One of the leaders of European socialists **Sergei Stanishev** has sent a clear message to Rama and Meta – eight years of Berisha's government have been more than enough – it's time for you to unite.

For the last year the political map of South-East Europe has been gradually changing from the right to the left political options. Analyses of the pre-election situation in Albania have shown that Albania will also see that change on 23 June 2013.

Analysts have pointed out that the new Albanian government should distance itself from criticising international actors and promoting nationalistic ideas, but instead focus on fulfilling the conditions for gaining the EU candidate status, fighting organised crime and corruption and improving legal standards in order to attract foreign and domestic investors.

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International Institute for Middle-East and  
Balkan Studies (IFIMES) – Ljubljana

Directors:

Bakhtyar Aljaf  
Zijad Bećirović

