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Welcome Speech from the Dean of the Faculty of Economy

Honorable Rector,
Honorable Participants,
Welcome to the Scientific Conference organized by the Faculty of Economy on its 30th anniversary.
It has been in the tradition of the Faculty of Economy organizing international conferences, but I am very proud to say that the conference organized today is among the largest organized by our faculty. There will be more than 50 scientific papers presented in this conference from more than 100 scientific researchers from all faculties of University of Shkodra, from several other Albanian universities and 25 scientific researchers from other European Universities as well.
For the first time, this conference will have a special panel with the scientific focus presentations of the doctoral studies of the first 10 PHD students of the Economy and Sustainable Tourism PHD program.
An added value of this conference is the presence as keynote speakers of 3 distinguished professors:
Bill Templeton from Butler University, USA
Christopher Lambert of Hopkins University
Mirjeta Beqiri, Gonzaga University, USA
Bartlomiej Lisicki, University of Katowice, Poland

Finally, I wish success to this conference and its participants!

Prof. Dr. Blerta Dragusha
Dean of the Faculty of Economy
University "Luigj Gurakuqi"

Keynote speakers

For more information about the keynote speakers of the conference you can click the respective link.

Chistopher Gilbert | Johns Hopkins SAIS (jhu.edu)

Mirjeta Beqiri, Ph.D. | Gonzaga University

Bill Templeton |Finance Faculty & Staff | Butler University

Bartłomiej Lisicki | Uniwersytet Ekonomiczny w Katowicach (ue.katowice.pl)

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FACING SOCIO-DEMOGRAPHIC, LABOR MARKET CHANGES AND GEOPOLITICAL CHALLENGES

Mapping immigrant entrepreneurship in Europe: A bibliometric analysis of research trends and insights.

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Abstract
Immigrant entrepreneurs and their activity has received constantly increasing attention of academics and policymakers. While as activity, immigrant entrepreneurship is not new, with the globalization and development of technology this field is in a different level, becoming one of most popular avenues in entrepreneurship literature and plays a significant role in economy, especially in a context like Europe. However, among emerging research attention, this field is becoming more diverse, complex, and confusing. Thus, literature reviews in this field are becoming critical to overview the field.
In our study we aim to provide an overview of academic research on Immigrant Entrepreneurship in Europe. To complete this, an extensive bibliometric analysis was conducted, including bibliometric performance and graphic mapping of academic contribution in this field. A comprehensive performance analysis was carried out to pinpoint key authors, institutions, journals, and countries that play a leading role in shaping the landscape of research and development in this field. Furthermore, we use VOSviewer and R Biblioshiny software to graphically map the field. We do this by applying author co-citation and co-word analysis. Our research contributes on immigrant entrepreneurship literature by providing a better understanding of the phenomena in Europe, and based on the outcomes directions the future research in the field.
Keywords: *Immigrant entrepreneurship, Bibliometric analysis, Science Mapping, Europe*
JEL classification: *(J15, L26, M13)*

1. Introduction and Literature Review

Migrants are defined as individuals who choose to move to a different country for a long period, more than 12 months(Dabić, Vlačić et al. 2020). Immigrant entrepreneurship in general terms, is referred to entrepreneurial activities which include identification, creation and explanting of opportunities by immigrants in host countries (Malerba and Ferreira 2020).
The number of these individual is constantly growing, and we observe it from the difference between year 2000 where we have 173 million emigrants, to 10 year later with 220 million and lastly in 2019 almost 272 million migrants. These numbers keep growing mostly because of globalization.(Ramos-Escobar, García-Pérez-de-Lema et al. 2022). Main reasons for immigration increase are context-depended, for example Australia and Canada attract immigrants to complete their labor needs, in EU researchers observed that this phenomena is widespread because of ageing population, and low fertility rates. (Rialp-Criado, Rialp-Criado

et al. 2015). The trend of increased immigrant movement has led to more obvious entrepreneurship activities from this community (Akin, Bostanci et al. 2017).

There is a general consensus in literature among researchers that immigrant entrepreneurs play a critical role in socio-economic development of nations(Malki, Uman et al. 2020, Duan, Sandhu et al. 2021). Researchers have observed high level of entrepreneurship attitude in immigrants, in OECD and EU almost 12% of immigrants own their business. In USA, UK, Canada, and Australia immigrants engage in entrepreneurial activities more than native people (Kerr and Kerr 2020, Ramos-Escobar, García-Pérez-de-Lema et al. 2022). In their study says that almost 25-40% of enterprises created in USA are created by immigrants or at least one co-founder is immigrant(Kerr and Kerr 2020).

The growth of immigrant entrepreneurs has got attention of not only policymakers, but also scholars from many disciplines. More specifically immigrant entrepreneurship has got attention of scholars from different field, including economy, business, entrepreneurship, sociology, and psychology (Dana 2007, Dabić, Vlačić et al. 2020).

Together with the increasing number of immigrants, researchers underline the change in characteristics and scope that they engage. In the 20th century immigrants were mainly necessarily entrepreneurs as alternative for wage employment, in 21th century most of them are opportunity entrepreneurs offering innovative business models and products(Dheer 2018). In their research (Brown, Earle et al. 2019) found that immigrant owned enterprises outperform their native peers in USA in innovative products and services.

Researchers have observed that immigrants are discriminated in job markets, unemployment among them is high, and wages are relatively low, conditions that push them toward entrepreneurship(Doerschler 2006). This is more obvious in early stage of immigration, when their education and experience from home country is not valuable anymore (Kerr and Kerr 2020). In their study (Duan, Kotey et al. 2023) found that blocked promotion in workplace leads immigrants to start businesses.

There are also factors that pull immigrants to create businesses. Firstly, immigrants are considered to be more risk-lovers than natives, taking in consideration the fact that they left their comfort zone for a better life(Doerschler 2006). An important part of immigrations happens because these individuals seek opportunities and have the ability to deal with uncertainty and risk in different countries (Kerr and Kerr 2020). Education, family and social networks increases the probability of entrepreneurship. (Duan, Kotey et al. 2023) In their literature review (Duan and Sandhu 2022) conclude that pull factors have more impact than push factors in immigrants to start a new venture.

Host-country environment can play an important role as facilitator or obstacle for immigrants to pursue their business dreams. Institutional support, access to finance and markets and infrastructure can play a positive role, in the other hand cultural differences and institutional voids role is negative(Duan, Kotey et al. 2023). Researchers also underline the role of home-country, confirming that immigrants from developed countries are more likely to engage in opportunity-driven entrepreneurship than their colleges from developing countries (García-Cabrera, Lucía-Casademunt et al. 2020).

Immigrants can pursue many paths into entrepreneurship, but two of them are easily identified. One way of immigrant entrepreneurship is enclave strategy, where the focus is to serve the needs of their ethnic communities. Also, IE tend to focus on underserved niche segments of market(Shinnar and Zamantılı Nayır 2019). These strategies give a limited growth opportunity, but this is not always the case, because immigrants can expand their businesses successfully even in massive-markets using break-out strategies(Basu 2011).

Europe has been considered one of most important regions for international migration(Aliaga-Isla and Rialp 2013) and research in immigrant entrepreneurship is scare and fragmented(Dabić, Vlačić et al. 2020). Given the importance of phenomena, in this paper we aim to draw a picture of academic contribution in immigrant entrepreneurship in Europe(Shinnar and Zamantılı Nayır 2019, Duan and Sandhu 2022). This is critical because most studies in this field are conducted in Europe. In literature there are some papers focused in Europe(Bilir, Güngör et al. 2020), but at the best of our knowledge, this is the first paper that approach immigrant entrepreneurship in this way.

In this paper we amin to give an answer to following research questions:

1-What is the annual scientific production in immigrant entrepreneurship topic in Europe?

2-Which are leading authors, institutions, and countries in this topic?

3-What is the intellectual structure of immigrant entrepreneurship in Europe

4-Which word and sub-topics are most researched in Europe?

5-What are the recent trends in immigrant entrepreneurship?

2. Methodology

Bibliometric methodology is application of quantitative techniques like citation analysis on bibliometric data like citation and authors(Broadus 1987). Meta-analysis and bibliometric analysis are similar from their quantitative nature and may create confusion among scholars, but their main difference is that meta-analysis is to summaries the results in a particular field, while bibliometric analysis is used to map the intellectual structure(Combs, Ketchen et al. 2011). The rising popularity of publications incorporating bibliometrics can be attributed to two primary factors. Firstly, the exponential growth in available data enables the comprehensive mapping of academic fields. Secondly, the variety of software tools that facilitate analysis process, making it more accessible and efficient (Donthu, Kumar et al. 2021). Bibliometric methods are mainly separated in two streams, performance analysis and and science mapping. Performance analysis main objective is to evaluate the performace of countries, institutions and authors in a specific field (Zupic and Čater 2015), while science mapping is widely used to inform about the dynamics and social structure of a research stream(Van Eck and Waltman 2010). In their recent review that (Zupic and Čater 2015) conducted aiming to find most used bibliometric analysis in management research, they found that most preferred bibliometric analysis is co-citation analysis.

In this paper we strictly follow the recommendations of (Donthu, Kumar et al. 2021) to desing the bibliometric analysis procedure in four steps.

In the first step we define aim and scope of the study. Our aim is to evaluate the current state of research in immigrant entrepreneurship field in Europe. We also aim to discover the intellectual structure of the field and also identify the current research trends.

The second step (Donthu, Kumar et al. 2021) is to choose the techniques that we will apply in our study. We started by applying performance analysis of the field including most relevant authors, most important institutions, publications over time and similar measures used previously in other studies(García-Lillo, Claver-Cortés et al. 2017, Mukherjee, Kumar et al. 2022). Then we identified trend topics in the field and later we perform a co-word analysis to identify the themes researched and co-citation analysis to map the intellectual structure of the immigrant entrepreneurship in Europe(Nerur, Rasheed et al. 2008).

The next step is to collect data from Scoups database and selecting articles. Scospus and Web of Science are main databases used in social science bibliometric research (Aria and Cuccurullo 2017), but we select database from Scopus considering it more suitable to map small research areas consistent with previous research(Bilir, Güngör et al. 2020, Bretas and Alon 2021). We searched in the Title, Abstract or Keyword section for words like: ‘migrant’ OR ‘diaspora’ OR ‘ethnic’ OR ‘minority’ OR ‘disadvantage’ AND ‘entrepreneur’ OR ‘self-employment’ and found 4549 documents. Then we limit our sample to Business, Management and Accounting and English Language. Later we filter the document type to Article and in the country section we select European countries similar to (Bilir, Güngör et al. 2020) leaving us with 620 documents, suitable number to conduct a bibliometric analysis.

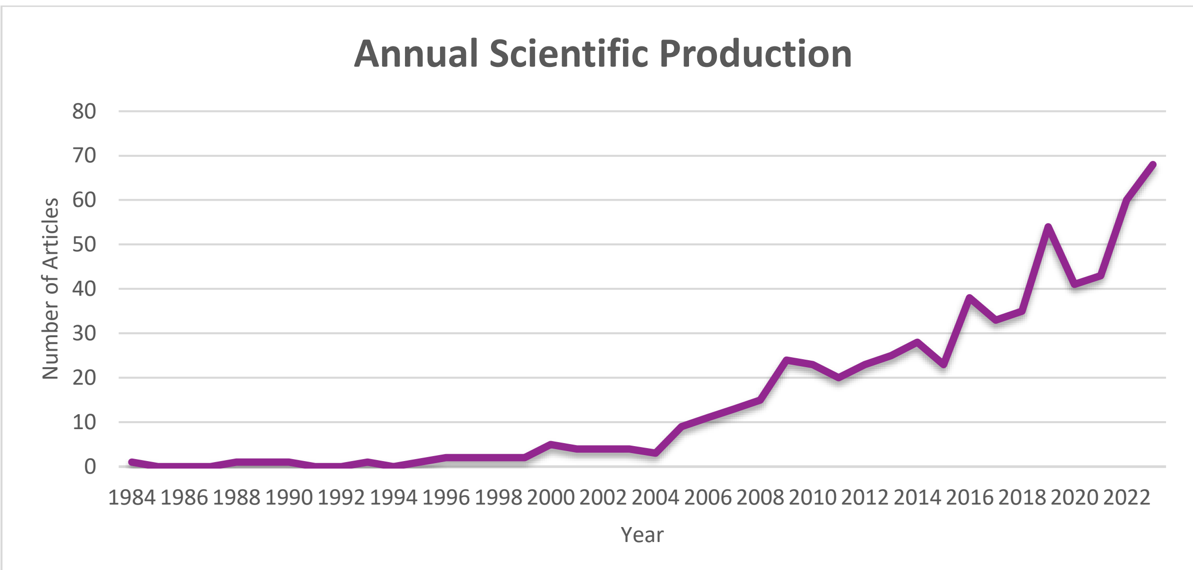
Final step of procedure is to conduct analysis and present the findings. To do so, we use different tools which facilitate analysis like WOviewer(Van Eck and Waltman 2010) and bibliometrix with R package (Aria and Cuccurullo 2017).

3. Results

3.1 General Results

Publication of papers in Europe related to immigrant entrepreneurs start in 1964 and until 2022 there are 620 document identified and analyzed. Average citation for each document is almost 31 and annual growth rate is 11.4%, making immigrant entrepreneurship an emerging topic in literature.

Figure 1: Annual Scientific Production



Publications in Immigrant Entrepreneurship in Europe are growing constantly, but we observe that after year 2000 the growth is more aggressive (Figure 1), especially after 2008. While in 2020 we have a decline of yearly published academic work, probably from the Covid19, uncertainty associated with it and limitations to collect data. Additionally, we have identified most productive countries and UK is the leading country with 448 publications, followed by Sweden with 105, but a massive gap is present. Is not surprising the presence of big economies like Germany, Italy, and Spain. Presence of USA which is not European country, in our results it is a confirmation of their dominance in immigrant entrepreneurship literature(Duan, Kotey et al. 2023).

Table 1: Country Scientific Production

Country	Number of publications
UK	448
SWEDEN	105
GERMANY	101
NETHERLANDS	101

ITALY	87
SPAIN	68
USA	67
FRANCE	45
DENMARK	41
POLAND	35

3.2 Leading Journals:

In our detailed analysis 620 articles are spread across 202 journals. Most of these journals have published less than 10 articles, but despite the lower publication numbers, their collective presence contributes to the overall diversity within the field. International Journal Of Entrepreneurial Behaviour And Research is the leading journal with 50 articles, followed from Entrepreneurship And Regional Development with 7.5% of articles and Small Business Economics with 7.54 of articles (table 2)

Table 2: Most Productive Journals

Journal Name	Number of Articles
INTERNATIONAL JOURNAL OF ENTREPRENEURIAL BEHAVIOUR AND RESEARCH	50
ENTREPRENEURSHIP AND REGIONAL DEVELOPMENT	46
SMALL BUSINESS ECONOMICS	41
INTERNATIONAL JOURNAL OF ENTREPRENEURSHIP AND SMALL BUSINESS	30
JOURNAL OF SMALL BUSINESS AND ENTERPRISE DEVELOPMENT	20
INTERNATIONAL ENTREPRENEURSHIP AND MANAGEMENT JOURNAL	17
JOURNAL OF ENTERPRISING COMMUNITIES	17
INTERNATIONAL JOURNAL OF MANPOWER	14
ENTREPRENEURSHIP: THEORY AND PRACTICE	10
JOURNAL OF INTERNATIONAL ENTREPRENEURSHIP	10

3.3 Most Productive Authors

Leo Paul Dana is the leading author according to number of published articles (13) in our database. He is followed by Caroline Essers and Aki Harima with 10 articles (Table 3). When we compare the authors by their citations, we observe that these three authors remain most important, with the difference that Essers is the most cited author. Table 3 present 10 most productive authors in terms of number published articles with their total citations, h-index and g-index. Another very important authors, not included in this table is Robert C. Kloosterman which is famous for his mixed embeddedness approach in immigrant entrepreneurship.

Table 3: Most Productive Authors

Authors Name	h-Index	g-Index	Total Citations	# of publications
DANA L-P	11	13	717	13
RAM M	9	9	621	9

ESSERS C	8	10	935	10
HARIMA A	7	10	172	10
MARLOW S	7	7	712	7
BRZOZOWSKI J	6	7	165	7
ELO M	6	9	206	9
JONES T	6	6	271	6
NIJKAMP P	6	9	318	9
SCHØTT T	6	6	94	6

3.4 Most Productive Institutions

The top 11 institutions play a significant role, contributing to almost 20% of the 620 analyzed papers. In the specific domain of immigrant entrepreneurship in Europe, the University of South Denmark stands out as the most productive, having produced 18 publications. Following closely is the University of Bremen in Germany with 14 publications.

Affiliation	Articles
UNIVERSITY OF SOUTHERN DENMARK	18
UNIVERSITY OF BREMEN	14
DE MONTFORT UNIVERSITY	13
VU UNIVERSITY	13
JÖNKÖPING UNIVERSITY	11
CRACOW UNIVERSITY OF ECONOMICS	10
NORTHUMBRIA UNIVERSITY	10
RADBOUD UNIVERSITY	10
UNIVERSITY OF BIRMINGHAM	10
UNIVERSITY OF BOLOGNA	10
UNIVERSITY OF STRATHCLYDE	10

3.5 Author Co-Citation Analysis

Additionally, to performance analysis we also conducted author co-citation analysis to map the intellectual structure of Immigrant Entrepreneurship field in Europe. We did this by using WOSviewer and three main clusters emerged. First cluster (blue color) is dominated by Monder Ram and Robert C. Kloosterman. First author research is focused in ethnic and immigrant woman entrepreneurship while Klosterman is well-know for mixed embeddedness approach. Second emerged cluster (red color) is dominated by Matthew Wright focused in immigration policy and social topics associated with immigrant entrepreneurship. Also, we observe the presence of two famous authors Kathleen M. Eisenhardt and Robert K. Yin in this cluster, confirming that case-study methodology is wide applicated in immigrant entrepreneurship. The cluster in yellow is our third cluster dominated by previously mentioned high publishing author like Caroline Essers, highly focused in female entrepreneurs and institutional theory.

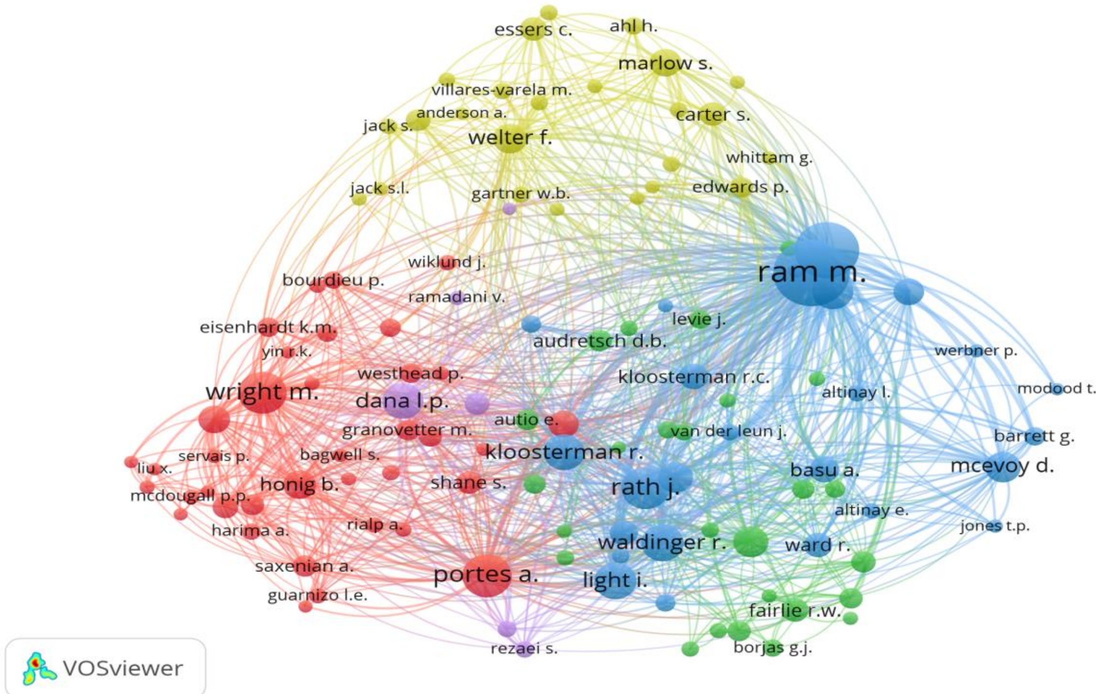


Figure 2:Co-Citation Network

3.6 Co-Word Analysis:

We also conducted co-word analysis (Figure 3) using WOSviewer. This analysis is used to identify the most important keywords used by authors and how these keywords are related to each other. Is not surprising that most central keywords are immigrant entrepreneurship and its derivates like transnational entrepreneurship, minority entrepreneurship, diaspora entrepreneurship and ethnic entrepreneurs. In term of countries we identified in keywords countries like UK, Italy, Germany, Ireland, Greece and Sweden. Most immigrant enterprises that are researched are small and medium enterprises. A special place in literature is devoted to immigrant entrepreneurs' social capital, education and human capital indicating their entrepreneurship is more opportunity based than necessity based. Mixed embeddedness approach results very linked with informal economy and family business.

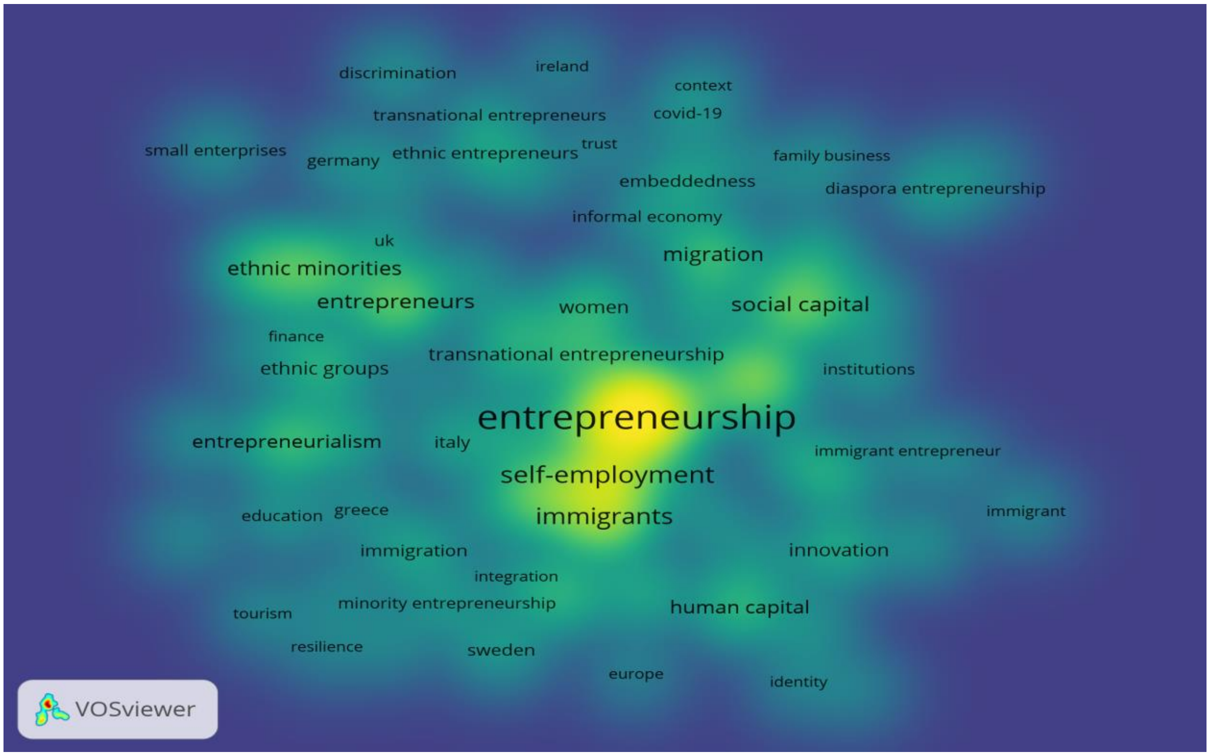


Figure 3: Co-word Analysis

3.7 Trends Over Time

We also investigated the trend topics in immigrant entrepreneurship in Europe for last 10 years (Figure 4). What we observe is a shift of focus from informal role in economy of immigrant, to more opportunity-based entrepreneurship focused on social capital and networks. Internationalization of immigrant entrepreneurs is a hot topic in these years, and in the same time Cov19 focused research which probably will not last for a long time. What is interesting is that Europe after Arab Spring has faced with many challenges such refuges, which is a specific type of immigration and we observe that refugee entrepreneurship is currently one of most trend topics.

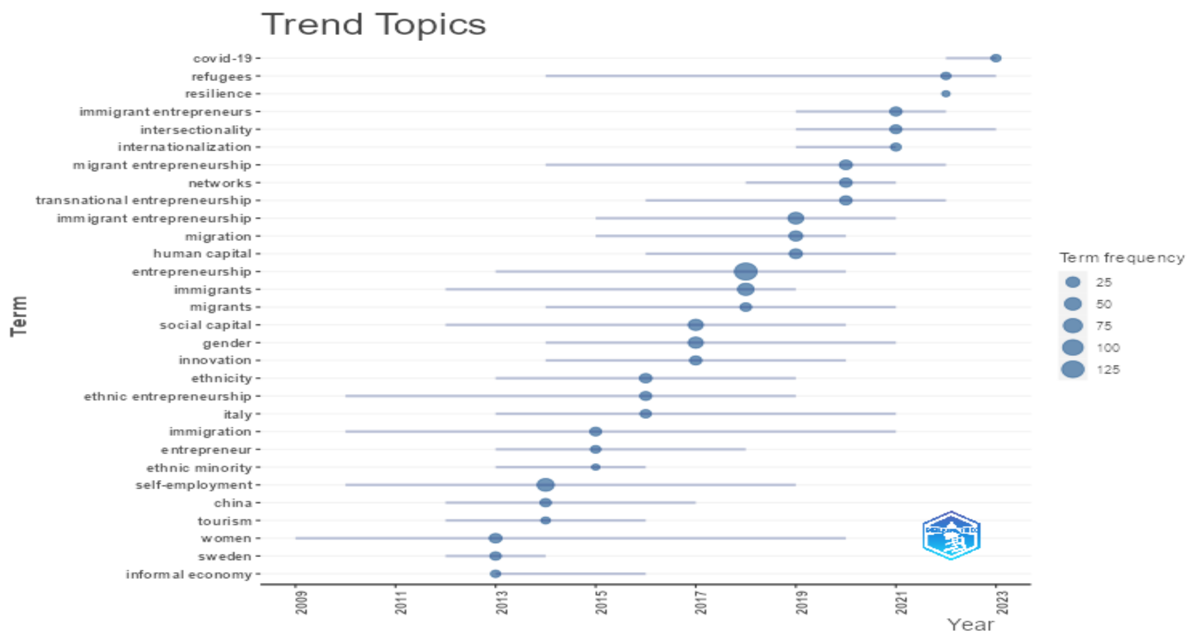


Figure 4:Trend Topics

4. Conclusion

We present an overview of immigrant entrepreneurship literature in Europe using bibliometric analysis. Our research differentiate itself from previously conducted bibliometric analysis in terms of used database (Scopus in our case) and is the only one focused in a specific region or continent (Europe in our case). Our results demonstrate the topics is currently emerging, with a substantial increase in number of published papers and engaging authors. We also concluded that UK is the country with most publications followed closely from other developed and big economies like Germany, France, Italy, Denmark and Sweden. Most productive authors in terms of published work were identified and institutions as well.

5. Limitations and research opportunities.

Our study has certain limitations. Initially, our research was exclusively conducted using the Scopus database. To enhance the comprehensiveness of future studies, we suggest incorporating multiple scientific databases. Another limitation stems from the study's specific focus on Europe. Exploring other continents would offer valuable insights into potential similarities and differences. Additionally, future researchers might consider narrowing their focus to analyze only the top 50 papers or publications from high-ranked journals.

Research should also be devoted to emerging topics in this field, like refuge entrepreneurship and immigrant entrepreneurship internationalization.

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An empirical study of potential factors impacting student satisfaction – A study of University of Shkodra "Luigj Gurakuqi", Shkoder, Albania

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Abstract

Students' satisfaction can be defined as a short-term attitude resulting from an evaluation of students' educational experience, services and facilities. (Chatzoglou, 2022.) This study explores potential factors influencing student satisfaction, referring to the students of University of Shkodra. Albanian universities are facing with a big problem, the number of students in Albania has been decreased during the last years and the emigration is a big problem. During the last year, 46 460 Albanians had left the country. (INSTAT, 2023). According to the latest published statistics, 121 352 students currently follow higher education, 2.0% less than the year before. (INSTAT, 2023). This study's purpose is three-fold. First, this study seeks to examine the potential factors impacting student satisfaction; secondly, it explores whether or not there are any significant differences in student satisfaction based on demographic variables, such as age, gender and education, etc.; third, it examines the relationship between the student satisfaction and the potential factors. Data was collected through questionnaires, distributed to the students of University of Shkodra, focused on the actual student, during 2023.
To find out the factors that impact student satisfaction, the factor and reliability analysis were used. The results reveled that some demographic variables have a significant impact on student satisfaction. We also performed the multiple regression analysis, using the 'student satisfaction' as the dependent variable and factors as: 'reputation'; 'cost of study', 'course', 'employability' and 'service' as independent variables. We found several factors with a significant impact on student satisfaction.

Keywords*: student satisfaction, University of Shkodra "Luigj Gurakuqi", servise quality dimensions, factor analysis*

Introduction

Student satisfaction can be defined as a brief attitude resulting from an assessment of the educational experience, services, and facilities (Chatzoglou et al., 2021). The level of satisfaction that students perceive during their university years is not just a means to assess satisfaction; it is a reflection of the institution's ability to meet the diverse needs and expectations of its students. This study delves into the multifaceted world of student satisfaction, with a focus on students living in the northern part of Albania but attending public universities. Our study focuses on students from the University of Shkodra, the University of Tirana, and the University of Medicine. It aims to uncover the intricate network of factors influencing student satisfaction and how satisfaction levels contribute to easing the burden of tuition fees. By examining these factors, we aim to identify areas for improvement and highlight best practices that can guide universities in fostering a more enriching and supportive learning environment.

Higher education is a transformative journey for students, yet the financial challenges associated with pursuing a degree remain a significant aspect of their university experience. Globally the higher education (HE) sector has undergone a paradigm shift in terms of governance and state regulation (Hemsley-Brown & Oplatka, 2015), and universities world-wide are experiencing high levels of competition (Musselin, 2018) supply and demand challenges (Riddell, 2018) changes in funding regimes (Dearden et al., 2017) and debates about the efficiency and effectiveness of HE the sector (Antony et al., 2019).

The benefits of this research extend beyond the boundaries of academic inquiry. They hold real significance for university administration, policymakers, educators, and, most importantly, the students themselves. This is particularly relevant given that universities in Albania are facing a consistently decreasing number of students. The latest data published by INSTAT indicates that 198,352 students are currently enrolled in Albanian universities, 2% fewer than a year ago (Instat, 2023b). Another crucial factor is the high emigration figures our country is experiencing. In the year 2022 alone, 46,460 Albanians left the country (Instat, 2023a).

One of the measures to alleviate this financial burden, currently in effect, is the policy implemented at the beginning of 2019, which includes increasing scholarships for excellent students and reducing tuition fees for students with a GPA between 5-9 in the Bachelor's cycle. Additionally, the tuition fees for Master's students with excellence were halved (Ministry of Finance and Economy, 2019).

All three universities that are part of our study have a long academic history, a considerable number of faculties and departments covering fields such as economy, law, medicine, technology, social sciences, and psychology. Starting with the University of Shkodra 'Luigj Gurakuqi', which commenced its activities in 1957, initially as a Higher Pedagogical Institute and obtained university status on May 28, 1991. In this university, 34,993 students have graduated in the Bachelor's cycle, 2,199 in the Professional Master's cycle, and 1,325 in the Scientific Master's cycle (UNISHK, 2023). Also established in 1957, the University of Tirana has been a strong competitor for the University of Shkodra, attracting many students from the north to study there (Universiteti i Tiranes, 2023). The University of Medicine, created in 2013, resulted from the merger of two existing faculties, the Faculty of Medicine and the Faculty of Nursing. Considering that opportunities in Shkodra are more limited in the field of medicine, this university provides more alternatives that attract many students to pursue their studies there (Universiteti i Mjekesise, 2023).

Objectives

Previous studies have examined the impact of quality or other characteristics of services on consumer satisfaction, including student satisfaction in higher education (Khan & Hemsley-Brown, 2020; MULYONO et al., 2020; Najimdeen et al., 2021). This study explores potential factors influencing student satisfaction, and its objective is divided into three parts. Firstly, this study seeks to examine the potential factors impacting student satisfaction. Secondly, it explores whether or not there are any significant differences in student satisfaction based on demographic variables, such as age, gender, etc.; and finally, it examine the relationship between the student satisfaction and the potential factors.

Theoretical background

Authors and researchers from various parts of the world have focused their studies on student satisfaction in higher education. They have identified various factors that influence student satisfaction. An important indicator is the 'retention' of a high number of students who enrol to pursue studies at the focal university

(Druzdze & Glymour, n.d.). Mentorship programs have been established in faculties to link academic performance with the dropout rate (Campbell & Campbell, 1997). Aldridge and Rowly (1998) observed a group of students at a university in the United Kingdom to measure levels of satisfaction. The results shown are alarming, as variables with negative effects on satisfaction reflect areas in which the university needs to intervene for improvement. This negative effect is like an ailment that, if left untreated for too long, will worsen, and there will be no room for improvement. Therefore, this study presents negative associations with satisfaction as something 'positive' that can be intervened upon for improvement. Similarly, Napoli and Wortman (1998) assessed that psychological measures, such as life events during university, self-esteem, social competence, social support, personal consciousness, psychological well-being, and satisfaction with academic, administrative, and social university systems, influence university persistence. A study was conducted in German universities, through the collaboration of Hennig and other authors, using a student satisfaction model based on relationship quality (2001), which revealed that teaching quality and students' emotional commitment to their institutions were important for their satisfaction.

Mai (2005) studied student satisfaction in higher education and its influencing factors. It was found that the overall impression of the school, the general perception of the quality of education, the expertise and interest of teachers in their subject, the quality and access to IT facilities, and the career prospects of students were the most influential predictors of student satisfaction. Similarly, Deshields et al. (2005) used a satisfaction model and Herzberg's two-factor theory to examine determinants of student satisfaction with education. They found that faculty performance and classes were key factors determining the quality of the student experience in college, which in turn led to satisfaction.

The reputation of a university is consistently considered a key factor in student satisfaction. Studies have shown that students often perceive an institution with a strong academic reputation as providing higher-quality education. This positive perception significantly contributes to student satisfaction. The university's reputation is a concept similar to the brand image proposed in the literature by Zeithaml and other authors (Zeithaml et al., 1993) for service quality. In the marketing of products or services, the image influences consumer satisfaction (Khalifa et al., 2021). In the context of higher education institutions (HEIs), reputation is evaluated based on years of service, the number of graduating students, post-graduation employment, etc. In various studies, consumer satisfaction with reputation has a direct, positive (Mulyono et al., 2020), and statistically significant relationship (Alves & Raposo, 2007). Additionally, the reputation of a university can influence a student's sense of belonging and pride. When students attend a prestigious institution, they often feel a deeper sense of pride and satisfaction, which can positively impact their overall experience.

The cost of education, including tuition fees and other expenses, is an important factor in student satisfaction. High financial burdens can lead to increased stress and anxiety among students, potentially lowering their satisfaction levels. Some studies have shown a direct relationship between high education costs and low levels of student satisfaction. A statistically significant influence has also been observed in the study by Khan & Jashim, where the connection between these variables is negative, meaning that as the costs of education increase, student satisfaction decreases. On the other hand, students who perceive their education costs as reasonable or receive financial assistance are more likely to report higher levels of satisfaction. The most important investment we can make is in ourselves, as everything spent on learning will one day yield the desired return.

In the concept of education quality, the structure and design of course materials are also included. The choice of a specific course or major within a university plays a key role in student satisfaction. Studies show that when students find a course that aligns with their interests and career aspirations, they are more fulfilled with their academic experience. This alignment between personal goals and the course curriculum has a positive impact on motivation and engagement, which are crucial rewards for satisfaction. However, a mismatch between student expectations and the actual content or quality of a course can lead to dissatisfaction. Universities that offer a wide range of quality courses and allow students to explore their interests tend to have higher satisfaction levels among their students. Brophy (1999) suggests that the structure and coherence of course design are important factors in facilitating learning for students. Some studies support a direct relationship between well-designed courses and students' overall performance assessments (DeShields et al., 2005). The study by Hartman and Schmidt (1995) indicates a direct connection between course design and student satisfaction.

The quality of services offered by a university, including academic support and administrative assistance, significantly influences student satisfaction (Tanese et al., 2003). Research indicates that students who receive effective and efficient support services are more likely to be satisfied with their educational experience. Additionally, services related to academic counselling, library resources, and technological support have been found to play a crucial role in determining levels of student satisfaction. Universities that invest in improving these services are more likely to have satisfied students. Conversely, poor service quality can lead to frustration and dissatisfaction among students. Consumers are satisfied when the service meets their expectations, or highly satisfied when the service exceeds their expectations. Cost is also a influencing factor in satisfaction. Students perceive the cost of their education as reasonable, and this contributes to positive satisfaction outcomes, a finding supported by the study of Khan & Jashim.

The perception of future employment is closely linked to student satisfaction. Students often seek higher education to enhance their career prospects, and their satisfaction is intricately tied to the belief that their university is preparing them for a successful and fulfilling career. Institutions that provide robust career services, internships, and skill development opportunities are more likely to have satisfied students. Additionally, studies have shown that students who feel their university has strong ties to employers or provides support in job placement report higher levels of satisfaction. In contrast, a lack of prospects for employment can lead to dissatisfaction, as students may assess the value of their education. Expectations for graduate salaries drive enrollment in higher education: those with a university degree expect to earn more, and obtaining a degree increases the probability of finding a job (Godofsky et al., 2011). Students rely on their degree to secure employment, even though they may not expect this job to be offered by the institution. As consumers, satisfied students are also more likely to recommend their institution positively to their peers (Najimdeen et al., 2021).

The study of student satisfaction has also been a focus for many researchers in our country. Neza and Llazo are two educators from the University of Durres 'Aleksandër Moisiu' who have focused on the factors influencing consumer satisfaction. This study reveals a connection between consumer satisfaction and their willingness to recommend the university for enrolment in the future. Additionally, this study has drawn some key findings: data analysis confirms a positive correlation between the quality of service, including the quality of image, staff quality, tuition fees, study duration, and consumer satisfaction (Neza & Llazo, 2023). Similarly, Kruja at al.(2021) are focused on students' perceptions and satisfaction with services in public and private universities in Albania. The study results show that there is a gap between public and private universities. Overall student satisfaction positively influences their retention (Kruja et al., 2021).

Research questions and hypothesis

Based on the above-mentioned discussion, this study seeks to answer the following questions:

- What are the potential factors impacting student satisfaction and their significance?

- Are there any significant differences in student satisfaction based on demographic factors, such as age, gender, place of study (Shkodra or Tirana), etc.?
- Are there any significant differences in student satisfaction based on education cycle and the field of study?

Consistent with the research questions raised, the following hypotheses are derived:

- H1: There is a significant impact of service quality dimensions on student satisfaction.
- H2: There is a significant relationship between age and student satisfaction.
- H3: There are significant differences in student satisfaction based on gender.
- H4: There are significant differences in student satisfaction based on educational cycle.
- H5: There are significant differences in student satisfaction based on place of study.
- H6: There are significant differences in student satisfaction based on rural/urban.
- H7: There are significant differences in student satisfaction based on the field of studies

Methodology

Subjects & Procedure

The data were collected through online questionnaires distributed to current students who reside in the northern region of Albania, but study in Shkodra and Tirana during the autumn of 2023. The questionnaire, created in Google Forms, was distributed online through social networks such as WhatsApp and the email addresses of current students. Out of 550 distributed questionnaires, we received 298 responses. Among the respondents, the majority (65.1%) were females, and the average age of the participants was 21.7 (years). Of the surveyed individuals, 72.8% were Bachelor students, while the remaining portion were in Master's programs. The data have been uploaded to the statistical program SPSS and coded according to the program's specifications (Kahn, 2006). For the variables included in the model, their calculation was performed in the form of averaging using 'Compute Variable', enabling the generation of respective index.

Independent Variables

Drawing on the existing literature, to select research questions, five service quality dimensions were used in this study: reputation, cost of study, service quality, course and employability It should be noted, that based on Parasuraman's et al. SERVQUAL gap model (1985), perceived, expected, as well as the gap between perceived and expected values were used in this study. We will only be presenting the factor and reliability analyses for perceived measures.

Reputation: To measure 'reputation', three items were included in the questionnaire. A principal component analysis, using eigenvalue greater than one criterion, revealed a simple structure with factor loadings ranging from 0.717 to 0.857 with a median of 0.770. This factor explained 77.027% of the total variance. The results of the reliability analysis indicated a Cronbach alpha of 0.841. Given the exploratory nature of this study, such value is considered acceptable.

Table 1: Items Used to Measure Reputation Variable (N = 298)

Items	Factor Loadings
1. The university where you are studying is a prestigious and internationally recognized place to study.	0.736
2. Had a good reputation in terms of course / department /lecturer	0.857
3. Had a good research reputation	0.717

Note. All questions were rated on a scale 1 (totally disagree) to 5 (totally agree).

Cost of study: To measure 'cost of study, four items were included in the questionnaire. A principal component analysis, using eigenvalue greater than one criterion, revealed a simple structure with factor loadings ranging from 0.626 to 0.693 with a median of 0.667. This factor explained 60.656% of the total variance. The results of the reliability analysis indicated a Cronbach alpha of 0.833. Given the exploratory nature of this study, such value is considered acceptable.

Table 2: Items Used to Measure* Cost of Study *Variable (N = 298)

Items	Factor Loadings
1. Tuition fees are more affordable compared to other alternatives.	0.683
2. Had good bursaries or scholarships	0.693
3. Had a reasonable accommodation cost and cost of living	0.626
4. Was in a place where it was easy to find part time work	0.665

Note. All questions were rated on a scale 1 (totally disagree) to 5 (totally agree).

Service Quality: To measure 'service quality', three items were included in the questionnaire. A principal component analysis, using eigenvalue greater than one criterion, revealed a simple structure with factor loadings ranging from 0.719 to 0.820 with a median of 0.771. This factor explained 77.176% of the total variance. The results of the reliability analysis indicated a Cronbach alpha of 0.850. Given the exploratory nature of this study, such value is considered acceptable.

Table 3: Items Used to Measure Service Quality Variable (N = 298)

Items	Factor Loadings
1. There is a useful website where information can be obtained.	0.775
2. There are laboratory rooms and spaces where lectures or group assignments can be conducted.	0.820
3. There is a rich library.	0.719

Note. All questions were rated on a scale 1 (totally disagree) to 5 (totally agree).

Course: To measure 'course', four items were included in the questionnaire. A principal component analysis, using eigenvalue greater than one criterion, revealed a simple structure with factor loadings ranging from 0.758 to 0.872 with a median of 0.819. This factor explained 81.909% of the total variance. The results of the reliability analysis indicated a Cronbach alpha of 0.926. Given the exploratory nature of this study, such value is considered acceptable.

Table 4: Items Used to Measure Course Variable (N = 298)

Items	Factor Loadings
1. Had the course content and structure that I wanted.	0.794
2. There are assessment and teaching/learning methods that I prefer	0.872
3. The curriculum and textbooks are selected by internationally renowned authors and are easy to understand.	0.853
4. There are competent teachers who facilitate the learning process for students.	0.758

Note. All questions were rated on a scale 1 (totally disagree) to 5 (totally agree).

Employability: To measure 'employability', three items were included in the questionnaire. A principal component analysis, using eigenvalue greater than one criterion, revealed a simple structure with factor loadings ranging from 0.861 to 0.880 with a median of 0.873. This factor explained 87.307% of the total variance. The results of the reliability analysis indicated a Cronbach alpha of 0.926. Given the exploratory nature of this study, such value is considered acceptable.

Table 5: Items Used to Measure Employability Variable (N = 298)

Items	Factor Loadings

1.	The department where you are studying offers good employment opportunities both domestically and internationally.	0.880
2.	Provides numerous innovative ideas and opportunities to implement them.	0.861
3.	It is a promising window for future employment in general	0.879

Note. All questions were rated on a scale 1 (totally disagree) to 5 (totally agree).

Dependent Variable

In this study 'Student satisfaction' was used as dependent variable:

Student Satisfaction: To measure 'student satisfaction', three items were included in the questionnaire. A principal component analysis, using eigenvalue greater than one criterion, revealed a simple structure with factor loadings ranging from 0.848 to 0.926 with a median of 0.884. This factor explained 88.409% of the total variance. The results of the reliability analysis indicated a Cronbach alpha of 0.934. Given the exploratory nature of this study, such value is considered acceptable.

Table 6: Items Used to Measure Student Satisfaction Variable (N = 298)

Items		Factor Loadings
1.	Overall, I am satisfied with the service provided by the university.	0,848
2.	If I could turn back time, this university and the department where I study would still be my choice.	0,878
3.	I wholeheartedly recommend it to friends and relatives who want to pursue higher education.	0,926

Note. All questions were rated on a scale 1 (totally disagree) to 5 (totally agree).

Results

To explore the potential factors impacting student satisfaction, we performed regression analyse, using respectively student satisfaction as the dependent variable. The five dimensions of the student satisfaction: reputation, cost of study, service quality, course and employability, were used as the independent variables. In the first model, we entered the five perceived dimensions as the independent variables and student satisfaction as the dependent variable. The results indicated that the model was highly significant ($F(5,297) = 179.423$, $p = 0.000$); adjusted R^2 was 75.0%. Consequently, hypothesis H1 was supported given that we found dimensions, such as reputation, cost of study, service quality, course and employability to have a significant impact on student satisfaction.

To test whether or not there are significant relationships between age and student satisfaction, simple regression analyse was performed, using age as the independent variable and student satisfaction, as the dependent variables. The results of the simple regression analyses indicated that there was a significant relationship between age and student satisfaction ($F(1, 296) = 4.422$, $p = 0.036$). Furthermore, regression slope coefficient was positive and significant. Consequently, hypotheses H2 was supported.

To test whether or not there is a significant difference in student satisfaction based on gender t-tests was performed. The results indicated that there was a difference; in fact, mean student satisfaction for males ($M = 4.45$, $SD = 0.905$); was higher than mean student satisfaction for females ($M = 4.208$, $SD = 1.08$). The difference was marginally significant (t(296) = -1.933, p = 0.054 (two-tailed)), for α=0.10. Consequently, hypotheses H3 was marginally supported.

To test whether or not there is a significant difference in student satisfaction based on educational cycle, t-tests was performed. The results indicated that there was a difference; in fact, mean student satisfaction for bachelor's students (M = 4.300, SD = 1.030) was higher than mean tourist satisfaction for master's students (M = 4.272, SD = 1.036); however, the difference was not statistically significant (t(296) = 0.208, p = 0.835 (two-tailed)). Consequently, hypotheses H4 was not supported.

To test whether or not there is a significant difference in student satisfaction based on the place of study (Shkodra/Tirana) t-tests was performed. The results indicated that there was a difference; in fact, mean student satisfaction for students who study in Tirana (M = 4.813, SD = 0.282) was higher than mean student satisfaction for students who study in Shkodra (M = 4.029, SD = 1.162). The difference was statistically significant (t(296) = 6.648, p = 0.000 (two-tailed)). Consequently, hypotheses H5 was supported.

To test whether or not there is a significant difference in student satisfaction based on the urban/rural, t-tests was performed. The results indicated that there was a difference; in fact, mean student satisfaction for students who live in rural area (M = 4.476, SD = 0.832) was higher than mean student satisfaction for students who urban area (M = 4.157, SD = 1.137). The difference was statistically significant (t(296) = 2.671, p = 0.008 (two-tailed)). Consequently, hypotheses H6 was supported.

To test whether or not there are differences in mean student satisfaction based on the field of studies, ANOVA was performed. The results of the first ANOVA indicated there was a significant difference in the mean student satisfaction based on the field of studies (F(6, 291 = 9.708, p = 0.000). Consequently, hypotheses H7 was supported.

Table 7: Summary of Results

Hypotheses	**Supported or Not**
H1: There is a significant impact of dimensions included on student satisfaction.	Supported
H2: There is a significant relationship between age and student satisfaction	Supported
H3: There are significant differences in student satisfaction based on gender.	Supported
H4: There are significant differences in student satisfaction based on educational cycle.	Not Supported
H5: There are significant differences in student satisfaction based on place of study.	Supported
H6: There are significant differences in student satisfaction based on rural/urban.	Supported
H7: There are significant differences in student satisfaction based on the field of studies	Supported

Conclusion and future research

This study examined how potential factors such as reputation, cost, service quality, and employability influence the satisfaction of students residing in northern Albania who are pursuing studies at three public universities. From our analysis, the service quality variable is a positive influencing factor on student satisfaction. This finding aligns with the research conducted by professors at the University of Durrës (Neza & Llazo, 2023), as service quality is a factor with a positive effect on satisfaction. Similarly, articles by Mai (2005) and Khan (2020) present the same connection. Additionally, the course has a positive effect on student satisfaction. The structure and coherence of course design are crucial factors in facilitating learning for students (Brophy, 1999). These results are consistent with the findings of the referenced articles. Reputation emerges as a variable with an impact on consumer satisfaction in this study, aligning with other research where consumer satisfaction with reputation has a direct (Alves & Raposo, 2007) and statistically significant positive correlation (Mulyono et al., 2020).

The link between student satisfaction and expectations for employment in relation to the field of study is positive, with the latter having a positive impact on satisfaction. According to Godofsky, the expectation for graduates' salaries encourages enrolment in higher education: those with a university degree anticipate earning more, and obtaining a degree increases the probability of finding employment (2011). Students rely on their degrees to secure employment.

In the study by Pickle and Bruce (1972), consumer satisfaction increases with age, and in our study, we reached the same conclusion as age was statistically significant in satisfaction. Gender differences were also statistically significant, with males reporting higher levels of satisfaction. Students residing in rural areas are more satisfied than those living in urban areas, a finding supported by Sorensen's study (2014), which focused on differences in insecurity levels, comparison frameworks, and levels of social interaction. Based on the location of their studies (Tirana or Shkodra), students studying in Tirana are more satisfied compared to those studying in Shkodra. This is linked to reputation and the discovery of a broader range of fields where they can study and be closer to what they have wanted to study. A connection between the level of education and satisfaction indicates that the higher the study cycle, the lower the levels of satisfaction. However, the current study's results show no statistically significant difference in satisfaction based on the study cycle pursued by the students. But a statistically significant difference is observed in the relationship between fields of study and satisfaction.

The study has encountered several limitations that can be improved in the future. To conduct a more accurate study on the perceived satisfaction of students in public universities, a larger sample is required for examination and more universities need to be included.. Additionally, online surveys may not be a reliable measure of consumer preference, as there is a possibility of neglect or incomplete focus when respondents complete the survey. Moreover, respondents may evaluate based on their current psychological state and may not provide an accurate assessment of the service received.

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Professional education and human resources in the tourism industry in Albania

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Abstract

The tourism industry is a growing industry with a great economic impact in the country. From year to year, Albania is experiencing an increase in demand, investments, and tourism structures. These investments include not only the coastal area, but also rural areas.
Despite the increase in demand in the tourism industry, the tourism sector in Albania is increasingly recognizing the need for employees due to the high rates of young people emigrating, but also challenges with staff qualification. Vocational education, although it has been evaluated as a priority by the Albanian government, is seeing a decrease in the number of students year after year. According to official data, in the academic year 2023 in Albania, about 2,200 students were enrolled in vocational education, less than two years ago. Employees in tourism are a major concern for all businesses, small and medium, that have activity in the tourism sector. Tourism is more sensitive than other sectors regarding employees because it is a service sector, and the part of technology development and equipment use is more limited than in other enterprises. Professional education and preparation of human capacities are a strong link in the chain that keeps tourism successful. Given that, along with others, every tourist enterprise aims to maximize income, normally human capacity has a decisive role in sealing their success or failure. Vocational education is offered in Albania in 35 vocational schools, but also in 10 vocational training centers that provide qualification courses.
The main purpose of this study is to highlight the level of adaptation of these vocational schools for tourism to the conditions offered by the job market in the tourism sector in Albania and how well the students' expectations are met from these schools.
To accomplish this study, secondary and primary data were used. Secondary data results from a review of extensive and generally current literature related to the research topic. Primary data is obtained using qualitative and quantitative research. Qualitative data were obtained through a focus group instrument held with teachers and tourism businesses in Albania. Quantitative data was obtained using a questionnaire instrument, with students attending professional education in hospitality and tourism.
The results of this study provide interesting evidence of the problems and challenges of professional education for tourism and its connection with tourism businesses. Theoretical and practical implications are discussed, emphasizing what still needs to be done to further improve professional education in tourism in Albania.

Keywords*: Professional education, Tourism, Curriculum, Professional practice, Human resources.*
JEL classification: *L83. J15. J50*

Introduction

Tourism industry is growing every year in Albania. The development of this industry brings economic and social development to the country, but to achieve this it requires a lot of responsibility, careful planning, and competence. Since many elements participate in their proper functioning, one of the most delicate issues remains human resources. The lack of a culture inherited from the past in the hospitality sector as well as globalization bring the necessity for intervention in the educational system, with the sole purpose of developing tourism. Vocational education and preparation of human capacities are a strong link in the chain that keeps tourism successful in Albania. Given that, along with others, every touristic enterprise (but not only) aims to maximize income, normally human capacity has a decisive role in sealing their success or failure.

The objectives of this study are:

1. To identify the reasons why vocational education is an important link in the development chain of the tourism industry in Albania.
2. To analyze the importance of vocational education in adapting to the demands of the human resources market in Albania.
3. To identify the problems encountered by vocational schools in Albania in the applicability of curricula and the application of professional practices.

Undoubtedly, the development of contemporary tourism is not enough only in infrastructure, without increasing attention to the educational system of vocational schools and without continuously improving the educational methods. This change must be made considering the demands of employers and the changing preferences of tourists and the globalism trends that the market faces today.

Conceptual Model

Tourism education began as a development of technical/vocational schools in Europe. These schools emphasized training in core competencies such as hospitality, hotel management and related business skills (Butler, 1999; Morgan, 2004). Interest and demand from the public and private sectors impelled rapid growth of tourism studies and the development, and establishment, of departments of travel and tourism at institutions of higher education in addition to technical schools (Butler, 1999). While these programs meet actual needs in training and education, there have been discussions on the proper place of such programs.

In the last decade, there has been a return of attention to vocational education in Albania, but much remains to be done. The point is, do the curricula adapt and find applicability with the conditions offered by the labor market? Do the students who come out of vocational schools meet the expectations? Do they adapt to the demands of the labor market? What changes are needed in the curricula of professional schools to bring human capacities with high effectiveness? Should educational policies be borrowed only from countries with long traditions of professional education, or should they be adapted to the culture and conditions in which we find ourselves? How responsible is the business in forming the appropriate capacities and does it respect the legal obligations based on which the contract is contained? These are some of the questions that we will analyze in this study.

Tourism has been described as the largest industry in the world (Goeldner and Richie, 2003). The state must guarantee a functional and modern education system that responds to social and economic needs. To be more functional, education in tourism should offer expertise in the tourism sector in specific areas. It always varies according to the current work order system. A key and necessary area of cooperation is vocational qualification, to further qualifications at work and retraining.

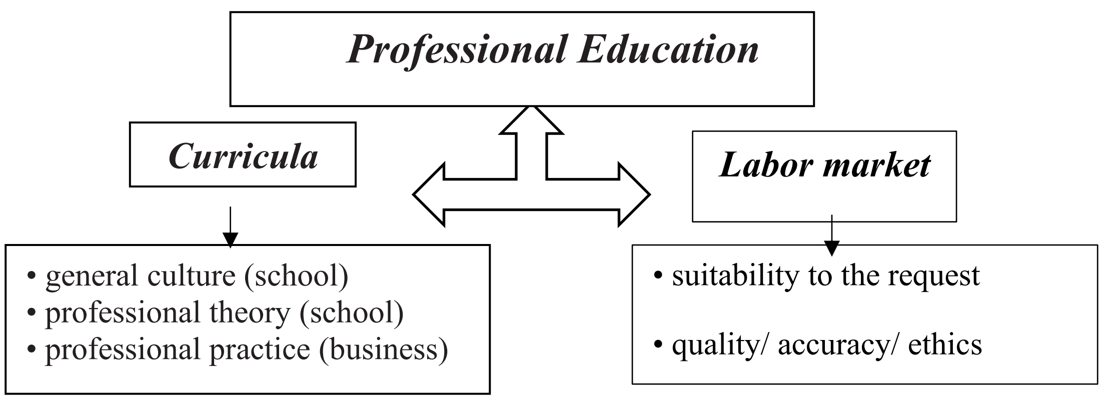
Vocational education affects the awareness and formation of these capacities with the rules, ethics, quality, skills, and abilities required in the labor market. Given that the service sector has direct contact with human resources, the key to success remains having the human capacities to be well-trained professionally and well educated. Human resources are the employees, personnel, or workforce of an organization. The term has become increasingly fashionable in recent years and expresses the view that employees are a resource that must be utilized and managed effectively alongside other resources used by business organizations, such as capital, property, raw materials, and energy.

The main purpose of this study is to highlight the level of adaptation of these vocational schools for tourism to the conditions offered by the job market in the tourism sector in Albania and how well the students' expectations are met from these schools.

The raised hypotheses.

H1: Vocational education affects the adaptation of human resources according to market demands in Albania.
H2: The improvement of curricula and their applicability in professional practices affect the development of human capacities.
H3: The improvement of vocational education affects the improvement of tourism industry.

This conceptual model was created by the author based on secondary data and primary data achieved through the instruments of questionnaires and focus group.



Graphic 1. ***Conceptual model***

With a good and focused professional qualification, economic sectors can be properly established and consolidated. In this way regular employment is guaranteed. A possible course of necessary cooperation between the state and the private sector for the development of qualified labor in the academic and non-academic sectors Celaj and Denaj (2013). At all levels of qualification, theory and practice are connected in such a way that young people are prepared to offer quality work today and to build new approaches together with policy makers tomorrow. The development of human capacity is based on competence and is related to the organizational or institutional level in which the person acts Bhati and Khan, P. (2022).

The education system must be constantly reformed. The necessity is the integration of theory with practice based on learning through processes. There has been a significant discrepancy in the skills and abilities of students and the demands of employers for an efficient workforce (Singhet al., 2013). Establishing an adequate system of professional qualifications takes time to achieve visible success.

We will treat the "Hospitality - Tourism" schools as institutions that bring an important impact on the formation and training of human capacities that are directly related to the Development of Tourism. The complexity and multiple scaled nature of the institutional environment plays a crucial role in the development and formation of tourism destinations, attractions, organizations, and businesses, as well as influencing the activities of individuals Earl and Hall (2021).

The skills needed to be a professional are based on the theoretical knowledge that students get in school and the practical skills that students learn in the workplace. Soft skills are also very important as criteria for employment, although they are sometimes difficult to identify Kačamakovic and Lokaj (2021). Educational institutions are fundamental aspects for the promotion of sustainable tourism and hospitality at the global level. Tourism programs incorporate practical vocational experience such as internships (Tribe, 2001, Busby, 2003), student work experiences (Leslie and Richardson, 2000), or a sandwich placement (Busby, Brunt, and Baber, 1997), and practicums (Ernawati, 2003).

Vocational education has a dual character and is based on the cooperation of employers and institutions responsible for education and vocational training. Since 2017, the "Aftesi per Pune" project has supported six vocational schools and their partner businesses to pilot an Albanian model of long-term professional internships. Long-term professional internships are an excellent opportunity to expose students to the world of work so that they acquire the necessary professional and life skills during their study cycle at the vocational school. The main environment for obtaining the professional qualification is the workplace based on a contract between the employer and the student (employee) in accordance with the provisions of the labor code, SDC (2019).

A. Professional Practice in VET educational institutions and teachers.

• Development of professional skills of teaching staff with business instructors.
• Consolidation with the labor market.
• Increasing the reliability of the institution, which affects the increase in the demand for VET.

The challenges they face.

• Adaptation of the curricula (as complete as possible) to the work demands of the market.
• The compatibility of the training capacities with the demands of the students
• Maintaining human potential within the country

B. Professional practices and learning

• Concretization of theoretical knowledge, but this has highlighted a series of problems, such as the mismatch of the curriculum with what the student learns in business.
• Creation of practical skills that enable better preparation for the labor market
• Early confrontation with the labor market and increase in employability, especially during the summer period

The challenges they face.

• Adaptation to the labor market
• Adaptation to the business environment

C. Professional practices and business

• Workforce for the future in the tourism branch

• Employment assistance during peak service periods

The challenges they face

• Lack of time to dedicate to the skills process because of the conditions required by the service sector
• The lack of interest in students and often the lack of soft skills complicates the role of the mentor.
• Given that most of the businesses in Albania are family-run and do not inherit a rich tradition from the past in the gastronomic field, they often complain that the beneficiaries should be both parties regarding the exchange of experience.

Education and training are treated as a key resource for modern business and therefore development. Therefore, an adequate education of staff in hospitality and tourism would contribute to the competitive advantage of a given community, increasing productivity and market value. The aim should be qualitative improvement, through acquired knowledge and skills, which is based on the comparative advantages of the local community and affirms the culture, tradition, and lifestyle of this area.

Tourism is a relatively new field of study that emerged from vocational education. The nature of tourism education seems to contribute toward tourism pedagogies, driven by business and economic considerations. At the same time, this makes tourism education susceptible to social manipulation by these same forces. However, most discussions by educators and developers of tourism curricula tend to center on a balance between a vocational and an academic focus. The discussion is often merely about efficient and effective transferability of school curricula to daily operations, overlooking the value of learning and the intangible impacts of tourism. It is clear that a focus on employability is at odds, or in conflict with, the goal of producing graduates capable of critical thinking. Tribe (2002:354) suggests that the philosophic practitioner seeks to develop: "...practical wisdom and action in the wider world at the same time as earning a living in, and contributing to the economic development of, a specific business domain of tourism. This is working in tourism while taking responsibility for stewardship of its developing world."

Methodology

To accomplish this study, secondary and primary data were used. Secondary data results from a review of extensive and generally current literature related to the research topic. Primary data is obtained using qualitative and quantitative research. Qualitative data were obtained through a focus group instrument held with students attending professional education in hospitality and tourism in Albania. Quantitative data was obtained using a questionnaire instrument, with teachers and tourism businesses in Albania.

In order to provide primary data and to answer the research questions, different interest groups were included in the study. As interest groups we have evaluated teachers, students and businesses.

About 60 teachers in the vocational schools of the district of Tirana, Shkodër, Lezhë in the Hospitality-tourism department are included in the study. 50% of these teachers are general culture, 30% teachers of professional theory and 20% instructors of professional practice. Of these teachers, 10% have 1-5 years of experience, 20% have 5-10 years of experience, while 70% have more than 10 years of professional experience. In recent years they have been trained a lot in teaching vocational education, soft skills and also technological skills. Teachers are always looking for new businesses to create agreements to enable legal internships and also follow their students into business after they finish their school internship period.

Students who are admitted to the business enter into legal contracts and are signed by the school, parent and business. The agreement is valid for 1 academic year and the business is obliged to register the

interns with the social security offices. The business instructor together with the teacher follow and evaluate the student on the competencies they acquire, based on the checklists formulated according to the skeleton curriculum. Businesses are always getting closer to schools, starting from the conclusion of agreements, interviews with students who are accepted into the business and are also always invited to round tables, where the progress, needs and revisions needed for a more normal progress in the curriculum are discussed. and practice. About 60 business are icludet in the study. And all of them reply to the questioner. From the population of students 13 was selected, whom participate after to the focus group.
In order to find answers on the topic, a questionnaire and a focus group interview were carried out. Their results are as follows.

Results

Surveys with business

To make a more accurate analysis of the situation, there was a need to get data from the businesses where the students do their professional practice. These types of data were obtained from the questionnaire. When asked how the relations of the students with the instructors in business are, they say that the relationship with the students is very good, both from the professional side and from the human side. They, as a business, are ready to help them acquire the necessary work skills. All the interviewees state that they give the maximum possible in supporting, inspiring, and stimulating the students to take up the trade. About 78% of them also affirm that the staff welcomes them without being bothered by the presence of interns in the business. Even 44.44% of them affirm that the staff integrates interns as part of them. Regarding the students' interest in learning a profession, about 89% of them say that the interest is very high.
Asked about the knowledge and skills acquired at school in relation to the profession, around 33% say that students have deficiencies, and this happens because students often go directly to business, without doing an internship at school. 55% of them affirm that practice in business is what really enables students to get a profession. However, they value the students' business practice, as 78% of them say that the students adapt quickly to the discipline at work and about 33% of them are very satisfied with the interns and 56% are moderately satisfied.

Of the businesses asked, about 78% of them say that they are ready to accept 2-4 apprentices in their businesses, but these figures would change if there was support from the state. About 78% of them say that for the improvement of business practices, it would be very influential to subsidize businesses from the state. But it is worth mentioning that with 11% each, the extra payment of instructors and additional training for them are seen as support.

Surveys with teacher

The results for teacher's questioner concluded that student performance in practice is rigorously monitored by the instructor and the business. Most of the students want to choose the business where they want to practice. Also, the teachers openly express the dissatisfaction of the students with the business, and the business tries to take them into account.

Teachers are optimistic about the future of the students who finish vocational schools. But according to the teachers, the students do not get the competences and skills only from business but also from the school itself. So, the teachers should cooperate closely with the business to achieve the most satisfactory results for the students - teacher - business trinomial.

All the teachers asked think that their schools are a safe future of employment for the students who attend these schools. 73.91% think that the students get enough competences from the business instructors, while 17.39% think too many competences. Half of these respondents think that the competencies of the curriculum are obtained in practice in business. 83% of teachers think it would be more appropriate for students to be followed in professional practice by a teacher and an instructor at the same time. 79.17% of the respondents think that 50% of the competence of teachers and 50% of instructors in business to have a more realistic evaluation.

Focus Group with students

A method used to answer the research questions was also through the organazing of a focus group with 13 students, who came from different professional schools in Albania. The questions discussed in this focus group were of different types and aimed to highlight the problems and challenges for students, teachers and businesses.

- Professional theory, professional practice, the labor market, curricula, soft skills, qualities and skills were the main issues that were discussed. Not everyone shared the same opinions on the questions that were discussed as in the implementation of practice, theory or the achieving of their expectations. Some of the students say that the professional internship prepared them directly for the labor market, as they learned directly the steps of the work and considered the internship a positive experience in business, but there were also those who did not have a good impression as the mentors were absent of communication and lack of desire to learn about the profession.
- Another important element that was noticed was that the students themselves understood that it was equally important for a business to have students equipped with soft skills as well as skills and competences.
- The students all agreed that the internship in business offered them the possibility of employment during the summer season or in the afternoon hours.
- Regarding the fulfillment of the educational program of professional practice in business to a considerable extent, it was shown that it remains unrealized.
- A problem related to the lack of skills of some instructors in professional schools was also highlighted, which has an impact on the limited performance of students and the school as well.
- In the end, the students gave their opinions regarding the fulfillment of the expectations from this school and they were not completely fulfilled but remain to be evaluated.

Conclusions and Recommendations

Professional tourism education plays a key role in preparing students to acquire professional and practical skills required by the tourism industry. Since the tourism industry is a labor-intensive sector, practical training is as important as theoretical training. In vocational education for tourism, practical training is necessary for students to find the opportunity to apply in practice what they have learned and to develop their personal skills in relation to sustainable tourism. It is practice in business that gives the skills and habits to be successful in the profession, and vocational schools have a special value, which train students in terms of theory and general culture, to be fulfilled in all dimensions.

The state is the one that has a lot to hand to support schools and businesses, to improve infrastructure, qualification training, marketing, and subsidies. These would lead to better performances by both teachers and instructors in business versus students during schooling and professional practice.

Some recommendations are that:

- The intervention of the state would be necessary. The recommendations are for the state, especially for training for business instructors. Undoubtedly, they are professionals in their craft, but not everyone has skills in student management and communication, which was one of the shortcomings that emerged from the two questionnaires and the focus group interview. The state must build the necessary conditions in the school, while the business must take responsibility for the substantive connection of the internship with the labor market.
- Economic support, in the form of subsidies for businesses, would also be valuable, which would increase even more the interest of businesses in attracting apprentices and would also increase the performance of instructors against students.
- The need for continuous training of teachers for continuous professional growth according to the standards and needs of the time and the market. Likewise, teachers should increase their performance in such a way as to increase the students' desire to improve and find themselves. To stimulate young people is a mission of every teacher, but to lead them towards a future secured by the work learned while attending professional education, is the real success.
- As for the students, a good career counseling should simply be done, before they enroll in vocational schools, in such a way that the choice is based on inclination or desire for the professions that are offered and not, as often happens, as a choice by the exclusion of secondary school options from the low average. The students who choose with complete conviction, but follow their desires and inclinations, are the ones who give the maximum in business, have the highest results in the profession and secure the job during the internship, but undoubtedly also after it.

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The psychological effects of online learning on teachers, students and the role of family

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Abstract

This paper reflects the distance learning method as a new approach to learning. This is done through communication technology, to educate people located in different places.

In the past, reading and writing on paper was considered the basic element of education, but in today's world, computer-based informational education is becoming more relevant day by day, offering an alternative way to absorb knowledge and to provide the student's basic skills. Technology offers countless services and opportunities to improve knowledge in various areas of life. It became the only way to enable the exchange and testing of knowledge between students and teachers and the transfer of basic skills effectively and in distance.
This paper aims to research the attitudes of teachers and students in the use of information technology in primary schools. The compatibility of these attitudes with new educational plans and programs, the practice of teaching using technology, as well as the development of communication skills. By means of this, to highlight the drawbacks that can be noticed by the teachers by neglecting the contemporary techniques, which then reflect on the students in their learning.
In this paper, the quantitative method was used in data processing. The population of this paper were the teachers of four schools:

- *United High School "Izot Luçjan Avgostini" Vau-Dejës*
- *United High School Mjede*
- *9-grade school "Kolec Mekshaj" Tale*
- *9-grade school"Gjergj Kastrioti" Lezha*

The sample of the paper consists of 55 Primary Education teachers from schools selected on the basis of personal judgment and the purpose of the study. A structured questionnaire for teachers was used as an instrument for this paper.
The key to success is the cooperation of the trinomial cooperation teacher-student-family and strong support in educational policies

***Keywords** : Education, online teaching, motivation, technology.*

Introduction

Despite the challenges, a positive attitude helps students understand that this is necessary to reap the benefits of online learning in the future. And this can only be achieved with a vicious circle of interaction between educational policies, teachers and the cooperation of parents.
This paper aims to research the attitudes of teachers and students in the use of information technology in pre-university education.
Its compliance with new educational plans and programs, the suitability of teaching using technology, as well as the development of communication skills through them.

Distance learning concepts

Distance learning has its origins in the middle of the 19th century in Europe and the USA. Distance learning is a form of education, which is realized through modern communication technologies, with the aim of student learning. Distance learning programs enable students and teachers to interact with each other through computer tools, the Internet, artificial satellites, telephones, radios, televisions, and other technologies. Many countries in the world have used various forms of distance learning in their education system. In 1963, the former Prime Minister of England, Wilson, threw the idea of creating the "University in the Air", emphasizing the use of radio and television for teaching purposes, a method that a few years earlier had been used and is continuing in the United States United States of America (USA) and the Soviet Union.

The teaching method has proved to be valuable, especially in developed countries, as well as an indication of the importance and value of distance learning is the awarding of scientific master's and doctorate degrees by universities where such a program is implemented. The interweaving of different communication technologies has had a positive effect on increasing the abilities of teachers and students to communicate with each other.

The widespread use of computing devices and the Internet has made distance learning easier and faster, and today virtual schools and virtual universities offer complete curricula online. The computer is an important tool that has several advantages in distance learning, which are:

Computers can facilitate step-by-step learning; - Computers are a tool for multimedia. They have theability to integrate graphics, print, sound and video, they can effectively connect different technologies; - Computers are interactive; - Computer technology is advancing very quickly; ¬ Computers greatly increase the possibilities of entering and accessing information. Online forums,online discussion groups, and online learning communities can contribute to an effective distance education experience.

The platforms in use for distance learning are; MêsoVET.al, the digital platform supported by the project "Work Skills", joins the platformsrecommended by AKPA (National Agency for Employment and Skills) andAKAFPK (National Agency for Education, Vocational Training and Qualifications)for the development of distance learning and the use of

its is growing. The platforms are also being used for student evaluation through tests and quizzes.

The cooperation of teachers, both with each other and the school psychologist, has ensured the return of the platform to a fast and quality instrument for the development of distance learning.

Research shows that socialization plays an important role in some forms of distance education

On a web page for distance learning, you can mainly place:

Tasks and tests;

Information on the course and its leader;

Communication with the class;

Material covered and prepared in class;

Displaying tasks and tests, doing them directly (online) or sending them to the teacher, exercise solutions, tips or examples of those that are required to be completed by students; Demonstrations, drawings, videos, audio, materials that help in the practical conception and the best possible understanding of the problem that is under discussion as well as; Reference materials. Materials in printed and electronic form, which are additional to the teaching text, are listed.

The strongest reasons for using modern technique and technology for distance learning are:

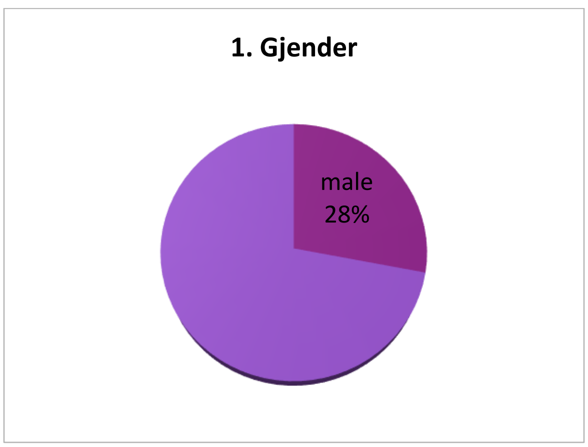
a. The quality of learning and teaching increases significantly;

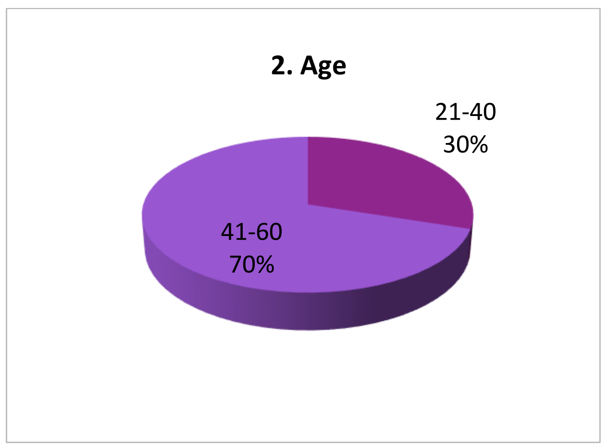
b. The expenses necessary for learning and teaching are reduced;
c. The approach to learning and teaching is improved;
d. Learning and teaching become very economical;
e. Through the electronic table, teachers can consult with their colleagues in the same city or even across the country;
p. Makes it possible for students to progress according to the pace and individual opportunities they have;
g. It enables learning and permanent learning (lifelong learning) and permanent professional improvement and perfection.
Technology has been integrated into these different educational approaches, thus making a flexible contribution to this system.

Methodology:

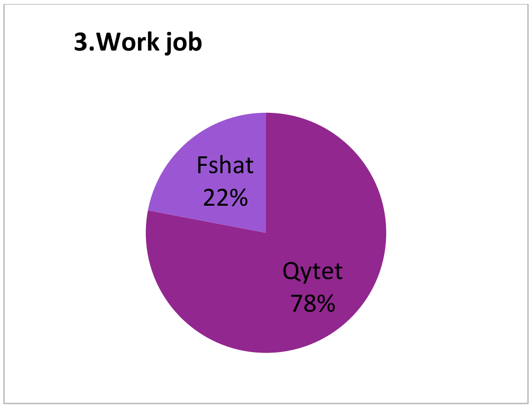
Quantitative method was used for the realization of this paper.
A structured questionnaire for teachers was used as an instrument for this paper. The questionnaire is designed with 15 questions, 5 questions are personal while the rest are questions related to the study object. Questions are closed with defined answers. The results of the questionnaire are presented in graphs with percentages, which are then analyzed. 5 questionnaires are invalid. Semi-structured interviews for 120 students divided into four classes where the responses of a focus group and questionnaires to their parents were administered were the basis ofinformation on raising the questionnaire.

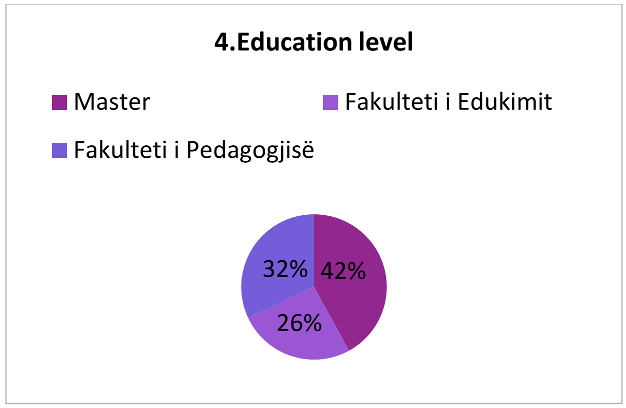
Results and discussions



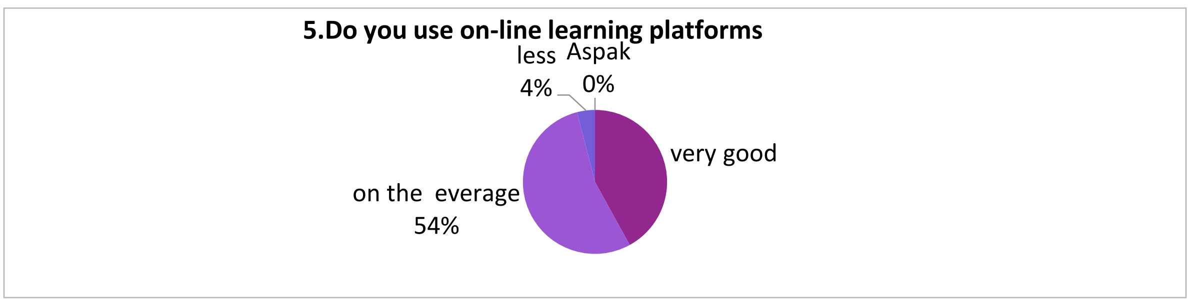


From the graphs, we see that we have more female teachers compared to males. It is noted that it is a profession that is not liked by men, especially Primary Education. It is also noted that the age group of 41-60 years is older.

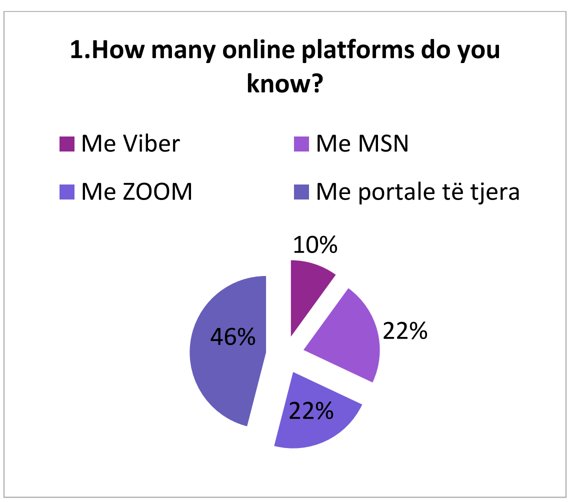


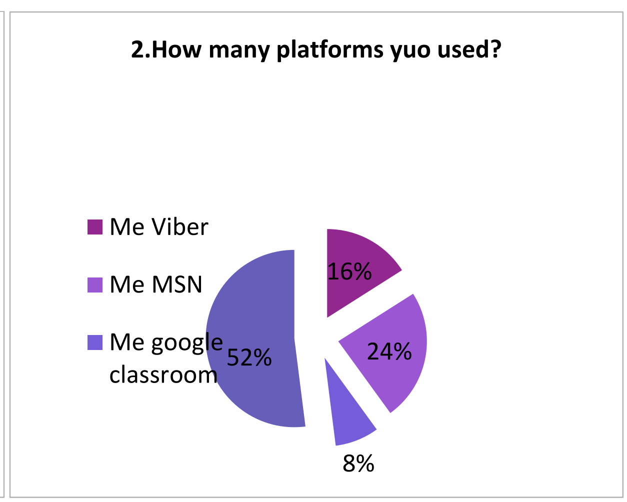


In the four schools where the questionnaire was distributed, two were in the city and two in the village. There are more parallel classes in the city and necessarily the number of teachers was greater. Something else that can be noticed in the second graph is that we have more teachers with a Master's degree with 42% followed by the Faculty of Pedagogy with 32% and finally there are teachers who have only completed the Faculty of Education with 26%.

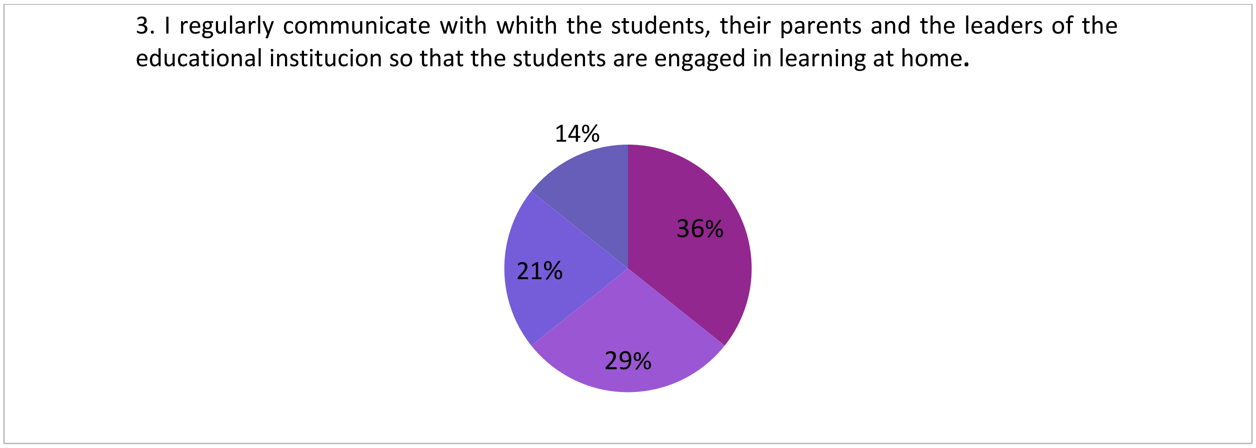


From this graph, what we understand is that most teachers do not use online learning platforms, this is a result of the lack of infrastructure and the difficulty they encounter in implementing online learning components.

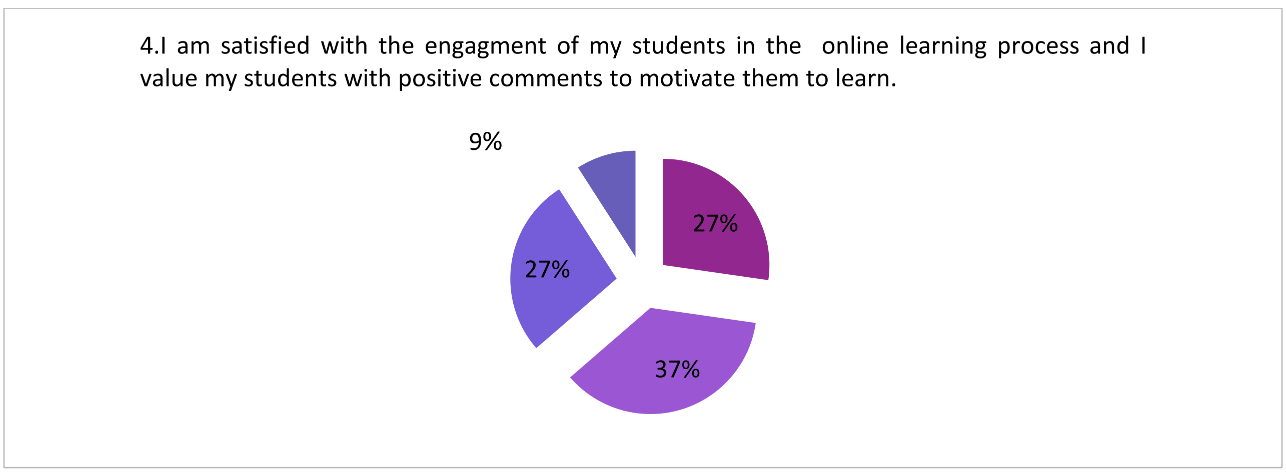




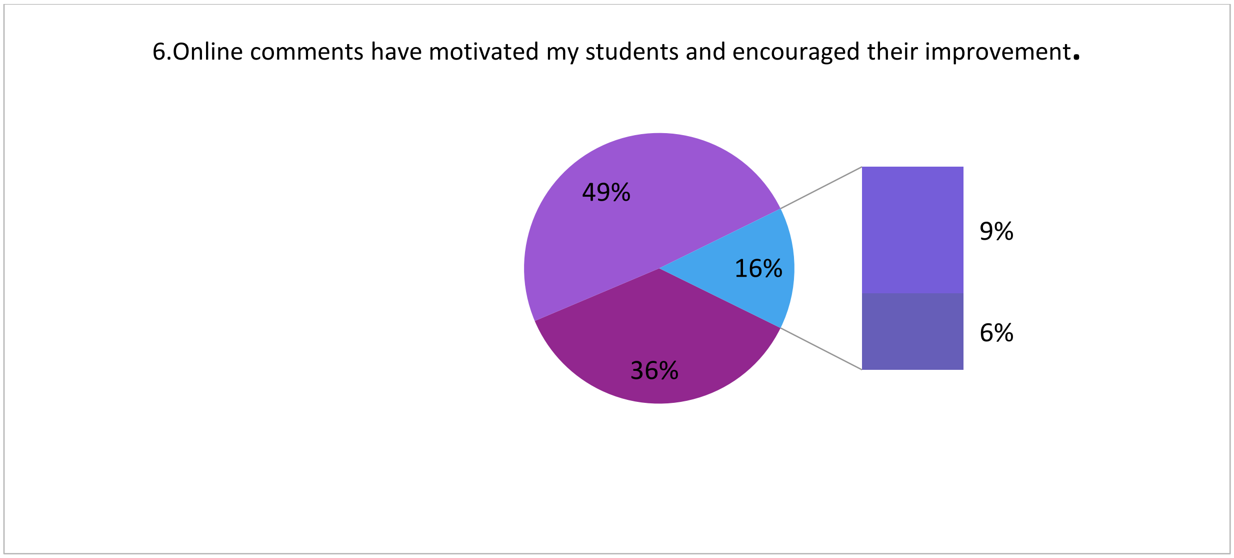
As we can see, teachers have used more programs found on the phone, because they are more familiar and use them easily, then there are computer programs. Also, the children's parents found it easier to use the phone than the computer.



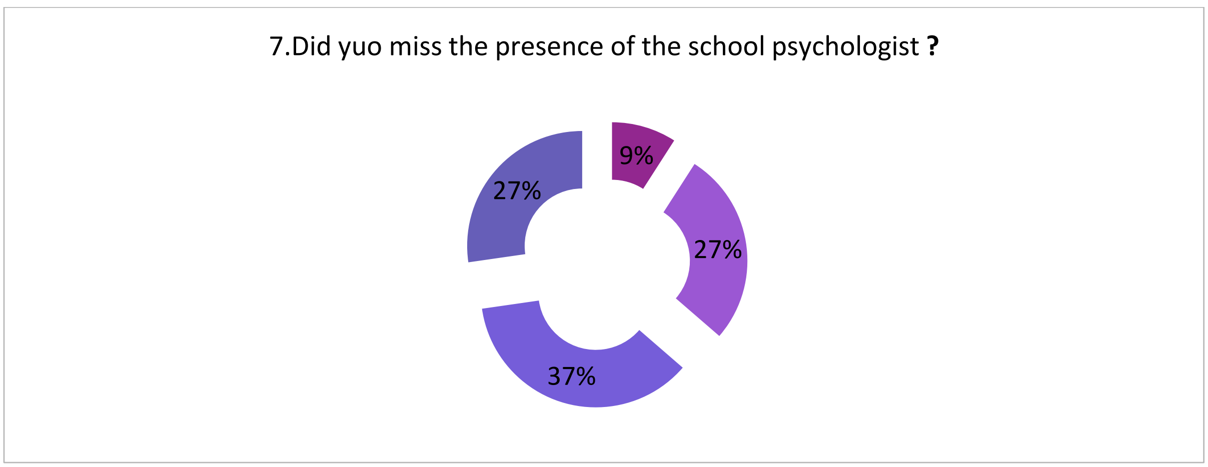
As can be seen, most of the teachers have maintained a regular communication with students and parents, regardless of the situation they have tried to adapt to the conditions and achieve the best possible. It is noted that 30% of them strongly agree that they communicate regularly, 29% of them agree, 21% partly agree and 14% do not agree at all because it was difficult to maintain constant communication with some.



Most of the teachers were satisfied with the commitment that the students had during the online learning process and they motivated them with words and evaluated them where 20% strongly agree, 30% agree, 27% partly agree, 9% do not agree at all.



During this period, the students needed a lot of motivation. From the data, we have 49% of teachers who comment and evaluate in a way to increase the motivation of students, 36% agree, 16% partially agree and 9% agree and only 6% do not agree at all.



In response to this question, the absence and necessity of the school psychologist as an influential mediator in the teaching and learning process as an important missing catalyst is clearly observed.

Data analysis.

How and how motivating is online learning for teachers and students?

Although in the case of our context in Albania, online learning was developed as an obligation from the created situation. The study demonstrates its potential and positive impact on teachers and students due to the flexibility and convenience offered by the online classroom. This excites teachers and students in the use of technology and its many forms of access.

The primary system that can aid this approach is family support. Parents should be careful to provide a calm environment and a family atmosphere valuable for the development of the learning aspect. Parents should dedicate a considerable part of their time to see if the children are attentive during online learning and if the objectives set in advance are being achieved.

The implementation of the support system with psychological service by the school psychologist is an immediate requirement. For this reason, an action in a synchronized form with teachers is extremely important for achieving the predetermined goals for a learning unit, developmental task, etc.

The other aspect is the willingness of teachers to develop such an approach. How much teachers are ready to try and practice different forms of this process also influences students' motivation for online learning. Although a direct approach is not made between students and teachers, the latter must still be enthusiastic and ready not to leave this important process in place. This approach should be reinforced, such as praise from teachers, cooperation with peers, technical support and other aspects where the psychological assistance of the school psychologist is of particular importance.

The platforms that have found use are those based on Google technologies, such as: Classroom, Meet, Forms, etc. The NetAcad platform, part of the CISCO network, is also used.

The importance of the school psychologist during online learning.

The school psychologist plays an important role in creating a safe and psychologically healthy environment, not only for students, but also for teachers. They help create safe environments and positive environments that support student learning and behavior. This new method of teaching has somewhat overlooked and diminished the involvement of the school psychologist in the teaching process. Those who have suffered the most are apart from teachers, parents and students, especially those with special needs.

Distance learning has not offered the opportunity for the psychologist to be a participant in the academic achievements of the students, which has influenced the difficultyand creation of new problems for many children during the learning process.

The need for cooperation and counseling has also been felt by parents who have often found themselves unable to solve the problems their children have encountered. Especially during this time, the students needed motivation from the psychologist, but as you can see, this opportunity was blocked. Despite every effort that parents and teachers have made to help these children, they have not been able to replace the role of the psychologist.

The new situation and the current routine re-dimensioned the worldview of the teaching process thus creating a new routine that we must adapt to.

The theory of self-validation also emphasizes the social and normative functioning of society with a special impact on the social pressure for achievement. For this reason, a proper assessment of motivation during online learning lays the main foundations of success.

Conclusions and suggestions.

What is considered motivating, as the study has proven, is the value of the content of the course, which also determines the level of motivation. So when a learning task is controversial and imagination can be used on it, it boosts motivation. This seems to contribute to the aspect of self-competence in students, thus developing self-esteem and self-efficacy, these powerful pillars for stimulating intrinsic motivation. These are some of the aspects that teachers should consider when teaching online to their students. Online learning requires intensive work, taking into account the complexity of the technological system, so a proper time management affects the proper development of the vision on the subject and the relevant tasks.

Some conclusions reached during the work of this task:

• The main problem raised by parents is the impossibility of accessing psychological services in favor of them and their children.
• This situation is perhaps the first time parents are facing the difficulties their children have in performing tasks, in certain disciplines, any possible presence of a learning disorder, so we are realizing that many of the difficulties they have delegated to them the school, in fact, are not only her responsibility.
• Despite the challenges, a positive attitude helps students understand that this is necessary to reap the benefits of online learning in the future. And this is achieved only with a vicious circle of interaction between educational policies, teachers, and parents.

• Distance learning has not provided an opportunity for the psychologist to be a participant in the academic achievements of the students, which has influenced the difficulty and creation of new problems for many children during the learning process

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The progress of integration processes of Albania in the EU, the challenges and opportunities arising from such a process

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Abstract

Albania's integration into the European Union is one of the biggest challenges in the last 25 years. Albania must meet the criteria established by the European Council of Copenhagen in June 1993 for all candidate countries for membership in the European Union in order to become a member of the EU. These criteria have a political and economic character that foresee: justice, freedom and security, guaranteeing democracy, the rule of respect for human and minority rights. To meet these criteria, Albania will have to cooperate with the European Union. Integration is a vital strategy for dealing with the effects of political instability and human conflict that can affect a region. The various options available for economic integration will help Albania. The purpose of this paper is to analyze the challenges and advantages derived from the integration of Albania in the European Union and how they can be used in the economic development of the country. In this research, Secondary data was gathered from numerous scholarly journals and articles on the issue of Albania's integration into the European Union as well as challenges and economic opportunities that come from this integration. The primary data was obtained through the qualitative method of semi-structured interviews with the academic staff and academic assistants at Luigj Gurakuqi University. All countries seeking economic integration have access to a wide variety of goods and services to choose from. Albania's entry into economic integration will help in obtaining goods and services at a very low cost, lower tariffs and lower prices for distributors and consumers, which will bring opportunities for improved economic development. Economic integration is extremely beneficial for financial markets as it will help the Albanian government to obtain low-interest financial loans, trade liberalization and encouragement. This will create higher employment opportunities for people from all over the world, moving from one country to another in search of work.

Key words: *Europian Union, Integration, Economic integration, Challenge*

Codes JEL: *E20, F50, P20*

Introduction

In 1991, the communist regime was overthrown in Albania under the calls of the students of the University of Tirana, "We love Albania like all of Europe!". Since that time, the accession of Albania to the European Union has been and continues to be the main aspiration of the majority of Albanians. In fact, all surveys show that Albanians are one of the most enthusiastic peoples regarding the prospect of European integration. The percentage of those who are in favor of integration exceeds 90%. (Institute of International Studies, Albania and European Integration, Tirana, 2015). Likewise, almost all political forces in Albania have the objective of European Integration at the top of their political programs, considering it as the country's major strategic objective. Albania's integration into the European Union is one of the biggest challenges in the last 25 years. Albania must meet the criteria established by the European Council of Copenhagen in June 1993 for all candidate countries for membership in the European Union in order to become a member of the EU. These criteria have a political and economic character that foresee: justice , freedom and security, guaranteeing democracy, the rule of respect for human and minority rights. To meet these criteria, Albania will have to cooperate with the European Union. Throughout the Cold War, the Balkans was the area where East and West were divided. After the fall of the communist regimes in Eastern and Southeastern Europe, which followed the signing of the Maastricht Treaty and the creation of the European Union (EU), the euphoria for joining the united Europe grew. Thus, the prospect of a common future of the Balkans in a democratic and prosperous Europe now seemed more than feasible. The EU's main enlargement strategy, from the beginning, has been based on the policy of conditionality. Robert M. Hayden (Nov., 1996) "Imagined Communities and Real Victims: Self Detemination and Ethnie Cleansing in Yugoslavia" American Ethnologist 23(4): 783-8Gl. 10 F. Stephen Larrabee and Robert Blackwill (1994) The Volatile Powder Keg; Balkan Security After the Cold War, Washington, D.C.: American University Press. This paper will discuss the prospects of and challenges to European identity shaped by the dynamics of integration and the enlargement process, emphasising its affect on the integration of the Western Balkans in general and Albania in particular.

The progress of Albania's the integration in the Europian Union

With the end of the Cold War, the Western Balkans faced two serious problems, which seem to burden its European perspective even today. The first problem concerns the resurgence of ethnic nationalism, which began to rise mainly in the Yugoslav Federation, with the beginning of modernization processes through the so-called Yugoslav self-administration policies in the early 1980s, which was followed by a serious economic crisis. Modernization and reforms in this context aimed at: decentralizing the economy, changing the political culture. Commission Of The European Communities (9.11.2005) 2005 Enlatgement strategy. The wars that followed until the end of the twentieth century devastated the region, and their effects still seem to weigh heavily on the European perspective of the region. Security and state borders are issues still under discussion among the countries of the region. Not far from 2008, we also have the creation of the newest state in the region, Kosovo, whose independence is still on the way to full recognition at the international level and disputes still continue even though its validity was approved by the International Court of The Hague , in July 2010. The lack of border stability and security certainly does not favor regional integration, but also constitutes a great challenge for EU membership. The EU seems determined not to import into it another conflict like that of Cyprus, where 7 years after the accession of Greek Cyprus, the island continues to remain divided. Recent developments in the Mediterranean regarding the right to use the continental shelf for oil and gas exploration are installing a new crisis between both Cyprus and Greece and Turkey behind them, which is likely to be imported into the EU and the implications of to influence its expansion policies. The second problem is related to the internal political stability of the countries of the Western Balkans, which remains deeply polarized with limited capacity for compromise, which is mainly explained by the legitimacy of the political leadership. The past has shown that legitimacy in the Balkans is based mainly on the personality of the charismatic and all-powerful leader. Robert M. Hayden (Nov., 1996) "Imagined Communities and Real Victims: SelfDetermination and Ethnie Cleansing in Yugoslavia" American Ethnologist 23(4): 783-8Gl. 10 F. Stephen Larrabee and Robert Blackwill (1994) The Volatile

Powder Keg; Balkan Security After the Cold War, Washington, D.C.: American University Press. There are many approaches about the process of democratization, but what I can say with more certainty is that democratization in Albania is a process of correcting and improving what is wrong, what is wrong or what does not exist and consists of several different objectives according to the factor internal or external. Thus, more specifically, in Albania it is said that the process of democratization is a solution to problems that will lead to the fulfillment of objectives such as free and fair elections, the fight against organized crime and corruption or institutional reforms that reflect the strengthening of democratic institutions , active civil society, good governance, and increased participation of citizens in decision-making processes, i.e. the most important elements of the rule of law..European Commission 2003. Albania: Stabilisation and Association Report

Some of the basic conditions that have been set by the European Union and that are related to the democratization of Albania are "the prevention of organized crime, the strengthening of democratic institutions, the implementation of the rule of law, greater efforts to fighting corruption, dialogue between political forces, implementation of OSCE recommendations regarding the electoral process, where free and fair elections are seen as the test of true democracy, implementation of the Civil Service law, development of civil society.

The perspective of Albania's European Union membership is a long-standing dream of all Albanians, hoping for a better life. From this journey and perspective, even persons with disabilities have expectations of respect for their rights and greater opportunities to participate in society. Albania's path to membership has been long and not easy, and the challenges continue. On April 1, 2009, the Stabilization-Association Agreement entered into force and immediately afterwards, Albania submitted its application for membership in the European Union. In April 2018, the Commission recommended to the European Council the opening of negotiations, and in June 2018, the Council opened the way to negotiations, identifying the conditions that Albania must fulfill, for their start. In March 2020, the European Council approves the opening of negotiations with Albania and North Macedonia.

The position of the EU on two difficult situations in the country

The earthquake of 2019

On November 26, 2019, a magnitude 6.4 earthquake struck the country, causing substantial damage to public and private infrastructure. The earthquake killed 51 people, injured hundreds and left thousands homeless. Schools, health care facilities and other public facilities were also damaged. Shortly afterwards, the European Union quickly implemented the Union's Civil Protection Mechanism. Experts, search and rescue teams, equipment and help from many European countries quickly arrived in Albania. In its first meeting held in December, the European Commission provided an initial grant of 15 million euros for the reconstruction of priority public facilities. EU Ambassador to Albania Luigi Soreca stated that "the EU mobilized resources after the November earthquake, treating the country 'like a member state'... this helped restore the bloc's reputation, which had suffered after Mr. Veto Macron". The "Together for Albania" Donors' Conference organized by the EU was held in Brussels on February 17, 2020. A total of around 1.15 billion euros has been pledged

The situation of the COVID 19 pandemic

The spread of the COVID-19 pandemic tested solidarity among Europeans. The lack of access to the vaccine market at the start of the COVID-19 outbreak led to discontent in the country. Prime Minister Rama explained: "... We were initially left out of the scheme of distributing the COVID-19 vaccines, and by "we" I don't mean only Albania, but all the countries of the Western Balkans. So this neighborhood right in the heart of Europe, surrounded by the borders of the EU was practically isolated from the rest in terms of capacities to fight the pandemic. Therefore, we had to make our own run and make our efforts individually" (Rama, 2021). But the EU offered its assistance, either financially, or by providing the necessary medical equipment, and later in the vaccination process, etc. On March 9, 2020, the European Commission announced EU financial support of more than 3.3 billion euros for the citizens of the Western Balkans. The continued response to the pandemic and the assistance of the EU and European countries has been appreciated not only by officials and politicians in the country, but also by citizens who continue to massively support the Albania's European integration.

Advantages and Challanges of the Integration of Albania in EU
Advantages of the Integration of Albania in EU

Despite the obstacles and every other challenge Albania is facing in the process of Integration in the EU there are some advantages and opportunities :

- All the countries that chase economic integration have a very wide variety of goods and services from which they can choose. Albania's entry into economic integration will help in getting goods and services at very low cost, reduced tariffs and lower prices for distributors and consumers as the final goal of economic integration is to expand trade across the world.
- Integration is a essential strategy for dealing with the effects of political insecurity and human conflicts that may affect a region. There are various options available for economic integration that will help Albania in the liberalization and encouraging trade. This will generate opportunities for excessive employment of people from around the world, moving from one place to another in search of jobs.
- Economic integration is immensely useful for financial markets and it will help the Albanian government to obtain financial loans at low rates of interest.
- Economic integration helps Albania to increase the amount of money in foreign direct investment (FDI). Once companies get through new operations or through the union the FDI, can become international enterprises. So economic integration is a advantageous situation for all companies, businessmen and economies involved in this process.

Challanges of the Integration of Albania in EU

The challenges that Albania must face in the European Integration Process beyond the benefits, also bring a lot of costs for the country. Albania to achieve these benefits has to withstand the challenge that comes from these process costs. There are several challenges that must be faced in the progress of the integration process.

- Decriminalization of political arena is the main challenge Albania is facing beacuse of problems with corruption, organized crimes,free elections, media and so on. But therefore, it is important to mention that Albania is making progress every year in this field on taking reforms and striking organized crime groups.
- Public administration, has an important role in the process of economic integration. It must implement the commitments undertaken by the Albanian government in the framework of the process of integration. The European Commission, has been for years, very skeptical about the ability of

Albania's public administration to implement the Stabilisation and Association Agreement (SAA). It is a known fact that without a Public Administration capable of understanding the integration process and without the right professional principles, the process of Albania's integration cannot progress in a normal way.

- The revenues from customs duties on imported products occupy a high percentage of the state budget, compared with other countries in the Balkan region. In specific, these revenues constitute 2% of GDP. The SAA predicts the reduction of customs duties on imported products until the complete removal of customs, in the tenth year after the entry into force of the agreement.(SAA). Consequently, steadily more less revenue will be coming into Albania by customs until such contributions becomes zero. The challenge in this case is that if Albania would be able to replace customs contribution from other income. and if this replacement of incomes will generally cause economic decline, or will seriously harm certain categories of society.
- Standardization and certification of the products are very important factors of trading with the EU. Albania in this field has problems and as a consequense, very few Albanian products can get into the European market. The challenge even in this case, is that will Albania be able to lead the economy towards these sectors where Albania has a qualified advantage and and will the standardization and certification of Albanian products be realized to the proper standards.

Research question

What are the challenges and opportunities arising from Albania's integration into the European Union?

Purpose of the study

The purpose of this paper is to analyze the challenges and advantages of Albania's integration in the European Union and how they might be used to the country's economic development.

Methodology of the work

Secondary data was gathered from numerous scholarly journals and articles on the issue of Albania's integration into the European Union as well as challenges and economic opportunities that come from this integration. The primary data was obtained through the qualitative method of semi-structured interviews with the academic staff and academic assistants at Luigj Gurakuqi University.

Results

All countries seeking economic integration have access to a wide variety of goods and services to choose from Albania's entry into economic integration will help in obtaining goods and services at a very low cost, lower tariffs and lower prices for distributors and consumers, which will bring opportunities for development. Economic integration is extremely beneficial for financial markets as it will help the Albanian government to obtain low-interest financial loans, trade liberalization and encouragement. This will create higher employment opportunities for people from all over the world, moving from one country to another in search of work. The EU membership process is a long, difficult and successive process of challenges for the aspirant country. The influencing factors are internal and external. The Albanian economy has undergone radical changes in the functional concept in terms of its infrastructure and composition and thanks to the development of the legal and institutional framework. The Ministry of Economy will deepen efforts to support the development of the private sector, in the direction of strengthening the capacities of manufacturing companies, especially exporting companies, so that they can be successful in international markets. When it comes to information, media has played a crucial role. The extension of the process of opening negotiations for full membership in the EU has brought a slight decline in the image and confidence of the EU. However, European solidarity in the face of adversity was welcomed by all. Support remains high, 84% of Albanian citizens believe that EU membership is a positive step.

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Narrative economics and policy recommendations in Albania

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Abstract

The purpose of this article is to investigate the role that "narrative economics" have on policy choices and economic reforms in Albania. The article explores the role that the recommendations of international financial institutions such as the World Bank and the International Monetary Fund have had on the structural reforms and economic choices made in Albania from 1990 until 2015. In this article we explore how the narrative about the causes of economic growth has changed over time, that is, to explore what the keywords within the reports that connect economic growth with the determining factors. In order to do so, we proceeded to carry out a qualitative analysis on the choice of keywords found in the periodic financial reports of the International Monetary Fund on the economic and financial situation of Albania during the period 1990-2015. We have found greater attention in recent years on topics which concern innovation, knowledge transfer, ease of doing business, property rights.

Keywords*: Narrative economics, Albania, transition economy, economic growth, structural reforms*

Introduction

The idea and inspiration for this article comes from Nobel Prize-winning economist Robert Schiller's best-selling book, “Narrative Economics: How Stories Go Viral and Drive Major Economic Events”. Robert Shiller presents a revolutionary perspective on the impact of viral narratives on economics and their impact. The author asks, - in a world where internet trolls try to influence foreign elections, should we ignore the impact of viral narratives on the economy? By surveying and analyzing a large number of historical examples and data, Shiller argues that exploring the familiar stories that influence individual and collective economic behavior—called "narrative economics"—has the potential to significantly increase our ability to predict, prepare and mitigate the consequences of financial crises, recessions, depressions and other important economic events (Shiller, 2019).

To quote John Maynard Keynes, "The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly thought” (Keynes, 1936). Speaking previously about Keynes, the economist John Kenneth Galbraith wrote that the spread and success of his economic theory would not have been possible without the reputation, charm, and dominating personality that Keynes possessed (Gallbraight, 1991).

Popular stories, disseminated to the public in various forms, could go viral and influence markets. Whether it's the belief that tech stocks are infallible, housing prices are immune to downturns, or some companies are too big to fail, these narratives, whether true or false, affect the economy by shaping our decisions. The narratives that people share — about faith in the economic situation, the housing boom, cryptocurrency—have tangible effects on economic outcomes. Despite the obvious importance of such stories, economists have overlooked them. Narrative Economics seeks to change this by creating a basis for understanding how narratives contribute to the economic events that have brought about war, widespread unemployment, and inequality; it helps to explain how we can begin to take these stories seriously.

In this paper, I attempt to analyze and describe the changes in the main narratives related to economic growth and how their relative influence evolved over time in relation to the growth policies and prescriptions recommended by the IMF for Albania for the period 1990-2010. In other words, I examine economic narratives from an epistemological perspective.

Why is it important?

Understanding the nuances of national wealth and the determinants of economic growth is a fundamental research in the field of economics. Policymakers, guided by theories and supported by empirical data, work to design appropriate growth policies. However, the field is characterized by multiple competing theories and different interpretations of empirical evidence, presenting a challenge to identify the true catalysts of economic growth.

The International Monetary Fund (IMF) plays a crucial role in emerging markets by providing financial assistance, policy advice and technical assistance to help stabilize their economies. Therefore, the indications and recommendations from the IMF as well as from the World Bank represent a special importance and interest.

Background

In 2020, International Monetary Fund economists Reda Cherif, Marc Engher, and Fuad Hasanov published a working paper called "Crouching Beliefs, Hidden Biases: The Rise and Fall of Growth Narratives" (Cherif, Engher, & Hasanov, 2024). In their paper, using text analytics of IMF country reports from 1978-2019, they identified four main growth narratives:

The "Economic Structure" narrative focuses on the study of each industrial sector and its interlinkages. This narrative was the dominant one until the mid-1990s. It includes terms such as services, manufacturing, and agriculture (Miller & Blair, 2009).

The Structural Reforms" narrative describes growth as being largely explained by the quality of institutions and regulatory framework. It includes terms broadly related to structural reforms such as institutions, governance, transparency, and competition. (Sachs, 2005) , (Acemoglu & Robinson, 2012)

The Washington Consensus" narrative mostly consists of ideas that are related to privatization/privatize and liberalization/liberalize terms. This narrative is based on the principle that privatization and liberalization are beneficial because private industry is managed more efficiently than state enterprise. This narrative was marginal until the mid-1980s, when it subsequently rose, peaked in the 1990s at the time of the transition of many socialist economies – therefore it is important and interesting to us -, then fell in the early 2000s to marginal again. (Williamson, Serra, & Stiglitz, 2008), (Babb & Kentikelenis, 2021).

The "Washington Constellation" narrative is a collection of many disparate terms such as productivity, tourism, business environment, doing business, infrastructure, skills, and access to finance. We describe the narrative associated with this cluster as the "Washington Constellation. These terms have not objective reason to be clustered together, but nonetheless, they form patterns and provide a meaning for the beholder. In this narrative, growth can be affected by many factors. The relative weight of this narrative has been rising since the late 1990s to become the largest one by late 2010s. (Soto, 2000),

In the paper "Crouching Beliefs, Hidden Biases: The Rise and Fall of Growth Narratives" the authors use a vocabulary that comprises 113 distinct terms pertinent to growth theory and policy, and they calculate the relative frequencies of these terms within the reports. The authors have specifically selected terms that are considered as key ingredients in the main growth recipes. These terms cover a broad range of growth-related terminology, including concepts like "Infrastructure," "Governance," and "Education." The list is deliberately focused to exclude overly general terms such as "monetary policy" or "fiscal policy" that may not be directly associated with growth. Additionally, while some of these terms may relate to issues beyond economic growth, their connection to growth is either explicit or implicit.

Method and Data

We have retrieved a database of 80 documents from the IMF archives, which include periodic reports, academic papers and articles, annual reviews, letters of intent, letters of recommendations, mostly produced by the IMF itself or documents produced by the Albanian government during the period 1991 - 2010. The documents concern or are addressed by the IMF directly to Albania or are addressed to emerging market countries including Albania.

In order to analyze the text, I have used the same vocabulary that includes 113 terms pertaining growth and development theory.

access to finance	agriculture	agroindustries	antitrust	automation
boost productivity	bureaucracy	bureaucratic	business environment	business friendly
business regulation	cartel	comparative advantage	competition	competitiveness
construction	corruption	credit market regulation	cronyism	deregulation
development bank	digital economy	digitalization	diversification	doing business
dutch disease	education	enabling environment	engineer	entrepreneur
entrepreneurship	export market	export orientation	export promotion	fdi
financial center	financial services	free market	gdp per capita	gini
good institutions	governance	government failure	growth policy	human capital
import substitution	inclusive growth	industrial	industrialization	industrial policy
industry	inequality	information technology	infrastructure	innovation
institutions	intellectual property	invention	labor market flexibility	labor market reforms
labor market regulation	lack of skills	laissez faire	law and order	legal system
level the playing field	liberalization	liberalize	logistics	manufacturing
market concentration	market failure	market power	monopoly	patents
picking winners	private investment	privatization	privatize	productivity
product market reforms	product market regulation	property rights	public investment	public research
quality ladder	quality of institutions	quality upgrade	real estate	red tape
regulation	research and development	robotization	rule of law	scientist
services	skilled labor	skills	small and medium enterprises	special economic zone
state intervention	state owned enterprises	state support	structural reforms	technological
technology	tourism	tradable	trade openness	transparency
venture capital	vision			

The input vocabulary is used to calculate term frequencies within the collection of reports. The frequency of each term in the collection is determined by the ratio of the count of term *i* in all documents to the count of all terms in all documents. These frequencies are computed on an annual basis.

The frequency formula is:

$$f_p^i = \frac{\sum_{d \in D} t_{p,d}^i}{\sum_{k \in V} \sum_{d \in D} t_{p,d}^k} \text{ with } \sum_i f_p^i = 1$$

where:

D is the collection of reports
V is the input vocabulary
$i \in V$
t(i,p,d) is the count of occurrences of term *i* in document *d* for period *p*.

Prior to initiating text analytics, the initial step involves generating the text data. The reports undergo a transformation from PDF to TXT format. The standard text-cleaning process consists of the removal of punctuation, tables, figures, and stop words. Text analytics and word count were performed by using Python commands for every document.

Results

The most frequently used words from our vocabulary during the first decade of our period, 1991 - 2000, were:

Terms	Count	Percentage
privatization	313	15.37%
agricultural	229	11.25%
services	177	8.69%
industrial	171	8.40%
liberalization	149	7.32%
institutions	133	6.53%
agriculture	116	5.70%
education	111	5.45%
infrastructure	84	4.13%
industry	76	3.73%
productivity	69	3.39%
governance	55	2.70%
construction	49	2.41%
corruption	47	2.31%
competitiveness	43	2.11%

Terms	Count	Percentage
transparency	37	1.82%
competition	23	1.13%
manufacturing	20	0.98%
technology	19	0.93%
liberalize	17	0.83%
privatize	15	0.74%
regulation	14	0.69%
tradable	13	0.64%
deregulation	10	0.49%
tourism	6	0.29%
monopoly	6	0.29%
innovation	6	0.29%
diversification	5	0.25%
technological	5	0.25%
skills	4	0.20%
vision	4	0.20%

The most frequently used words from our vocabulary during the second decade of our period, 2001 - 2010, were:

Terms	Count	Percentage
institutions	816	13.86%
services	738	12.54%
privatization	678	11.52%
education	516	8.77%
infrastructure	421	7.15%
governance	316	5.37%
transparency	270	4.59%
agricultural	262	4.45%
corruption	235	3.99%
construction	209	3.55%
agriculture	147	2.50%
industry	143	2.43%
productivity	126	2.14%
competitiveness	116	1.97%
regulation	105	1.78%
competition	99	1.68%

Terms	Count	Percentage
tourism	90	1.53%
technology	80	1.36%
liberalization	77	1.31%
fdi	62	1.05%
industrial	57	0.97%
inequality	39	0.66%
skills	38	0.65%
vision	29	0.49%
privatize	27	0.46%
gini	23	0.39%
tradable	20	0.34%
bureaucratic	20	0.34%
diversification	17	0.29%
technological	14	0.24%
logistics	12	0.20%
manufacturing	11	0.19%
monopoly	11	0.19%

In the archive of 80 documents during the period 1991-2010 the most frequently used terms from our vocabulary were:

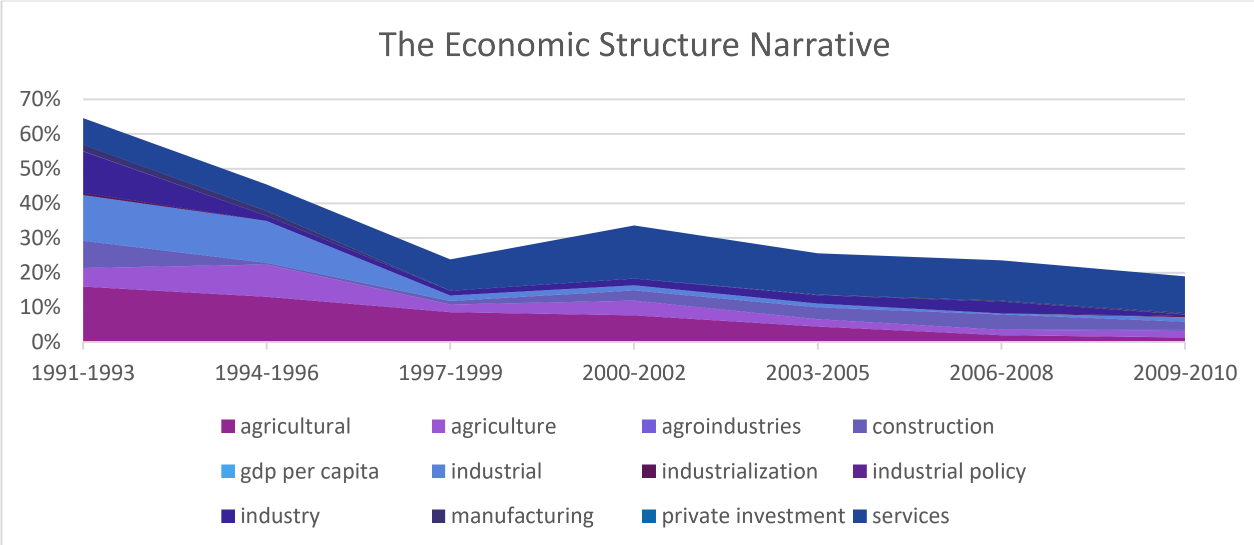
Terms	Count	Percentage
privatization	991	12.51%
institutions	949	11.98%
services	915	11.55%
education	627	7.91%
infrastructure	505	6.37%
agricultural	491	6.20%
governance	371	4.68%
transparency	307	3.88%
corruption	282	3.56%
agriculture	263	3.32%
construction	258	3.26%
industrial	228	2.88%
liberalization	226	2.85%
industry	219	2.76%
productivity	195	2.46%
competitiveness	159	2.01%
competition	122	1.54%
regulation	119	1.50%
technology	99	1.25%
tourism	96	1.21%

Terms	Count	Percentage
fdi	62	0.78%
inequality	42	0.53%
skills	42	0.53%
privatize	42	0.53%
vision	33	0.42%
tradable	33	0.42%
manufacturing	31	0.39%
liberalize	24	0.30%
gini	23	0.29%
diversification	22	0.28%
bureaucratic	21	0.27%
technological	19	0.24%
monopoly	17	0.21%
deregulation	14	0.18%
logistics	12	0.15%
bureaucracy	11	0.14%
entrepreneurship	9	0.11%
innovation	9	0.11%
automation	6	0.08%
industrialization	5	0.06%

We can have more insights for each growth narrative. To avoid anomalies in the counting of annual data, I grouped the frequencies of the terms used in three-year periods (1991-1993, 1994-1996, 1997-1999, 2000-2002, 2003-2005, 2006-2008, 2009-2010).

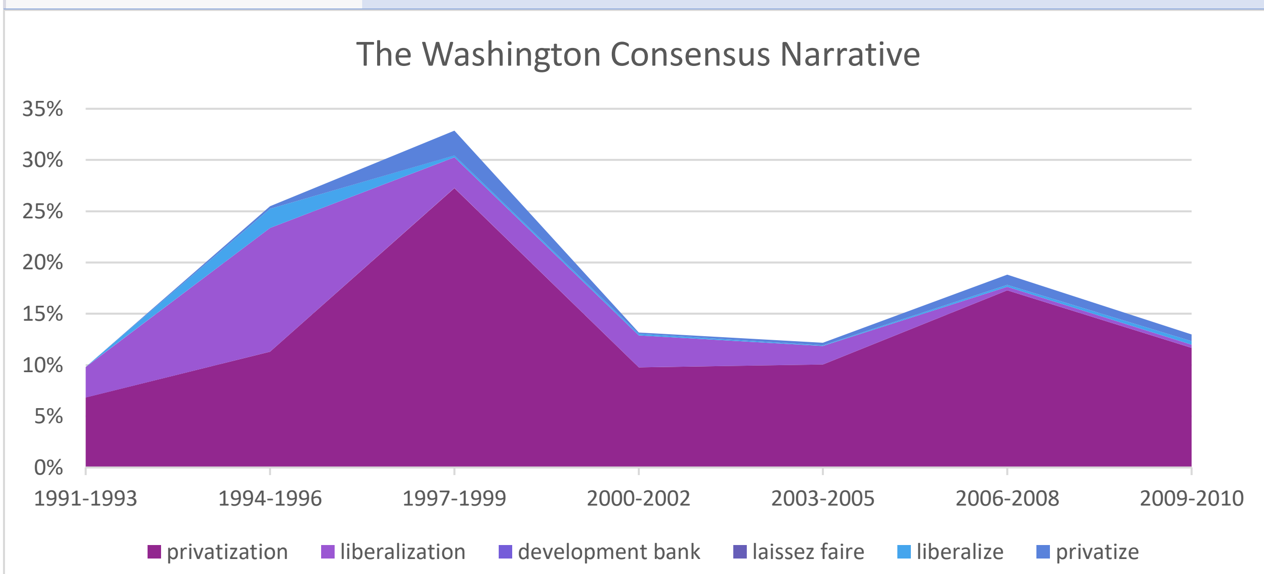
The narrative cluster known as the "Economic Structure" narrative predominantly includes terms related to economic sectors such as "services," "industry," "manufacturing," "agriculture," and "construction." This cluster signifies a narrative that explores the study of growth through the lens of the real sector or its major industrial components, essentially focusing on production or economic structure.

Terms	**1991-1993**	**1994-1996**	**1997-1999**	**2000-2002**	**2003-2005**	**2006-2008**	**2009-2010**
agricultural	16%	13%	9%	8%	4%	2%	1%
agriculture	5%	9%	2%	4%	2%	2%	2%
agroindustries	0%	0%	0%	0%	0%	0%	0%
construction	8%	1%	1%	3%	3%	4%	2%
gdp per capita	0%	0%	0%	0%	0%	0%	0%
industrial	13%	12%	2%	1%	1%	0%	1%
industrialization	1%	0%	0%	0%	0%	0%	0%
industrial policy	0%	0%	0%	0%	0%	0%	0%
industry	12%	2%	1%	2%	2%	3%	1%
manufacturing	2%	1%	0%	0%	0%	0%	0%
private investment	0%	0%	0%	0%	0%	0%	0%
services	8%	8%	9%	15%	12%	12%	11%
Tot	65%	45%	24%	34%	26%	24%	19%



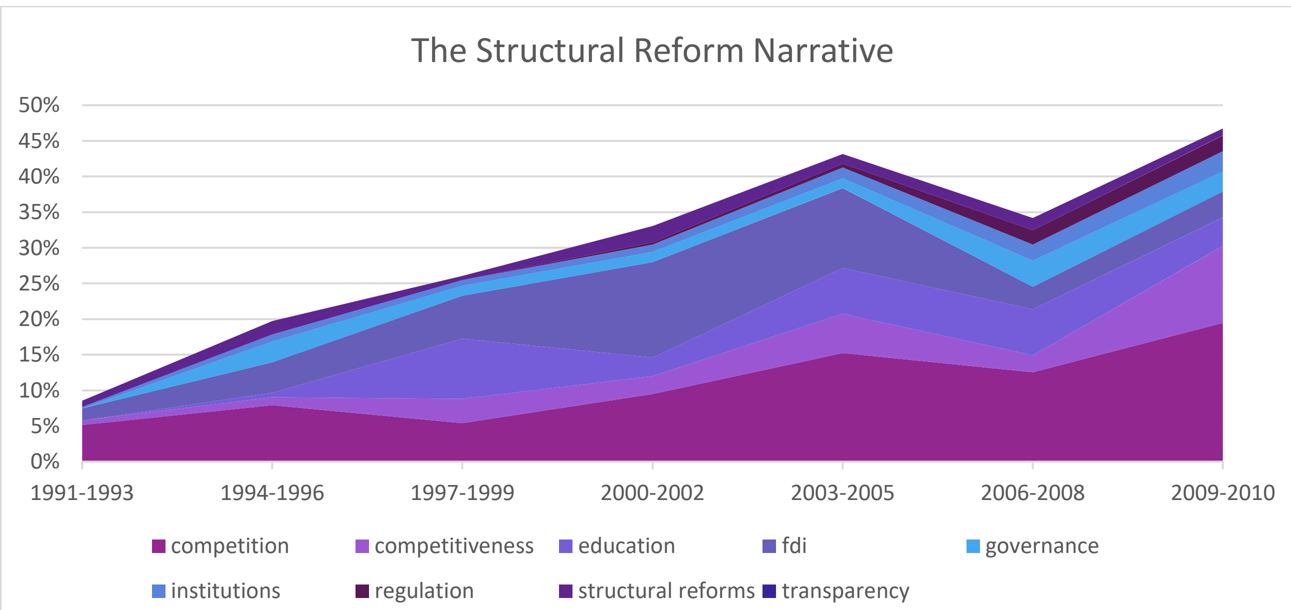
The narrative cluster known as the "Washington Consensus" is highly focused and primarily includes terms related to the free market such as "privatization" and "liberalization." This narrative advocates for the advantages of an unrestricted and open market. The distribution within the cluster highlights the prevalence of "privatization" as the dominant theme. The frequency of terms associated with the "Washington Consensus" cluster is consistent and stable across time.

Terms	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	2006-2008	2009-2010
privatization	7%	11%	27%	10%	10%	17%	12%
liberalization	3%	12%	3%	3%	2%	0%	0%
development bank	0%	0%	0%	0%	0%	0%	0%
laissez faire	0%	0%	0%	0%	0%	0%	0%
liberalize	0%	2%	0%	0%	0%	0%	0%
privatize	0%	0%	2%	0%	0%	1%	1%
Tot	10%	26%	33%	13%	12%	19%	13%



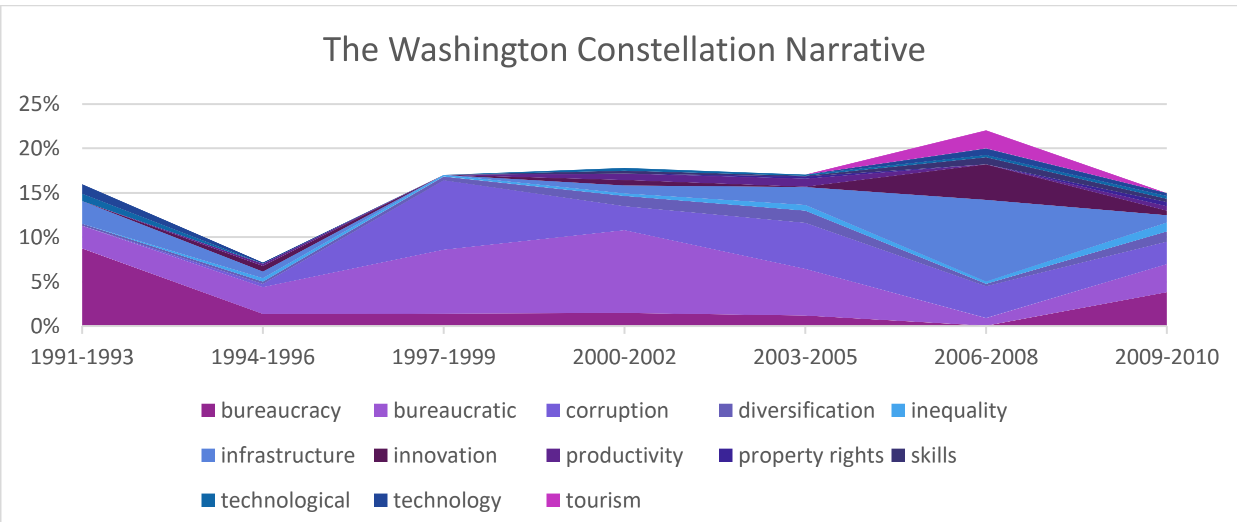
The narrative cluster known as "Structural Reforms" underscores the significance of institutions in growth policy and outcomes, and includes terms like "institutions," "governance," "regulation," and "transparency." Additionally, this cluster includes terms such as "structural reforms," "competition," "competitiveness," "FDI," "access to finance," "corruption," "doing business," and "business environment." These terms are widely recognized by a broad consensus of economists as pivotal determinants of growth. The frequency of terms associated with the "Structural Reforms" cluster had a minor importance in the early 1990s but experienced a surge in the early 2000s, going from 10% of frequencies in 1991-1993 to 50% in 2010.

Terms	**1991-1993**	**1994-1996**	**1997-1999**	**2000-2002**	**2003-2005**	**2006-2008**	**2009-2010**
competition	5%	8%	5%	9%	15%	13%	19%
competitiveness	1%	1%	3%	2%	6%	2%	11%
education	0%	1%	8%	3%	6%	6%	4%
fdi	2%	4%	6%	13%	11%	3%	4%
governance	0%	3%	1%	1%	1%	4%	3%
institutions	0%	1%	1%	1%	2%	2%	3%
regulation	0%	0%	0%	0%	1%	2%	2%
structural reforms	1%	2%	1%	2%	1%	2%	1%
transparency	0%	0%	0%	0%	0%	0%	0%
Tot	9%	20%	26%	33%	43%	34%	47%



The narrative cluster known as "Washington Constellation" states that growth can be influenced by numerous factors, even though the way that the mechanism works appears relatively opaque compared to other growth narratives. In essence, the associated growth policy may propose addressing a diverse set of criteria simultaneously, including achieving a favorable "business environment," effective management of "bureaucracy," fighting "corruption," addressing "inequality," fostering "tourism," and enforcing the "rule of law.". The frequency of terms associated with the "Washington Constellation" cluster is consistent and stable across time, with an average of 16% of frequency.

Terms	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	2006-2008	2009-2010
bureaucracy	9%	1%	1%	2%	1%	0%	4%
bureaucratic	3%	3%	7%	9%	5%	1%	3%
corruption	0%	0%	8%	3%	5%	4%	2%
diversification	0%	0%	0%	1%	1%	0%	1%
inequality	0%	0%	0%	0%	1%	0%	1%
infrastructure	3%	1%	0%	1%	2%	9%	1%
innovation	0%	1%	0%	1%	0%	4%	0%
productivity	0%	0%	0%	1%	1%	0%	0%
property rights	0%	0%	0%	0%	0%	0%	0%
skills	0%	0%	0%	0%	0%	1%	0%
technological	1%	0%	0%	0%	0%	0%	0%
technology	1%	0%	0%	0%	0%	1%	0%
tourism	0%	0%	0%	0%	0%	2%	0%
Tot	16%	7%	17%	18%	17%	22%	15%



Conclusions

In the following table, we have a summary of the trend of each narrative frequency across different periods.

Terms	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	2006-2008	2009-2010
The Economic Structure Narrative	65%	45%	24%	34%	26%	24%	19%
The Washington Consensus Narrative	10%	26%	33%	13%	12%	19%	13%
The Structural Reform Narrative	9%	20%	26%	33%	43%	34%	47%
The Washington Constellation Narrative	16%	7%	17%	18%	17%	22%	15%

The Economic Structure Narrative: Initially dominant in 1991-1993 (65%), its frequency gradually decreased over the years, with fluctuations. It experienced a notable decline from 1991-1993 to 2009-2010.

The Washington Consensus Narrative: Showed an increase from 1991-1993 (10%) to 1997-1999 (33%), indicating a rise in prominence. It has fluctuations in subsequent years, with a decrease in frequency toward 2009-2010.

The Structural Reform Narrative: Demonstrated a steady increase from 1991-1993 (9%) to 2009-2010 (47%). It became the most prevalent narrative in the later years, experiencing significant growth.

The Washington Constellation Narrative: Showed a higher variety of terms and factors determining economic growth. It has a stable frequency through time at about 15%.

These trends provide insights into the shifting emphasis on different narratives over time, indicating changing perspectives or priorities in the discussions of economic growth policies.

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ENVIRONMENT, ENERGY INNOVATIONS AND ECONOMIC PERFORMANCE

Bridging the divide: regional development and cohesion in Albania

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Abstract

Albania, with its diverse landscapes and rich cultural heritage, stands at a critical juncture in its quest for balanced regional development and cohesion. This article delves into the multifaceted issue of regional development and cohesion, offering a comprehensive exploration of the challenges, strategies, and opportunities within the context of this dynamic nation.

The context and purpose of this article are rooted in the imperative need to address regional imbalances. Albania, while making substantial strides since its transition to a market economy, still wrestles with significant disparities among its regions. The central purpose of this research is to scrutinize the challenges and opportunities in regional development, offering a comprehensive overview of Albania's current status and its potential path toward fostering regional cohesion. Key findings underscore the pronounced challenges confronting underdeveloped regions, ranging from insufficient infrastructure and access to quality education and healthcare to the ongoing trend of labor migration.. The profile of regions in size, demographics in view of statistical classification as well as special distribution of regional economic activities are brought at the center of attention. The current state of art in policy framework is analyzed. However, amidst these challenges, a promising landscape unfolds.

Albania's journey towards European Union integration has presented a window of opportunity. This research highlights the significance of targeted investments in vital sectors, including tourism and agriculture, as a catalyst for fostering development while tackling sustainable growth and environmental issues. Focus is on regional development planning and policy. Initiatives encouraging entrepreneurship and innovation, combined with a commitment to bolster local governance structures, signify the potential for bridging these disparities. Case studies of regions that have successfully improved their development status further exemplify that progress is achievable with the right strategies and vision.

The importance of this research extends beyond the confines of academia. It serves as a guidebook for policymakers, offering evidence-based insights to formulate effective strategies that promote regional cohesion. It also stands as a valuable resource for investors and international organizations seeking to support Albania's growth. By offering a nuanced understanding of the challenges and opportunities in regional development, this research advocates for positive change and a brighter future for Albania, emphasizing the need for unity and equity among its diverse regions.

Keywords*: regional imbalances, statistical classification, local governance structures*
JEL Codes*: R11, R12, R58.*

Introduction

In the ever-evolving landscape of global development, achieving regional balance and cohesion has become a critical imperative for nations aspiring to realize their full potential. Within this dynamic context, Albania emerges as a compelling case study, navigating the intricate interplay of historical, economic, and geographic factors that contribute to regional disparities. This article thoroughly explores the multifaceted dimensions of Albania's regional imbalances and the concerted efforts aimed at fostering unity and equitable progress. Focus is put at the opportunities that are emerging with the EU accession process which would provide Albania new path to benefit from funds access that supports regional development and cohesion.

Currently, these disparities manifest themselves in various ways, encompassing social, economic, demographic, and environmental dimensions. The response of domestic policies to the challenges of regional development appears fragmented. Furthermore, there is a lack of consensus on the regional development model that Albania should adopt, and this discourse is notably absent in the public sphere. Different definitions of regions, based on statistical, governace of economic perspectives, interfere with among themselves, raising also the issues of a common denominator and data related with it, which shall serve as the basis for policy formualtion.

While the diversity inherent in these regions could potentially offer opportunities, achieving coherence in both policy formulation and the data that informs it, is crucial. The lack of a unified approach hinders the effective utilization of this diversity. Additionally, aligning these policies with the European Union's stance on regional development and cohesion is pivotal. It plays a crucial role in shaping the country's orientation and readiness for EU integration.

Hence, it is imperative for the country to articulate its position on whether the existing legal framework, although approved, is in need of revision to become widely known and fully implemented. The EU progress report released in October 2023, while noting the moderate progress of Albania under chapter 22 Regional Policy and Coordination of Structural instuments, recomends prepation in view of future structural and cohesion funds, the institutional set-up and the financial management and control systems. The incomplete status of secondary laws further complicates the implementation process. Clarifying and, if necessary, revising the legal framework, is essential for establishing a cohesive and effective approach to regional development. This step is critical for ensuring the country's alignment with EU standards and fostering preparedness for eventual EU integration.

To address regional disparities, the EU implements the Regional Policy as its primary tool, ensuring investment in policies that promote inclusive and sustainable growth. The experiences of EU member states underscore that successful implementation of cohesion policy programs necessitates well-established and properly aligned local and national administrations. Data plays a critical role since they are at the basis of analysis and decisions to be taken. Moreover, robust financial management and control systems compliant with EU procedures must be in place. A comprehensive approach, encompassing legal frameworks, planning and programing processes, as well as administrative capacities equipped with suitable instruments, is crucial in specific territorial applications. In the case of Albania, the focus extends beyond system preparation; the starting point and level of application represent additional dimensions that require careful consideration. As Albania navigates the intricate path towards regional development and cohesion, aligning its strategies with EU policies becomes a linchpin for future progress.

Overview on regional disparities – case of Albania

Regional disparities refer to variations in economic development, income levels, infrastructure, and other socio-economic factors between different geographical areas. Several theories attempt to explain these disparities. The definition of a model in the country's policy in an all-inclusive process is of utmost importance since the regional development policy is formulated as national policy, implementable as cross cutting policy and at the subnational level. Some of the most important learnings from donors support ot regional development processes in Albania, emphasize the clarity on the aim and objectives of the reforms, clear definitions of roles and responsibilities of the actors and the ownership of the reform by local actors1. The most challenging aspects remain with the translation of the partnership principles, the application of the subsidiary and complementarity of the regional development with local policies. The OECD policy paper on Engaging citizens in cohesion policy, emphasis the importance of the early involvement of citizens in decision-making related to regional development. It recognizes that currently, the stakeholders are more engaged than citiznes and the traditional citizens models of communication, like public consultation, prevail. The innovative approaches, like deliberative processes, participatory budgets and others, are still showing difficulties in implementation necessitating political will, human and budgetary resources as well as time needed for meaningful engagement[2].

Two key models that often are used to describe the regional disparities and serves as basis for defining regional development are core-periphery model, established by John Friedmann and pursed further by Fernand Braudel and cumulative causation model defined by Gunnar Myrdal. The first, suggests that economic activities are concentrated in a core region, while the periphery remains less developed. The other theory, the cumulative causation model, proposes that initial advantages or disadvantages in a region tend to magnify over time. Government policies, historical factors, and globalization also play roles in shaping regional disparities.

Both models provide valuable insights into regional disparities, they differ in their primary focus and conceptualization of the factors driving these disparities. The Core-Periphery Model emphasizes spatial relationships, while the Cumulative Causation Model underscores the importance of historical dynamics and feedback mechanisms: spatial distribution in the Core-Periphery Model and the self-reinforcing nature of development in the Cumulative Causation Model. The Core-Periphery Model emphasizes the economic relationships between regions, while the Cumulative Causation Model highlights the importance of historical conditions and feedback loops in shaping regional trajectories. When comparing the two, it is noted that the Core-Periphery Model tends to be more static, describing a fixed spatial arrangement, whereas the Cumulative Causation Model is dynamic, explaining the evolving nature of regional development over time. The Core-Periphery Model is often associated with economic geography, while the Cumulative Causation Model delves into the socio-economic processes influencing long-term development.

[1] Towards stronger regions of Albania, publication of RDPA program, Tirana 2023
[2] OECD Public Governance Working Papers. Engaging citizens in cohesion policy. DG Regio and OECD Pilot Final Project Report OECD Public Governance Working Paper nr. 50 https://www.oecd-ilibrary.org/governance/engaging-citizens-in-cohesion-policy_486e5a88-en

The following analysis on the disparities in Albania, suggests that the Cumulative Causation Model could have higher relevance in the given context. Albania grapples with multifaceted regional disparities that necessitate strategic and coordinated interventions to foster balanced development, ensuring sustainable growth across all territories. The disparities manifest across social, economic, demographic, and environmental dimensions, including stark differences between Tirana and other territories, urban-rural divides, and moderate distinctions among Qarks (excluding Tirana).

Regional disparities in Albania are marked by variations in poverty levels, with certain regions experiencing double the poverty rates of others. Poverty is no longer confined to rural areas, making it an urban phenomenon as well. While poverty is expected to decline with the improvement in employment and wages, there are disparities in the latest data. The World Bank estimates a decrease in the poverty rate by 1.9 percentage points in 2023, reaching 22.2%. However, official data from 2021 indicates a slight increase in the at-risk-of-poverty rate to 22.0%, up by 0.2 percentage points compared to 2020. The Gini coefficient decreased to 33.0% in 2021, reflecting a 0.2 percentage point decrease from 2020. Disparities persist in the distribution of services, with Tirana being the primary provider (23% of services), followed by Korça, Shkodra, and Elbasan. The remaining districts collectively offer 35% of the services, indicating a high demand for social services.

Migration remains a prevalent trend, particularly among the younger population and highly skilled individuals. Around 7% of the population having migrated in 2022. As a results, demographic landscape in Albania is undergoing changes, marked by an aging and shrinking population. The recent data on internal migration shows the tendencies of moving towards metropolitan centers. The most recent publication of INSTAT, Regional Yearbook 2023, gives evidence on this trend: In 2022, at the prefecture level, only Tiranë, Durrës and Vlorë had a positive net internal migration (more inflows than outflows), respectively with 7,366 Tirana, 1,182 Durrës and 239 persons at Vlorë. All other prefectures had a negative net internal migration (more outflows than inflows) during 2022, most notably the prefectures of Dibër and Elbasan, with -1,822 and -1,283 respectively[3]. The unemployment rate decreased to 10.7% by the end of June due to improvement in employment and wage scheme, yet youth unemployment reached 22.3%. This migration trend exacerbates vulnerabilities for the elderly, particularly those living alone in urban and rural areas.

Public funds and interventions are mainly allocated responding to the needs but not alwya coherent with a strategic vision, what results in scattered investments, primarily benefiting big urban centers. Monocentric development has led to isolated rural areas, low accessibility among Qarks' centers, and a disconnect between economic strategies and infrastructure investments. The multilevel governance systems with all the efforts are not always operational what in turn, exacerbate these issues. The economic potential residing in the least developed Qarks, such as Diber or Kukes, remains untapped. Concentrating population and economic activities in Tirana poses risks of social and environmental costs for the capital and economic and demographic depression for the rest of the country. The current situation demands diverse and targeted national and regional policies to address disparities within and among regions.

[3] INSTAT (2023) Regional Statistical Yearbook 2023 (Prefectures and Municipalities) https://www.instat.gov.al/media/12878/regional-statistical-yearbook-2023.pdf page 52 *accessed 15.12.2023*

Albania's territorial governance and regional development policies

The OECD Regional Outlook 2023, the Longstanding Geography of Inequalities[4], identifies three priority avenues emerging to future-proof regional development policy and build up resilience in the next 20 years: fiscal systems and investment, governance, and capacities of administration. Following, we approach these aspects in the current set up of regional development for Albania with implication for policy formulation.

Albania's subnational governance is structured in two tiers, with Municipalities as the basic units and 'Qarks' representing the second level, akin to regions. The Territorial and Administrative Reform (TAR) of 2014, a landmark initiative since the 1990s, streamlined local government units from 373 to 61. The primary objectives were to enhance service delivery efficiency, address fragmented territories, and stimulate economic development. TAR marked the onset of a broader decentralization reform, delegating additional functions and resources to municipalities, supported by new legal frameworks such as laws on local government and local finances. The finalization of the territorial and administrative reform shed light to the imminent need of developing also a socio-economic cohesion (regional development) policy.

The first attempt for an all inclusive national strategy on regional development came in 2007, one year after Albania signed the Stabilization and Association Agreement with the EU[5]. Since then, Regional Development policy has been supported by a number of development programs and development partners. Initially, the Integrated Support for Decentralization (ISD) and RDF Transformation (2009 and 2011) an UNDP and EU, project, contributed to the shaping the discourse on Regional Development at the national level in Albania. The program had to the focus into the strengthening the role of Qark as key actors in the regional development. Towards this end contributed the drafting of Qark Development Strategies. In terms of financing mechanisms, the Regional Development Fund (RDF) was defined as key instrument for financing regional development but it remained similar to the competitive grant schemes which were mainly infrastructure investment for municipalities instead of promoters for regional development. Since 2010 in a long term partnership, the Austrian and Swiss governments contributed jointly in the regional development reform in Albania. The Regional Development Program in Northern Albania aimed to foster equitable social and economic development in the region. It maintained a bottom – up approach leading to the institutionalization of Regional Development coordination mechanisms within Qark administrations. It focused on improving coordination mechanisms at the regional level but at the policy level no clear strategic vision could develop. A financing mechanism was introduced which required own contribution from municipalities and Qarks in addition to project funding. the models of collaborative partnerships with state and not-state actors were piloted. Further support focused on defining a vision for RD in terms of policy guidance and methodological instruments for preparation of operational programs. The subsequent grant schemes from 2018, includes grant management instruments compliant to the EU rules and procedures for grant management.

In 2015, the Albanian government initiated a Regional Development (RD) reform, dividing the country into four regional management areas[6] as defined. This reform led to the establishment of Regional Development

[4] OECD (2023), OECD Regional Outlook 2023: The Longstanding Geography of Inequalities, OECD Publishing, Paris, https://doi.org/10.1787/92cd40a0-en accessed 25 November 2023

[5] Towards Stronger Regions in Albania, a publication of the RDPA program 2023

[6] Region 1 includes the Qarks of Shkodër, Lezhë and Kukës; Region 2: Tirana, Durrës, Dibër; Region 3: Fier, Vlorë, Gjirokastër; Region 4: Elbasan, Berat, Korçë.

Agencies (RDAs), later integrated into the Albanian Development Fund (ADF) in 2018. The integration aimed to centralize functions under the ADF, with the Deputy Prime Minister chairing the ADF board, necessitating legislative adjustments to tackle regional disparities effectively. In 2015, the GoA gave new impetus to Regional Development policy, developing a Regional Management Mechanism (RMM), which intends to increase the effectiveness of public investment for economic and social development, as well as to provide predictable and sustainable financing to development projects of Municipalities and regions. In 2015, the Government introduced the Regional Management Mechanism (RMM) to enhance the effectiveness of public investment for economic and social development. The RMM sought to align RD policy with EU regional policy (EU Cohesion Policy) and fully utilize the potentials of all territories and available resources. This initiative led to the designation of four Development Regions, the establishment of new institutional structures such as the National Agency for Regional Development (NARD) and four Regional Development Agencies (RDA), and a Regional Economic Development Agency (RED). Within the RMM framework, 4 Development Regions were designated, and new institutional structures were established, namely: National Agency for Regional Development (NARD) and 4 Regional Development Agencies (RDA), and a Regional Economic Development Agency (RED)7. The RMM is implementable through an array of legal, financing and programming instruments.

Driven by the European integration agenda, Albania embarked on reforms to align with EU standards, particularly in the realm of RD. Chapter 22 of the EU's Acquis communautaire serves as the primary framework for these reforms, aiming to establish a policy, law, and financial system capable of absorbing structural and cohesion funds. This strategic approach aligns with the broader goal of reducing disparities between regions and ensuring a smoother accession process to the EU. EU progress report notes: ‘Albania is moderately prepared as regards regional policy and coordination of structural instruments. Limited progress was made over the reporting period. However, the adoption in July 2022 of implementing legislation based on the Albanian Law on regional development and cohesion with the setting up of the National Committee for Regional Development and Cohesion are worth noting.’8

A well-defined and implementable policy framework, supported by a legal framework is indispensable to make RD management work, and to make interventions sustainable over long term. Institutional and personnel capacities are effectively supported by practice-oriented measures such as coaching, hands-on assistance, on-the-job assistance, etc. A partnership approach is both indispensable and can be extremely effective in solving complex development issues at regional and local levels. Most productive partnerships are those created for pragmatic actions such as joint RD projects. Inter-municipal and inter-regional projects tend to develop good partnership practices and secure interventions that are more impactful. Involving national and regional/local institutions into RD programmes management has structural impact on those institutions, thus joint management, delegated management and/or close partnership and consultative mechanisms are needed. Mainstreaming gender and equal opportunities should be considered as a horizontal policy within the Regional Development policy, aiming to refine the available knowledge, information and analysis on the situation of target group, and on the target group as the beneficiaries of

[7] DCM no. 961, 12 December 2015 “ For the creation, organization and functions of NARD, RDAs and REDA”,

[8] COMMISSION STAFF WORKING DOCUMENT Albania 2023 Report https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/SWD_2023_690%20Albania%20report.pdf accessed 20 November 2023

Regional Development policies. Significance of Regional Development for National Cohesion: EU Policy and Implications for Albania

Regional policy falls under current EU Cohesion Policy 2021-2027, which involves the following key principles: Partnership Approach: The EU Cohesion Policy for the period 2021-2027 prioritizes a partnership-oriented strategy, aiming to leverage existing resources across different levels—national, regional, and local. At its core, this approach seeks to activate stakeholders and empower them to drive reform processes, fostering the implementation of an integrated Regional Development policy and to institutionalize cooperation among public administrations, social and economic partners, private businesses, NGOs, and professional associations. Integrated Territorial Development: Central to this policy framework is the concept of integrated territorial development, a multifaceted approach that strategically directs actions and investments towards specific territories. The goal is to fortify governance structures at all levels, legitimizing them and fostering inclusive development. The intent is to balance the benefits of top-down and locally-driven initiatives, acknowledging the unique needs and contexts of various regions. Main Drivers to Integrated Territorial Development: The drivers behind integrated territorial development are twofold. Firstly, there is an emphasis on combining investments to facilitate socio-economic development while simultaneously addressing vulnerabilities and inequalities. Secondly, a developmental approach is championed, focusing on durable solutions and building resilience. The approach balances the geographical needs of different territories with continuous institutional building, strengthening the relationships between various levels of government. Programming Modalities: Integrated territorial development is programmatically realized through two primary modalities. Line ministries play a pivotal role by territorializing their expenditure plans and synchronizing interventions with other line ministries. Simultaneously, an institution-centric approach involves the design of integrated territorial interventions, incorporating cross-cutting issues during the planning process. These modalities are flexible, allowing for coexistence on the same or different territories based on the unique needs of each region.

Regional development is embedded in the national policy frame of the country, including National Strategy of European Development and Integration and other sectors related strategies. The third National Strategy for Development and European Integration 2021–2030 is developed and approved and has the potential to strengthen the interface between the socio-economic and environmental targets and the overall governance reforms. Other relevant strategies that are critical for regional development concern Decentralisation Strategy 2023-2030, which considers local and regional development as first pillar of its implemantion. Additionally, the Employment and Skills Strategy, aiming at having a competitive economy and an inclusive society that is grounded on higher skills and better jobs for women and men, contributes to the regional development. In terms of private sector development, the Business and Investment Development Strategy contributes to the regional development, aiming at a more dynamic economy with increased levels of foreign investment increased diversification of exports, and incentives that stimulate the creation of new businesses. Other important reforms that contribute to this end are Albanian Public Finance Management Strategy (in revision) and Public Administration Reform (PAR) Strategy – new strategy in preparation.

Important territorial planning processes have taken place like the establishment of the National Territorial Plan, Integrated Cross-cutting Coastal Plan, Integrated Cross-cutting Plan for Tirana-Durres Economic Area, 43 Local General Territorial Plans, the Master Plan for the Development of Albanian Alps with a particular focus in tourism. The new Decision of the Councils of the Ministers’ No. 438_18/07/2018 that has abolished DCM No. 961_12/12/2015 has fully integrated the institutional structures responsible for RD into the structure of the Albanian Development Fund. The Law No. 102/2020 “On Regional Development and Cohesion” set up the legal frame for advancing the reform. The full complition of the secondary legistalion is pending, making the law not yet implementable. However, Albania continues to gain experience in programming and implementing regional policy cooperation through participation in cross border cooperation, transnational and interregional cooperation programmes. Albania participates in the EU strategy for the Adriatic Ionian 129 region (EUSAIR), which promotes cooperation and synergies among participating EU and non-EU countries.[9]

Challenges in pursuit of regional development

The pursuit of effective regional development in Albania is confronted by a myriad of intricate challenges, spanning legislative frameworks, institutional capacity, stakeholder coordination, and administrative efficiency. These challenges underscore the complexities inherent in fostering cohesive growth across diverse regions. Analyzing these impediments provides critical insights into the hurdles faced by Albania in its quest for regional development and cohesion[10]. In addition, with regards to the funding schemes, the external donors have supported initiatives aimed at horizontal coordination of sectoral policies have not always considered the territorial dimension adequately. The territorial-focused investment schemes shall respond to this challenge. While Albania Development funds is pursuing several schemes like those addressing development of the Alps and coastal areas, the absence of a clear Programming Framework necessitated the development of a multi-annual Operational Programme for Regional Development.

An effective policy framework should demonstrate adaptability to evolving challenges and changing circumstances. For this it is critical to target Legislative Framework and Institutional Building: Establishing the Law on "Regional Development and Cohesion" is a pivotal step, providing a comprehensive framework for programming, institutional building, and financing regional development. However, challenges arise in legitimizing and implementing planning documents like the National Framework for Regional Development (NFRD) and Operational Programme.

The issue of coordination and Capacity Strengthening is reinforced if we consider also recommendation of the OECD in view of geography of disparities. Further capacity strengthening of Regional Development (RD) institutions and related actors, including the Albanian Development Fund (ADF), Regional Development Units, Municipalities, Civil Society Organizations (CSOs), and the private sector, is imperative. The issue of awareness and ownership of actors, remains at the core of administrative processes.

Stakeholder Coordination and Support calls for more engaging process of publics. A notable challenge lies in the insufficient support for an integrated approach to regional development from relevant stakeholders on the national level. Delays in the decision-making process and an ambitious timetable for establishing the

[9] COMMISSION STAFF WORKING DOCUMENT Albania 2023 Progress Report https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/SWD_2023_690%20Albania%20report.pdf, pg 129. accessed 20 November 2023

[10] Fiona Imami, Anila Bejko (Gjika), Dritan Shutina Challenges of Regional Development in Albania in Annual Review of Territorial Governance in Albania, I, 2018, 08-23; https://doi.org/10.32034/CP-TGAR-I01-01

Operational Programme for Regional Development hinder effective coordination and collaboration among key stakeholders.

Incorporation of Statistical Perspectives: Strengthening the analysis based on data aggregated at the level of regions, involves the assimilation of statistical insights concerning the influence of policies on regional development. This process entails the examination of quantitative data pertaining to essential development indicators, economic growth rates, and social indices across diverse regions. The integration of statistical evidence serves as a concrete foundation for comprehending the efficacy of policies and their tangible impact in real-world scenarios.

The preparation of a multi-annual Operational Programme for Regional Development requires not only appropriate funding but also robust financial management and control systems to ensure sound and inclusive implementation.

The challenges of regional development in Albania are intricate and interlinked, requiring a comprehensive and adaptive approach. Addressing legislative gaps, enhancing institutional capacities, fostering stakeholder coordination, and mitigating political influences are essential steps toward unlocking the full potential of regional development and achieving a more balanced and cohesive Albania. Given the novelty of this approach in Albania, external support is deemed crucial to navigate the complexities of Albanian politics and administration effectively.

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Strategic directions of the development of local environments and the position of private entrepreneurship in them

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Abstract

The local community in Tešanj, a town with about 45,000 inhabitants in the central part of Bosnia and Herzegovina, represents in a certain way an "economic miracle" in a wider regional context. Namely, the small town that makes up about 1.5% of the population of the state of BiH in economic terms provides about 10% of the GDP of BiH with an emphasis on economy and trade. How to plan strategic development in such conditions and how to behave in that context as a private company that has existed for only ten years (InterProcess with the production of premium class furniture and interiors)? Can everything be strategically planned and, after all, how local strategies are even possible and usable in today's conditions of global trends. It is clear that development strategies at the local, regional or national levels do not take into account private businesses to a large extent. But it is also clear that neither private businesses can develop in the long term outside the proclaimed context of local and regional community development. Also, even local/regional communities cannot be strategically planned if they do not monitor the state and development of the business private sector. Some of these doubts and questions are tried to be answered by this work and the research that was carried out for its writing, while following in parallel one of the development companies that best reflects the aspirations of the planned development of the local community.

Introduction

The Law on Development Planning and Development Management in the Federation of Bosnia and Herzegovina (FBiH) and the Decree on the Development of Strategic Documents in the Federation of Bosnia and Herzegovina established a new normative-legal framework and methodology for development planning and development management in FBiH, cantons and local self-government units. Until the adoption of the mentioned normative-legal framework, development planning in the Municipality of Tešanj was undertaken based on planning principles aligned with the MIPRO methodology. The Tešanj Municipality Development Strategy is an integrated, multi-sector strategic document that defines public policies, directs the development of the territory and, with its strategic goals and priorities, represents a roadmap for overall social development. The development strategy of the Municipality of Tešanj determines the goals and priorities of development, the way to achieve them, the financial and institutional framework for implementation, monitoring, evaluation and reporting. The Municipal Development Team (ORT) led the participatory process of creating a strategic document based on the principles of sustainable development, social inclusion and the methodology established by the new normative-legal framework of development planning.

The vision of the development of Tešanj Municipality
TEŠANJ, *THE MIDLE OF ENVIRONMENTAL AWARENESS, INNOVATIVE ENTREPRENEURSHIP AND SOCIAL ETHICS*

Achieving the development vision of Tešanj Municipality implies the establishment of mechanisms within which three relevant strategic goals are defined that ensure synergistic effects between the economy, environment and society while taking into account the competences established through the principles of local self-government in the Federation of Bosnia and Herzegovina. Strategic goals are also the basis for determining priorities and measures and further steps of development planning and development management in the municipality.

Strategic development goals of Tešanj Municipality
1. Tešanj, a desirable place for investments and innovations
2. Tešanj, an environment of pleasant living, suitable for virtues, knowledge and skills to come to the fore
3. Tešanj, the center of green growth and clean energy

Table 1
Strategic develompent goals of Tešanj municipality

The municipality of Tešanj is located in the area between central and northeastern Bosnia and Herzegovina, and according to the territorial structure of Bosnia and Herzegovina, it belongs to the northwestern part of the entity of the Federation of BiH and is one of the twelve municipalities of the Zenica-Doboj canton, as a municipality that represents the northwestern part of this canton. The current territory of the municipality of Tešanj was determined by the Dayton Peace Agreement for BiH from 1995.

2 Business sector of Tešanj Municipality

Total number of employees in June 2020: 13,535 employees, of which 1,596 were employed in the public sector, and 11,939 in the private sector. According to official statistical data[11], a total of 2,689 business entities were registered in the territory of Tešanj municipality at the end of 2021. In the total number of economic entities, legal entities make up 1023 (38.04%), parts of legal entities 521 (19.37%), while there are 1145 trades registered in the municipality (42.58%).

In the structure of legal entities, the area of wholesale and retail trade dominates with 26.58% of the total number of legal entities, with 20.23% of processing industry, 10.36% of other service activities, etc. In the structure of parts of legal entities registered in the territory of the municipality, trade dominates, which makes up 48.36% of the total number of parts of legal entities, other service activities make up 7.8%, and

[11] Federal Bureau of Statistics, (Monthly statistical review of the FBiH by cantons).

financial services and insurance make up 7.87%. In the structure of trades, trade also dominates with 25.24% and processing industry with 18.16%.
The constant growth trend of registered business entities in the Tešanj municipality has been evident since 2010. Namely, in 2010, a total of 1,975 economic entities were registered in the Tešanj municipality, namely: 701 legal entities, 327 parts of legal entities and 947 trades, while at the end of 2015, that number increased to 2,184, and according to current data for 2021 in 2016, that number is 2,689 economic entities, and that: 1023 legal entities, 521 parts of legal entities and 1145 trades. Compared to 2010, the growth in the number of business entities in percentage is 36.15%.

Income by sector, for all larger companies from Tešanj (there is no data on trades, nor from units operating in the municipality) are given in Table 2. The largest income is generated in the trade, processing industry and transport and storage sectors.

Sector	**Revenue**	**No. of companies**	**No. of employes**
Agriculture, forestry and fisheries	13.531.433	15	160
Manufacturing industry	586.434.501	145	6.127
Production and supply of electricity, gas, steam and air conditioning	3.593.069	5	34
Water supply, waste water removal, waste management and environmental remediation activities	11.091.044	5	136
Construction industry	46.386.122	43	603
Wholesale and retail	898.558.382	181	2.398
Transportation and storage	64.190.282	73	596
Hotel management and catering	2.741.221	12	89
Information and communications	1.559.606	14	69
Real estate business	3.372.110	10	30
Professional, scientific and technical activities	24.605.637	37	185
Administrative and auxiliary service activities	10.274.097	16	158
Education	851.118	12	56
Health and social protection activity	19.349.254	5	456

Art, entertainment and recreation	451.455	1	13
Other service activities	1.067.469	3	9
TOTAL	1.688.056.800	577	11.119

Note: Values are given in BAM (1 euro = 1.95 BAM).

Table 2 -Income by sector in the Tešanj municipality in 2020

The total foreign trade exchange in the territory of Tešanj municipality in 2020 is in surplus, apropose exports are 1 million more than imports. Namely, the total exchange of goods amounted to 717.12 million KM, which is 9.38% less than the total exchange of goods realized in 2019, i.e. goods worth 359.06 million KM were exported and 358.05 million KM were imported. The impact of the Covid-19 pandemic can be seen in the volume of foreign trade in 2020. Coverage of imports by exports was 100.28%. Observed since 2010, the total trade in goods grew until 2020, when a decrease in the total trade in goods was recorded. In 2020, it is smaller by 67.32 million KM.

Average net salaries observed since 2010 have not recorded significant changes. The average net salary in the period from 2010 to 2015 was 573 KM. In 2015, there was even a drop in the average net salary in the municipality, from 571 KM in 2014 to 559 KM in 2015, that is, a drop of 2.11% was recorded. In the period from 2010, when the average salary in the Tešanj municipality was 71.7% of the federal average, it decreased every year, so in 2015 it was 67.3% of the average salary in FBiH, and in 2020 it was 68% of the average FBiH salaries. According to the latest official data, the average net salary in 2020 in the Tešanj municipality was 652 KM[12], which is an increase of 12.99% or 75 KM compared to the period of 10 years ago (2010). There are no structural data from which it would be possible to see the state of average wages in the manufacturing sector and individual industrial branches, as well as the state in the public sector. Unofficial information says that there are significant differences by industry, between industry and the public sector, but also a generally non-transparent way of hiring workers in the private sector. The economic activities of companies in the Municipality of Tešanj take place both within business zones and on plots of land that have not been specifically developed for the production or trade sector. In the territory of Tešanj municipality, three business zones have been defined, which are to a good extent and infrastructurally built, and some such as "Ciglana" and "Economy" are to a good extent and filled with business entities without significant expansion possibilities. Business zones, number of companies and number of employees in 2017. shown in Table 3. The other two zones that have the possibility of spatial expansion and the construction of new business entities are "Bukva" and "Glinište".

As a potentially interesting area that has not been officially designated as a business zone, and where the concentration of business entities began, is the "Ljetinić" area, the so-called "Gravel shop". Otherwise, there is a spontaneously developed business next to the M4 highway.

[12] Federal Bureau of Statistics

Number	Zone	Number of companies in the zone	Number of employees in the zone
1	BUKVA	52	3350
2	CIGLANA I GLINIŠTE	38	818
3	EKONOMIJA	9	940

Table 3-Business zones in the Tešanj municipality in 2020

When opening new economic and business zones, care should be taken to limit the individual and scattered construction of commercial buildings, and above all, care should be taken to ensure that existing zones where there is plenty of free space (Bukva-Vila and Ciglana-Glinište) are used first. In the coming period, it is necessary to invest additionally in existing zones that have the possibility of expanding into infrastructure projects in order to possibly fill the free space and attract new investments.

Favorable natural conditions, the tradition of agricultural production, financial support, the possibility of self-employment and earning cash income, etc., influenced the development of agricultural production in the area of Tešanj municipality. Agriculture is a branch of the economy that has a significant place in the economy of the municipality of Tešanj. Two agricultural cooperatives, OPZ "Zlatna kap" and OPZ "Kapi života", are active in the territory of the municipality, bringing together approximately 350 subcontractors engaged in the cultivation of milking cows and milk production. In addition to the aforementioned cooperatives, a significant contribution to the development and improvement of agricultural production is made by the association "Ruka" Kološević, which mainly deals with the cultivation of medicinal plants, production and processing of fruit, as well as the association of beekeepers "Pčela" Tešanj, whose members are engaged in breeding bees, producing honey and other bee products. 2.118 farms are registered in the Register of agricultural farms and the Register of clients by place of residence or headquarters, which is managed by the municipal service responsible for agricultural affairs, of which 1965 are family agricultural farms.

Certainly, the education sector is very important for the state and development of the business sector. In this sense, let's say that there are 9 primary schools in the municipality of Tešanj, which in the school year 2020/2021. a total of 4.611 students in 221 classes attend. Three secondary schools have been established and operate in the Tešanj municipality for the needs of secondary education: Gymnasium "Musa Ćazim Ćatić" Tešanj, Technical High School Tešanj and Mixed High School Tešanj. In the 2020/2021 school year. in the year of high school in the Tešanj municipality, a total of 1.795 students attend, divided into 84 classes. Students who are educated in secondary schools with acquired knowledge and skills partially meet the requirements set by the labor market. Every year, schools try to research the labor market before announcing the competition for the admission of students to the first grades, in such a way that they ask business entities for information about the occupations that are missing, make an enrollment plan and send requests, according to the Ministry and the Pedagogical Institute, for new needed occupations. Also, schools request data from the Employment Office, which occupations are needed by the local community, and which occupations are too many at the Office, and based on that they try to create an enrollment policy. The fact that the competence for determining teaching programs is at the cantonal level, and due to the unique policy of education in the canton, this prevents full effects in this segment in the local community. As part of the professional orientation for primary and secondary school students, the Secondary School and College Fair has been organized for four years. The goal of the Fair is for students to get to know the high schools and colleges that are available in one place. Year after year, the number of schools and colleges at the fair increases. The trend and broader strategic orientations related to adult education appear to be important, which needs to be paid attention to. From the study/school year 2008/2009. until 2020/2021. Tešanj municipality signed 4,097 scholarship contracts and set aside 3.812.280 KM for these purposes.

3 SWOT analysis

On the basis of the collected data that show the current situation in certain areas, apropose provide a basis for assessing the local situation, a sublimated concluding SWOT analysis was made. Strengths and weaknesses represent internal (internal) factors, i.e. an internal analysis that should indicate the advantages and disadvantages of the Municipality, while threats and opportunities represent external (external) factors, i.e. an external analysis that should identify potential threats to development, as well as to point out what are the chances and possibilities of the Municipality. Strengths and opportunities represent positive, while weaknesses and threats represent negative factors of development. The SWOT analysis is the result of the joint efforts of the municipal development team, the partner group and the administration, as well as all interested citizens.

Strength	Weaknesses
1. Automotive production (Metal processing industry) 2. Infrastructure (business, road, telecommunications, electricity) 3. Even development of the area 4. Local investment capacity 5. Position in relation to surrounding markets 6. Entrepreneurship of the population 7. Cultural and historical heritage 8. Commitment to the community	1. Limited vacant areas for long-term development 2. High percentage of participation of low-accumulative branches of the economy 3. Unsolved drainage and wastewater treatment 4. Insufficient amounts of water from the existing water source for expanding the network 5. Low natural population growth 6. Weaknesses in measuring the value of change indicators 6. Moral and ethical norms of behavior (delinquency, drug addiction, betting shops, domestic violence, undeveloped relationship between employers and employees)
Opportunities	**Threats**
1. Passage of corridor Vc 2. Development of tourist offer 3. New investments with generated higher added value 4. Further development of civil society 5. Regional connection (municipalities in the surrounding area)	1. Political instability of Bosnia and Herzegovina 2. Position of local self-government (law) 3. Inefficient administration at higher levels 4. Climate changes and natural disasters (landslides, floods) 5. Global instability

Table 4

SWOT extract analysis of Tešanj municipality in 2022

The success of the development of Tešanj Municipality will be measured by the ability to overcome perceived weaknesses and threats to faster growth, but also to use the development potentials that undoubtedly exist. Starting from the fact that there is established solid cooperation and partnership of all relevant actors, and the assumption that it will continue to develop, the following strategic and long-term determinations of the Municipality of Tešanj, i.e. strategic focuses, are proposed:

1. Increasing the employment rate based on the development of the economy, agriculture and tourism through the use of local resources and cultural-historical heritage, construction and improvement of the business zone, high-quality connection to road corridors, technological strengthening and increasing the engagement of an educated and professionally trained working population,
2. Availability and quality of public service provision through the development of digital services, improvement and construction of social infrastructure and content adapted to urban and rural areas of the municipality and with the constant fight against corruption, discrimination and privileges in an environment based on a healthy family and a permanent determination to live in the territory of the municipality,
3. Modernization of existing and construction of new public environmentally acceptable infrastructure (development of public digital infrastructure, road infrastructure, water supply, sewerage, water and watercourse protection, heating, solid waste disposal, environmental protection), all in accordance with the concept of long-term sustainable development.

In this context, the vision of the strategy development represents an aspiration, a long-term intention, a course of action and a desirable state in the future of the municipality of Tešanj. The basis of the development vision can be found in the previous development documents of the Municipality of Tešanj, strategic focuses based on SWOT analysis, the necessary measures noted at the ORT workshops during the process of creating the Strategy, trends observed during the process of revising and harmonizing. In this sense, the vision of the development of the municipality of Tešanj until 2027. is an expression of achieved progress and is defined as:

Tešanj, the middle of enviromental awareness, innovative entrepreneurship and social ethics.

On the basis of strategic focuses and visions, the following strategic development goals were derived, which ensure the connection between the economy, society and ecology with full respect for the interests of young people, local administration and other actors of local development:

1. Tešanj, a desirable place for investments and innovations,
2. Tešanj, the middle of environment of pleasant living, suitable for virtues, knowledge and skills to come to the fore,
3. Tešanj, the center of green growth and clean energy.

4 Company InterProcess Tešanj

The wood processing business system InterProcess from Tešanj has existed for a little over 10 years and in a short time it has become internationally known with its several premium class brands. A well-designed business model largely builds its development foothold on the strategic guidelines of the Tešanj municipality, but to a large extent, in addition to the global function, it also develops the regional concept of business dispersion. Although in the current form of the business model of the InterProcess company, it has only existed for ten years, it is important to emphasize that the founder's family passion for wood is based on a 3-generation long history of wood processing. From the construction of houses in the 30s and 40s of the last century, which were built mostly from wooden masses, through sawn timber and paneling at the beginning of the new millennium, to the highest quality massive furniture starting in 2022. In the last ten years, personnel were intensively developed and the global market was researched in order to be able to launch and implement the Mobello premium class furniture project.

Figure 2

Wooden furniture made by InterProcess

At this moment, Interprocess already exports to about 20 countries around the world, and plans are for new markets in the coming years. By far the largest markets today are Germany, the United States of America, Austria and France. The new Uniqa furniture collection attracted a lot of attention from the leading authorities in the European furniture industry at the representative IMM fair in Cologne, and it is expected that it will be the backbone of the company's business and further growth.

Although 2024 will celebrate only the second year of existence of the Mobello brand, the company has already managed to create 3 furniture collections, which have separate design philosophies but contain identical character lines of Mobello quality, innovation, practicality and care for nature. PRIMERA is crowned with simplistic design lines and practicality, MOKU is a combination of simplicity and harmony of the Japanese-Scandinavian design direction, while UNIQA is the crown of the work and is inspired by the Spanish and Italian architectural masterpieces of the great Gaudí, Da Vinci and Michelangelo. The collections have so far been presented at several prestigious furniture fairs in Europe and the world (Germany, Croatia, Slovenia, USA, etc.). The products from the MOKU collection are decorated with several prestigious awards from fairs in 2022 (eg the Golden Keys of the Belgrade Design Fair, 2022).

The company pays special attention to environmental protection. This is how the Mobello Cares for Forests campaign (MC4F) was formed with the goal of planting more trees than the company uses for the needs of the production process. In this sense, InterProcess is the only private company in Europe that stands behind this campaign without reservation. For every piece of Mobello furniture sold, one tree is planted, and the customer is issued with a certificate about the location of the tree, pictures, the tree is marked with the customer's name and it remains a permanent reminder that InterProcess customers have helped stabilize climate change on our planet. So far, more than 200,000 trees have been planted, and the plan is to reach 2 million by 2030. The trees are planted on their own land at locations in Tešanj and Sanski Most. An average of 15 Mobello products can be produced from one tree, so each Interprocess customer contributes 15 times more to nature than when buying products from other brands. In addition, as a new impulse to energy efficiency and the preservation of the planet and within the MC4F campaign, the company installed 620 KW solar panels on the roofs of production facilities. In this way, 40% of the electricity used is obtained exclusively from renewable energy sources.

Today, the company is part of a large and successful business family such as Hifa Petrol Holding. This opens new space for further growth and investments. Currently, the existing plants and technology park are being expanded in Tešanj through an investment worth 2 million KM, and the plan is to build a new production hall in Tešanj and increase the number of employees by 50 in the course of 2024. Certainly the biggest investment undertaking will be the construction of the largest massive furniture factory under one roof in the region of Southeast Europe. It will be the factory in Maglaj, which is planned for 2025 and 2026.

Figure 3-One of the trees planted by InterProcess

The total investment so far in the plant in Tešanj has reached almost 8 million euros, and the construction of the factory in Maglaj should cost around 11 million euros. By putting into operation at full capacity all the aforementioned plants, planned for 2027, InterProcess will employ around 200 workers in Tešanj and over 500 in Maglaj.

5 Integration of the InterProcess company into the strategic determinants of local and regional development

Through careful positioning within the production segment of the Municipality of Tešanj in previous years, efforts were made to develop an original business model based primarily on people and tradition. Bosnia and Herzegovina has been known for more than 100 years for the industrial exploitation of wood mass and the production of very different products that are present on the world marketNew circumstances after the year 2000 imposed new business models that each BH company developed in its own way. In this sense, the InterProcess team was looking for its original model based on the industrial tradition of the local community, family business, but also on the new premises of digital business. Of course, human resources are the foundations and pillars of the company.

If the human resources of the local community of Tešanj municipality and economic indicators (number of companies, business zones, etc.) are carefully analyzed, it is evident that they are exhausted to the greatest extent. That is why the company's goal in the last ten years has been the regionalization of providing human resources to work in an inspiring business environment such as that offered by the Tešnja economy. On the one hand, this is an advantage, but also a big problem in retaining good craftsmen, managers and others. Through the careful transfer of know-how, a wider regional network of designers, marketing managers, technologists, logisticians and all others needed to create a modern business model in the 21st century was built and developed.

The company is working on the transformation of the educational model in secondary schools in Tešanj and three other local communities in Bosnia and Herzegovina. In the modern woodworking business today, former carpenters are not dominant, but some new knowledge that the company recognizes and builds its human resources development on, starting from elementary school, through secondary schools in the region and up to college. In a short time, a transformation was carried out and the beginning of the education of woodworking technicians at the high school in Tešanj, and at the faculty level at the University of Zenica, the study of design and technology in woodworking began according to the reputation and curriculum of the German universities in Rosenheim and Oest West- Falen Lipe and the University of Bern (Department of Wood Processing in Biel). In the coming years, the goal is an even stronger transformation in the secondary schools of the Zenica-Doboj Canton, as well as project internationalization, which, in addition to international respectable projects with companies and faculties in the region, would also lead to wider internationalization in the development of human resources.

On the other hand, the company's management clearly saw the financial flows in different business models and firmly accepted the role of creator and implementer of the "in house" business model in order to avoid the syndrome of "low wages" characteristic of factories that are satisfied only with the production function, of which the largest number are in Tešanj and throughout Bosnia and Herzegovina. In this sense, a strong business policy, which includes a number of measures, strives to retain the best staff and attract young and educated workforce from the region.

The regional development of new business systems (the future factory in Maglaj) is a step towards further optimal positioning of human resources and the real strong know-how developed in the current capacities in Tešanj.

Conclusion

On the example of a successful local community in Bosnia and Herzegovina (Tešanj municipality) and a successful company in development (InterProcess), it was shown how the local community and its strategic development plan and a private company with its development visions can develop successfully and complementarily. When you carefully and persistently acquire knowledge and acquired capital in the EU and beyond, you decide to transfer to BiH and, despite numerous difficulties related to an unregulated market, complicated procedures and a still slow and complicated bureaucratic apparatus, you succeed in developing a business, then there is no other choice but to assert that it is a serious business project. Designer ideas and imaginations are transformed daily by the hardworking hands of InterProcess masters into "poetics" of massive Bosnian wood, which, through its own distribution network, as well as prestigious trade fairs, captures the attention of refined global clientele (Strategic objective 2 - SC 2). From what has been written, it is visibly clear that this is a socially responsible, ecologically and socially conscious company that operates on the principles of humane coexistence of nature, production, employees and the client who always comes first (Strategic objective 1-SC 1). In addition to product quality, the company also cares about energy efficiency, environmental protection, and care for the human environment. This is especially confirmed by the presented "Mobello Forest" project, where one new tree is planted for every piece of furniture sold. The ultimate goal of the development is for "InterProcess" to become a fully SMART factory, which means that it will completely switch to the so-called "green energy" and that the environment does not feel the negative consequences of production in any segment, which is in full agreement with the concept of local community development (Strategic objective 3 - SC 3). From everything presented, it can be concluded that the InterProcess company is "deeply immersed" in the local development of the municipality of Tešanj and in some segments is also a leader (transformation of the education sector, youth scholarships, etc.), that it closely monitors and follows the regional story of growth and development (construction of a new factory in Maglaj, transfer know-how, a wider network of designers, technologists, etc.) but also to act globally in the domain of digitization, internationalization, e-sales, etc. In this sense, the company fully follows the strategic goals of the development program of the municipality, which clearly confirms the connection and deep immersion of InterProcess as a company that largely reflects the future development of the Tešanj economy.

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The vertical logarithmic wind profile model a helpful tool for wind energy potential evaluation for NW part of Albania

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Abstract

The vertical logarithmic wind profile (VLWP) is considered a good approach in evaluating the wind speed at different levels above the land surface based on meteorological data observed at 10 meters high. Also the frequency of wind measurements each 10 minutes has been an important element to get a final god shape on data outputs for wind power potential estimations and as well for extreme weather events. The model created for VLWP was helpful also for risk evaluation not only for the wind speeds over 25 m/sec threshold, but also for categorizing the wind speeds in different groups making easy for wind power potential estimations. The analyses if focused specially in a case study of 23 February 2019, when a storm and high wind observed on NW part of Albania produced a lot of damage including loose of people life. The purpose of this paper is to emphasize the importance of having correct meteorological data about wind and how to get better evaluation about wind power energy on that area.

***Keywords**: wind power estimation; extreme wind speed; meteorology; data processing; climate.*

Introduction

In now days the production of energy from alternative and renewable sources is presented like an obligatoryobjective taking into account the impacts forecasted by climate change models for the near future economy and life of people. But, before to invest and orientate the business and economy in certain sector of energy production is veryimportant to have in time some preliminary evaluation and calculate the feasibility of such intervention. So, regardingthe wind like a possible direction for energy production first of all it's necessary to say that wind differently from theother meteorological elements is characterized by high variability in time and space. That bring up the attention for more correct estimation needed in such sector and as well for having the right and qualitative wind data base. This paper that is part of a large study dedicated to wind potential in Albania aims to brings attention not only about the correct vertical wind speed evaluation by processing on the right way the data base, but also to take into account the extreme weather event like storm, high wind speed and wind gust phenomena; that based to the international experience have done in some cases collapse of eolic systems and a lot of economic damage.

Materials and methods

The monitoring of wind parameters direction and speed normally in Albania is done on the meteorological stations atthe level of 10 meters above the land surface, as it is recommended by WMO standards. But as it's much known anyproject dedicated to wind energy production not only in Albania but as well in the other countries don’t coincide withdirect place where a meteorological station exist also. That fact suggest firstly the interpolation methodology to try toget the estimation for another location that may be seems at first view even not so far in distance. But for the orographicconditions of Albania and especially for the wind this can’t be suggested, because the wind get a large variability evenfor short distances from one location to another. Another element that is important to be taken in consideration is thefact that the wind used for energy production is that at the level of 50m, 80m, 100m or more above the land surface and not that monitored at 10 meters on the meteorological stations.

So, a new approach that tray to estimate as much as it can and near to the reality the wind speed at different level above surface is a model named “vertical logarithmic wind profile” (VLWP). This is considered like a best approach for the condition of a stable atmosphere. This model composed by our team make possible the wind data processing coming from a meteorological station and evaluating the wind speed at different level above surface. For an unstableatmosphere normally as studies shows have to be observed values lees than those estimated by VLWP. In the conditionof NW part of Albania normally based to climate data are observed more than 100 days with unstable atmosphere characterized by cloudiness and rain. But as well in sunny day because a high temperature created near surface somevertical movement of air mass are observed and a certain level of instability is created in the vertical profile of wind.Important is to note that all cases of unstable atmosphere is characterized by values of wind speed lees that estimatedby VLWP.

Results and discussion

- Firstly to have a general idea about wind in Albania in the following figure No.1 is presented the **map withthe annual wind speed at the level of 120 m** over land surface. As it can be seen the area of “Vau Dejes” part of Shkodra district is characterized with values of 7.5m/sec. The area is much known forthe wind.

- Based to the **model composed** and taking into account different type of land surface and respective roughness length (Z0) as pretended on the table No.1, are processed and presented various graph with vertical logarithmic wind speed for a presupposed windspeed of 5 m/sec at the level of 10 meters above surface, illustratedby the graph shown on the following figure No.2.

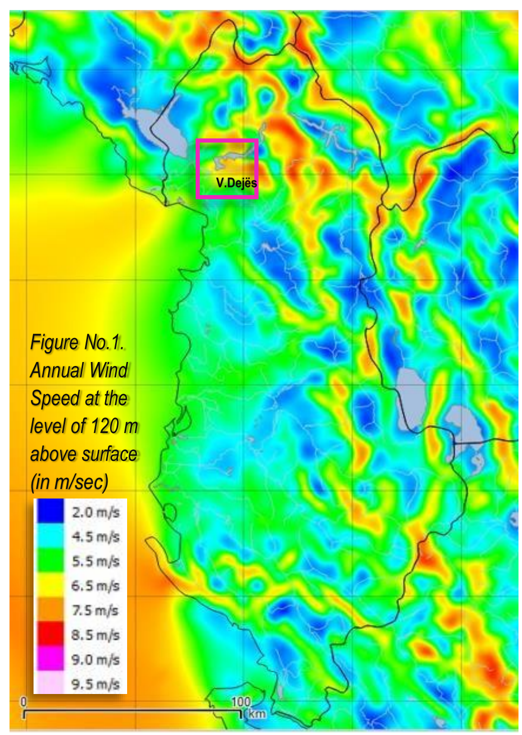


Figure No.1. Annual Wind Speed at the level of 120 m above surface (in m/sec)

Table Nr.1 – The roughness class and length Z_o referring to different land cover types.

Roughness class	Roughness length z_0	Land cover types
0	0.0002	Water surfaces: seas and Lakes
0.5	0.0024	Open terrain with smooth surface, e.g. concrete, airport runways, mown grass etc.
1	0.03	Open agricultural land without fences and hedges; maybe some far apart buildings and very gentle hills
1.5	0.055	Agricultural land with a few buildings and 8 m high hedges seperated by more than 1 km
2	0.1	Agricultural land with a few buildings and 8 m high hedges seperated by approx. 500 m
2.5	0.2	Agricultural land with many trees, bushes and plants, or 8 m high hedges seperated by approx. 250 m
3	0.4	Towns, villages, agricultural land with many or high hedges, forests and very rough and uneven terrain
3.5	0.6	Large towns with high buildings
4	1.6	Large cities with high buildings and skyscrapers

This model provide outputs for any kind ofcombinations between the different land roughness category and wind speed measured at10 meters over land surface. The main problemis concerned if the data are observed at the rightplace and for having a long time seri of observations.

In case of data missing in now days more and more are using the **satellite information**. So, based to the combinations of data from meteorological observations and satellite information a specific reanalyzes was done aboutthe storm case of date February 23, 2019, when are observed also some negative impact of high wind speed observedincluding also the loose of life.

Clearly on this graph presented on the figure Nr.3 is demonstrated that vertical logarithmic wind speed processed by the model and those data provided by satellite information (EUMETSAT) for the level of 100 above land surface on the area near “Vau i Dejes” provide a quite good approach for final output that have small deviations from each other.The data shows values of more than not only 25.0 m/sec, but even more than 30.0 m/sec during 8 to 10 hours on midday on the area mentioned.

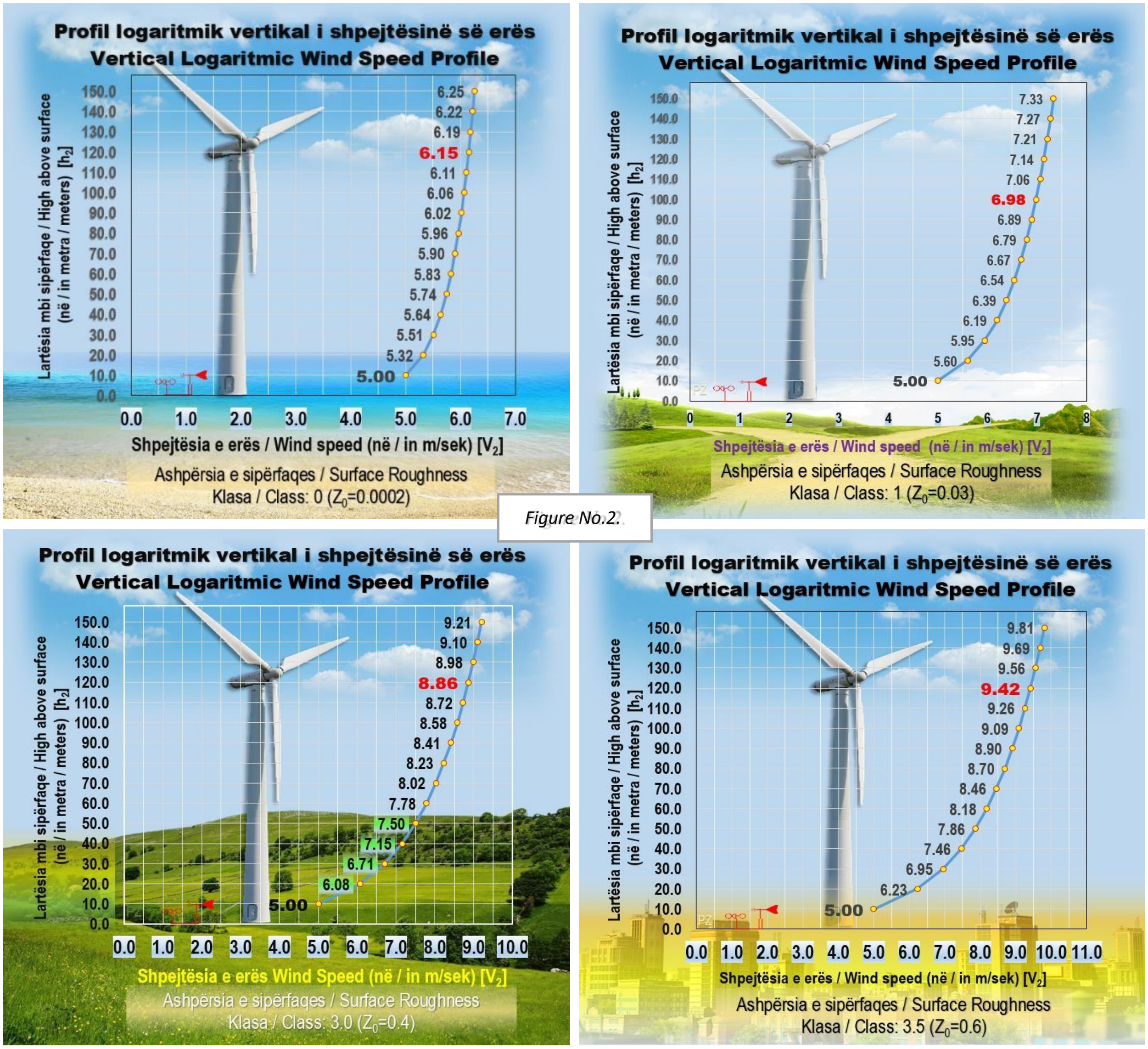
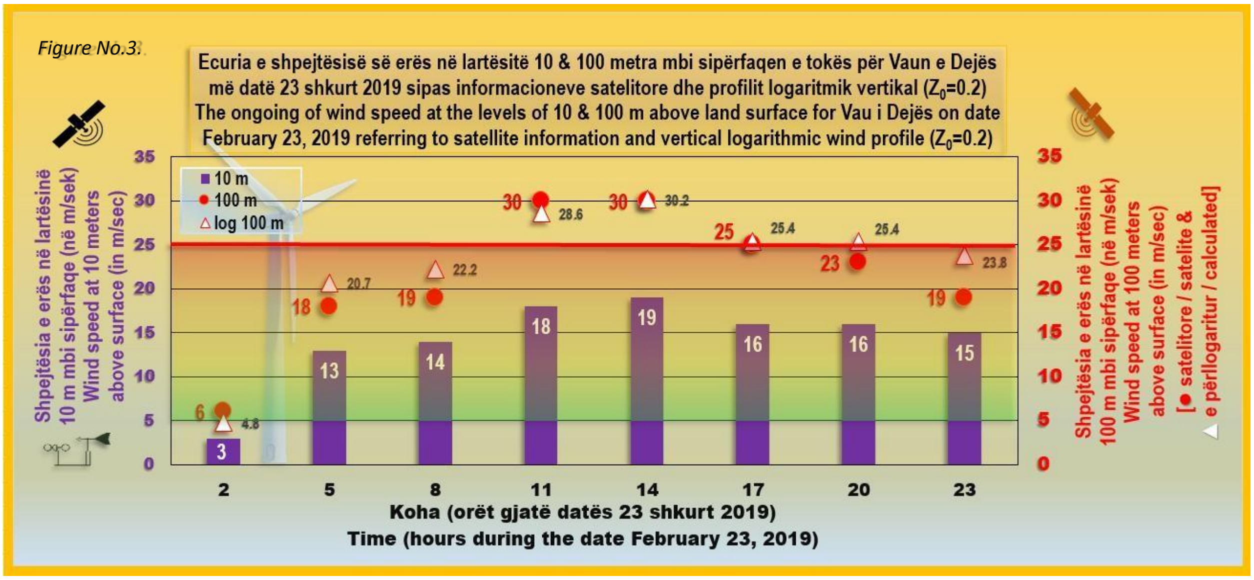

Profil logaritmik vertikal i shpejtësinë së erës
Vertical Logaritmic Wind Speed Profile
Lartësia mbi sipërfaqe / High above surface (në / in metra / meters) [h2]
5.00 5.32 5.51 5.64 5.74 5.83 5.90 5.96 6.02 6.06 6.11 6.15 6.19 6.22 6.25
Shpejtësia e erës / Wind speed (në / in m/sek) [V2]
Ashpërsia e sipërfaqes / Surface Roughness
Klasa / Class: 0 (Z0=0.0002)
Profil logaritmik vertikal i shpejtësinë së erës
Vertical Logaritmic Wind Speed Profile
Lartësia mbi sipërfaqe / High above surface (në / in metra / meters) [h2]
5.00 5.60 5.95 6.19 6.39 6.54 6.67 6.79 6.89 6.98 7.06 7.14 7.21 7.27 7.33
Shpejtësia e erës / Wind speed (në / in m/sek) [V2]
Ashpërsia e sipërfaqes / Surface Roughness
Klasa / Class: 1 (Z0=0.03)
Profil logaritmik vertikal i shpejtësinë së erës
Vertical Logaritmic Wind Speed Profile
Lartësia mbi sipërfaqe / High above surface (në / in metra / meters) [h2]
5.00 6.08 6.71 7.15 7.50 7.78 8.02 8.23 8.41 8.58 8.72 8.86 8.98 9.10 9.21
Shpejtësia e erës Wind Speed (në / in m/sek) [V2]
Ashpërsia e sipërfaqes / Surface Roughness
Klasa / Class: 3.0 (Z0=0.4)
Profil logaritmik vertikal i shpejtësinë së erës
Vertical Logaritmic Wind Speed Profile
Lartësia mbi sipërfaqe / High above surface (në / in metra / meters) [h2]
5.00 6.23 6.95 7.46 7.86 8.18 8.46 8.70 8.90 9.09 9.26 9.42 9.56 9.69 9.81
Shpejtësia e erës / Wind speed (në / in m/sek) [V2]
Ashpërsia e sipërfaqes / Surface Roughness
Klasa / Class: 3.5 (Z0=0.6)

Figure No.2.



Of course should be emphasized that during these hours are observed also wind gust that means high level of wind that for short time period get up to 40m/sec or more accompanied by changing the direction and speed frequently, that are the most problematic element that characterize a wind and create the biggest impacts.

Damages observed on February 23, 2019 are presented by different images on figure No.4 and for differentlocations at the above-mentioned area like: Qaf Qele, Kosmaç, Vau i Dejes, Bushat, Nikel, etc.

Figure No.4 – Damage by high wind speed on date February 23, 2019 on NW of Albania.

Regarding the high wind speed over 25.0 m/sec a reanalysis was done for the area of “Vau Dejes” not only for the case of February 23, 2019, but also for the cases of Koman area, not far away, on date December 31, 2014. A similarsituation has been observed also between the date December 31, 2014 and January 1, 2015 for the same area, when the maximal wind speed get up to 39 km/hour (10.8 m/sec) for the level of 10 meter above surface.

The map of figure Nr.5 shows the situation of wind speed and gust on thatlevel for the date December 31, 2014 at hour 10:^{00} AMand PM respectively. Of course at the higher level like50 or more meter above the surface the wind sped get high and as well also the wind gust. On that date a telecommunication tower of 30 meters high get down and seriously was damaged near Koman area. On thatcase at the level of 100 meter is calculated to be a windof 24.5m/sec, but for sure the wind gust get much higher. Of course without the data at the location(figure Nr.6) we should proceed indirectly referring tosatellite data and to the data of nearest meteorological stations of the area, which get values of wind speed ofPodgorica with speed of 49 km/hour (13.6 m/sek) andwind gust up to 70 km/hour (19.4 m/sec), Shkoder 37 km/hour (10.3m/sek) and Kukes up to 55 km/hour (15.3m/sek). Referring the level of 30 meters or 100 meters above surface and also to the wind gust expectations all data bring to the conclusion of overpassing the threshold of 25 m/sec in some specific time frame and areas.

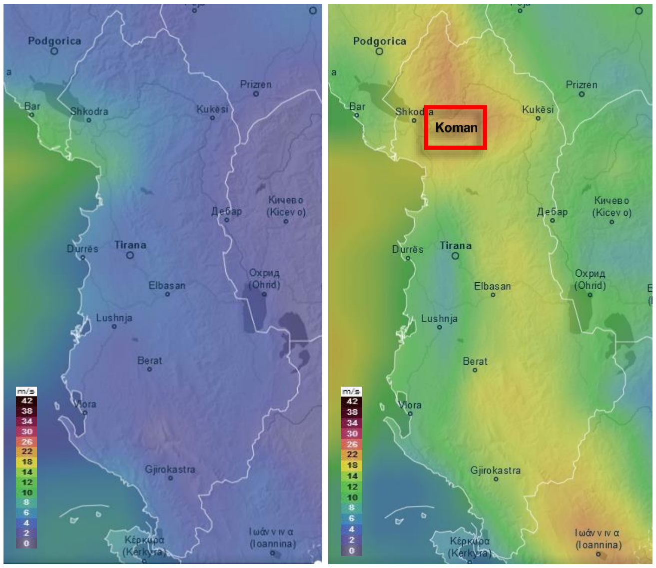


Figure No.5 - Wind Speed and Wind Gust at the level of 10 m above surface (in m/sec) 31 December 2014 (respectively at hour: 10:00 AM & 10:00 PM).

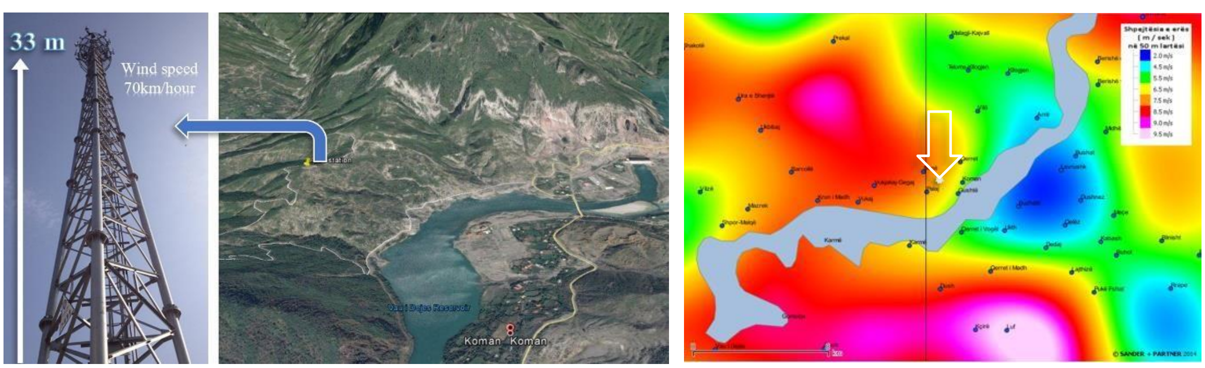


Figure No.6 – The telecommunication tower in NW part of Albania (33 meters high) get collapsed because ofhigh wind speed (70km/hours) on date December 31, 2014 - January 1, 2015; the respective map of area reliefand the map of wind average speed at the level of 50 meters above land surface for the month of January.

Risk evaluation. These 2 information for the same area observed in 2014 and 2019, not so far in time, means that should be a priority to take into account and evaluate seriously the frequency of this event and related risk for a possibleuse of that area for implementing eolic system. Based to the KTHM1.2-81 the area of “Vau Dejes – Koman” is part of zone (IVa) of Albania characterized by wind that one time in 50 years can be expected by the speed of 46 m/sec; one time in 10 years of 33 m/sec zone (IIIa) and 37 m/sec one time in 20 years zone (IIIa). To do a correct evaluationon that contexts its need seri of 30 r more years long. Some authors mention also the fact 10 yearlong seri can be the minimum acceptable to judge about the nature of wind and their base parameters. In our territory taking into accountalso the turbulence factor created by orographic conditions is very important to have site measurements, if really would like to have a serious estimation about wind potential and risk possibility not only for extreme wind, but also for the low level of them.

For such speed of wind over the threshold of 25 m/sec in some other countries are observed damage of eolic system as it is shown on the figureNr.7.


Figure No.7.

- To **evaluate the wind speed** and respective potential for energyproduction was composed as well a model to analyze the data observed for a meteorological station of Peshkopia in NE part of Albania with a frequency of every 10 minutes.

Figure No.8

So, in condition of Albania if 40 to 50 % of cases are without wind or very low under the threshold of 0.1m/sec remain only other rest or let say 50% to be analyzed furthermore. Here it should be added also the known fact and emphases that only 59.3% of kinetic energy of wind can be used like a source to be converted in electricity based to the limit of Betz.

By grouping the wind data in different speed groups as graphically presented (only September 2017) on the figure No.8, the results shows that wind exist; but we arein front of the fact that about 50% of cases are without wind and the rest is mostly observed under the threshold of 2.0 m/sec. It is known that the average wind speed minimum acceptable for energy production and to be used effectively is 5 m/sec. Also here should be emphasized the fact that are also some cases with wind over the threshold of 25.0 m/sec, which serve as a limit for stopping the eolic system and not using for energyproduction. This is necessary to protect them from the possible damage of high wind speed that can cause in such cases.

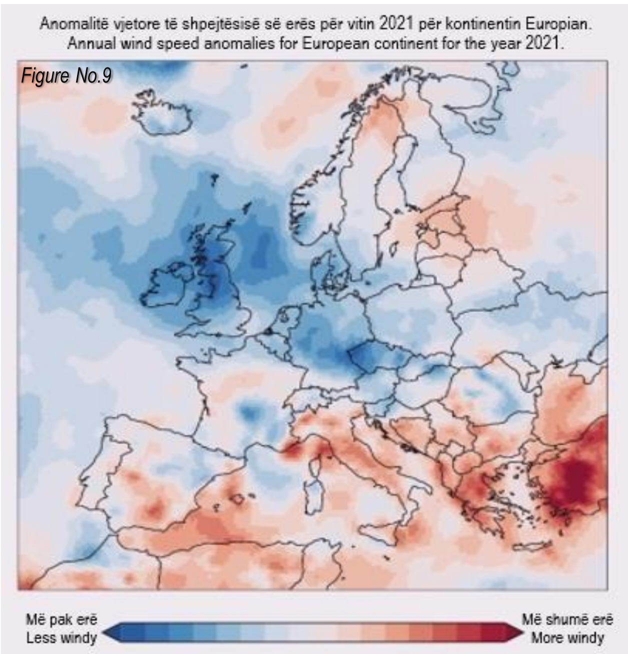


Figure No.9

ed every 10 minutes resulted that on meteorological ıd for energy are only for 2 weeks in one year.

The future and "wind drought". Another important fact is that wind in a continental scale have noted somechange recently as it is shown on the figure Nr.9, for theyear 2021 (ECMWF) where our area is impacted by higher wind compare to the norm values. On that context and to correctly evaluate the extreme wind caseand their frequency it is important not only to have in function a monitoring system, but also to set up monitoring for the vertical profile or use model for suchpurpose on the area projected in future for the use of wind like a source of energy.

Conclusions:

- For wind energy potential evaluation is important to have the right data measured at the meteorological station atthe level of 10 meters above land surface in conformity with WMO standard.
- Secondly on the area predisposed to set up in the future an eolic system should be preinstalled some specific equipment for the evaluation of vertical wind profile like sodar (acoustic vertical wind monitoring equipment).
- The wind seri with data should be at least 10 yearlong in time with preferable frequency of data every 10 minutes.
- The area of "Vau Dejes" and "Koman" need to be evaluated correctly by doing wind measurements on site and evaluate correctly the vertical wind profile. Not only estimate the risk of wind over the threshold of 25 m/sec, butalso the wind within the range of 5 to 25 m/sec, because exists also the risk of not having enough wind to positively evaluate a project from its economic point of view.

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Evidence of relationship between CSR disclosure and banks' characteristics

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Abstract

CSR disclosure, which stands for Corporate Social Responsibility disclosure, refers to a company's transparency in sharing its social and environmental practices with the public. When it comes to banks, CSR disclosure plays a crucial role in shaping their overall performance and reputation. First, CSR disclosure helps banks to build trust and enhance their reputation among stakeholders. Second, help banks mitigate risks associated with unethical practices.

This study investigates the nature and extent to which banks in Albania report the social and environmental engagement followed by the identification of how banks' characteristics are link to CRS disclosure.
The sample consist of seven banks that operate in Albania from 2007-2020. The related data are collected from banks' annual reports from 2007-2020, and from 2015 on the annual reports on CSR of Albanian Association of Banks as well. We used content analysis to estimate CSR index, while the relationship between CSR index and banks' characteristics are investigated with multiple regression analysis.
This paper contributes to the literature trying to understand how much and how Albanian banks engage in social responsibility determining the key indicators that contribute to CSR disclosure as well. The results may show interest in future research relating to how CSR disclosure changed pre and post COVID-19 Pandemic.

Keywords: *CSR Index, ROA, Risk, Corporate Governance*

JEL CODES: *G3, G21, G28, Q5*

Introduction

The definition of CSR was first presented in 1950, which marks the beginning of the modern CSR definition. (Carroll, 1999) traces the evolution of CSR, beginning with the first definition raised, followed by an expansion in a new dimension used and stressing that after the 1980s, there were fewer definitions and more empirical research.
The corporate executive's responsibilities lie for a long time in ensuring enough financial profits for the shareholders. Lately, since globalism has increased the competition locally or even globally, it is almost clear to everyone that financial profits cannot be achieved by offering the right product and service or without considering other stakeholders rather than related parties with the corporation.
The Corporate Social Responsibility field presents not only a landscape of theories but also a proliferation of approaches that are controversial, complex, and unclear (Garriga & Melé, 2004).
Decades of debate on corporate social responsibility (CSR) have resulted in a substantial body of literature offering a number of philosophies that despite real and relevant differences among their theoretical assumptions express consensus about the fundamental idea that business corporations have an obligation

to work for social betterment (Geva, 2008). In this context, the definition and what CSR includes today is far away from the basic beginning concept.

CSR covers a bunch of important areas that companies focus on to make a positive impact. One aspect is environmental sustainability. This means companies try to reduce their environmental impact by doing things like cutting down on greenhouse gas emissions, conserving resources, and using renewable energy. Another aspect is ethical business practices. Companies strive to treat their employees, suppliers, and customers fairly. They also promote diversity, equality, and human rights. Being transparent, honest, and following the law are super important too.

Engaging with the community is a big part of CSR. Companies get involved by volunteering, donating to nonprofits, and partnering with organizations that help make a difference. They might also invest in education, healthcare, and infrastructure projects to support local communities.

Taking care of employees is a key aspect too. Companies want to make sure their employees are happy and healthy. They provide a safe and inclusive work environment, fair wages, and growth opportunities. Some companies even have wellness programs and work-life balance initiatives.

Engaging with stakeholders is a big part of CSR as well. Companies listen to their investors, customers, employees, and local communities. They value their feedback, address concerns, and involve them in decision-making. Communication, transparency, and accountability are key to future success.

The following sections consist on the literature review to explore the related studies based on identifying the corporate characteristics that impact CSR, with a specific focus on banks.

Following the methodology section, first there is represented the way how CSR disclosure is estimated, variable description and methods used for evaluation. The paper ends with the discussion of the results.

Theoretical background and hypothesis development

CSR disclosure and corporate features

When companies disclose their CSR activities and initiatives, it provides valuable information about their values, priorities, and commitment to social and environmental responsibility.

Companies with a strong corporate culture that emphasizes ethics, sustainability, and social responsibility are more likely to have robust CSR disclosure. These companies view CSR as an integral part of their identity and are more transparent about their initiatives.

Companies that actively engage with their stakeholders, including customers, employees, investors, and communities, are more likely to disclose their CSR efforts. Stakeholder input and feedback can shape a company's CSR disclosure strategy and enhance its credibility.

CSR disclosure can vary among companies and is influenced by their corporate characteristics.

Bank size

The size and industry of a company can influence the extent and nature of its CSR disclosure. Larger companies and those in industries with higher social and environmental impacts, such as financial, manufacturing, or extractive industries, may have more comprehensive CSR disclosure practices. Corporate size and industry category are found to correlate with certain types of disclosures while the existence of a corporate social responsibility committee appears to correlate with one disclosure **(**Cowen et al, 1987). Size affects positiviley CSR disclosure (Činčalová, Hedija. 2020), (Godos-Diez et al, 2020), (Matuszak et al, 2019).

So we expect that big size companies are more engaged in CSR disclosure activities.

Bank age and gender diversity of the board

It is expected that bank age to have a positive impact on CSR disclosure since a bank can build in time its reputation. In this point of view, older banks intend to improve their reputation and good name through inclusion in social activities. Banks that have a longer history, operate for a long time in the market, and are more visible to the public so their activities are perceived faster than younger banks. In this way being more competitive in the market.

On the other hand, firm age and gender diversity of boards are not the factors affecting the CSR practice (Činčalová, Hedija. 2020). While Matuszak (2019), found that female board leadership and foreign board members on CSR disclosure of Polish banks from 2008-2015.

Bank performance

On the other hand, financially successful companies may have more resources to invest in CSR initiatives and may be more inclined to disclose their efforts to showcase their positive impact on society and the environment. There is a statistically significant relationship between CSR disclosure and firm financial performance (Činčalová, Hedija. 2020). We observed that a study conducted in Brazil by Crisóstomo et al (2011), to examine the relationship between corporate social responsibility (CSR) and firm performance, considering the firm value and financial accounting performance, had another surprising result. The results indicate that CSR has a significant negative correlation between CSR and firm value. Additionally, a neutral relationship characterizes the mutual effect between CSR and financial accounting performance (Crisóstomo, Freire, & Vasconcellos, 2011). There is a positive relationship between CSR and both operating performance and firm value of US banks studied from 1998-2010. This result is most pronounced in the largest banks. Results suggest that improving the quality of CSR at banks might go a long way toward improving individual bank performance and reducing the risk associated with U.S. financial institutions (Bolton, 2013).

The regulatory environment in which a company operates can also influence its CSR disclosure practices. Some countries or industries have specific reporting requirements or guidelines that companies must follow, leading to more standardized CSR disclosure.

Overall, CSR disclosure reflects a company's commitment to transparency, accountability, and responsible business practices. It allows stakeholders to assess a company's social and environmental performance and make informed decisions.

Methodology and data

CRS Index development

The critical underlying principle behind the ambiguity about the CSR disclosure and financial performance association is the serious difficulty in the measurement of CSR disclosure (Qazi, Aspal,2021).

From the previous studies, three main methodologies are used by authors to research CSR in the banking sector, including information synthesis and analysis, quantitative method, and survey.

The CSR definitions were gathered through a literature review on management, quality management, banking industries, and CSR activities.

In their study, Branco and Rodrigues (2006), used content analysis of websites in 2004 and annual reports in 2003 in 4 categories (environmental, human resources, products and consumers, and community involvement) for Portuguese banks'.

Douglas, Doris, and Johnson (2004), in their study "Evaluation of six Irish banks'' evaluated CSR reporting against four "best practice" international banks. Under this study content analysis of corporate annual reports and websites was used from 1998 to 2001.
Researchers have measured CSR in diverse ways including the:

- use of questionnaire surveys,
- spending measures like sponsorships and donations,
- content analysis of disclosed CSR information in CSR reports,
- unidimensional, and multidimensional ratings based on some observable social responsibility indicators, such as KLD ratings, EIRIS Index, AEI Index, and SGP Index.

In this study to measure CSR disclosures we used content analysis and we have developed an aggregated CSR index.
The CSR reporting index for each bank is calculated as follows:

$$CSR\ reporting\ index = \sum xi/\ n \qquad (1)$$

where: xi – 1 if the item i is disclosed, 0 if the item i is not disclosed, n - number of items.

The overall level of CSR reporting has been measured for the four areas, namely Environment, Human Resources, Products and Customers, Community Involvement.
Content analysis may be applied in different ways such as by counting words, sentences, sections or paragraphs. The simplest and most accurate form of content analysis consists of detecting the presence or absence of information in the document (Haniffa and Cooke, 2005).
According to Branco and Rodrigues (2008) is a more appropriate method than counting words, sentences, or proportions of pages when the study is from annual reports, which is our case.

Variables development

The information was based on banks' annual reports and the Association of Albanian Banks Corporate Governance Annual Reports from 2007-2020. The period is selected due to the integration of corporate reports into the annual report at each of the mentioned banks. The overall observations are 588 observations. After balancing the data set, the net observations are 504.
The sample selected consist on 7 largest banks in Albania out of 11, namely:

- National Commercial Bank-BKT
- Intesa San Paolo Bank-ISP
- Raiffeisen Bank Albania- RAB
- OPT Bank (Societe Generale)
- Tirana Bank
- Alpha Bank (OTP bank)
- Credins Bank

Driven from the literature, the selected variables that are supposed to impact the CSR disclosure include performance indicators: ,ROE, and NIM (Net Interest Margin).
ROE is also another financial ratio that indicates the profitability of a bank, which is calculated as net profit divided by average Total Equity Capital (ROE = Net profit/Average of Total Equity Capital). It represents the rate of return earned on the funds invested in the bank by its stockholders.

NIM is a measure of the difference between the interest income generated by banks and the amount of interest paid on borrowed funds. The largest amount of revenue comes from interest on loans. As a result, this kind of revenue affects net income and capital, which determine financial success (Kohers & Simpson, 2002).

Bank growth is relating to the change in asset size. The size is measuret by the log of asset size

Results and discussion

We include the variables that occurred most in the empirical literature and that have been hypothesized to be correlated with banks' CSR Index: size, age, profitability, and growth. In terms of banking activities, the size was measured as the absolute value of the total assets but standardized by natural logarithm. The growth was measured as income growth and the bank age is the number of years since the bank is established. Below there is a summary of dependent variables and the way they are calculated.

Table 1- Dependent variable name and measures

Variable name	**Variable explanation**	**Predicted sign**	**Measurement**
SIZE	Bank size	+	Natural logarithm of total assets
AGE	Bank age	+	The operating years since the bank was set up.
ROE/NIM	Financial Performance	+	Return on equity/Return on assets, Net Interest Margin
GROWTH	Income growth	+	$(Income_{1-} Income_0)$- $Income_0$

Authors` estimation

We pretend, according to the analysis that all the variables included must increase the CSR-Index

Below there are presented descriptive statistics about the variables included in statistical analysis.

Table 2- Descriptive statistics of model variables

variable	**min**	**max**	**mean**	**St d**
ROE	0.0004	0.28	0.08	0.078
SIZE	16.5	21	18.8	1.6
GROWTH	-0.04	48.7	24.8	0.16
AGE	10	25	18	9.5
CSR	0	1	0.38	0.47

Authors' estimation

During the period studied there have been mergers between banks, and since there is a long period of time the variables show different values. The banks under study are all, except Credins Bank and Tirana Bank, subsidiaries of foreign banks.

The CSR scores under study, are the average of the four perspectives, mentioned above, so the scores are mixed. As of the information above, on average banks disclose about 38% of the perspectives of CSR

measurement. The age of the banks, is on average 18 years, since most of them are well estabkished after the '90.
The correlation between the variables selected are estimated using Pearson correlation test. The results are shown in table 3. We observe that the correlation coeficients are below 0.6, level at which any of them might be excluded from the analysis. So there is no evidence of collinearity between them and we can include all in the regression analysis.

Table 3- Correlation matrix on variables under study

Variables	**CSR-I**	**SIZE**	**AGE**	**ROE**	**NIM**	**GROWTH**
CSR-I	1					
SIZE	0.384***	1				
AGE	0.381***	0.241***	1			
ROE	0.508***	0.383***	0.318***	1		
NIM	0.251***	0.418***	0.455***	0.135***	1	
GROWTH	0.345**	0.249***	0.403***	0.228**	0.403***	1

To estimate the impact of banks' variables on CSR disclosure, the panel least square is performed after balancing the data set for the banks under study. Referring to Table 1, the predicted sign of the independent variables is positive, which is confirmed by the correlation test as well. Now we estimate how strong, significant, or not is this relationship.
The results are shown below.

Table 3 Results of the panel regression analysis

Variable	Coefficient	P-value
Const	-1.026	0.0264
Size	0.0781	0.0028
Age	0.0258	0.0056
ROE	0.3674	0.3474
NIM	-0.1631	0.0334
Growth	0.2364	0.0814
R-squared	0.3574	
Adjusted R-squared	0.2481	

Authors' estimation

The results show that size positively impacts the CSR index. The larger the bank the more it invests in CSR activities though the more they are disclosed. On the other hand, the older the bank, the higher the possibility of being more engaged in CSR disclosure. These results comply with other studies that relate bank size and age to the CSR disclosure index.
Continuing with the regression results, we see that the profitability variable, ROE have a positive impact, but they are not significant. These results do not comply with earlier studies.
On the other hand NIM, different from the predicted sign, impacts negatively CSR. This may be explained by the fact that CSR information disclosure was given more importance during the pandemic COVID -19. In the financial statements, the CSR disclosure is not all disclosed before this period. As well the Albanian

association of Banks, issued the Corporate Governance Report as an official engagement after 2016. And at the beginning of the period under study may be banks were engaged at low level in CSR activities.
The last years, it may be observed that bank growth may be related to higher CSR activity engagement, but for the entire period the results of this positive impact are not significant.
Overall, the CSR index is explained only 24% of the variables selected. So, we may say that we have to investigate further and find other variables that may explain more what affects CSR in Albanian banks, represented by the sample.

Conclusions

The purpose of this study is twofold. First, this study investigates the trend of corporate social responsibility (CSR)) in commercial banks in Albania. We tried to build a CSR index based on content analysis, referring to the four perspectives: Environment, Human Resources, Products and Customers, and Community Involvement. We observed that banks disclose their CSR activities, mainly on a descriptive basis, mentioning the purpose rather than the expenditure relating to the activities. Sometimes one perspective is repeated at different times, causing difficulties in the way we must evaluate it.
Second, this study examines the impact of the banks' characteristics (Size, Age, ROE, NIM, and Growth) on the CSR disclosure.
The study revealed a positive relationship between banks’ CSR disclosures and their profitability-measured ROE though not significant.
However, the relationship between banks’ CSR disclosures and NIM is negative. The only variables that are more related to the level of CSR index disclosure are the size and age.
On conclusion, this is the first attempt to build a quantitative-based CSR index for Albanian banks, which is based on annual financial reports of each of the seven banks selected. The attempt to investigate any possible relation between bank characteristics and CSR index may be of use to bank managers or regulators to build instruments in order to foster CSR activities from financial sector perspective.

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Challenges faced by expatriates during the pandemic, lessons learned for future effective crises' impact management (the case of Albania)

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Abstract

The COVID-19 pandemic has had a profound impact on various aspects of people's lives, representing a complex crisis that has affected societies, governments, institutions, businesses, and individuals. Recovery from this crisis is an ongoing process, and many authors, drawing from Lerbinger's (2012) definition, characterize a crisis as an unpleasant and unpredictable event with unknown causes and uncertain solutions.

Expatriates, individuals living in a foreign country and regularly contending with challenges related to adjustment, are particularly vulnerable to crises, as observed by McNulty (2019). The COVID-19 pandemic is no exception in this regard. While much of the existing literature on expatriates' exposure to crises has focused on human-made crises, COVID-19 stands out as a natural disaster that had a global reach, affecting not only specific countries or regions but the entire world, as demonstrated in the works of Tripathi & Singh (2021), Koveshnikov et al. (2023), and Vegh et al. (2023).Given the unique and widespread nature of this global crisis, many scholars in the field of International Human Resource Management (IHRM) have turned their attention to studying COVID-19 and its impact on expatriates.

The primary objective of this research is to investigate how expatriates managed and adapted to the challenges posed by the COVID-19 pandemic. The pandemic necessitated a shift in corporate policies and practices, highlighting the need for more flexible expatriate management strategies to ensure their future success and effectiveness (Bebenroth, 2021; Bebenroth, 2022).

To achieve this goal, our research follows a two-fold approach. Firstly, it conducts an extensive review of the latest research literature to gain an understanding of the Covid-19 global impact and of the specific challenges that expatriates encountered during the pandemic, together with the proposed solutions for addressing these challenges in the future.

Secondly, it conducts semi-structured interviews with expatriates who resided and worked in Albania during the pandemic. By doing so, we aim to discern whether the challenges they faced and the underlying factors differed from those documented in existing literature. The insights gathered from these interviews will serve as a foundational basis for developing concrete policies and practices that foreign companies operating in Albania can implement to support their expatriate managers during times of crisis.

In summary, this research project seeks to comprehensively examine the experiences of expatriates during the pandemic, using a combination of literature review and primary data collection. The ultimate objective is to provide practical recommendations for companies in Albania to enhance their support for expatriate employees, particularly in times of unforeseen challenges.

Keywords*: expatriate managers, challenges, Covid-19, pandemic, multinational companies, foreign companies, company policies, working practices*
JEL classification*: F23, M12, I18*

Introduction

The global impact of the COVID-19 pandemic has profoundly affected various aspects of people's lives, representing a multifaceted crisis with significant consequences for societies, governments, institutions, businesses, and individuals. In line with Lerbinger's (2012), numerous authors describe a crisis as an unpleasant and unpredictable event with unknown causes and uncertain solutions. According to several authors Covid-19 responds impeccably to this definition. Even if officially it is not anymore a public health emergency, the process of recovery from its repercussion is still undergoing.

Expatriates, who are individuals residing in a foreign country and regularly facing adjustment challenges, are notably susceptible to crises, as highlighted by McNulty (2019). The COVID-19 pandemic is no exception. While existing literature on expatriates' exposure to crises has often centered on human-made crises, COVID-19 distinguishes itself as a natural disaster with a global reach, impacting not only specific countries or regions but the entire world, as evidenced by Tripathi & Singh (2021), Koveshnikov et al. (2023), and Vegh et al. (2023). Given the unique and widespread nature of this global crisis, scholars in International Human Resource Management (IHRM) have focused on studying COVID-19 and its impact on expatriates.

The primary aim of this research is to explore how expatriates navigated and adapted to the challenges posed by the COVID-19 pandemic. The pandemic prompted a shift in corporate policies and practices, emphasizing the necessity for more flexible expatriate management strategies to ensure future success and effectiveness (Bebenroth, 2021; Bebenroth, 2022).

To achieve this objective, our research follows a dual approach. Firstly, it conducts an extensive review of the latest research literature to understand the global impact of COVID-19 and the specific challenges faced by expatriates during the pandemic, along with proposed solutions for future challenges. Secondly, it conducts semi-structured interviews with expatriates who lived and worked in Albania during the pandemic. This approach aims to identify whether the challenges and underlying factors they experienced differed from those documented in existing literature. Insights from these interviews will serve as the foundational basis for developing concrete policies and practices that foreign companies in Albania can implement to support their expatriate managers during crises.

In summary, this research project comprehensively examines expatriate experiences during the pandemic, employing a combination of literature review and primary data collection. The ultimate goal is to offer practical recommendations for companies in Albania to enhance support for expatriate employees, particularly during unforeseen challenges.

An overview of the COVID-19 pandemic and its global impact

COVID-19 pandemic can be considered as one of the most devastating crises faced by humanity in recent years, with unprecedented and unpredicted consequences over many aspects of people’s lives. It is a disease caused by the new coronavirus SARS-CoV-2, firstly appearing in Wuhan, China, in December of 2019 (Mello & Tomei, 2021), but quickly spreading all over the globe within a brief period (Baburajan, 2021). Based on this, on March 11th, 2020, the World Health Organization (WHO) declared the state of pandemic.

On December 30th, 2019, the number of confirmed cases with Covid 19 was only 2, amounting to around 60,000 by the 9th of March 2020 and to over 4.2 million on the 28th of December 2020, with the region of Europe and the Americas accounting for most of the cases confirmed[13]. According to the data from the WHO coronavirus dashboard, the cumulative number of confirmed cases on a global scale, as of 9th of August 2023, amounts to 769,369,823, while the cumulative number of deaths to 6,954,336[14]. Based

[13] https://covid19.who.int/
[14] https://covid19.who.int/

on the same resource, starting January of 2023, the number of cases has been continuously decreasing, causing the Head of WHO to declare by the end of April 2023 the conclusion of Covid –19 as a public health emergency. However, in his declaration he points out that the disease is yet to be considered a global threat (UN News)[15].

Even though Covid-19 was initially a healthcare issue, its impact was soon evident in other areas as well, such as economy & business, travel & tourism, education, mental health, social interaction, and international collaboration. Due to the rapid spread of the virus, it was extremely challenging for the healthcare systems in many countries to cope with the situation. They were caught unprepared in terms of hospital capacities (Armocida et al., 2020) as well as in terms of short supply of medical equipment, including personal protective equipment (PPE) for healthcare workers, sanitizing supplies, toilet paper etc. (Kaye, A. D. et al., 2021). So, according to Armocida et al., (2020), the region hit the most by Covid 19 in Italy, Lombardy, in March of 2020 totaled a number of 19,884 confirmed cases with Covid-19, 2168 deaths and 1006 patients in need of advanced respiratory support, while the standard level capacity for the whole region at that time was 724 intensive care beds.

Covid-19 demonstrated how vulnerable healthcare systems are in many countries of the world and how necessary it is to make them more resilient, i.e., more prepared to face future crises, adjust and recover quickly to better serve the population. In line with that it is important to invest more in these systems, improve the process of data collection and processing within them, improve HRM policies as well as enhance international cooperation among systems of different countries (European Observatory on Health Systems and Policies, 2021[16]; OECD, 2023[17]).

The impact of Covid-19 pandemic on the global economy was also tremendously disruptive. The imposition of lockdowns and travel restrictions by most countries, the closure of public places and businesses resulted in a quick global economic downturn (Caliguri et al., 2020; Tripathi & Sing, 2021). According to data from the UN (2021)[18], real gross domestic product (GDP) per capita experienced a decrease of 4.6 per cent in 2020, as compared to the previous year. Business companies, like the healthcare systems mentioned above, were unprepared too to respond to the new reality brought about by the pandemic. This was emphasized particularly by the Ernst & Young's survey of 2019, conducted with 500 board members and CEO-s globally, before the occurrence of the Covid-19 pandemic. Only 20% of the top-level managers surveyed declared that their companies were ready to face a large adverse risk (Caliguri et al., 2020; Vegh et al., 2022). To stay in business, many companies were faced with the necessity to adjust their operational strategies by moving to remote work or in the worst cases by laying off employees (Caliguri et al., 2020; Biswas, 2022). Mello & Tomei, referring to Gartner's (2020) survey, point out that 88% of companies encouraged or asked their employees to work from home after the advent of Covid-19. On the other hand, Biswas (2022), referring to statistics from the International Monetary Fund (IMF) reveals a contraction of 4% of the labor market growth in 2020 on a global scale.

The unemployment rate worldwide reached the level of 6.5% in 2020, increasing by 1.1% from the previous year. Regions, such as Latin America and the Caribbeans, as well as Europe and Northern America, experienced an increase of at least 2%. The number of individuals unemployed globally reached the level of 220 million, increasing by 33 million during 2020, among which women and young people were the most hit[19].

[15] https://news.un.org/en/story/2023/05/1136367

[16] https://www.oecd-ilibrary.org/sites/1e53cf80-en/index.html?itemId=/content/publication/1e53cf80-en

[17] https://apps.who.int/iris/handle/10665/348493

[18] https://unstats.un.org/sdgs/report/2021/goal-08/

[19] https://unstats.un.org/sdgs/report/2021/goal-08/

Travel & tourism was the most directly affected industry, due to international travel restrictions and border closures implemented by many countries to contain the virus. Before the pandemic this sector accounted for 10% of the world's GDP and provided jobs for 320 million people worldwide[20]. It also represents the third largest export sector in the world, accounting for 7% of global trade volume in 2019[21]. However, due to the quick decline in the number of international travelers after the outbreak of Covid-19, the industry experienced a fast decline in export revenues and employment figures. Based on the UN policy brief, "The impact of Covid-19 on tourism"[22], the number of international travelers for the period January-May 2020, fell by 56% causing a loss of US$ 320 billion in tourism export revenues, which is 3 times greater than the loss brought about by the 2009 crisis. This was also associated with a fast increase in the number of jobs lost in this and the related industries. According to Statista (2022), this figure was about 62 million in 2020, while in 2021 the number of jobs in the global travel & tourism industry was 44 million lower compared to 2019[23]. Sun et al., (2022), who cite key international agencies, such as United Nations World Tourism Organization (UNWTO), World Travel & Tourism Council (WTTC) as well as International Labour Organization (ILO), emphasize the fact that specific categories, such as women, youth and low-income employees tended to be more exposed to this phenomenon.

Supply chains and international trade were impacted too by the advent of Covid-19. Firms involved in global value chains were among the most hit. They were faced with both a decline in foreign demand and shortages in intermediate inputs. Their exports volumes fell by 42% in April of 2020 compared to the respective level in January of 2020, while the decline in the exports' volumes for companies not involved in value chains was 28% for the same period. With the restrictions being less stringent in the following months and as well as during 2021 both categories of companies recovered their levels of exports, but firms not involved in supply chains recovered at a faster pace (Lebastard & Serafini, 2023).[24]

In a survey conducted by Ernst & Young (2023)[25] on the impact of the pandemic on supply chains, with 200 top-level managers of such systems, results that some industries experienced positive effects because of the pandemic, both in increased demand (71% of respondents from these industries affirm that) and in the process of launching new products in the markets (57%). These companies belong mainly to the life sciences sector whose products were vital during the pandemic, such as Covid-19 tests and vaccines. Consumer products companies, which were faced with enormous consumer demand at the beginning of the pandemic, report being positively affected too by Covid-19. On the other hand, there were companies who reported strong negative effects, particularly automotive and industrial products companies (97% of respondents from these companies reported that). In addition, 47% of all companies revealed that the pandemic impacted negatively their employees, since they had to change their working routines, some were asked to work online while others were obliged to adjust to restrictive rules due to the high risk of infection from Covid-19.

The influence of Covid-19 on global trade has been notable but also quite interesting. Due to the general decline in global demand for products, the restrictions imposed by many countries, border closures

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20 https://www.imf.org/en/Publications/fandd/issues/2020/12/impact-of-the-pandemic-on-tourism-behsudi

21 https://www.unwto.org/tourism-and-covid-19-unprecedented-economic-impacts

22 https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-08/UN-Tourism-Policy-Brief-Visuals.pdf

23 https://www.statista.com/statistics/1104835/coronavirus-travel-tourism-employment-loss/

24 https://www.ecb.europa.eu/pub/economic-research/resbull/2023/html/ecb.rb230322~5c08629152.en.html

25 https://www.ey.com/en_gl/supply-chain/how-covid-19-impacted-supply-chains-and-what-comes-next

and disrupted supply chains, the level of global trade contraction in 2020 was about the same as that during the 2008-2009 crisis, but the recover was fast and unexpected. After about a 9% decline in 2020 compared to the value in 2019, in 2021, due to better worldwide economic conditions, the value of global trade reached US $ 28.5 trillion, reflecting an increase of about 13% compared to the period preceding Covid-19 (UNCTAD, 2022)[26].

The way education was delivered changed too after the pandemic. Schools and universities in various countries closed their doors to prevent the spread of the virus. This led to a shift toward online and remote learning, impacting millions of students and educators all over the world. According to the World Economic Forum (2022)[27], around 1.5 billion students from 188 countries could not attend classes in person, which seems to have influenced negatively the education received by many children, adolescents and students around the globe. When the pandemic was at its peak, around 45 countries in Europe and Central Asia shut down their schools, while their administrators and teachers had to suddenly adjust to new ways of teaching, i.e., remote learning. The lack of face-to-face interaction among teachers and students was a challenge, even if the use of technology to support the new education reality was helpful. Countries used broadcasting, various types of social media, email, telephone or even regular mail, to overcome the lack of personal interaction, but that was not enough[28], particularly in underdeveloped countries. Referring to Mustafa (2020), Tadesse & Muluye (2020), affirm that teachers and students in these countries were faced with problems such as internet availability, lack of educational materials as well as technological devices, in particular students coming from the poorest families. Furthermore, according to UNICEF, many African countries were faced too with the phenomenon of students not returning to schools as they were reopening[29].

Social interaction and mental health of many people became a major concern too during the pandemic. Lockdowns and measures imposing physical distancing among them led to feelings of isolation and loneliness, and therefore, to high levels of stress, anxiety and depression. The fear of infection, the fear of losing loved ones and financial insecurity, had a significant influence too on people's mental health. According to WHO (2022), during the first year of the pandemic, the prevalence of anxiety and depression on a global scale increased by 25%. Young people, women and individuals with previous health problems were the most hit categories[30]. European Education and Culture Executive Agency (2022) emphasizes the fact that Covid 19 had a great impact on young Europeans' mental health. Concerns about it were already present even before the pandemic, but they enhanced sharply with the advent of the pandemic. The closure of schools and universities, as well as interruption of social activities such as sports and amusement ones, combined with the long hours spent using electronic devices and social media, were the major factors disrupting their mental health[31].

Probably one the most important lessons learned from Covid-19 outbreak was the fact that increased international cooperation among countries was crucial for facing the situation and alleviating its negative consequences. Efforts to control the virus and mitigate its impact highlighted the importance of global cooperation and resilience in the face of unprecedented challenges, through information sharing

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26 https://unctad.org/system/files/official-document/osg2022d1_en.pdf
27 https://www.weforum.org/agenda/2022/11/covid19-education-impact-legacy/

28 https://www.worldbank.org/en/news/opinion/2021/04/02/the-impact-of-covid-19-on-education-recommendations-and-opportunities-for-ukraine

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30 https://www.who.int/news/item/02-03-2022-covid-19-pandemic-triggers-25-increase-in-prevalence-of-anxiety-and-depression-worldwide
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among governments, organizations, and researchers. However, gaps on international cooperation at the time of the pandemic advent hindered the global pace of recovery as well as the speed with which individual countries recovered (Jit et al., 2021)[32]. WHO played a key role in promoting and leading the cooperation process among countries, by creating tools that enhanced collaboration in developing and delivering disease treatments and by stimulating financial solidarity among countries. But it was strongly challenged by some countries 'efforts to not fully disclose national data and to compete for vaccines availability (Bump et al., 2021)[33]. As far as collaborations in research during the pandemic is concerned, Carvahlo et. al (2023)[34], reveal that for the period 2020-2021 cooperation was quite intense. Researchers from high income countries cooperated with those from low- or middle-income countries in addressing relevant public health issues. Most of the collaborations were led by researchers from the USA, China, UK and India, while most of the publications had shared leadership.

The importance of studying expatriates' challenges during the pandemic

For more than three decades, research on IHRM, specifically that on multinationals' HRM, has been dedicated to the study of challenges faced by expatriates. The latter represent individuals from the multinationals' headquarters sent abroad to run foreign subsidiaries for a period from 12-36 months, or from 3-5 years, also called Parent Country Nationals, PCNs (Guttormsen, D. S. A. & Francesco, A. M., 2017; Boriçi Begani & Berberi, 2020). The staffing policy used in this case by multinationals is known as ethnocentric policy (Hill, 2023). Most of the research contributions in this area have highlighted three main reasons for the relocation of these managers, i. e. a) position filling, b) management development, as well as c) organization development (McNulty & Brewster, 2017).

However, the implementation of this policy is associated with some drawbacks. First, it can limit advancement opportunities for managers of the host country, leading to an unfriendly work climate within the subsidiary and consequently to lower productivity (Hill, 2023). Also, expatriate managers are much less familiar with the host country's business environment, a reason why they can very often make bad business decisions (Boriçi Begani & Berberi, 2020; Hill, 2023). Furthermore, they are very expensive employees, in fact the most expensive group in a multinational (Guttormsen, D. S. A. & Francesco, A. M., 2018; Boriçi Begani & Berberi, 2020) and are often faced with difficulties to adjust to the host country business environment. Because of that, a large amount of research studies has discussed the issue of expatriate failure, and the ways multinationals should deal with it. According to Koveshnikov et al., (2022), who refer to Caliguri et al., (2020) and Bailey (2021), expatriates are more likely to be negatively impacted by the pandemic consequences than managers of the host countries or other groups of employees. Therefore, it is particularly important to study the challenges they faced during Covid-19.

With the pandemic outbreak, expatriates, just like everyone else in the world, experienced serious health and safety concerns, regarding themselves as well as their families (Caliguri et al., 2020: Tripathi & Singh, 2021; Koveshnikov et al., 2022). Their emotional and psychological well-being were also severely impacted. As mentioned above, expatriates are usually faced with isolation, homesickness and difficulties to adjust to the host country, but in the case of Covid-19, such challenges were amplified, due to limited social interaction and travel restrictions (Tripathi & Singh, 2021, Baburajan, 2021). Furthermore, those relocating together with their families had to meet additional challenges, from healthcare services' access for themselves and their family members to remote schooling for their children. Understanding how expatriates dealt with the risk of infection and the access to healthcare services in a foreign country, how they coped with emotional and psychological stresses, can be helpful for building

[32] https://www.sciencedirect.com/science/article/pii/S2666776221001988
[33] https://www.bmj.com/content/372/bmj.n180
[34] https://link.springer.com/article/10.1007/s11192-023-04754-x

future strategies and support systems to ensure expatriates safety and psychological well-being in situations alike.

Also, due to lockdowns and travel restrictions imposed by many countries, companies and institutions around the world changed their operations and work dynamics, moving toward remote work possibilities. Obviously, expatriates were not excluded from that (Caliguri et al., 2020; Mello & Tomei, 2020; Bebenroth, 2021; Bebenroth 2022; Biswas, 2022) and the accompanying challenges in terms of communication, technology access and work-life balance. Important lessons for future remote work strategies can be learned by studying how expatriates managed and adjusted to these challenges. Corporate policies and practices had to change as well to adapt to the new situation brought about by the pandemic, pointing out the need to develop new and flexible expatriates' management policies to assure their success and effectiveness in the future (Bebenroth, 2021; Bebenroth 2022).

The following section will present a more thorough discussion of concrete challenges faced by expatriates during Covid-19 together with the necessary adjustments and support strategies undertaken by multinational companies. The research contributions to this topic, emerging right after the pandemic outbreak, provide a valuable base in understanding and analyzing these challenges and in proposing valid measures to cope with them in the future.

A comprehensive examination of the challenges faced by expatriates in the midst of the pandemic

As repetitively mentioned in the previous sections, Covid-19 represents a multifaceted crisis that has affected practically every aspect of people's lives. It has jeopardized the sustainability of societies, governments, institutions, companies, and individuals, while the process of recovering from it is still undergoing. Tripathi & Singh (2021), Biswas (2022) and Vegh et al., (2022), referring to Lerbinger (2012), define a crisis as an unpleasant and unpredictable event, whose causes are unknown as are the ways to deal with it. Also, often in literature, the term crisis is used interchangeably to describe disaster. Vegh et al. (2023), referring to Al-Dahash et al., (2016), define disaster as an ignored or mismanaged crisis.

Being away from their home country and coping everyday with adjustment challenges in the host country, make expatriates particularly vulnerable to crises (McNulty, 2019), and obviously Covid-19 is not an exception to that. Expatriates face specific pressures as compared to other employees, such as the necessity to learn a foreign language, to adjust and work in a new cultural and institutional context, to perform well in the assigned task as well as the necessity to manage personal and family relationships (McNulty, 2019; Biswas, 2022). Such pressures are a strong source of stress and anxiety for them, which are then intensified when they are exposed to crises situations, directly impacting their effectiveness. Most of the literature on expatriates’ exposure to crises has been focusing to man-made crises, while Covid-19 represented a natural one, which on the other hand, was not limited to a specific country or region, but involved the whole world (Tripathi& Singh, 2021; Koveshnikov, et al., 2023; Vegh et al., 2023). In response to this new phenomenon and the challenges it came along with, many authors in the field of IHRM have been dedicating particular attention to Covid-19 and its impact on expatriates.

Tripathi & Singh (2021), based on the terrorism-related model of Bader & Berg (2014), have proposed a framework of potential stressors that may be encountered by expatriates during natural crises, such as Covid-19, together with their impact on expatriates' well-being and performance. The authors classify potential stressors into two categories: *situational* and *psychological*. The first category includes: 1) perceived geographical distance, this increased because of travel bans and, 2) living conditions, which depend on the gravity of the pandemic in the host country. The second category of potential stressors emphasizes on: 1) expatriates’ health and economic concerns and 2) uncertainty in general related to the pandemic. These potential stressors are expected to negatively impact expatriates’ well-being and consequently their future performance. However, based on the work of Lazarus & Folkman (1984) and that of Stahl & Caliguri (2005), Tripathi & Singh (2021) suggest that perceived organizational and supervisors' support, together with that of expatriates' families and social networks can be particularly helpful to them in managing stress during natural crises. Expatriates' resilience as well is believed to reduce the negative impact of the above-mentioned stressors on expatriates' well-being. Furthermore, while poor expatriates' well-being impacts negatively their performance, the use of virtual collaboration can help reduce this negative impact.

Another research contribution relative to the stressors causing poor expatriate well-being in times of ongoing natural crises, such as Covid-19, is that of Koveshnikov et al., (2022). They built on stress theory and expatriates working in high-stress environments literature (Bader et al., 2019; McNulty et al., 2019; Faeth & Kittler, 2020) to explore on the influence of these employees' intra-family concerns and perceived workplace discrimination to their psychological well-being, as well as their intent to stay or leave the host country.

Obviously, the possibility that expatriates and their family's health and life could be seriously endangered with the advent of Covid-19, was a primary concern for them and a strong source of stress and anxiety. Therefore, based on previous research, Koveshnikov et al., (2022) hypothesized that there is a positive relationship among intra-family health concerns and expatriates' psychological stress. Plus, referring to preceding literature on expatriation, the authors argued that expatriates are often seen as "outsiders" or "exploiters" by host country residents, are prejudiced or even discriminated, as is the case of female expatriates in certain locations. Because of that they often feel excluded from society, lonely, uncomfortable, and stressed in the host countries' environments. Such feelings were amplified as expatriates were faced with imposed lockdowns, travel bans, social distancing and remote work during the pandemic, bringing the authors to propose that there is a positive relationship among expatriates' perceived workplace discrimination and their psychological stress.

Continuing in the same line and based on expatriation in high risky environments literature (Harvey, 1993; Mainiero & Gibson, 2003; Bader & Berg, 2013, 2014; Bader et al., 2019) as well as on stress theory (Lazarus, 1991; Bader & Berg, 2013, 2014), Koveshnikov et al., (2022), proposed that both, intra-family health concerns and perceived workplace discrimination, by increasing expatriates' psychological stress, affect positively on their intentions to leave the host countries. But expatriates' gender and previous work adjustment can moderate this relationship. So female expatriates' intra-family concerns and perceived workplace discrimination are expected to influence less their psychological stress. Similarly, expatriates' high level of work adjustment is expected to lower the impact of intra-family concerns and perceived workplace discrimination on their psychological stress.

In order to test their propositions, Koveshnikov et al., (2022) conducted a survey with 381 expatriates living and working on the United Arab Emirates, during May-June 2020. They concluded that during the pandemic intra-family health concerns and perceived workplace discrimination were important stress inducing factors and had a positive impact on expatriates' propensity to leave United Arab Emirates. However, differently from what was expected, expatriates' gender seems to not influence on the relationship among intra-family concerns and/or perceived workplace discrimination and their level of psychological stress. On the other hand, the effect of work-related adjustment to the relationship among intra-family concerns and expatriates' psychological well-being, resulted to be the opposite of what was expected. The more adjusted to work the expatriates were the more concerned and stressed they felt about their families' health. In the meantime, work related adjustment resulted with no impact on the relationship among perceived workplace discrimination and expatriates' psychological well-being.

The impact of Covid-19 on the psychological state of expatriates working on United Arab Emirates was subject of another research, that of Baburajan, (2021). He conducted a survey with 78 expatriates of different nationalities of both genders, different age groups, with or without existing health problems, but who had not yet encountered coronavirus. All surveyed expatriates reported to be satisfied with the measures undertaken by the United Arab Emirates government to handle the pandemic situation, however experiencing stress, anxiety and uncertainty was unavoidable for them. In the case of Asian expatriates, the level of stress and uncertainty resulted to be higher as compared to that experienced by Arab or Western expats. Furthermore, the older the expatriates, the higher the level of stress and uncertainty. Insecurity about their health and that of their families, about the sustainability of their jobs, as well as travel bans, were among the most mentioned concerns. Drawing on data from the survey the author emphasizes that, even if Covid-19 is primarily a health issue, its psychological effect on people in general, and on expatriates in particular, is serious and enduring. Therefore, providing psychological counseling and support to them is crucial to mitigate this negative impact.

Chan et al., (2023), based on spillover theory (Staines, 1980) and on conservation of resources theory (COR) (Hobfoll, 1989), have explored the relationship between perceived non work constraints encountered by expatriates during the pandemic, due to travel bans and social distancing, and their intention to withdraw or interrupt their task. They also examined the moderating role of expatriates' resilience and their marital status on this relationship. Referring to Connor & Davidson (2003), Chan et al., (2023), describe resilience as an individual’s ability to overcome situations of trauma, adversity or even tragedy. To test the relationship, they conducted a survey with 209 expatriates living and working in Malaysia. A partial least square modeling was used to analyze the data collected which confirmed the direct and strong impact of perceived nonwork constraints on expatriates’ intentions to withdraw, supporting both spillover and conservation of resources theories. Moreover, marital status resulted in having a significant moderation effect on the relationship between perceived nonwork constraints and withdraw intentions. In fact, married expatriates were found to be less likely to withdraw as compared to single expatriates, confirming the arguments of other researchers (Bajrami et al., 2021) that married expatriates has responsibility to maintain a family and likewise are less prone to leave their jobs. Interestingly, the role of expatriates’ resilience as a moderating factor was not empirically supported, proving that the large array of constraints associated with the pandemic was difficult to handle despite expatriates’ resilience.

The experiences and perspectives of expatriates during the COVID-19 pandemic were the focus of study as well in the papers published by Végh, Jenkins & Claes by the end of 2022 and the beginning of 2023. The authors main objectives were: 1) the examination of expatriates' experience with the Covid-19 pandemic at different stages of its development, 2) the identification of its impact on expatriates’ priorities, motivations, and concept of family, as well as the 3) the assessment of Covid-19 impact on their views about future mobility and global work. They used a longitudinal research design, structured in three stages which combines quantitative and qualitative approaches to achieve those objectives. 600 expatriates from 48 different countries were included in the research process. Most of them stated that they did not relocate from the host countries following the onset of the pandemic. Additionally, they expressed a sense of greater safety in the host countries and placed more trust in the measures implemented by these countries' governments than in those enacted in their countries of origin. Restrictions imposed by many countries to protect citizens during the Covid-19 resulted in having had a great impact on both the professional and personal life of the respondents, in particular travel restrictions and their underlying consequences. Expatriates in many cases found themselves separated from their closest family members, isolated, stressed, unemployed or with reduced monthly incomes. They also needed to adjust to new ways of doing their job and deal with new challenges related to their children’s education. Their priorities underwent a shift as well. While "excitement to see other countries", "exploit new opportunities and develop new skills" were previously the primary drivers for expatriates accepting foreign assignments, the arrival of Covid-19 transformed the landscape. Family, along with its health and financial security, emerged as the pivotal motivator for expatriates. Based on the above, their perspectives on global mobility underwent changes, thereby influencing future IHRM (International Human Resource Management) strategies. According to Végh, Jenkins & Claes (2022, 2023), the viability of expatriation as an HR strategy is now in question. Hybrid global mobility options are on the rise, encompassing a blend of online and on-site work, as well as a mix of short-term and long-term assignments. The authors also emphasize the emergence of a new set of human skills, referred to as the "C" skills, which include caring, collaboration, communication, community, compassion, and creativity. These skills are expected to shape future IHRM policies and practices.

In their 2020 paper exploring the repercussions of the Covid-19 pandemic on expatriates, Mello and Tomei concentrated on the challenge of maintaining a work-life balance and harmony among expatriates. To address this, they engaged in a series of semi-structured interviews with 12 expatriates situated in diverse host countries, chosen through convenience and accessibility criteria. Their findings indicated that Covid-19 significantly affected the work-life interface of expatriates, leading to instances of work-life conflict. However, they observed that adequate support from family played a crucial role in enhancing the equilibrium between expatriates' work and personal lives, facilitating a shift toward work-life harmony. Notably, the authors acknowledged a limitation in their study, as they exclusively interviewed married expatriates. This limitation opens avenues for future research to explore the experiences of expatriates with different family structures.

In his publications from 2021 and 2022 examining German expatriates in Japan, Ralf Bebenroth focused on identifying whether they encountered changes in their work practices and how they adapted to such changes. Grounded in the principal-agent theory (Jensen & Meckling, 1976; Bebenroth & Froese, 2020) and network theory (Granovetter, 1973; Bebenroth & Pascha, 2008), in his first paper, he formulated three primary research questions: a) the impact of Covid-19 on German expatriates in Japan, b) potential shifts in policies for expatriation by German multinational corporations post-pandemic, and c) the potential effects on the overlap time between the incumbent and successor. To address these questions, six interviews were conducted with German expatriates working in Japan between December 2020 and March 2022. The interviews yielded insightful findings. Firstly, expatriates noted that remote work positively influenced their relationships with headquarters but had a detrimental effect on their relationships with local or Japanese managers. Secondly, they expressed concerns about their companies' future expatriation policies, anticipating a potential reduction in the number of expatriates sent abroad due to the perceived cost-effectiveness of online communication with subsidiaries. Additionally, they supported extending the time required for incumbent expatriates to transition their responsibilities to their successors, particularly in the aftermath of the Covid-19 pandemic.

Building upon the aforementioned findings and drawing from grounded theory (Glasser & Strauss, 1967; Charmaz, 2014), Babenroth (2022) explored two additional inquiries in his second paper: 1) how expatriates adapted to new work practices during the pandemic, and 2) how this adjustment could be conceptualized. Through semi-structured interviews with German expatriates in Japan, his conclusions echoed those of the initial paper. Expatriates experienced a sense of isolation while working from their accommodations in Japan, particularly from their collaborators in the country. The prevalence of online meetings also contributed to a feeling of overwhelms. Conversely, their connection with headquarters, facilitated by electronic communications, was reported to be stronger and more comprehensive than before. Nevertheless, similar to the first set of findings, expatriates anticipated a reduction in future expatriation assignments due to the cost efficiency offered by online communications.

The staffing policies of multinational corporations have been a prominent topic of discussion in international business literature for several decades. Ensuring the placement of the right personnel in the right positions is crucial for attaining competitive advantages (Boriçi Begani & Berberi, 2020; Collings & Sheeran, 2021). However, the challenges and opportunities associated with global mobility have evolved alongside changes in the forms of international assignments. The emergence of Covid-19 has not only introduced new challenges but has also presented researchers and business practitioners with novel questions and dilemmas concerning the international transfer of managers and/or employees. According to Collings & Sheeran (2021) three major questions should be answered relative to the future of global mobility. First, the role of virtual communication and the performance of certain tasks online should be evaluated more thoroughly by companies. It is crucial for them to identify roles suitable for remote work and those necessitating in-person communication. These decisions should certainly align with the company's strategic goals, encompassing considerations for their future competitive standing in the market and sustainable objectives, such as minimizing their carbon footprint. Secondly, it is crucial to assess employees' willingness to undertake international assignments. Traditionally, this has been a significant challenge, and the recent complications arising from the pandemic, especially concerning personal and family safety, may have altered the factors influencing managers' readiness to relocate. The authors propose that managers may now consider factors such as the healthcare systems of potential destinations and their ability to navigate the consequences of Covid-19 when deciding on relocation. The prospective benefits and risks associated with international assignments, encompassing financial gains and managers' professional development, will play a pivotal role too. Additionally, the perception of managers regarding post pandemic international assignments status will also impact their inclination to accept or decline such transfers. Lastly, but of paramount importance, decisions regarding employee relocations should prioritize health and safety. As highlighted by Collings and Sheeran (2021), implementing appropriate interventions or support policies to ensure the health and well-being of international transferees is imperative for companies to effectively engage in global mobility.

A more comprehensive and up-to-date perspective on the changes in global mobility and their implications for multinational companies' HRM is provided by Lazarova et al. (2023). Adopting a phenomenon-based approach, the authors aim to identify major trends shaping the future of global mobility influenced by the ongoing consequences of Covid-19 and heightened global geopolitical instability. These interconnected trends impact individuals, organizations, and society as a whole, defining the where, how, who, and why of global work.

Societal trends, including the expansion of digitalization, increased global awareness of health, safety, and sustainability, and heightened restrictions on global movements, are expected to prompt multinationals to alter their policies. These changes involve a focus on the health and safety of employees, and on sustainability measures, through reduction in employee transfers, thereby affecting multinationals' impact on global carbon emissions. Similar policy changes are mentioned by Collings & Sheeran (2021). Employees are anticipated to be affected by these trends, necessitating increased preparedness, the development of intercultural skills, and proficiency in using artificial intelligence. On an organizational level, major trends involve fewer international transfers, increased remote work, and a greater emphasis on individuals' authentic self-presentation. These trends align with those identified by Bebenroth (2021; 2022). Implications for multinational HRM encompass changes in mobility strategies and challenges in maintaining and transmitting corporate culture. For employees, these trends translate into fewer opportunities to develop global leadership skills through on-site transfers and increased efforts to integrate with virtual teams. Significant trends on an individual level include a heightened emphasis on the authentic self, an increased desire to work in preferred locations, and greater job-changing opportunities. According to the authors, these trends are expected to make it challenging for multinationals to motivate and retain employees, as well as control their work locations. Individuals are likely to respond by enhancing their abilities to respect and value differences and improving skills essential for transitioning between jobs.

Lazarova et al. (2023) assert that each of the mentioned trends can inspire specific avenues for future research on global mobility, acknowledging that countless more aspects warrant exploration. They emphasize the imperative need to adapt management theories to align with the rapidly changing dynamics of today's business environment. Future research should reflect the complexities of the modern global landscape.

Challenges faced by expatriates in the midst of the pandemic in Albania

To comprehend the challenges confronted by expatriates residing and working in Albania amid the onset of the Covid-19 pandemic, an exploratory research approach employing semi-structured interviews was employed. Semi-structured interviews, commonly employed in the social sciences, serve as a valuable method for gathering primary data, especially when a profound exploration and comprehension of participants' experiences is paramount. Bebenroth (2021; 2022), drawing inspiration from Lindolf & Taylor (2002) and Charmaz (2014), utilized this methodology to investigate changes in work practices for German expatriates in Japan during the pandemic and how they adapted to these changes. Extending these insights and recognizing the novelty of Covid-19 and its repercussions in the Albanian context, the same methodology was applied to explore: a) the specific challenges faced by expatriates working in foreign companies in Albania during the pandemic, and b) whether these challenges mirrored those encountered by expatriates in other nations, as documented in existing literature on this subject.

Ten expatriates were included in the research process. They were reached through the authors personal network and the interviews were conducted in person. Four of the expatriates were engaged in the banking sector, while the rest were part of the processing industry. All the interviewed expatriates resulted to be in Albania at the outset of Covid-19. Regarding their first feelings when faced with the pandemic, they refer several of them. Some were mentioned by all of them, such as insecurity about their health and that of their families. This is quite in line with the conclusions of various authors, such as Caliguri at al. (2020), Tripathi & Singh (2021), Koveshnikov et al. (2022). Other first feelings mentioned include, anxiety of being trapped in a foreign country without the ability to reach the loved ones, insecurity about the sustainability of their company’s investment in Albania, as well as general economic insecurity.

Four of the interviewed expatriates reported to have left Albania during the pandemic lockdown. In all cases it was their own decision to leave. Regarding the reasons for leaving they mention primarily immediate return to their families before enforcement of mobility restrictions, insecurity to deal with Covid-19 in a foreign country, insecurity related to the Albanian healthcare system and need to take care of their families in their home countries.

As far as expatriates’ remaining in Albania is concerned, those working in the processing industry (4 of them) and being directly involved in the production process, reported to have interrupted their work. This is quite logical due to the fact that all activities requiring people gathering and on-site task performance, such as the production processes, were disrupted. In the meantime the expats working in the banking sector continued their job online. However, the latter affirmed being faced with some difficulties in performing their managerial task online. Interviewees stated that it was not easy for them to adjust to the new way of conducting the managerial duties online. They revealed that longer working hours executed online had become a real burden for them. Such results are in line with the works of Bebenroth (2021, 2022). Similar to Bebenroth (2021, 2022) expats working online encountered difficulties too in building the right communication with the Albanian staff and subordinates. Furthermore, in line with Mello & Tomei (2020), the two expatriates working online reported to have been faced with difficulties in managing their work-life balance.

All the interviewed expatriates declared to have experienced stress and anxiety when faced with the Covid-19 outbreak, specifically the two expatriates who, at that moment, were away from their families. The drivers of stress and anxiety were certainly related to insecurities about their and their families health and safety, to the feelings of loneliness and isolation due to the lockdowns and travel bans imposed by the Albanian government, to insecurity about their future job and career prospects, as well as insecurity about the Albanian and the world economy in general. Such results are quite in line with the conclusions of many researchers mentioned above, such as Caliguri at al. (2020), Tripathi & Singh (2021), Baburajan (2021), Koveshnikov et al. (2022) & Chan et al. (2023). In most cases, the assistance to leave Albania turned out to be the support that the respondents had requested from their headquarters.

Despite the challenges mentioned above, interviewed expats did report that facing the pandemic had also been a learning experience. They declared to have learned how to adjust and be more flexible when faced with unforeseen situations as well as how to manage stress and psychological disorientation resulting from unexpected changes. Furthermore, according to them, adjusting to the use of electronic communication to perform the managerial task and to solve specific problems has also been a benefit derived from the Covid-19 experience. However, they emphasize that even if remote work is helpful, face to face interaction is yet irreplaceable. Such results are also in line with Mello & Tomei (2020), Bebenroth (2021; 2022), Végh et al. (2022; 2023), Lazarova et al. (2023).

Conclusions

The COVID-19 pandemic has emerged as one of the most profound crises witnessed by humanity in recent years, impacting various facets of people's lives. Originating as a healthcare concern, its repercussions swiftly expanded to affect the global economy, business, travel, tourism, mental health, social interactions, education, and international cooperation.

Individuals sent overseas by their companies to undertake managerial responsibilities in host countries, known as expatriates, are not immune to the effects of Covid-19. According to numerous researchers, their vulnerability to the adverse consequences of the pandemic is heightened. This is attributed to their unique position of being away from their home countries and contending with daily challenges of adaptation in the host countries.

Various authors have highlighted that expatriates have encountered numerous challenges as a result of the Covid-19 pandemic. Foremost among these challenges are concerns about the health of themselves and their families, leading to heightened stress and anxiety. Additionally, the implementation of travel bans and lockdowns by several countries, intended to safeguard their citizens from infection, has exacerbated stress and anxiety levels among expatriates. Feelings of isolation and loneliness, especially when separated from their families, have been prevalent. The global economic disruption triggered by the pandemic, marked by business closures and reduced opportunities for expatriates, has introduced economic uncertainty, further contributing to their stress and anxiety. Given the elevated levels of stress and anxiety, researchers contend that the mental health and overall well-being of expatriates have come into question, potentially impacting their ability to perform effectively.

The work practices of expatriates have undergone significant changes, with many compelled to adopt remote work. While this transition has facilitated the continuity of work, it has, in several instances, adversely affected communication with subordinates in host countries and hindered effective managerial tasks. Some researchers have also linked working from home to challenges in achieving a proper work-life balance for expatriates. Nevertheless, based on insights gathered from expatriates, companies are anticipated to increase electronic communication and potentially replace physical relocations with virtual alternatives to cut costs. Additionally, replacement of international transfers with online communication is considered to positively affect the contribution of companies in reducing carbon emissions, therefore achieving MNE's sustainability goals.

The consequences of Covid-19 have led to reported shifts in expatriates' attitudes, with tendencies to withdraw from international assignments or exhibit reluctance in accepting them in the future. The priorities of expatriates appear to have evolved, placing a greater emphasis on concerns about their own health, well-being, and that of their families. Therefore, multinational companies' policies must changes as well, in order to emphasize or invest more on their employees' health and well-being.

Expatriates in Albania exhibited similar responses to the challenges posed by Covid-19. Corresponding to findings in existing literature, they expressed uncertainties about their health and that of their families, concerns about future job stability, and general economic insecurities. These uncertainties led to heightened stress and anxiety, especially among expatriates separated from their families. Some chose to leave Albania after the pandemic's onset, primarily to reunite with their families in their home countries or to provide care. Reasons for departure included too a lack of trust in the Albanian healthcare system and a sense of vulnerability in dealing with Covid-19 in a foreign country. Expatriates in the banking sector continued their work remotely, but this shift presented some challenges, including difficulties adapting to online tasks, struggles in maintaining a work-life balance, and issues in communication with their Albanian subordinates. Nevertheless, expatriates who were already in Albania when the pandemic began reported valuable lessons learned from the pandemic experience. They gained insights into responding more flexibly to unexpected situations, managing stress and anxiety, and effectively addressing tasks online. Despite these lessons, they emphasized the irreplaceable role of face-to-face communication for fostering better understanding between parties.

In addition to the aforementioned findings, this paper has certain limitations that should be addressed in future research. Firstly, the study interviewed a relatively small number of expatriates working in Albania, specifically only 10 individuals. Moreover, these participants were exclusively engaged in managerial roles within the processing and banking industries. To gain a more comprehensive understanding of expatriates' challenges in Albania, future research should involve a larger and more diverse sample, encompassing a broader range of industries.

Furthermore, this paper assessed challenges faced by expatriates in Albania solely based on their perceptions. The perspectives of the companies, particularly those of HR managers who are directly responsible for formulating policies and practices to support expatriates, were not considered. Future research could enhance the robustness of conclusions by incorporating the viewpoints of companies, thereby providing a more comprehensive understanding of the challenges encountered by expatriates in the Albanian context.

However, based on the aforementioned findings both in the global and Albanian contexts, several recommendations can be proposed for foreign companies operating in Albania. Firstly, they should consider and implement a hybrid approach to work, combining online and on-site tasks, with a careful evaluation of roles suitable for remote performance. This can aid in cost reduction and contribute to lowering carbon emissions by minimizing travel instances. Secondly, companies need to be meticulous in formulating policies that prioritize the health and well-being of expatriates, as these factors are crucial for fostering motivation among expatriates considering or currently undergoing transfers to Albania, especially in roles as subsidiary CEOs. Lastly, future HRM policies should be more adaptable, designed to quickly address unexpected changes and trends in the global business environment, similar to the challenges posed by the Covid-19 pandemic.

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Technological innovation in tourism enterprises in northern Albania

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Abstract

The tourism industry for Albania, as a developing country, is considered very important in creating economic benefits, which is also seen as connected to the agricultural sector. The integration of agricultural and tourism enterprises brings economic development mainly in rural areas. The relationship between agriculture and the tourism sector in the rural area stimulates local production, maintains tourism profits. The problem of integrating the two sectors is related to the seasonal nature of tourism, the low quality of local products, the dependence of the tourism industry on imported supplies and the lack of a direct link between agricultural enterprises and the tourism industry. Digitization of agriculture is considered very important for the progress of agriculture. Various interested actors assume that the adoption of new agricultural technology affects the performance and will also ensure an increase in the precision of the production produced to meet the need of the tourism business in the region. The purpose of this paper is to explore the perception and attitude of farmers and tourism enterprises regarding agricultural technology. Also, this paper shows the importance of digitizing the supply chain of agricultural products to support the tourism market. Finding optimal ways to improve the relationship between agricultural and tourism enterprises is very necessary to create synergy in the market and improve the image of the tourist destination. The main source of which is the agricultural development and potentials in the development of tourism, in the form of touristic programs and facilities. Two hypotheses were raised: digitalization improves the production process of agricultural products, and digitalization of the supply chain supports the relationship between agricultural and tourism enterprises to create market synergies. The methodology of this paper is based on secondary data analysis and primary data processing. The secondary data is the result of a review of a wide and contemporary literature, domestic and foreign, related to the research topic. In formal statistical management systems, data are used to investigate the characteristics and importance of agricultural and tourism companies using agricultural technology. Primary data was obtained using quantitative research, with a questionnaire instrument. The questionnaires contain open-ended and structured questions and are self-administered by the respondent. Two questionnaires were distributed one to hostels that operate specifically in the area of Theth, Razma, Boga, Tamara, Lepusha, Vermoshi. A second questionnaire is distributed to farmers operating in the same area.The data show that there is generally a positive approach of farmers and tourism business in the north of Albania towards the adoption of new technology, especially that in the distribution channel. There are several obstacles to the adaptation of technology by the business of these two sectors.

***Keyword**: Innovative, Technology, Supply Chain, Agriculture, Tourism.*

Introduction

Tourism as an industry is a powerful tool to get out of poverty for developing countries, bringing great benefits to the entire region by supporting poor communities (Scheyvens, 2007; Torres and Momsen, 2011). Tourism also contributes to the agricultural sector for rural areas by being the main supplier of local products (Telfer and Wall, 1996). The link between the agriculture and tourism sectors in rural areas stimulates local production, maintaining tourism profits in the country and improving the distribution of the economic benefits of tourism (Torres, 2003). Agriculture and Tourism, integrated together, offer opportunities for economic growth, building resilience in rural communities and enhancing sustainable development in both sectors (UNEP, 2011). The problem of integrating the two sectors is related to the seasonal nature of tourism, the low quality of local products, the dependence of the tourism industry on imported supplies and the lack of a direct link between agricultural enterprises and the tourism industry (Lacher and Nepal, 2010). . Many studies conducted in Mexico, Fiji and Gambia highlight the existence and importance of tourism integration in agricultural products such as animal products, vegetables, fruits, fisheries, beekeeping, crops and dairy products (Berno, 2005; Mitchell and Faal, 2008). Technology as a factor has changed the whole world making it more dynamic, as such it also affects the tourism and agriculture industry. Forms of connection between these two industries can also be maximized through technology, bringing direct and indirect benefits from contact between enterprises (Mitchell and Ashley, 2010). Among the forms of tourism that bring both sectors into a single product are 'agritourism', 'farm tourism' or 'land-based tourism' (Phillip et al. 2010).

Purpose of the Study

The purpose of this study is to demonstrate competitive ways in which agricultural products can be integrated through technology through the model known as the supply chain of the tourism supply market based on the cooperation of agricultural enterprises, tourism and stakeholders from the surrounding business environment.

Finding optimal ways to improve the relationship between agricultural and tourism enterprises is very necessary to create synergy in the market and improve the image of the tourist destination. The main source of which is the agricultural development and potentials in the development of tourism, in the form of touristic programs and facilities. Modern business conditions, mainly reflected in the frequent and rapid changes in the needs and motives of tourists (consumers), in an increasingly strong competition in the international market and significant technological progress, impose the search for new methods and tools. for achieving business success, competitive. market advantage through technology.

Based on INSTAT data on real annual GDP growth by sector, agriculture has grown at an average annual rate of 2 percent since 2012, while for the same period the tourism sector has grown at an average annual rate of 4.4 percent (14.23 percent in 2020). The northern region of Albania has several benchmarks for rural development and potentially scalable agritourism, in some areas focused only on agriculture and in others only on tourism. The most popular rural and agro-tourism attractions in the north of Albania are villages such as Thethi in Shkodra district, Valbona in Kukës district. Farms in these villages are located in exceptional landscapes and are located near natural heritage areas (Theth National Park, Shala River, Valbona Valley, etc.).

There are 690 accommodation units (hotels, guesthouses, farm inns, etc.). In the last 10 years there is a tendency to return to tourist areas, farms in guesthouses and not to support the agricultural sector with interest. Such a tendency has led to the enrichment of these areas by embracing tourism and the impoverishment of agricultural areas. The region has benefited from donor-funded projects to develop its rural offer and agritourism. According to a GIZ study on rural tourism, in Theth there are more than 35 families who have turned their old homes into guesthouses with a total accommodation capacity of around 400 beds, Valbona has followed the same development path.

Digitization of agriculture is considered very important for the progress of agriculture. The adoption of new agricultural technology affects the performance and will also ensure an increase in the accuracy of the production produced to meet the needs of the tourism business in the region.

Integration problems

- the seasonal nature of tourism,
- low quality of local products,
- dependence of the tourism industry on imported supplies
- lack of a direct link between agricultural enterprises and the tourism industry.

The main source of this is agricultural development and the potential for tourism development, in the form of tourism programs and facilities.

H1: Digitalization improves the production process of agricultural products

This paper also shows the importance of digitizing the supply chain of agricultural products in order for it to support the tourism market.

Finding optimal ways to improve the relationship between agricultural and tourism enterprises is necessary to create synergy in the market and improve the image of the tourist destination.

H2: digitization of the supply chain supports the relationship between agricultural and tourism enterprises to create market synergies.

Literature review

Agritourism helps preserve rural lifestyles and landscapes, including strengthening local networks, culture and traditions (Ventura, Milone, 2000). Maetzold (2002), agritourism is an alternative enterprise "activities that occur when people associate travel with agricultural products, services and experiences". In Italy, agritourism is regulated by law (L. 5/12/1985 n. 730 replaced by article 14 L. 20/2/2006 no. 96; sentence Court of Cassazione 2/10/2008 no. 24430) that defines agritourism. as: "accommodation and hospitality activities carried out by farmers, through the use of their farms in connection with the activities of land cultivation, forestry and animal husbandry". Italy as a country in the European Union is the only one that regulates agritourism through specific laws. Italian companies have a family character; very few are part of cooperatives and associations, they do not tend to hire employees outside the family. In general, the low cultural and linguistic lack of leaders is present but not harmful to tourists. Wine and local gastronomy constitute the tourist potential. The typology of agritourism developed in Italy is very similar to that of Albania. The contribution of tourism to rural areas in developing countries includes the integration of the agricultural sector and products in the supply chain by creating economic networks (Telfer and Wall, 1996). The integration of the agricultural sector through network technology and the establishment of rural supply chains involves many actors such as the public sector, private sectors, academia, donor agencies and non-profit organizations to better understand the relationship between sectors in creating strategies and implementing theirs (Torres and Momsen, 2011). Factors related to the challenges of integrating the agricultural sector into tourism based on many authors are demand-related factors, including the type of accommodation ownership; development of the tourism industry; health, safety; and seasonality, lack of knowledge about quality production of products, physical limitations such as warehouse for storing overproduction, high prices of products in the country; technological and processing limitations; competition for jobs in tourism; undercapitalization of the agricultural sector. Marketing and infrastructure, mistrust between traders and agricultural supply and handicraft producers, as market factors hinder better cooperation. The lack of intermediaries is limiting the security of market knowledge and the needs of the tourism hospitality sector. Government policies challenge the lack of support through taxes, credit and microfinance (Rhiney, 2011; Torres and Momsen, 2004). Bowen et al.

(1991) using a graphical conceptual model showed the relationship between tourism and agriculture, where it did not describe all transactions between farmers and visitors. Farmers and tourists can make direct and indirect transactions. Arwnliut (2015) Telfer and Wall (1996), Figure 1 presents the different actions between farmers and tourists in the host country.

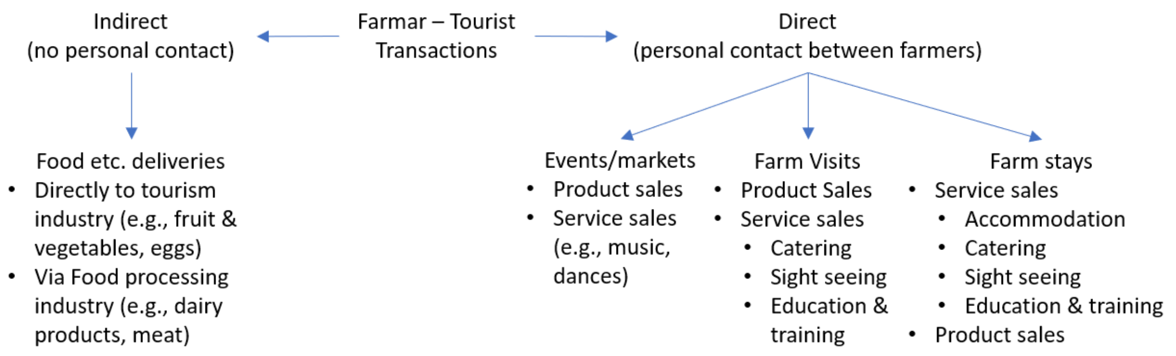

Figure 1: Transactions between farmers and tourists

Research design and methods

The methodology of this paper is based on the analysis of secondary data and the provision and processing of primary data. The secondary data is the result of a review of a wide and contemporary literature, domestic and foreign, related to the research topic. Conceptual models have been identified from this literature review. In formal statistical management systems, data are used to investigate the characteristics and importance of agricultural and tourism companies using the descriptive statistical method. The study by Wilson et al. (2001) was used as the conceptual model for this study. Based on this model, the variables that will be used in the questionnaires constructed in the collection of primary data are identified. The study is based on the quantitative research method, which is a research on social and human problems, based on testing a theory consisting of variables, measured by numbers and analyzed with statistical procedures, to predict (Creswell, 1994: 1).

1. The collection of primary data for the hostels that operate concretely in the area of Theth, Razma, Boga, Tamara, Lepusha, Vermoshi is carried out through a questionnaire. The questionnaire includes questions about the services provided including the food, what the menu contains, what the guests are looking for the most, how this is communicated in the market, where the food products are supplied, the quantity, what are the local products, what are the quality ones, what are the supply problems particularly related to local food supply, traditional cooking methods, and use of technology in support of these operations.

2. A second questionnaire will be distributed to farmers operating specifically in the area of Theth, Razma, Boga, Tamara, Lepusha, Vermoshi. This questionnaire will provide data on food products consumed by tourism businesses in the area (accommodation and restaurants) to identify the potential for the production of local products related to community-based tourism activities, how technology helps those who use it and how much they are willing to use it.

The questionnaires contain open-ended and structured questions and are self-administered by the respondent. The use of the questionnaire also enables the collection and quantitative analysis of data using descriptive statistics, thus complementing previous studies that used mainly qualitative methods. This data collected through the questionnaire can be used to suggest possible reasons for certain relationships between variables and to create models of these relationships (Saunders et al 2009: 144). The questionnaire was carried out in a sample of 33 agricultural businesses and 26 tourist businesses, as representatives of these areas.

The conceptual framework aims to provide solutions on how small agricultural enterprises can integrate agricultural products into tourism through a technological eco-innovation strategy. Agricultural enterprises through this integrated supply chain strategy improve organic or "natural" farming methods by offering "organic" certification. The purpose of this conceptual model is to encourage farmers to engage in sustainable practices that help preserve cultural, social and environmental systems, where agri-food tourism is a brand identity, where technology facilitates this connection. The aim of the agricultural supply chain, conserves and promotes the sustainable use of biodiversity resources OECD (2016).

The supply chain brings together agricultural and tourism enterprises (Matopoulos, Vlachopoulou, Manthou and Manos, 2007), wholesalers, transport companies, manufacturers (food, food and beverages), textile and biofuel producers, retailers. includes agriculture, processing, refining and retailing, through technology. Food quality and safety includes processing and marketing processes, highly regulated according to internationally recognized standards such as Hazard Analysis Critical Control Points (HACCP), Good Manufacturing Practice (GMP) and Good Hygienic Practice (GHP). The traditional agri-food supply chain focuses on operational process management, logistical efficiency and production sustainability ("green production") of agricultural enterprises (Elsen, 2000).

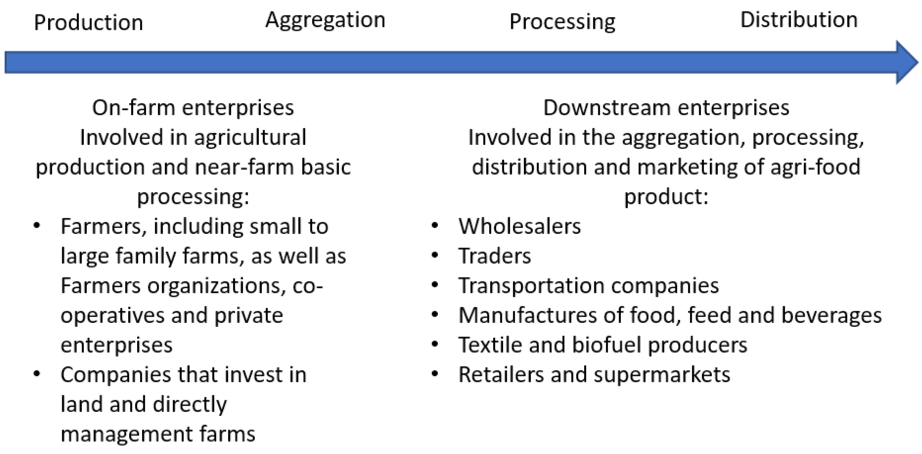

Figure 2: Stages of the agricultural supply chain and the enterprises involved.

Results

Firms from both sectors participated in this study, of which 33 agricultural firms, of which 78.79% are family farms, 21.21% are small businesses. The total number of tourism firms involved is 26, which generally include accommodation and restaurant in their services, 36.23% Accommodation, 34.78% Camping. 28.99% Restaurant.

The companies operate specifically in the area of Theth, Razma, Boga, Tamara, Lepusha, Vermoshi - Northern Albania.

72% Resource tourism firms generally use all three forms of resource provision using informal agreements, 35.62% direct contact with the farmer, 35.62% direct to the market, 28.77% Agreement (written / oral) with farmers

The use of technology in tourism firms shows that 100% partially use the advantage that technological tools can provide (eg in data collection, analysis, decision support, regular maintenance and support, training)

They use technology generally in creating business data 13.16%, reservation system 13.16% and e-government 13.16%, but not for supplying products. From a management perspective, technology helps more in inventory management 30.67% and supply 32.00%.

The results from Agricultural Firms show that 34.18% are concentrated in Animal Husbandry/management of which 32.91% are Crop Production, 78.79% are family farms, 21.21% are small businesses. Most of these farms 67.09% produce agricultural plants and livestock management. 47.37% of agricultural firms sell products directly to the market, 38.60% Contact the buyer directly, Direct distribution of production dominates the way of passing products to the market. Forecast 16.67%, 12.50% E-Governance

72.73% do not use technology at all. This also shows the impossibility in processing and distribution of production. Communication tools and technology are mainly used in e-government and record keeping of official documents, reports and planning.

24.24% of firms partially use innovations, the result expresses the minimal use of technology.

Discussion

The data shows that in general there is a positive attitude of farmers and the tourism business in northern Albania towards the adoption of new technology and innovations, especially in relation to distribution channels affecting the supply chain of agricultural products. There are several barriers to technology adoption by business in these two sectors.

Technology - In tourism firms it helps more in inventory management 30.67% and supply 32.00%.

Production procedure - In agricultural firms, technology facilitates production, administration and daily supply 100.00%.

Digitization - The use of technology is minimal in data only.

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INFORMATION TECHNOLOGY, GLOBALIZATION AND SOCIAL DEVELOPMENT

Organizing dual education in higher education in the countries of the Southeast Europe Region – Need Or Fashion?

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Abstract

The dual model of education in higher education has become one of the top topics in the last decade. Employers' dissatisfaction with the knowledge, competences and skills of graduates was attributed to the burden of higher education institutions, which, in addition to numerous internal problems, also had numerous objective reasons why this was so. Higher education institutions (HEI) in their defense will say: HEI graduates know as much as their colleagues in the West, and we work in much more difficult conditions, and this is confirmed by the fact that many continue their studies at foreign universities or get jobs in foreign companies without any problems. On the other hand, employers repeat they know the theory very well, but for practical work and application of that knowledge and skills, we spend as much time as their formal education at the university. On such conflicting views, study departments that will have a greater connection with the business sector and provide more appropriate knowledge base and competences for a quick and full entry into the labor market have been discussed for years. And while such a study has become a "standard" in Austria, Germany, Switzerland, Denmark, and increasingly in other EU member states, the process in the countries of Southeast Europe (SEE) is unfortunately extremely slow. The justification for the slowness is the complexity of the organization, the lack of a business environment, the lack of legal legislation, financing problems, etc. But the fact is that this does not justify the key actors for this kind of slowness in implementation. First of all, it is a lack of vision and much more work, effort and sacrifice to organize and develop this type of study. After all, it is much simpler to continue working ex-cathedra or online (an even better model because you don't even have to physically visit amphitheaters or classrooms), which is a well-established system that has lasted for decades. In the work and research that preceded it, recommendations are made for an objective assessment of the possibilities and needs for dual studies programs through the preparation of adequate studies of the feasibility of applying this model, and it emphasizes the importance of the transformation of HEIs in the countries of the SEE region. We especially want to emphasize the importance of real business prerequisites and cooperation that is needed for a high-quality study of this kind, and not a study that will be a farce of the dual model.

Keywords: *Business systems, dual study, feasibility study, higher education, labor market*
JEL CODES*: I21, I24, J24*

1 Introduction

The developed countries of the West realized a long time ago that in addition to classic "theoretical" academic schooling and programs in higher education, there must also be those that are even more closely related to practice expressed as dual or cooperative study models. Leaders in such an approach, countries such as Germany, Austria, Switzerland or Denmark, have been following this concept developed in close cooperation with the business environment for decades and it is constantly being improved and modified in accordance with business trends (development of the IT sector, Concept Industry 4.0, etc. .). For example, with its approximately 350 higher education organizations in the rank of universities, Germany today has about 1/3 of those that are purely academic institutions, and even 2/3 that have applied sciences in their title (UAS-University of Applied Sciences, formerly Fachohschule-FH). Of course, not everyone in the FH-UAS title follows the concept of a dual model because it is neither easy to develop nor lead, and it is not reached "ad-hoc" by decisions of the management of the Higher Education Institution or any stakeholder (ministry, chambers, companies). It is the result of a compromise between the potential and the understanding of the dual study model as seen by the Higher Education Institution on the one hand, the legal regulations and the understanding of the model by the ministries and related institutions and the business sector of the region in which the Higher Education Institution works. Each country should develop its own model because the business, educational or state level and regulations are not the same anywhere and a copy-paste model is impossible. Secondly, the model has been built for years and no isolated and excellent projects can be a complete solution, but only one step in the construction of the system.[35]

Of the countries in the SEE region, only Serbia entered this story quite boldly a few years ago (the designed project concept started in 2015/16). But of the pillars of the Triple-Helix model, the state (ministries, chambers, etc.) had the greatest activity, because it is clearly recognized that the story of foreign direct investments (FDI) "has no coverage" if there is no adequate labor market. Labor markets with real professional competencies and not those imagined by their lecturers. Serbia passed the Law on Dual Education for Higher Education (the only one in the region) and no matter what shortcomings the Law may have, it still exists and is better than any that have not been passed by long-standing EU members (Croatia and Slovenia) or candidates for membership (North Macedonia, Albania, Montenegro, BiH). That the problem is not only in passing laws is also evident by the situation in Serbia, where faculties (especially state) have long resisted the idea of entering this model, that is, how to start with the model and how to implement it without changing anything in their work.

Analyzes of the syllabi at numerous technical faculties made within the EU project EDU-lab show that students have a maximum of 1-3 ECTS points per year out of a possible 60 ECTS points that they earn in a business environment (approx. 30-90 hours per year). Many even get a master's degree without reaching those magical 1-3 ECTS points in practice per semester, which is 3-5% of the total number of points they have during their studies. At the moment of writing this paper, the EU Erasmus+ projects DUALSCI and DUALMONT are being implemented in BiH and Montenegro. The experiences of the EU partners in the project are certainly an excellent indicator in the development of dual studies, but definitely the partners from SEE did not excessively express themselves in the efforts to establish dual studies based on models such as those in the EU.

[35] Petković D., Hadzikadunić F., Dautbegović Dž., Đulić E.: DUAL EDUCATION IN TECHNICAL STUDIES – REALITY AND NECESSITY OF B&H ACADEMIC EDUCATION;

2 Development of the dual study model for HEIs in SEE countries

Dual studies are much more demanding for organization and financing than classic studies, and in this sense, they require a much broader initial analysis. In this sense, we list two key tasks/documents as key activities - research that HEIs have to do with their stakeholders:

- Creation of a feasibility study for the launch of a specific study program based on the dual model
- Precise definition of the legislation for conducting dual studies.

While starting an academic study generally requires and is sufficient an Elaborate on the initiation of a specific study with curricula and programs, for study programs based on the dual model, in addition to this Elaborate, a very substantial Feasibility Study is also required, which should basically contain the following chapters and subchapters:

Chapter 1. Introductory considerations (The meaning of dual education; Dual education in the context of the national education strategy; Experiences in the organization of dual studies, etc.),

Chapter 2. Consideration of the wider context of the dual study (Relations with the government (founder), Relations with key stakeholders, etc.),

Chapter 3. Development of the concept of dual education (Preliminary research; Identification of programs for dual education, etc.),

Chapter 4. Organizational model for dual study (Centralized administration (advantages/disadvantages) of dual study/Decentralized administration of dual study, etc.),

Chapter 5. Program development and planning (Planning and implementation; Interest of employers; Interest of students; Academic requirements, etc.),

Chapter 6. Information management for dual study (What is information management; What information management should do; Importance of collected information, etc.),

Chapter 7. Marketing of dual studies (Preliminary market research and analysis; Detailed market research; Promotion of new dual studies, etc.),

Chapter 8. Recruitment for enrollment in dual studies (Student recruitment (promotion and enrollment, Student registration (definition of education program, etc.),

Chapter 9. Financing (budget) / resources (Starting the program; Program implementation costs; Human resources; Financial planning; Infrastructure costs, etc.).

It is clear that this Feasibility Study[36] is very broad in terms of content because the number of participants in the process is significantly higher than in classic academic studies (University of Higher Education, students, ministries, companies participating in education, accreditation agencies, inspection bodies, chambers, etc.).

Why so much insistence on the legal regulation of dual studies? Probably, for those who do not have much contact with practice and the way students acquire knowledge in factories, it is quite enough "when the Law says that dual study is allowed and that the Higher Education Institution should express a greater connection with practice". Those with a little more economic, business or educational experience and who are not legal professionals, know that in cases of such important matters, especially when it comes to a large number of different actors as well as the specifics of the process, that this matter must be elaborated in a separate document. What it will be called (law, regulation, or something else) is determined by each country (region, province, canton, etc.) according to its regulations and rules of the organization of higher education.

In this sense, the key questions that this document must answer are some of these questions: How is cooperation between universities and employers achieved? What is the scope, period and place of implementation of the practice? How are students enrolled in the dual model? Who and how assigns

[36] Project team: Mainstreaming Procedures for Quality Apprenticeships in Educational Organisations and Entreprises (ApprenticeshipQ); Project Ref 2017-1-DE02-KA202-004164.

students to employers? How is career guidance and counseling carried out and who does it? How are the protection of students' rights regulated? What does it look like and what is the form of the contract and who signs it? What if the contract is terminated by the employer or by the Higher Education Institution? What are the consequences of breaking up and how to overcome them? Who and how chooses a mentor (factory assistant) for factory practice? Under what conditions and by what model is a factory assistant selected? Who pays the factory assistant? Who pays for the student's arrival at the factory (hotel, ministry, etc.) where he does his internship? A meal at practice? Student compensation for work during internship? Taxes? Levy or benefit for the employer? Is the student intern entitled to royalties during the internship? What if injuries occur at work during practice? Who is in charge at the University of Applied Sciences for the constant supervision of students during internships and the connection with business systems? How are the exams in the long-term study graded (to what extent do practice and results affect the final grade)? What is the role of chambers of commerce and similar associations of employers in the dual model? Can students of dual studies continue their studies in the II and III cycles? Do dual studies have to be only vocational and not academic?[37]

3 Business sector analysis of the potential for dual studies

More than half of Bosnia and Herzegovina is covered by forest, which makes it one of the richest countries in the region of Southeast Europe, and its inhabitants are rightly proud of the long-standing tradition of producing and exporting wood products. The wide range of products produced in BiH is predominantly based on raw materials: beech, fir, spruce, pine, and much less walnut, oak, ash. On the basis of the existing raw materials, a strong wood industry has developed that produces a wide range of export-oriented products and is the only branch of the economy of Bosnia and Herzegovina that achieves a surplus in international trade.

Today, the wood industry in Bosnia and Herzegovina is organized within a large number of privately owned small and medium enterprises. Of the 1,500 companies in the wood industry in Bosnia and Herzegovina, the majority are export-oriented. The main strategic commitment of the wood industry is the highest possible level of finalization and the greatest possible export of final wood products. There is a wide range of comfort products produced in BiH, from furniture made of solid wood, through massive wooden panels, all the way to construction carpentry, parquet and floors and sawn timber. Considering the high-quality raw material potential, mainly beech, and the pronounced trend of using wood as an ecological and renewable material in the world, it is realistic to expect an increase in the production and export of the wood industry of Bosnia and Herzegovina. Companies from BiH easily adapt to market requirements, are flexible and offer a large number of products, which makes them very recognizable on the foreign market. It is evident that there is a growing need for production optimization, digitalization, and the introduction of green economy models in order to reduce costs, raise quality, meet requirements and remain within international value chains. The most important export markets are: Germany, Croatia, Italy, Serbia, Slovenia, Austria, the Netherlands and France, and exports were also made to: China, Albania, Turkey, Switzerland, Great Britain, as well as the countries of the Western Balkans.

[37] Petković D., Ivošević Š.: RESEARCH OF THE POTENTIAL IN MONTENEGRO FOR THE DEVELOPMENT OF MARITIME STUDIES BASED ON THE DUAL MODEL OF HIGHER EDUCATION;

Wood and forestry industry	of (kg)	in (BAM)
2021.	1.526.281.661	1.640.081.688
2022.	1.349.067.607	1.815.846.499
Index 2022./2021.	88,3%	110,7 %

Table 1
Export size of the wood and forestry industry in BiH for 2022. and 2021.

According to data related to the year 2020, the wood processing industry of Bosnia and Herzegovina consists of 1,348 companies that perform their activities in 10 different segments of wood processing industry and employ 25,087 workers. Most of the employees are in sawmills (7,696 or 31%), production of other furniture (6,286 or 25%), production of other construction carpentry and elements (3,200 or 13%) and production of furniture for business and sales premises (2,587 or 10%). A total of 79% of employees work in companies that perform the above four activities.

It is an interesting fact that the number of employees in the wood processing industry, viewed as a whole, did not significantly decrease in 2020 despite the Covid-19 pandemic. More precisely, in 2020, the number of employees was reduced by 3.22% compared to 2019. The largest decrease in the number of employees was recorded in companies engaged in the production of wooden packaging (-7%), as well as the production of veneers and other wooden panels (also -7%). On the other hand, there was an increase in the number of employees employed by manufacturers of furniture for business and sales premises (3%) and manufacturers of assembled parquet (2%). The increase or decrease in the number of employees by individual business activities is aligned with the increase or decrease in their production/export, so the fluctuation in the number of employees can be explained in this way.

Every year in the wood processing sector, the largest growth is recorded in terms of the opening of new or expansion of existing facilities as well as the purchase of new modern machines with CNC technologies (dryers, processing centers for primary and final processing, etc.). In this regard, for many years there has been a noticeable lack of highly skilled personnel in the field of wood processing in Bosnia and Herzegovina who would be able to develop this sector on a new basis as it is developing in the world today (higher level of finalization of products, emphasis on finishing and design, the advantage of natural materials in the production of which BiH abounds, more modern design, design and production of energy-efficient houses, design and production of contemporary interiors, modern concepts of furniture, floors, combining contemporary and ethno/retro motifs, work on custom-made furniture and with individual solutions, etc.). Modern processing technologies based on CAD and CNC basics, the global trend of shortening the time from development to product placement, new design solutions, are just some of the determinants of today's furniture industry and the woodworking sector in the world. Numerous studies have shown that BIH has a more than solid basis for the development of this production when it comes to natural conditions. The raw material base is there and it should be processed in an adequate way with the aim that as little as possible goes as a raw material base for the industries of other countries. However, in all these studies (strategies, SWOT analyses, etc.), the lack of personnel with the required competencies for today's wood processing and production of a diverse range of products is almost always mentioned, which, in addition to professional competencies in the field of wood processing, also includes a number of generic competencies (active knowledge of foreign language, IT technology, teamwork, multidisciplinary knowledge, etc.). The Faculty of Mechanical Engineering of the University of Zenica is an organization that recognized these problems and, in accordance with its mission and vision of development, solves them and improves both its work and the general well-being of the community. Based on these premises, in 2019/2020, the Design and Technologies in Wood Processing study program was launched, which was conceived as a vocational or dual study model.

4 Analysis of the business sector readiness for dual studies

During the implementation of the Erasmus+ project Dualsci (2000-2003), numerous analyzes of companies were conducted for the readiness to implement the dual model in various production areas. Table 2 provides an overview of the ratings of companies in the Federation of Bosnia and Herzegovina (FBiH) based on the multi-year cooperation of the University of Zenica (UNZE) both for the realization of student internships and parts of classes in factories. This evaluation aimed to investigate the objective readiness of companies in FBiH to apply the dual education model in the future. As one of the universities whose faculties were created as a model for the development and practical application of the Triple helix model more than 60 years ago (first the Faculty of Metallurgy and then the Faculty of Mechanical Engineering, which was formed by a direct decision of the Workers' Council of the RMK Zenica system), the University of Zenica is a leader in BIH in cooperation with the business systems of the region, and in that sense it is more than a "desirable place" for the development of the first dual studies in BIH.

Even today, this cooperation between UNZE and the companies of the region is exemplary, but in this analysis we will be guided only by the aspect of education and not by NIR or professional work (study visits to companies, practice in companies, preparation of graduation and final theses in companies, teaching in companies, etc.). Therefore, the objective openness and readiness of the companies towards the implementation of the teaching process, which has the character of dual education, was analyzed. In this sense, and on the basis of many years of experience, an evaluation of companies that "tomorrow" can be an important indicator of the objective readiness of the company to enter the dual studio model was carried out. In this sense, the following evaluation and assessment system was applied:

Rating 5 – the company (firm) is completely open and ready to receive students and teachers in the implementation of the teaching process. Reception and plant tour procedures and familiarization with technological/production processes are clear and precise. There is always available company personnel ready to respond to the demands and needs of faculty staff and students. Safety measures at work are clearly prescribed and must be implemented. The company has specially trained persons for conducting a dual study at an academic level of education.

Rating 4 – company (firm) open to the reception of students and teachers in the implementation of the teaching process. The procedures for receiving and visiting the plant and getting to know the technological/production processes are flexible and can be arranged as needed. There is not always available company personnel ready to respond to the demands and needs of faculty staff and students. The company has specially trained persons for conducting a dual study at an academic level of education.

Rating 3 – the company (firm) is ready to receive students and teachers in the implementation of the teaching process with a rather problematic negotiation procedure. Under certain conditions of production or renovation, the company is completely closed to the academic community. Procedures for receiving and visiting the plant and getting to know the technological/production processes are flexible. The problem with the company's available personnel ready to respond to the demands and needs of faculty staff and students. The company does not have specially trained persons to perform a dual study at an academic level of education.

Rating 2 - the company is hardly ever ready to receive students and teachers in the implementation of the teaching process with a rather problematic negotiation procedure. Procedures for visits very rigid with the aim of preventing visits or the company simply does not want students on internship. The company does not have specially trained persons to perform a dual study at an academic level of education.

Rating 1 – company (firm) not ready to receive students and teachers in the implementation of the teaching process. Procedures for visits do not exist and there are usually always reasons for not organizing a visit/class (work overload, lack of staff, external audit, visit of a business partner, etc.)

Based on the above-mentioned descriptive characteristics, ratings were given for a selected group of 60 companies at FBIH, with which the Departments of Industrial Engineering and CIM Technologies, the

Department of Maintenance and the Center for Innovation and Entrepreneurship of UNZE, i.e. the students and staff of the Mechanical and Polytechnic Faculty of UNZE, had the opportunity to collaborate in several previous years (note: minimum 3 visits in classes or student internships). Analyzed and evaluated companies, a total of 60 of them are from 3 sectors, wood processing, metal sector and other (process industry), which provides an opportunity for good cross-sectoral analyses.

No.	Company	Rating	Company	Rating	Company	Rating
	Wood processing sector		Metalworking sector		Various	
1.	SECOM Visoko	3	LIVNICA Pobjeda Turbe	3	TERMOELEKTRANA Kakanj	4
2.	PALAVRA furniri Bila	3	LIVNICA Prevent Ilijaš	3	**CEMENTARA Kakanj**	**5**
3.	FIS AMBYENTA Vitez	3	ARCELOR Mittal Zenica	3	KLAS Sarajevo	3
4.	LUXOR Turbe	1	ALUMINIJ Mostar	4	RMU Kakanj	3
5.	MS WOOD Fojnica	3	ECOS Vitez	4	HIFA Oil Tešanj	2
6.	TAMEX Busovača	3	FAD Prevent Jelah	1	ENKER Tešanj	3
7.	ECONOMIC Vitez	3	**POBJEDA Tešanj**	**5**	MHE Čajdraš	3
8.	ARTISAN Tešanj	2	**MANN HUMEL Tešanj**	**5**	ZIM Zenica	3
9.	STANDARD Ilijaš	2	KALIM Tešanj	2	TISAL Busovača	3
10.	InterPROCESS Tešanj	4	BME Tešanj	3	ALBA Zenica	3
11.	SINCRO Hrasnica	1	VW UNIS Vogošća	1	COCA COLA Blažuj	2
12.	WOOD Team Ilijaš/Visoko	2	THERMOFLUX Jajce	3	PREVENT Int. Visoko/Goruša	3
13.	NOBIL Bila	3	FEAL Široki brijeg	4	PREVENT Zenica	1
14.	NANSI Žepče	3	TISA Žepče	3	PERO Zenica	4
15.	AL EX Zenica	1	Eurometali Doboj Jug	3	MHE Vitez	2

16.	KONTINENTAL Kiseljak	2	Medena Commerce Tešanj	3	KRISTAL Vitez	3
17.	ORMAN Busovača	1	Alloy Wheels Jajce	3	MHE Lašva	2
18.	PROGRAD Žepče	3	A&F Jajce	3	MHE Čajdraš	2
19.	DOMUS AREDI Zenica	3	RM LH Zenica	3	EMPRESS Zenica	3
20.	PREVENT INTERIOR Visoko	2	GS TM Travnik	3	RAMPART Visoko	2
	AVERAGE Comp. RATING	**2,44**		**3,30**		**2,83**

Table 2
UNZE Evaluation of companies in FBiH for the application of the dual education model
From the above evaluations, it is clear that there is a critical threshold of cooperation and understanding of the academic sector as a basis for the development of a dual study. However, many years of dedicated work by all participants will be needed before the actual realization of dual study in the academic sector in Bosnia and Herzegovina. What we base this claim on:

- The absence of legal regulations in the field of higher education that would regulate this work (a separate topic that is not discussed in this research and work);
- Only 3 companies out of 60 evaluated (5%) received a score of 5, which proves that a very small number of companies in FBIH are fully ready to cooperate in the dual study model (note: two companies have foreign ownership);
- A large number of companies received grades 1 or 2, which shows that there is not even a minimal level of readiness for cooperation with the academic sector.

In general, the very poor connection between the academic sector and the business sector in BiH is the reason for the constant confrontation on this connection. The business sector insists on the claims that the academics it receives "have only theoretical knowledge" and that they need years of work/retraining to become fully "usable" for companies. On the other hand, these evaluations show that the business sector is not interested in the development of full business and educational cooperation with the academic sector, and that a large part of the business sector already perceives the dual study model "as a new imposition on the business sector".

The academic sector clearly emphasizes the "quality of education and its product" (the knowledge and skills of graduates), claiming that BH graduates without any problems continue their working careers abroad in jobs in the profession for which they were educated. At the same time, they have adequate incomes not only in terms of value but also in percentages in relation to the relationships used in Bosnia and Herzegovina. Also, what the academic sector particularly emphasizes is that our diplomas are fully recognized abroad and that they allow the continuation of studies at the master's or PhD level abroad.
Of course, certain regions in BIH have no chance for a dual study model because they simply do not have the business environment base for such a thing (SMEs or large business systems). Unfortunately, hardly anyone will admit it, because the desire to combine the incompatible is the main characteristic of Bosnia

and Herzegovina (for example, we have a robotics department and the first industrial robot is 100 km from the faculty, we study laser technologies and they are not in use even in 2 cantons, etc.) .
The analyzes that were carried out clearly indicated the strength of the wood processing business sector and, on the other hand, a great lack of highly educated workforce in this sector. Namely, although the sector that has the largest export in BiH and generates the most jobs and has its own raw material base, it has never profiled itself as a sector that deserves special HEIs for training resources to work in such systems. Most of the staff were educated either at forestry or engineering faculties for technologies, and for design at architectural faculties and art academies.

5 A potential dual studies model for SEE

Let's start with the regulatory framework? Basically, none of the laws on higher education in SEE countries prohibits dual studies. On the contrary - they even encourage cooperation between the academic sector and the Higher Education Institution. But, objectively, most of the articles are "written for the academic study model" and pushing the dual study model into the existing laws only leads to a delay in preparation. The written contract of the key actors of the dual education process (faculty-business sector-student) can be easily written, but it must be preceded by the legal and sub-legal definition of numerous elements (from the scope of practice, methods of practical teaching, factory mentoring, selection conditions for mentoring/practice leaders, payment of work, insurance, safety at work, learning in real working conditions, benefits for companies, social protection, etc.). Learning in real working conditions (criterion 4 of the EU recommendations) where it is recommended that a minimum of 50% of teaching (learning) takes place in the business sector implies a complete restructuring of the Teaching Plans and Programs (NPP) or curriculum in each subject. This implies that classic faculty assistants must be largely transformed into factory assistants or develop models of assistants at faculties (with practical classes at the faculty covering 20-30% of the course), assistants in the business sector (covering approx. 20-50% of classes) and lectures at faculties (approximately 30-40% of teaching in one subject). In the further sense of dual study development, assistance to companies (especially SMEs and micro-enterprises), flexible learning paths, mobility, professional guidance, learning and promotion among the population about the dual model, transparency as well as quality assurance and monitoring of people with a diploma must not be missing. It is especially important to emphasize that dual study participants should clearly open perspectives that those who are gifted and very successful in schooling and later in work in companies, the door to further education and career advancement is not forever closed. The recommended model of study, whether it is production sciences, services (e.g. mechanical or technological faculties, economic faculties, tourism studies, etc.) or some other scientific field, cannot be reached just by passing laws, but requires years of dedicated work. In this sense, it is recommended to start with a smaller fund of hours or respectively ECTS points in the first years of implementation (e.g. up to 20% of factory classes in the first years of implementation), which would then be increased with each innovation of the curriculum (curriculum). 10% each until reaching the level of 50% of the teaching that would take place in a factory environment.

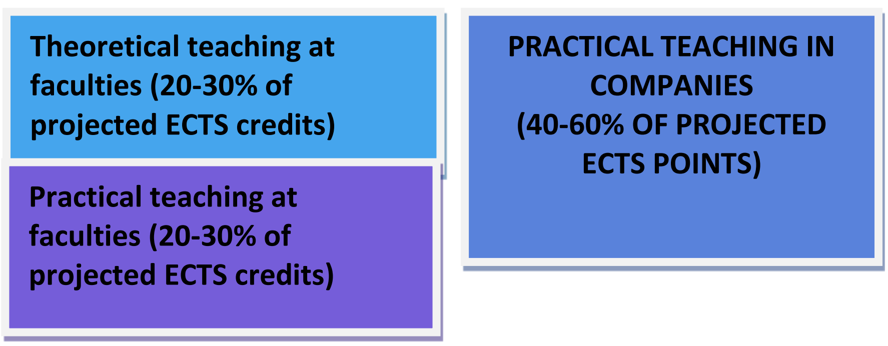

Figure 1
Recommended model of dual studies in technical sciences in Bosnia and Herzegovina
Not all study programs are adaptable to dual studies. In its documents related to this from 2017, the EU specifically outlined 6 areas for which it will support European partnerships in the development of dual studies (automotive industry, defense, maritime technologies, space-geo-informatics, textile industry, leather clothing and footwear, and tourism). This list was supplemented in October 2017 with 6 more areas (constructions, steel and paper, green technologies and renewable energy sources, additive manufacturing and maritime transport).

And it is up to us to define our sectoral priorities. It is certain that Bosnia and Herzegovina, as a country with 3.5 million inhabitants, limited resources of higher education institutions and limited business activities, cannot participate in dozens of such programs. If they were to limit themselves only to public universities that are the only ones with a serious infrastructure of human resources necessary for the development of dual studies, these could be the fields of metal processing, wood processing, green technologies and renewable energy sources, textile industry, leather clothing and footwear, hotel management and tourism, agricultural -food sector and IT sector. More than the mentioned 8 areas would represent another one of the failed megalomaniac visions of BH gurus of higher education. A similar approach and scope should probably be in place in other SEE countries.
After determining the priority areas, it is imperative to work IMMEDIATELY on legal legislation (immediately pass laws on dual education in the higher education sector as well as other by-laws and documents), promote the active involvement of social partners in the design of dual education programs, the management of those programs and their implementation, in accordance with national systems of industrial relations and practices in education and training.
Considering the state of the business sector, no country can have all study programs in the academic and professional model. That is why proper recognition of the potential of the business sector of each region in which the university operates is key to defining national criteria for education in this sector.

Conclusions
What is important to underline here once again and what HEIs in the SEE region need to understand is that dual studies are not only and exclusively related to universities of applied sciences or vocational studies. They can be organized like that, but universities can also have a dual study model in their academic programs as well. It is important to understand and accept that the dual study is a different model of obtaining knowledge, skills and competencies (so-called learning outcomes) that can be equivalent to an academic, purely theoretical approach. Therefore, synergistically use the production facilities of factories or the resources of hotels, wellness centers, congress facilities, cruise ships, etc. in order to have well-educated engineers or tourism workers. In this sense, the joint efforts of HEIs and business systems should be coordinated synergistically, and a wider circle of stakeholders (ministries, chambers, etc.) has its place in such a model. We should certainly not strive for megalomania in the number of studies launched, because the resources for quality dual education are not unlimited but, on the contrary, very limited.

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Harnessing digital platforms for sustainable tourism development in north Albania

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Abstract

North Albania, a region abundant with untapped natural and cultural resources, stands at a critical juncture in its tourism development trajectory. This study is anchored in the growing necessity to integrate digital innovations with sustainable practices, fostering a tourism model that contributes to economic prosperity, social inclusivity, and environmental protection. Despite the global tourism industry's rapid digital transformation, there is a conspicuous absence of extensive research focusing on North Albania's unique context, particularly the intersection between digital platforms and sustainable tourism. Moreover, existing literature overlooks the nuanced limitations hindering the region, including infrastructural deficits, digital literacy gaps, and the sustainable management of tourism in culturally and environmentally sensitive areas. This paper aims to bridge these gaps by providing an in-depth analysis of the current landscape, challenges, and potential pathways forward, emphasizing the role of digital platforms in enhancing sustainable tourism practices. The research employs a mixed-methods approach. Firstly, a survey targeting local stakeholders, including tourism businesses, government authorities, community representatives, and tourists, was conducted to gauge the current utilization of digital platforms and perspectives on their potential. Secondly, in-depth case studies of successful digital platform implementations in comparable regions globally were analyzed to extract relevant strategies applicable to North Albania. Lastly, this study performed a SWOT analysis to identify internal and external factors affecting the integration of digital platforms in North Albania's tourism sector. The study revealed a palpable enthusiasm among stakeholders towards digital platforms, seen as catalysts for reaching wider audiences and enhancing service quality. However, stark challenges persist, particularly relating to insufficient digital infrastructure and a skills gap. Intriguingly, comparative case studies indicated strategic digital interventions tailored to local needs can spur significant sustainable development gains. Furthermore, findings emphasize the necessity for a robust policy framework, stakeholder collaboration, and capacity building initiatives to underpin successful digitalization efforts.

This study is instrumental for a multitude of stakeholders. For local entrepreneurs and tourism operators, it offers a valuable insight into leveraging digital platforms to access broader markets, enhance tourist engagement, and promote sustainable practices. For policymakers and investors, it provides a nuanced understanding of the existing challenges and proposes strategic investments and policy frameworks conducive to digital adoption.

Keywords: *North Albania, sustainable tourism, digital platforms, regional development, cultural preservation*
JEL CODES*: M10, Z32, Q29*

Introduction

North Albania, known for its diverse and dramatic landscapes, is situated in the Balkan Peninsula and features some of the country's most remarkable geographical features that are integral to its tourism appeal. The region is predominantly mountainous with valleys and national parks as Valbona Valley and Thethi National Park (Shkoder, 2014). This region provides stunning scenery and is home to traditional mountain villages, offering a glimpse into rural Albanian life (Shkoder, 2014). It also harbors diverse flora and fauna, making the region significant for both ecological tourism and cultural experiences. The region’s rivers, such as Drin and Valbona River are central to the geography of North Albania, offering opportunities for rafting and other sports. Shala River with its crystal clear waters is a popular spot for boat trips. The geographical diversity creates habitats for a variety of wildlife (Dhora et al., 2016), attracting nature enthusiasts and wildlife watchers. The climate of North Albania varies considerably due to the topography, with the highlands experiencing a harsher, alpine climate with cooler temperatures and significant snowfall in winter, creating potential for winter sports tourism. Summers can be quite pleasant and are the peak tourist season.

North Albania with these geographical features, ancient traditions, and historical sites, has a distinct socio-economic context, especially when it comes to tourism. In fact, tourism contributes significantly to local economy, as it provides an income source for residents through various forms of employment in hospitality, guiding services, transportation and the sale of local products (Qarku Shkoder, 2020). This economic activity can be vital in regions where other forms of employment may be limited. The development of tourism on the other side leads to improved infrastructure. Roads and telecommunications have seen enhancements, which not only benefit tourists but also improve the quality of life for residents. Tourism has also the potential to play a role in the preservation of North Albania’s rich cultural heritage. As tourists seek authentic experiences, there is an opportunity and economic incentive to maintain crafts, music, and customs. It can be mentioned here the filing of Xhubleta in 2022 (UNESCO, 2022) and Transhumanca these days on UNESCO intangible cultural heritage. Moreover, in the North Albania’s stunning natural landscapes, including national park of Thethi and Valbona, eco-tourism can foster environmental awareness and conservation efforts. Revenues from tourism can fund conservation projects and empower local communities to protect their natural resources. The development of tourism can contribute to community development through enhanced services and amenities. However, there is a need to ensure that the benefits are distributed equitably and that community voices are heard in the planning of tourism activities and create inclusive opportunities for all community members to participate in and benefit from tourism-related activities. Moreover, a robust dependence on tourism, as in this case, can make local communities vulnerable to fluctuations in the global market; therefore, it is crucial for resilience to find ways for residents to diversify income sources. In the case of Albania as it is in a continuous transition for years now, in an urge for modernism, balancing modernization with the preservation of authenticity is a delicate task, as the unique cultural identity is what attracts tourists to North Albania.

Providing stable employment and income throughout the year is another challenge for the local community, as tourism in the region is highly seasonal with peaks during summer months. Education and training are key to ensuring high service standards and knowledgeable guides, especially regarding local culture and environmental practice. To offer a sustainable approach, it is crucial to develop tourism that respects and preserves the natural and cultural heritage of the area, providing that tourism development is community–led and benefits a broad base of stakeholders. Protecting the environment by implementing sustainable practices across all tourism-related activities is vital to manage tourism growth sustainably and inclusively in order for tourism to remain a force for good, supporting the local communities. The problem considered for further analysis in this paper is the underutilization of digital platforms in tourism sector in

North Albania and the necessity for sustainability. The study delves into the current state of tourism; the digital landscape in Albania and how digitalization can promote responsible tourism practices; boost the local economy, preserve cultural heritage, and protect the environment. By considering local stakeholders, analyzing secondary data, and going through a case study, this paper proposes strategic initiatives and digital solutions tailored to North Albania's unique assets and challenges.

Literature review

Digital platforms have revolutionized the tourism industry by offering efficient and personalized services to travelers. Various studies (Budeanu et al., 2016; Kordha et al., 2019) have highlighted the potential of digitalization in enhancing the tourist experience, promoting cultural heritage, and improving destination management. Sustainable tourism has gained on the other hand, increasing importance due to environmental concerns and the need to preserve cultural heritage. Researchers (Higgins-Desbiolles, 2020; Streimikiene et al., 2021) have emphasized the importance of balancing economic growth with environmental and social responsibility in tourism development. The underutilization of digitalization in the tourism sector in Albania is a significant challenge (Burca, 2023). While digitalization has the potential to improve tourist experiences, raise awareness about cultural heritage, and enhance destination marketing, the region has not fully harnessed these opportunities. For the region, sustainability is a key issue as it not only ensures preservation of cultural and natural assets, but also attracts responsible tourists. Researchers (Garg, 2015; Guaita Martínez et al., 2019) have demonstrated the positive impact of sustainable practices on destination stability and competitiveness. Several studies have explored the intersection of digitalization and sustainability in tourism (Loureiro & Nascimento, 2021; Talwar et al., 2023). Campos-Soria et al. (2015); Garg (2015 examine tourist behavior and decision-making. Understanding tourists' preferences and concerns can inform the design of digital solutions to attract responsible travelers. Budeanu et al. (2016) provide an overview of sustainable tourism challenges and opportunities. Digital platforms can play a significant role in addressing these challenges while capitalizing on opportunities. Filipiak et al. (2023) discuss the digitalization trends in the EU tourism industry and its role in economic development, as digital platforms can facilitate sustainable practices by providing real-time information to tourists, promoting eco-friendly activities, and supporting local communities. Burca (2023) offers a travel guide on tourism destinations in Albania, providing insights into the current state of sustainability efforts in the region. Bashi (2015) highlights the economic potential of Albania's cultural heritage for sustainable tourism development, emphasizing the importance of preserving and promoting cultural assets through digital platforms.

Possibilities digital platforms assure for sustainable tourism

The integration of digital platforms with sustainable tourism is a strategy that can yield significant benefits for the environment, local economies, and cultural heritage. Digital platforms can highlight hotels, lodges and homestays that are committed to sustainable practices, such as using recycling, conserving energy or water etc. platforms can also feature eco-friendly transportation options like bikes (Shkoder is called the city of bikes) or walking. The cities in the region are not too big, very comfortable to go by bike or just walking, something that can be promoted by digital platforms. On the other hand, tourism is being promoted on a national and local level. Over-tourism can lead to environmental degradation and diminish the quality of visitor experience. Digital platforms can help manage visitor flow to sensitive areas by providing real-time updates on crowd sizes, allowing for online bookings with visitor caps, and promoting off-peak travel (Enseñat-Soberanis et al., 2019). But platforms can also provide educational content about sustainable tourism practices and the importance of preserving the local environment and culture (Pan et al., 2018). This can include information about local wildlife, eco-friendly tips for locals and travelers, and cultural etiquette to respect local communities. These platforms can connect tourists directly to local communities, allowing them to experience authentic cultural exchanges while ensuring that tourism revenue benefits the locals and seeking at the same time to preserve local traditions and environments. Digital platforms can market destinations in a way that emphasizes sustainability, showcasing natural and cultural heritage while promoting responsible travel behavior by highlighting local conservation efforts and how tourists can support them.

Platforms also can facilitate feedback on sustainability efforts of businesses and services, thereby encouraging continuous improvement. Implementing a review system can help tourists make informed decisions. The data collected from digital platforms can be analyzed to understand tourist behavior, preferences, and patterns, enabling stakeholders to make data-driven decisions that support sustainable goals (Agrawal et al., 2022). Therefore, digital platforms, when used thoughtfully, have the potential to facilitate a tourism model that prioritizes the long-term health and integrity of destinations, supports local economies, and delivers authentic experiences to travelers, all within the carrying capacity of the environment.

Specifics, challenges, and possibilities for North Albania

To discuss the use of digital platforms in the context of tourism in North Albania it needs looking at how these technologies are currently being utilized, their potential, and the challenges they face in this specific region.

- Online marketing promotion. Tourism operators are increasingly using social media platforms like Facebook, Instagram, and Tik-Tok to promote their services. Can be mentioned here Hotel Tradita, Eko Klub, Arti i Zanave, Mrizi i Zanave, etc. These platforms are used to highlight the region's attractions through engaging content, including images, videos, and user-generated content. Websites and online portals serve also as information hubs, providing details about destinations, accommodations, cultural sites, and travel tips. Can be mentioned here NorthernAlbania , XhironShkoder, NorthAlbaniaTours, etc.
- Online booking and reservation systems. Many hotels, guesthouses, and tour operators in the area have adopted online booking systems, allowing tourists to make reservations easily. Platforms like Booking.com and Airbnb are popular for accommodation booking. On a search on these platforms with key words just as "north Albania" or specific places in the area there can be listed all the properties in the area and their respective information. Can be mentioned here Mi casa es tu casa, Bujtina Terthorja, etc. Local travel agencies are also increasingly offering online booking options for tours and activities, such as NorthernAlbania NordAlbania, NorthAlbaniaAlps, etc.

By effectively using digital platforms, North Albania can increase its visibility on the national but also international tourism map, attracting more visitors and diversifying its tourist base. Local authorities are working on expanding tourism experiences all year long. Digital platforms give a great possibility to provide tourists with more comprehensive and up-to-date information, enhancing their overall travel experience. Mobile apps can offer on the go guidance, recommendations, and navigation aids for tourists. But digital platforms can also be used to promote sustainable tourism practices, such as eco-friendly accommodations (i.e. Mi casa es tu casa) and responsible travel behaviors (i.e. Mrizi i Zanave). They provide a means to manage tourist flows, especially during summer, something crucial for avoiding over-tourism load in sensitive areas (mountainous areas that have very limited capacities, but also seaside which can be difficult to manage if overloaded and on very high temperatures).

But the limited internet connectivity and digital infrastructure, especially in remote areas, can hamper the effective use of digital platforms. And the possible gaps in digital skills among local tourism operators can also limit their ability to effectively use and benefit from digital platforms. Another problem, perhaps being generated by the communism area, is that tourism sector is somewhat fragmented, everyone is working for oneself and there is a problem of coordination and collaboration between businesses. Therefore, there is a need for better integration and coordination among various stakeholders to leverage digital platforms effectively.

SWOT analysis

A SWOT analysis for the integration of digital platforms in North Albania's tourism sector involves examining internal strengths and weaknesses, along with external opportunities and threats. This analysis can provide insights into the strategic planning for leveraging digital technology in tourism.

Strengths (internal factors favorable to success):

- Rich cultural heritage: North Albania's diverse landscapes and cultural richness are attractive to tourists seeking unique experiences.
- Increasing internet coverage: growing access to the internet in Albania creates conducive environment for digital platforms.
- Young, tech-savvy population: a relatively young population that is adaptable to new technologies can facilitate the adoption and spread of digital platforms.
- Entrepreneurial spirit: the rise in entrepreneurship, particularly in the tourism sector provides a solid foundation for innovative digital platforms use.

Weaknesses (internal factors unfavorable to success)

- Limited digital infrastructure: in some rural or mountainous areas, there may be inadequate digital infrastructure, hindering online connectivity. As by (Exit, 2022) broadband Internet access from fixed lines in rural areas is on average 8%, in Shkoder and Lezhe reaching 10%. As there is a problem with fixed lines, much of the area is covered with internet by non-fixed national lines or in some area they get service by Montenegro non-fixed lines.
- Lack of digital literacy: some segments, particularly in rural areas, may lack the skills needed to effectively utilize digital platforms.
- Insufficient investment in technology: limited financial resources can restrict the development and integration of advanced digital solutions.
- Fragmented tourism sector: small-scale, fragmented tourism businesses may struggle to adopt digital platforms independently.

Opportunities (external factors favorable to success)

- Growing global interest in sustainable tourism: increasing global trends towards sustainable and eco-friendly travel can be capitalized on through digital platforms. 80% of global travelers surveyed by (Statista, 2023) affirmed the importance of sustainable tourism inducing a prediction of 8.9 percent growth of the sector, from 172.4 billion US dollars in 2022 to a 374.2 billion US dollars forecasting in 2028.
- Government initiatives for digitalization: government initiatives like the digital one-stop shop (e-Albania platform) and funding for digital transformation like government financial support for coding learning for young people (an initiative implemented through National Employment and Skills Agency).
- Collaborations with tech companies: partnerships with technology firms can lead to innovative digital solutions tailored to tourism sector, being this sector also a national priority.
- Expansion of mobile technologies: the rapid expansion of mobile technology and mobile-based platforms offers a direct channel to reach a wider audience. This is of much important to the tourism sector for north Albania, as it is an area not covered by fixed lines. Mobile technologies

operating in Albania are in competition with each other to catch more coverage, offering each their services.

Threats (external factors unfavorable to success)

- Competition from better-equipped destinations: competition from other destinations with more advanced digital integration can be a significant threat, destinations being in the neighboring countries or elsewhere.
- Economic instability: economic challenges, both local and global, can influence digital technologies and the tourism sector. So, for example, the position of Albanian lek regarding other currencies is not in favor of foreign tourist, or the impact political issues in world have on global economy.
- Cybersecurity risks: increased reliance on digital platforms raises concerns about data security and privacy, and speaking about Albania, there has been a few very critical cases in this direction.
- Rapid technological changes: the fast pace of technological advancement may leave businesses struggling to keep up. Technological advancements are not a choice anymore; business must embrace them if looking to stay in the market.

Therefore, for the tourism sector in North Albania, the integration of digital platforms presents a landscape rich with possibilities, but not without challenges. The region's cultural natural assets, combined with increasing internet coverage, provide a strong foundation for digital development. However, addressing weaknesses such as limited digital infrastructure and skills gaps is crucial. Leveraging opportunities like global trends towards sustainable tourism and potential government support can set the sector forward. Yet, threats like competition and rapid technological changes need strategic management, the key lies in designing a balanced approach that harnesses strengths, mitigates weaknesses, capitalizes on opportunities, and guards against threats.

Case study – Xhiro n'Shkoder

Xhiro n'Shkoder is a website that was launched publicly last summer. It was conceived as a comprehensive platform aimed at providing valuable information to tourists, ranging from practical details like public transportation to ATM locations to catering to the adventurous spirit of travelers.

On notable observation is the North Albania has been lacking in terms of valuable online information, even within the website of municipal authorities. In today's digital era, where people have easy access to the internet and information at their fingertips, it has become essential to bridge this information gap.

With the advent of the internet, there are individuals who prefer to plan their trips meticulously, as well as others who crave adventure and spontaneity. The creators of Xhiro n"Shkoder identified an unmet need in the market and successfully addressed it.

What sets Xhiro n"Shkoder apart is its commitment to continuously enriching its content. This regular updating not only benefits tourists but also locals. As users navigate through the website, they discover a wealth of engaging information that serves to enhance their experiences, making it a valuable resource for both visitors and residents alike.

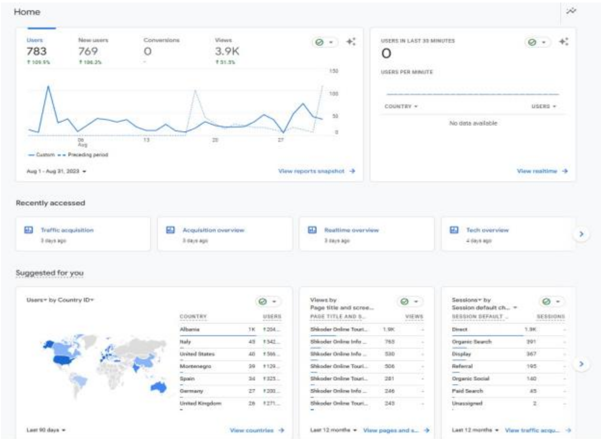

Figure 1. Xhiro n'Shkoder, User by country

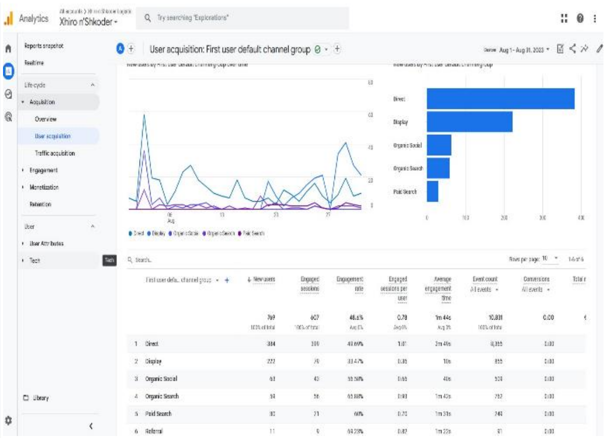

Figure 2. Xhiro n'Shkoder, User acquisition

The northern region of Albania boasts a wealth of natural treasures, cultural heritage, and a rich historical tapestry. Remarkably, many residents often take these assets for granted, remaining unaware of the hidden gems in their own surroundings. Consequently, while the primary focus of the website is to cater to foreigners exploring the region, it also holds significant value for Albanian residents.

The website data was collected for the month of August 2023, revealing some fascinating insights. Figure 1 illustrates that all the web traffic is organic, with most users originated from Albania. Notably, in Figure 2, there is observed a remarkable influx of 769 new users within just one month, a promising sign considering the website has been publicly available for less than two months.

As it is delved deeper into the data, there can be noticed valuable information about user interests, including what they click on, the extent of their engagement with the content, their preferences for services, and whether they access the website via smartphones or computers. Equipped with these data, there can be a strategically planned website's content, explore potential collaborations and partnerships, and identify services that align with interests and needs of users.

In essence, by leveraging this data-driven approach, the website's effectiveness can be enhanced and better serve both to local and international audiences, fostering a deeper appreciation for the treasures of North Albania region.

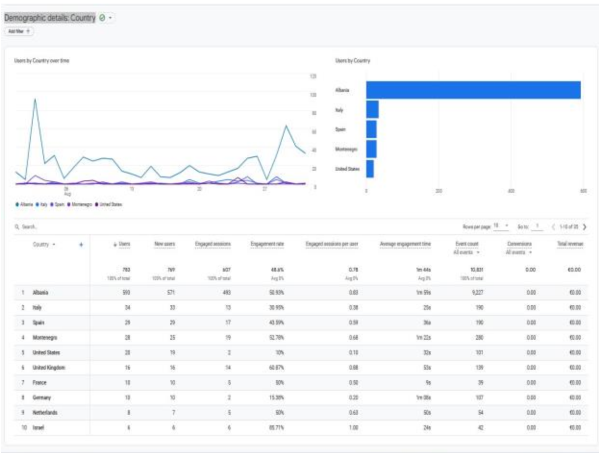

Figure 3. Xhiro n'Shkoder, users by country

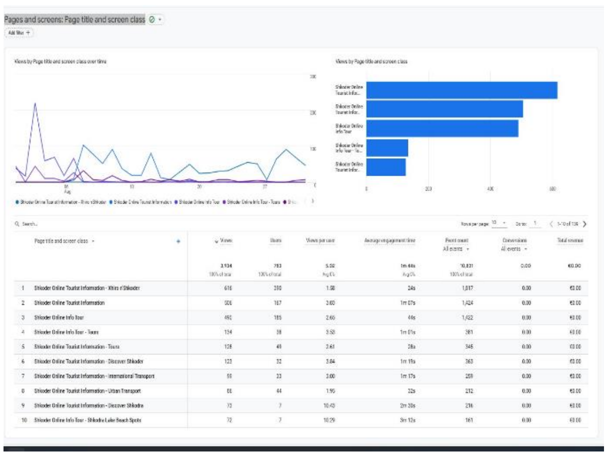

Figure 4. Xhiro n'Shkoder, views by page

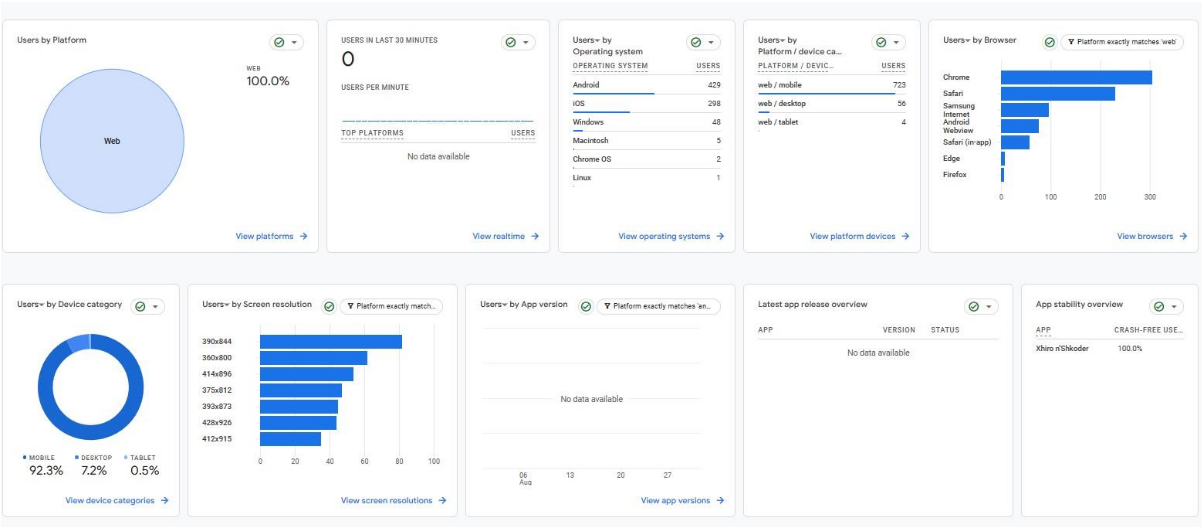

Figure 5. Xhiro n'Shkoder, users by device, etc.

Since the website is relatively new to the market, comparable data for direct benchmarking is currently lacking. Nevertheless, it stands as a compelling example that underscores the importance of commitment, expertise, and collaboration when venturing into digital realm.

Discussions and recommendations

Developing tourism strategies for North Albania with a focus on digitalization, bearing into account the SWOT analysis and characteristics of the area, involves a multi-faceted approach. These strategies could enhance the digital presence of the tourism sector, capitalize on digital technologies to improve visitor experience, and ensure sustainable tourism development.

- *Building digital infrastructure*. This can be in the direction to prioritize the development of digital infrastructure especially in remote and rural areas, to ensure reliable internet access and implement training programs to enhance digital literacy among local tourism operators and community members, being mostly hostels or local guides.
- *Developing digital marketing campaigns*. The use of social media as Instagram, Facebook, or TikTok to promote the unique attractions in the area, focusing on its natural beauty, cultural heritage, and adventure tourism potential. But also partnering with travel influencers and bloggers to showcase the region’s attractions to a broader, digital audience may be of great value.
- *Enhancing online presence*. This can be realized through creating high quality, user-friendly websites for key tourist destinations, ensuring they are mobile-responsive and SEO-optimized. Offering virtual tours of major attractions to entice potential visitors and provide accessibility to those unable to travel may be another interesting option.
- *Utilizing e-commerce platforms*. Utilizing booking systems such as developing or collaborating with online platforms for easy booking of accommodations, tours, and activities can become a great opportunity. In addition, e-commerce can be tested to promote and sell local handicrafts and products, contributing to the local economy and offering tourists a way to support local artisans.
- *Data-driven decision-making*. Data analytics can be used to understand visitor preferences, behaviors, and trends, allowing for more targeted marketing and improved service offerings. Moreover, the implementation of digital feedback systems can be used to gather insights from tourists and continuously improve travel experience.

- *Sustainable tourism initiatives*. Sustainable tourism practices in the region can be promoted through digital channels, encouraging responsible travel and highlighting eco-friendly accommodations and activity. These can be identified also through collaborating with the University of Shkoder, which extends its research in the area through its researchers, students and project related. Digital platforms also can be utilized to promote community-based tourism experiences, ensuring that tourism benefits are equitably distributed among local residents.
- *Partnerships and collaborations*. Collaborations with tech companies and startups can develop innovative digital solutions tailored to the tourism sector. However, cooperation between the government, local businesses, and international organizations can support digital transformation in tourism.
- *Enhancing visitor experiences through technology*. The development of comprehensive travel apps can provide useful information on attractions, local events, transportation, weather, and more. In addition, integrating technologies like augmented reality in museums (Marubi museum or that of testimony and memory) and cultural sites (Castle of Rozafa etc.) creates interactive and educational experiences for visitors.
- *Crisis management and digital preparedness*. Dealing with events that could affect tourism like natural issues (mountainous areas blocked some times during winter or a prolonged health crises like Covid-19) can be essential for developing digital strategies for crisis communication and management.

The use of digital platforms in the tourism sector in North Albania is at growing trend with substantial potential. While there are challenges, particularly in terms of infrastructure and skills, the opportunities they present in terms of marketing, customer engagement, and sustainable tourism development are considerable. To capitalize on these opportunities, investments in digital infrastructure, training in digital skills, and collaborative efforts among stakeholders in the tourism sector are crucial. With the right approach, digital platforms can play a pivotal role in transforming the tourism landscape in the area, making it more accessible, sustainable, and appealing to an international audience. As understood by the case in this digital age, embracing technology not only necessitates active engagement, but also demands a wealth of knowledge. Furthermore, it highlights the significance of cooperation between different stakeholders in the tourism sector. However, the key advantage of going digital lies in the ability to make informed decisions rooted in data. In this case, even if the website is quite new, it can be witnessed how valuable data can be, even in the early stages of a digital endeavor. It allows businesses to access critical insights promptly, enabling swift and well-informed decision-making for the entire team. Being this case, the website may not have historical data for comparison, but its journey exemplifies the need for dedication, expertise, and collaboration in the digital landscape, all while emphasizing the transformative power of data-driven decision-making for businesses. Integrating the power of digital transformation with sustainable tourism practices may provide a lot of benefits to the development in the region.

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"Vaken Process" as an innovative human-centered problem-solving approach

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Abstract

An integration of the design thinking methodology into regular business processes and product development procedures gives business companies and organizations a sustainable competitive advantage, since the main goal of any "human-centered" approach is to create the added value that customers really need. Moreover, all participants of the design thinking process are able to discover and further develop their personal soft skills crucial in the business environment.
This paper includes analysis of VAKEN process (http://www.vaken.org), innovative design thinking approach, its practical application in business process innovation, developed by 16 facilitators from 7 partner Universities across the Nordic and Baltic region with assistance of experts in the Western Balkan area and Germany.
Research as a case study analysis is carried out, assessing the approbation events of VAKEN process design thinking approach as well as the analysis and outcomes provided from VAKEN process use cases in Denmark, Lithuania and Iceland. Also, it had been analyzed from project participants' assessment questionnaires about the soft skills acquired during the product design process and involved expert interviews.
The results of the study show that VAKEN process methodology is effective in helping bridge the gap between stakeholders and developers, as well as in creating an environment of collaboration and problem-solving. Additionally, the findings show that VAKEN process methodology can be used to create solutions that take into account the needs of all stakeholders, rather than focusing solely on the needs of a single group. Finally, the study revealed that VAKEN process methodology can be used to create solutions that are tailored to the specific needs of each situation, rather than simply relying on a generic solution.

***Keywords**: Design thinking, Innovation, Soft skills*
***JEL CODES**: I210, M110, O310*

Introduction

Managing a company is a rather complicated process – you have to be able to operate in a very dynamic environment, must cooperate with all involved parties (stakeholders), satisfy the ever-increasing number of customers' needs, and must be able to develop a business in the conditions of a very uncertain future. In the last decade, more and more companies have started using a design thinking approach to find new and innovative solutions for various business environment challenges. It is a comprehensive customer-oriented approach aimed at creating and developing innovative business ideas or business models. Design thinking tries to model the approaches and methods of designers in business processes [1]. Although definitions of the design thinking process vary widely, however, they all have one thing in common – it is a people-oriented practical approach to solving problems, using which it is possible to create innovative solutions. Moreover, nowadays traditional problem-solving approaches are increasingly being replaced by design thinking practices that in themselves include multidimensional thinking and developing social skills (soft skills).

In business, there has been a significant transition from a practice where the main focus is on products, to customer-centric business practices, so that by integrating customer needs, desires, and expectations in their daily activities, could achieve a competitive advantage and add value to your product. Many practitioners and academics have recognized the design thinking approach as an effective tool, with the help of which companies can become simultaneously oriented both on the customer and on the product or service, considering this positive effect on business, many company managers are trying to raise the design thinking approach for a strategic level [2]. For example, a business consulting company McKinsey study conducted from 2013-2018. for the year, shows that the companies whose design thinking principles have been successfully implemented in their development strategy, revenues have increased by 32%, but a return of 56% [3]. This design approach has been in its strategy for a long time and has included giants like Pepsi, Philips, AirBnB, Nike, Google, Apple, and more.

Research relevance: For companies and organizations to be competitive in a rapidly changing environment market, design in business is gaining more and more importance. Companies can improve their ability to create innovations if the design thinking concept is integrated into the company's development strategy and in innovation management [4] because the use of this framework is more than just new products and service creation – it can be used to create innovations in the company's systems, processes, in customer experience management, etc. There are strong arguments among educational specialists that entrepreneurship should be taught to future professionals as a method that focuses on making learn skills how to think, predict, and act in an uncertain future [5] and can effectively achieved through pedagogical approaches that allow students to experience entrepreneurship and seek innovative solutions to real challenges in an iterative and in a continuous process, which is aimed at understanding customer needs, interpreting existing knowledge and identifying new opportunities [6]. Design thinking is one such pedagogical approach – an approach to solving problem situations in which research interacts, iteration, and prototyping.

The aim of the study: To put design thinking approaches in business and education into practice application analysis to determine the possibilities of its use in business process innovations and competence development opportunities in education.

Used research methods: monographic method – theoretical literature analysis, case analysis, the qualitative research method – using remote, semi-structured expert interviews, Google Forms, quantitative research method – statistical data analysis.

1 Design thinking paradigm in solving complex problems

Design thinking has attracted considerable attention in the business environment and is often referred to as such for a new problem-solving method [7] that is well suited to create innovative solutions to the challenges and problems they face in their daily activities business organizations, thereby promoting more creative thinking, creating innovations and business growth. In the last more than ten years, there has been a significant increase in the number of practitioners and the number of academics writing on the topic of 'design thinking' in both books and non-fiction in publications [8][9][10][11][12][13][14][15][16][17][18][19][20][21]. Since its beginning in the fifties of the last century, design thinking has changed drastically – if initially, it was an individual creative process, now it is an interdisciplinary process where engineering and social sciences interact, economy, business, ICT, education, medicine, and many other fields. At its core, design thinking is a comprehensive approach to solving problems and challenges and creating customer-centric innovations. It is an iterative, practice, and solution-based method that is suitable for solving complex problems because of design thinking

approaches with help, it is possible to define a problem or challenge, question various generally accepted beliefs, and transform them to find innovative answers to complex problems or challenges.
The most important aspect of this approach is that it always focuses on the customer or the end user. A design thinking approach involves understanding your customers and their problems or needs, and these needs are prioritized at each stage of the design thinking approach. An important aspect of the design thinking approach is iteration, which means that each process step provides feedback from previous steps that allows revision, analysis, and improvement of any initial assumptions, understandings, and results of this approach making it non-linear. In this way, it is possible to arrive at innovative solutions that meet customer needs, and often even achieve more than originally planned.
Finally, the design thinking approach is a practice-based problem-solving method that provides an opportunity to immediately take practical action – understand the problem, create potential solutions, and test them on the specified target audience.
Although different definitions and methodologies of design thinking can be found in the literature ways that attempt to describe its nature and applications [22], however, all definitions have common features - it is focused on people and the creation of innovative solutions and approach that is grounded in practice. The main differences are in how the designs are grouped or named stages of the thinking process. For example, Dell'Era defines design thinking as a formal creative problem-solving method to stimulate innovation [23]. Brown, on the other hand, who, among other things, is also the head of the design thinking process pioneer IDEO, believes that the design the thinking process consists of three stages: inspiration, ideation, and implementation [24][25],(see figure 1).

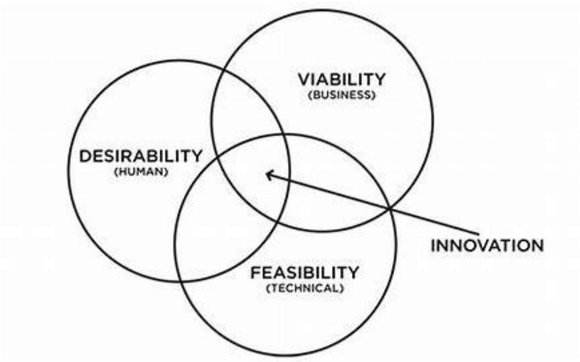

Figure 1
IDEO Design thinking process stages.

The design thinking approach developed by Brown states that it is a method in which, using a designer's sensibility and techniques, it is possible to match people's needs with what is technologically possible, economically sound and what a viable business strategy can do to transform into added value and market opportunities [26].
Another design used today by the founders of the thinking process is Stanford d.school or Hasso Plattner Design Institute at Stanford. As Hasso Plattner writes in his book 'Design-Thinking', the design thinking process consists of six iteration phases: understanding, observation, problem definition, ideation, prototyping, and testing [27]. The design thinking approach offered by the British Design Council is integrated by the double diamond in the model [28] which also consists of 4 parts: discover, define, develop, and deliver.

3 Change of thinking paradigms and future skills in business

Humans naturally form their thinking patterns based on repeated actions, experience, and the most commonly used knowledge, therefore, when faced with problems or challenges, regardless of whether they have been experienced before or not, are applied alone, and the same actions and knowledge. Although it is natural, such traditional and in a sense 'Rusty' thinking often prevents us from looking at the situation from a different perspective and creating new solutions to problems [29]. Such thinking patterns are called schemes and each such scheme contains a lot of information. Ramirez-Montoya emphasizes that since these schemes are stimulated automatically, it can interfere with creating an adequate picture of the situation and prevent the problem or challenge from being seen in such a way that a new problem can be exploited solution strategy [30].

Design thinking is often called 'thinking outside the box', as those involved in the design process trying to create new ways of thinking that are different from the dominant or more common methods of solving problems, or above the mentioned thought schemes. At the heart of design thinking is the intent to improve products or processes and understand how they interact with the target audience and the interest and ability to ask important issues and question the general assumptions or status quo in an attempt to prove whether they are true or not. And when the cause of the problem is investigated, it is possible to start the solution a generating process that helps generate ideas that usually reflect a problem or challenge the true aspects. Similarly, the design mindset helps to go deeper into the situation - it helps to perform accurate research and create prototypes to offer to the target audience. Design researcher and Professor Don Norman explains that the essence of design thinking lies in the fact that in the process the actors involved, or designers, use different methods to avoid too easy and self-evident solutions [31]. Designers resist the temptation to find the solution to the problem at hand – instead, they first address the original problem or challenge perceived as a possibility and not as the only truth, in that way delving into the situation and trying to understand the real cause of the problem, for example, using the Five created by Sakichi Toyoda why's. A solution is not sought until the cause of the problem or trigger is determined and even then the whole range of possible solutions is evaluated before choosing a solution. In Norman's view most importantly, the process is iterative and large-scale.

As already mentioned, design thinking is not only an activity with different tools or a strategic approach but also a mindset. Design thinking process activities and knowledge applied methodologies and tools can be learned in a relatively short time [32], but as a way of thinking it is a bit more complicated than conventional thinking changing paradigms is much more difficult. As a way of thinking, it refers to core values, cognitive cognition, and the behaviour resulting from it, which in time become ingrained in people as thinking schemes or paradigms and in organizations as organizational culture. Although both individuals and organizations can easily grasp the processes and tools of the design thinking approach through which to create innovations, however, design thinking as a thinking paradigm is the one through which the process of innovation and innovation is made sustainable. In the academic environment, more and more attention is paid specifically to the design thinking approach as a way of thinking (design state of mind or design mindset) [33][34][35][36] and implementation of design thinking approach (both as activities and as a way of thinking) both at the individual and organizational level, taking into account previously researched design thinking.

4 VAKEN process

Humans naturally form their thinking patterns based on repeated actions, experience, and the most commonly used knowledge, therefore, when faced with problems. The VAKEN process has been developed within the Nobanet (Nordic-Baltic Network) network by 15 researchers and facilitators from 7 universities in Lithuania, Latvia, Estonia, Finland, Denmark, and Iceland. Go nuts the network was created to stimulate the internationalization of SMEs (small and medium-sized enterprises) in the region growth by combining companies with higher education institutions, making learning based on practice, and supporting companies' desire to operate beyond their country's borders.

VAKEN's approach is experiential learning in which students search for solutions to real challenges presented by companies, developing four main social skills - complex problem solving, critical thinking, creativity, and leadership, which, among other things, are still relevant and are described in chapter 3 of the study. This also corresponds to what is expressed in theory – one of the most common training models of the design thinking approach is experiential training or active learning [37]. A design thinking approach reflects moving from passive forms of learning to practical engagement in problem-solving approaches, especially, in tertiary education [38].

However, teaching a design thinking approach through practical action in a real business environment is full of challenges – for example, providing students with iterative practice and the opportunity to solve real challenges in the business environment, one must be able to provide a transparent and understandable process structure and the predictability of results, which, as the theory also indicates, is especially important for students [39], but not only – also for representatives of companies that are involved as participants in the design thinking process for the first time. The use of social skills in a non-linear process creates a sense of chaos among both students and company representatives [40]. In this way in context, emphasizing the design thinking approach as an activity and tools can help reduce confusion as the design process is logical and intuitive from start to finish, while the tools used during the process help to find answers and solutions for participants' uncertainty or to confusion, Lars Greger in his publication "Design Thinking Mindset: Developing Creative Confidence" emphasizes that a strong design thinking process structure, guidelines and the tools to be used are better used in cases where participants who adopt a design thinking approach have not used before, are involved in the process for the first time, because too much emphasis on the structure and clear guidelines limit participants' opportunities to learn about different design thinking approaches principles, ways of thinking and opportunities to create innovations at a higher and more sustainable level.

In Figure 2 it can be seen that the VAKEN process consists of nine phases in which students or participants use and practice their social skills while working for the company on the proposed business challenge or problem.

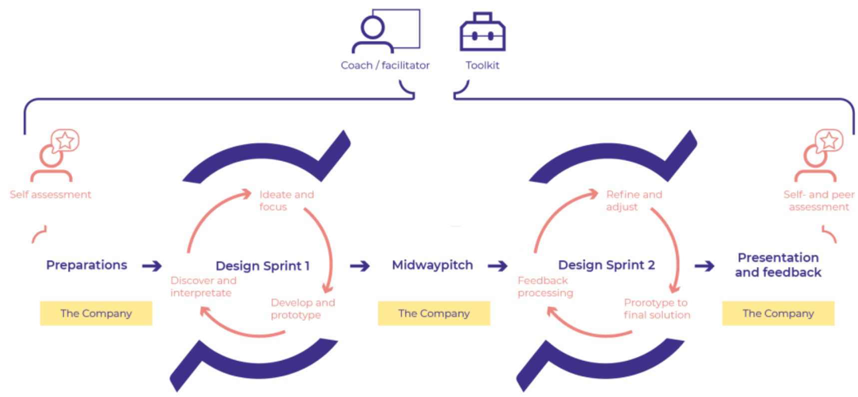

Figure 2
VAKEN process

The student is at the center of the pedagogical approach of this design thinking process, evaluates his social skills, and, based on them, sets personal development goals. With this, the pedagogical approach ensures the acquisition of experience because the participants involved in the process gain new knowledge, broaden their horizons, and deepen their understanding, as a result developing their social skills. With the help of self-assessment and auto-ethnography, the student can assess his own personal acquired knowledge and overcome challenges it faces in design during the thought process. Such a pedagogical framework helps the student to change the learning approach – from being an independent student to being part of a collaborative process to find the best solutions.

In general, this approach first emphasizes the need to develop 4 main social skills - critical thinking, complex problem solving, creativity, and personal leadership because, as both academics and practitioners emphasize, along with the rapid development of digitalization, new ones have emerged job opportunities that require the use of various social and emotional skills [41]. A study conducted by Deloitte in 2017 indicates that by 2030, 2/3 of jobs there will be a need for social skills and this could increase revenue by 90 thousand dollars [42]. VAKEN emphasizes 4 social skills (see Figure 3) which, in their opinion, are most relevant to the needs of SMEs.

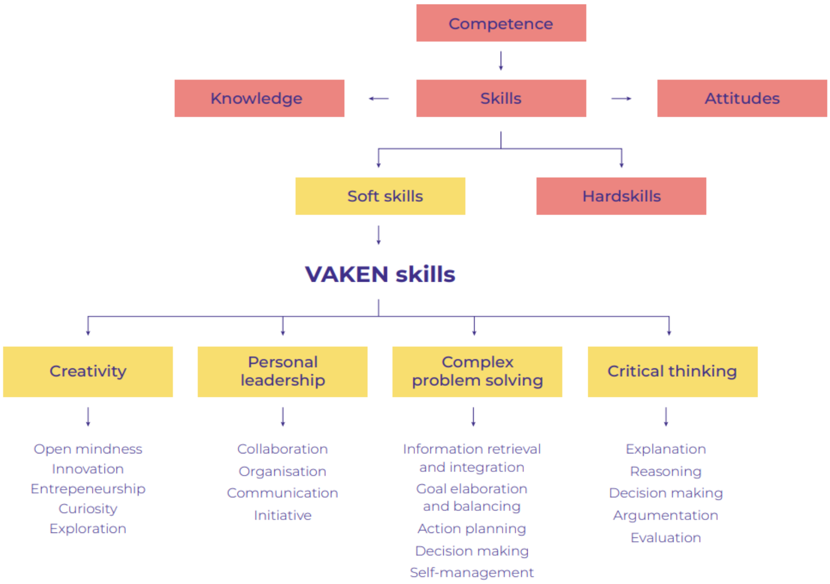

Figure 3
VAKEN skills set [43].

Creativity includes openness, innovation, entrepreneurship, curiosity, and exploration, in turn, personal leadership means the ability to collaborate, organize processes, communicate, and demonstrate initiative. Solving complex problems requires the ability to acquire information and apply it appropriately, set goals, plan activities, and make decisions, but to be able to think critically, it is necessary to be able to explain, justify, argue, evaluate also make decisions. These 4 social skills are explained in more detail to clarify what exactly they mean each of them because as it is emphasized in theory, it is also observed in practice - social skills and that the meaning depends on each interpretation.

As mentioned above, the VAKEN process consists of nine phases - preparation; discovery and interpretation; ideation and focus; development and prototyping; midway presentation; assessment analysis; prototyping and customization; final prototype development; final presentation, and assessment. This approach is a modified version of the design thinking approach that consists of two design sprints – initially the process participants get to know the situation in the company and the first design during the sprint, prototypes of possible solutions are created, which are offered by the company in the middle of the process representatives, but, according to the received reviews and feedback, during the 2nd sprint, it is carried out the first iteration, developing and refining the solution so that the final version can be presented at the end of the process company representatives. Almost all established design thinking approaches follow theory stages - empathy, definition, ideation, prototyping, and testing, and are realized up to the halfway point for presentation in the VAKEN process, which is followed by the sixth phase of design thinking – evaluation so that perform process iteration and solution refinement. In the following, all nine VAKEN process stages will be analysed as sub-process phases.

Final presentation and evaluation – in the last phase of the VAKEN process before the solution presentation to the client, the group again reviews the developed final version and determines the solution's weak and strong points, as well as determines which aspects of the solution will be particularly emphasized in the presentation in time to convince the client as much as possible of the solution's relevance to the challenge. Let the preparation stage and the presentation itself would be successful, it is necessary to use openness, the ability to persuade, personal leadership, confidence, and the ability to reason. Since the performance most often creates anxiety, then students need time to calm down and think about various nuances, such as what the body language will be like during the presentation.

Conclusions

The main emphasis of the design thinking approach on the problem and need of the users understanding and satisfaction reduces the uncertainty and risks associated with innovation creation and implementation. Users of the design thinking approach are based on the customer for insights gained in direct collaboration with real end users, not just for non-personal data or market research.

The design process approach assumes that the resulting solutions are immediately tested, validated, and verified, thus receiving immediate feedback on their compliance or inconsistency. Such an approach gives companies opportunities to reduce both time and money and other resources in the implementation of innovations.

Using the principles and methods of the design thinking approach, companies can not only create new value propositions, i.e. new or improved products and services, which meet the needs of users, but also implement innovations in their business models, identify new opportunities for growth and development, thus creating more sustainable business models.

Research shows that there is a direct correlation between design metrics and financial benefits – for companies that have integrated design thinking in their strategy approach, there are also higher revenue and profit indicators.

The VAKEN methodology was created by lecturers from 6 European universities, to develop employment opportunities for students and accelerate the acquisition of social skills, as well as encourage cooperation of higher education institutions organizations, and companies.

The primary goal of the VAKEN process is the 4 social skills of future specialists (students) – solving complex problems, critical thinking, creativity, and leadership, developing, but secondary – creating a solution to a business problem or challenge using a methodology based on the design thinking approach.

This methodology is divided into nine phases, which together form two design sprint processes. The first sprint concludes with a mid-term presentation where the students present their initial pitch to the company solution prototypes, but the second sprint, which is the first iteration phase, ends with a presentation in which students present their final solution to the initial one to the company for the challenge. The management of the process largely depends on the level of preparation of the students, but assistance is also provided by coaches or lecturers involved in the VAKEN project.

The methodology is complemented by a set of design tools specially created for this process, such as the goal is to help students find solutions to a business challenge and apply and develop four key social skills and competencies for the future.

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Science and technology for development, reflections for Albania

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Abstract

This paper reflects thinking of authors that have to do with the basis of their experience, their work, literature research, (which is also the basis of its methodology), opinions and reflections at different levels to fulfill it`s purpose. Also the methodology draws on official sources proposed by international bodies, such as the EU and the UN, which offer feasible and positive suggestions. Technological-social development must necessarily be linked to an elevation of educational and professional training, bearing in mind that the advancement of technology derives from highly specialized personnel, politically motivated and inserted in research institutions of the highest level. The Balkans will be an integral part of a unified Europe. The ongoing enlargement and the signature of the Treaty of Athens in April 2003 should inspire and encourage the countries of the Western Balkans to follow the same successful road of reforms and to increase their efforts in that direction. The history of Albania is increasingly turned towards the Mediterranean which give it the right to enter the EU. Proximity is an imperative element for EU with the central role of the Mediterranean Region, also it will generate converging interests in working together to address common challenges, such as liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, where concerns are uniting common challenges". In order to become an EU member state everyone must comply with the EU's high standards of "acquis" in a number of areas - a strict but a fair way of doing. It is an opportunity to internationally scale up, forging innovation from research, underpinning breakthrough technologies, to meet real world needs. Recommendations are another important element of it and they are generally given at the end of the paper's issues and hoped that the results can be read later in time. The paper also deals with the problems and challenges of STD in Albania, how can improve the governance of science and technology system, problematic. How does Albania compare to other countries in science and technology, with the aim that STD, to influence, to take steps forward for Albania towards the European Union.

Keywords*: Social responsibility, Education, International Organization, EU, UN.*
JEL classification: *2 C, 13 C, 24 P, 30P*

1 Introduction

Globalization imposes to afford together all the main problems of today. For Albania, it is a crucial but difficult moment. Albania says that it is ready to enter the European Union, but all the world is in greater turmoil. People have not completely recovered from the pandemic, while in the meantime wars are exploding, inflation and prices are increasing at unexpected paths, conflicts and intolerance expand, inequality causes growth many unrest, and religious intolerance arrive at killing innocents. The only way to survive is a great engagement in labor, occupation, vocation, efforts, schools, studies innovations and technology for development, and having confidence in the greatest ethical values. Surely people and states have to be confident in the international organizations, whose help is unavoidable.

1.1 United Nations

United Nations takes the picture of this moment summarizing the global situation with these words, which sound utopic: "Peace, dignity and equality on a healthy planet". [1] Unfortunately, we do have wars everywhere, The wars become larger than in the past, since the world is interconnected strictly and technology augments the force of the army. Prospects for a robust global economic recovery remain dim. Stubborn inflation, rising interest rates, and heightened uncertainties are creating obstacles to sustainable growth. The effects of the COVID-19 pandemic, the war in Ukraine, the climate crisis and rapidly shifting macroeconomic conditions, are clouding the economic outlook, and challenging efforts to achieve the Sustainable Development Goals (UN Report 2023). [2]

Dignity is also not respected and realized, we see the poor population is numerically increasing, human rights are not respected. Equality is not realized, women are not respected in a great part of the world, what is worst is that they are in constant danger even at home, repressed by obtuse governments or even life companions, and family members. Every day, women are killed for trivial reasons. Men also are in continuous peril because of spread of crimes. Even youths are losing dignity, following the harmful examples of their media myths, which, in order to attract people and gain fame, go beyond the limits of decency.

Their influence is very negative, also because they demonstrate that you can become rich without studying, without working, without committing yourself. The planet has never been healthy, nature is not a good mother, but the connection of travels and communication puts our health in greater danger. The security of food is also not assured, either the natural crops or the industrially managed food, are creating poverty and infections.

Equality is even more arduous to realize since the technologies advance at a pace arduous to maintain, and the cultural gap increases even among scientists. The machines have helped men in hard work, now they are substituting the men's brains, a real peril of dehumanization, a peril of losing reasoning capacities, as stated by the Council President of Italy at the UN General Assembly [3].

1.1.1 Social sustainability

Internet and technological tools can help evolution, but they reduce the need for workers at the same time that people travel all along the world in search of better living conditions. This creates not only economic and political problems, also social problems. We understand that all these situations will not have a rapid solution, nor simple. With respect to that, even climatic sustainability appears mild. Environmental pollution could be solved with new research on green and clean energy; many studies are going on in the most technologically evolved enterprises and societies. Environmental sustainability has proven to be ineffective. All the environmental problems are aggravated by the increasing need of energy, the new works need an incredible quantity of energy, at the same time the human force is undervalued. Same situation for new hydropower stations is in Albania.

OPEC is in great turmoil, facing the threat of losing its priority, with all it`s advantages since renewable energies are everywhere and simple to use. The only obstacle to fighting climate change is the need for finances, which are decreasing for the fear of investors in an insecure political climate. Connected to that is also the dangerous fall of international aid. Foreign direct investments (FDI) are needed, since the distribution of resources is uneven and money must go from the place where money stays until the resources are, in a continuous arrangement, which would have the effect of a major equity [4].

Surely technological instruments and methodologies may have *high risk/high gain*. For example, machine learning may be productive, but it must be followed by personal teachers. Teaching must be maintained humanly because the relation teacher/learner is human. Machines are to be considered, in every case, tools. Along with these considerations, it will gain momentum and the need for social sustainability [5].

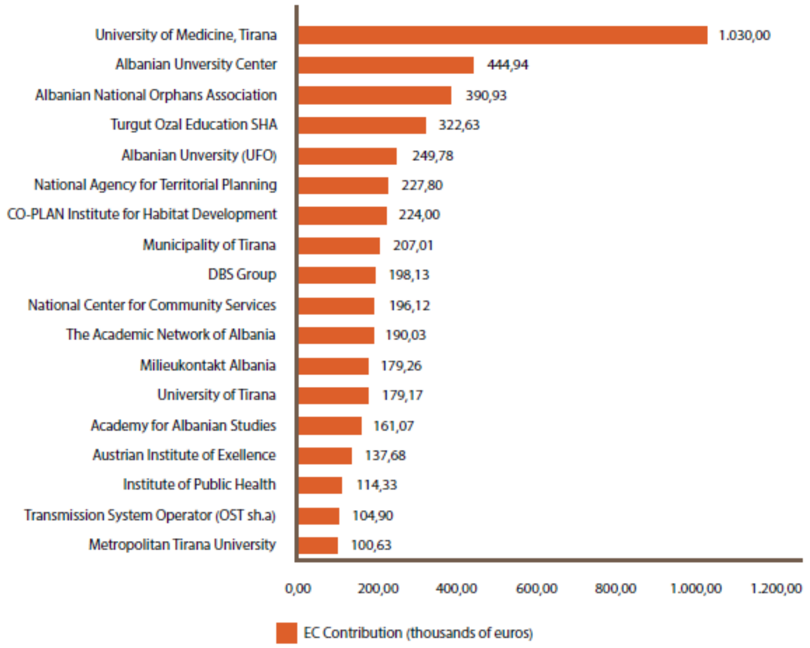
2.1 Reflection on Albania

Development for Science and Technology for Development depend on many factors that are expressed in their indicators. One of the most important is expenditure for scientific research and development (R&D) according to GDP. Science and Technology for Development in Albania is very low compared to other European countries. According to Wikipedia, the expenditure for scientific research and development (R&D) in Albania does not exceed 0.18% of GDP [6].

Also in this line, foreign investment is important for technology transfers as: Economic literature identifies technology transfers as perhaps the most important channel through which foreign corporate presence may produce positive externalities in the host developing economy. MNEs are the developed world's most important source of corporate research and development (R&D) activity, and they generally possess a higher level of technology than is available in developing countries, so they have the potential to generate considerable technological spillovers [7].

However, Albania has also taken some steps to improve its STI situation. In 2009, the government approved the "National Strategy for Science, Technology and Innovation in Albania" covering the period 2009–2015. The strategy aimed to increase public spending on R&D, attract foreign funding sources, create centers of excellence in science, train more researchers, and stimulate innovation in various sectors. Also, the strategy identified some priority fields of research such as agriculture and food, information and communication technologies (ICTs), public health, Albanology and humanities, natural resources, biotechnology, biodiversity, defense, and security. The Commission on Science and Technology for Development (CSTD) is the United Nations focal point for Science and Technology for Development. Albania is a member of the CSTD since 2018. [6]

During the period 2014-2021, applicants from Albania submitted to the H2020 Program a total of 605 applications, of which 53 applications were evaluated as winners with a total value of 5.82 million EURO of direct EU contribution. The success rate of proposals with Albanian participation is 8.7% (from 7.8% since last year) compared to the 12.1% success rate of countries in Horizon 2020. Below are Albanians participating in H2020 Projects-related institutions. (Research Infrastructure Roadmap for Albania [8].



Source: Own calculations based on: http://cordis.europa.eu

Figure1
Albanian Participating in H2020 Projects

European Contribution in above projects (at the questionnaire for gathering data was foreseen only for projects not less 50 000 Euro). Regarding the relative position of Albania in relation to other economies of the Western Balkans.
Albania has achieved a higher EC contribution in H2020 (5.27 mil. Euro) than Montenegro (4.12 mil, Euro) and Kosovo (2.56 mil. Euro). [8] Albania's performance in national and international research programs (especially in the H2020 program); Smart Specialization Strategy, the progress during 2021; and Open Science Policy. Albania participates in Horizon 2020 as an 'associated country' also Albania's participation in the EU Framework Programmes started with the Seventh Framework Programme-FP7 (2007-2013), which was financed from the public budget with a total of around 200,000 euro. In total, Albanian entities participated in 39 actions of FP7, receiving 2.27 million euros of direct EU contribution. The success rate of proposals with Albanian participation was14.4%, compared to the overall success rate of 21.6%. [8]

	Participation	EC contribution (EUR)
Research infrastructures	9	314.100,00
Health, demographic change and wellbeing	5	1.330.000,00
Climate action, environment, resource efficiency and raw materials	4	319.660,00
Food security, sustainable and forestry, marine and maritime and inland water research	4	229.640,00
Marie Sklodowska-Curie actions	4	214.100,00
Secure societies-Protecting freedom and security of Europe and its citizens	4	150.210,00
Secure, clean and efficient energy	4	394.200,00
Europe in a changing world-inclusive, innovative and reflective Societies	3	580.950,00
Advanced materials	2	767.500,00
Integrate society in science and innovation	2	248.880,00
Information and Communication Technologies	3	268.720,00
Make scientific and technological careers attractive for young people	2	48.230,00
Advanced manufacturing and processing	1	198.130,00
Promote gender equality in research and innovation	1	179.170,00
Smart, green and integrated transport	1	29.420,00

Source: Own calculations based on: http://cordis.europa.eu

Figure 2
Albanian in H2020 Participation and net contribution per priority areas

Main European Contribution was in the area of Health, democratic change and wellbeing followed by Advanced materials and end by make scientific and technological careers attractive for young people, as well as smart, green, and Integrated transport. Participation in Horizon 2020 has shown a good trend over the last two years, nonetheless, general performance is low. Private sector participation in the program continues to remain particularly low. [8] The President of Balfin Group promised to invest during 2024 in Research and Development.

2.2 Some of the challenges of Science and Technology for Development in Albania

We are pointed some of them:

- Brain drain: Many professors and researchers have emigrated from

Albania since the 1990s, leaving a shortage of human resources in science and technology. The main reasons for this are the poor economic conditions, the lack of modern infrastructure, and the insufficient funding for research. They aim for a better life for themselves and their families. Various surveys show that during 1990-1999, approximately 40% of the professors and research scientists of the universities and science institutions in the country emigrated. This exodus is growing and a 1998 survey shows that even more of the highly educated people want to emigrate. Sixty-three percent of the respondents from universities and science institutions, mainly young people, wished to emigrate for a long time or forever. Another survey in 1999, of 300 academics who received Ph.D-s in the West during the 1980s and the 1990s, revealed that 67% had emigrated. It is clear that if the economic and social situation in the country does not improve, the Albanian brain drain will continue as intensively as before. [9]

Until 1994, the bulk of the emigration was to Greece, Italy, France, and Germany. Later on, more emigrants went to the USA and Canada. From 1996, the USA became the most popular choice for well-educated people seeking to emigrate. Emigrants include highly educated and qualified people from all industrial sectors and scientific disciplines, who were formed in Albania's high schools, universities, and science and arts institutions [9].

During the 2000s, one project named "Brain drain", a government has planned to provide facilities to encourage higher educated people to return to Albania, was started, which initially had the first results that faded over the years. Now it is very difficult and almost impossible to stop such a flow in many fields of science and technology. The departure of medical staff abroad continues with very high increases, mainly in the countries of the European Union. Some of the highly educated people return after their studies and others may consider it. But given the Albanian reality - a prevailing culture of bureaucracy, indifference and mediocrity in public administration - there is little to encourage them to seek to live here, to participate in public life, and to help solve the very real problems of the country.

- Low investment: Albania has one of the low levels of expenditure for

scientific research and development (R&D) in Europe, at only 0.18% of GDP. This limits the capacity and quality of research activities and innovation outputs from the own budget. [5]

The National Strategy on Scientific Research, Technology, and Innovation 2017-2022: This strategy aims to increase public spending on R&D to 0.6% of GDP, augment the share of foreign sources for R&D, create centers of excellence in science, double the number of researchers, and stimulate innovation in 100 companies [6].

The grant of scientific research work and creative activities for the period 2022-2024 is planned for 746 million ALL in 2022 and reaches 732 million ALL in 2024. The grant of scientific research work and creative activities includes funds for scientific research. This grant is open to competition/application for all accredited higher education institutions conducting research.

- Low competitiveness: Albania’s economy is still heavily dependent on low-technology sectors such as agriculture and tourism, and has a low share of exports in high-technology products. Albania also ranks low in the Global Innovation Index, which measures the innovation performance of countries [10].

The Global Innovation Index (GII) ranks world economies according to their innovation capabilities. Consisting of roughly 80 indicators, grouped into innovation inputs and outputs, the GII aims to capture the multi-dimensional facets of innovation [10].

Albania ranks 84th among the 132 economies featured in the GII 2022

The following table shows the rankings of Albania over the past three years, noting that data availability and changes to the GII model framework influence year-on-year comparisons of the GII rankings. The statistical confidence interval for the ranking of Albania in the GII 2022 is as below.

Rankings for Albania (2020–2022)

GIIYR	GII	Innovation inputs	Innovation outputs
2020	83	74	91
2021	84	71	92
2022	84	80	89

Figure 3
Ranking for Albania (2020-2022)
Albania performs better in innovation inputs than innovation outputs in 2022.
• This year Albania ranks 80 th in innovation inputs, lower than both 2021 and 2020. • As for innovation outputs, Albania ranks 89th. This position is higher than both 2021 and 2020. [10] The table below gives an overview of the indicator strengths and weaknesses of Albania in the GII 2022.

Strengths and weaknesses for Albania

Strengths			Weaknesses		
Code	**Indicator name**	**Rank**	**Code**	**Indicator name**	**Rank**
2.1.5	Pupil-teacher ratio, secondary	31	2.1.2	Government funding/pupil, secondary, % GDP/cap	97
3.1.3	Government's online service	31	2.3.3	Global corporate R&D investors, top 3, mn USD	38
3.3.1	GDP/unit of energy use	16	2.3.4	QS university ranking, top 3	72
3.3.3	ISO 14001 environmental certificates/bn PPP$ GDP	22	5.2.2	State of cluster development and depth	126
4.3.1	Applied tariff rate, weighted avg., %	12	5.2.5	Patent families/bn PPP$ GDP	101
5.1.2	Firms offering formal training, %	24	5.3.2	High-tech imports, % total trade	121
5.3.4	FDI net inflows, % GDP	12	6.1.2	PCT patents by origin/bn PPP$ GDP	101
6.2.4	ISO 9001 quality certificates/bn PPP$ GDP	30	6.1.5	Citable documents H-index	122
7.2.1	Cultural and creative services exports, % total trade	18	6.2.5	High-tech manufacturing, %	102
7.2.4	Printing and other media, % manufacturing	1	7.1.3	Global brand value, top 5,000, % GDP	77

Figure 4
Stength and weakness of Albania
For the strength the rank is between 1 (Printing and other materials, % manufacturing) to pupil-teacher secondary together with Government`s on line services 31. For the weakness is between 38 Global Corporate R&D investors, top 3, mn USD to 126 (State of clusters development and deepth).

- Smart Specialisation is expected to be of high importance for the growth

of Albanian's economy, unlocking the innovation and competitiveness potential in specific domains. Albania started the process of designing its S3 in 2016 and in 2017 Albania registered in the platform of the Joint Research Centre (JRC) of the European Commission for S3. Albanian S3 team developed an S3 Roadmap based on the JRC Framework and so far several steps have been taken to develop a Strategy at the national level by keeping a regional perspective [13].

3. Recommendations

According to the "European Union Progress Report for Albania" of 2021, the main recommendations listed by the EU in the 25th Chapter "Science and Scientific Research" are:

- Increase the investments in research according to the ERA's commitments and priorities;
- Progress in developing the Smart Specialization Strategy;

- Ensure higher participation in Horizon Europe.

In these lines are and: Establish a comprehensive approach regarding R&I
Provide a better R&I framework and coordinate at governmental, institutional and researcher level to improve research output. Ensure funding of research facilities, labs and infrastructures to safeguard research activity. Enhance structured planning for implementation of the new Law of Science and the National Strategy for Research, Technology and Innovation 2023-2027. Improve coordination to increase the effectiveness of the Smart Specialization Strategy Development. Establish active participation in ERA meetings and engage in the new European Innovation Agenda. Also is imperative is to improve research conditions. Support research infrastructure. Improve cooperation of the higher education and the private sector.

- Creating centers of excellence in science that are equipped with modern

laboratory equipment and workspaces, and that can support the development of new technology-based firms. This would foster excellence and competitiveness in priority fields of research such as agriculture, ICTs, health, natural resources, biotechnology, and security. According to Wikipedia [6]

- The increase of public funds together with the modeling of the receipt of

funds for scientific projects in a form similar to the applications for funds from the EU. This will ensure increased opportunities for local research and familiarization with the high requirements and procedures for these funds.The combination of teams of scientific researchers from universities within and from the diaspora will increase the success rate of Horizon Europe applications. Also, COST programs are more important to integrate our researchers with those in European scientific researchers' networks.

- It is the obligation of the government and universities to enable the creation

of the necessary infrastructure for scientific research with support for digital and physical laboratories and libraries. A wise investment would be the financing of possibly bilingual journals (Albanian English) that bypass the administrative procedures of publication and create the possibility of open access for readers.

- The creation of an Erasmus+ of the Albanian scientific diaspora, an

opportunity for the return of their brains is the support of the government and universities with visits and different durations from one month to one year with flexible programs according to the READ Albania program. [12]

- More and more scientific groups of Albanian universities (public and non-

public) and Albanian research institutions need to be trusted for participation in projects and implementations offered by government funds and an even greater commitment from them in this direction.

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The impact on entropy of improving the learning management systems

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Abstract

The education system needs more and more modernization of learning management systems especially after COVID - 19. Consequently, in the perspective of labor market demands regarding the design of information systems, there is an increase in the number of employees who develop such systems. One of the solutions offered in order to overcome this gap is the compilation of a research model on the improvement of learning management systems taking into account the entropy of learning management systems as part of the domain of information systems. In this regard, this study proposes a research model based on the impact it has on the entropy of an information system when models of learning management system improvement are presented. Also, for the study of entropy, Fisher information is taken into consideration to study the impact of modification / improvement of the computer parameters of a learning management system. To test the research model, empirical data will be collected through a hardcopy questionnaire to professors and students at an Albanian university. Data analysis will be implemented using statistical models and the impact on the Fisher information explorer model will further be considered if the information system is usable and sustainable. This study contributes to the literature of information systems theories through the development of a model and instrument through which perceived usability and sustainability are measured in the context of LMS. From a social point of view, the findings obtained will provide answers as to whether and how these improved LMS systems are expected to be used in distance education.

***Keywords**: education, questionnaire, Fisher information, distance learning, impact*
***JEL classification**: I21, I23, D83*

1. Research field and motivation

The paradigm of education has undergone profound changes over the last decade. The increasing importance of e-learning and blended learning, especially during the COVID-19 pandemic, have led to the re-conception of alternative learning methods. As a result, traditional formal education has progressively been relegated to the background, representing less than 6% nowadays, while 74% of the time devoted to in-company training courses already integrates distance-learning environments based on new technologies or combines both approaches in mixed learning environments (blended-learning) [11].

There are many definitions of e-learning, however one of the definitions is: "learning done by studying at home using computers and courses provided on the Internet" [29].

The digital age encourages the use of information technology (IT) in education sector [14]. The use of telecommunications networks and information systems are key assets in e-learning in general. Specifically, software developers over the last decade have developed quite a few academic data processing systems.

The concept of learning management system is described in many literatures but one definition is as follows: learning management system is "type of software for managing internet education or training courses" [30].
Learning management systems (LMS) provide an important delivery channel that overcomes the constraints of space and time in traditional face-to-face learning [12]. There are a number of learning management systems that can be obtained from the Internet for a particular organization / university as well as learning management systems that are developed by the team of a university. Examples of learning management system with developed technical / informational approach are WebCT, Moodle, OLAT and Sakai [12], while in Albania there are learning management systems developed by the university team itself such as UET-LMS. Different LMS-s have different specifications of computer parameters that directly or indirectly affect the performance of the system itself as well as the reliability of staff (professor / administrator) and students. These specifications such as the size of the database which can be optimized to fit the bandwidth of the Internet line indirectly affect the quality of user interaction with the system, while the system interface directly affects the interaction in question. In order to ensure that essential use cases can still be performed by teachers and students in the new release, automated tests where implemented [15]. There are a number of definitions on test automation and according to the International Software Testing Qualifications Board (ISTQB), test automation is defined as using software to either support or perform testing activities [15].
The conceptual model of the study makes it possible to take into account the informatics parameters of the LMS in an Albanian higher education institution in order to propose an improving platform for them. This platform is based on theoretical and empirical research on LMS-s as well as aspects of reliability of different users. It is important to note that this study can be used by other universities, in addition to the pilot university where the study will take place. The application of this study in the field of education would affect in the long term the improvement of LMS systems and the interaction of their users. In a broader sense, this study addresses the problem of convenience of LMS users in general in the Albanian formal education system.

2. Research topic

The planned research will be organized around the main research question: What are the factors that affect the entropy of the LMS system in case of improvement of its informatics parameters? To address this question, Fisher information will be used in order to evaluate the parameters that essentially affect the entropy of an LMS system.
Fisher information was selected because this model has proven to be very useful among others and it has turned out to be particularly valuable in density functional theory (DFT) [22]. As the originator of this model, the result on the entropy through Fisher information to the proposals for mediation of the computer parameters of an LMS, can be optimized when the database is enlarged and the interface is adapted taking into account the academic profiling of the user. In other words, the improvement of these variables (database and interface) in function of the user's academic profile leads to a convenience and long-term continuity of use of the LMS.
On the other hand, an important term for LMS systems is usability. There are a number of definitions of usability; one of them is: "fact the fact of something being easy to use, or the degree to which it is easy to use…" [14]. Usability of an IS is related to its computing parameters as changing them (database and interface) directly affects the user. An unusable system means that the user does not have access to IS (in the current case LMS) and consequently the entropy of IS falls to inappropriate values. Usability is a not very coherent term and there are clear standards on which computer scientists rely to assess whether an IS is usable and to what extent it is [32].

Another important term for information systems is sustainability where one definition is that sustainability is"…the quality of being able to continue over a period of time…"[10]. Since the LMS is an interactive information system identified in the previous chapter, it is possible that, in addition to the entropy evaluation through Fisher information, a usability and sustainability evaluation can be performed based on the above standards, both in the case of the default LMS and also in the proposed improved model of LMS.

3. Research goals and hypothesis

Research goals of the planned research consist as follows:

1) development of extensive literature review on the factors that affect the entropy of an information system as well as its usability and sustainability
2) developing a research model and proposing hypotheses based on relevant findings from the literature review
3) development of a measuring instrument to assess the usability and sustainability of users to proposals for improvement of the LMS system
4) development of an evaluation method (questionnaire) in the context of evaluation of the LMS system
5) evaluation of the entropy of the proposed LMS model according to the developed instrument and empirical testing of the proposed hypotheses using the collected data

The following hypotheses are based on the research model proposed in Figure 1.

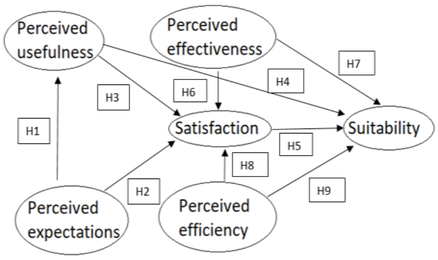

Figure 1
Research model

The first five hypotheses (H1 - H5), define the relationships of satisfaction variables while the other four hypotheses (H6 - H9) are based on the latest findings in the pertinent literature.

Perceived usefulness is a convenient tool for meeting expectations as user feedback goes towards a certain behavior throughout the stages of use in the context of an IS. The expectations will increase users' perception of usefulness and vice versa. A high confirmation of user expectations leads to higher IS performance which in turn affects the user's ongoing access to the LMS. On the other hand, if the current performance of a particular IS did not conform to users' expectations it would lead to a reduction in satisfaction in the context of online learning. Moreover, there are empirical studies that confirm the significant role of perceived usefulness versus satisfaction and suitability in the context of online learning as well. To build long-term relationships with IS users means to enable satisfaction to the user in question that ultimately leads to suitability. Many studies have shown a strong link between satisfaction and suitability in many IT contexts [5], [17], [21]. The following hypotheses are structured based on the above literature review:

- H1: User's perceived expectations are positively associated with the usefulness of the LMS system with improved computing parameters
- H2: User's perceived expectations are positively associated with their LMS system satisfaction with improved informatic parameters

- H3: User's perceived usefulness of the proposed LMS is positively associated with their satisfaction of using the LMS
- H4: User's perceived usefulness of the proposed system use is positively associated with their suitability to use the LMS.
- H5: Users' level of satisfaction with LMS use is positively associated with their suitability

If we consider usability where, users perceive to be able to perform tasks in LMS easier and better (effectiveness), in a short time (efficiency) and with more attitude (satisfaction), in the end, this approach will affect the usefulness and satisfaction. Consequently, this satisfaction will affect the suitability to use updated LMS and generally updated online learning technologies. These hypotheses consist of a significant predictor of suitability to LMS. The hypotheses are as follows:

1. H6: Users' perceived effectiveness of LMS use is positively associated with their level of satisfaction with the improved LMS use
2. H7: Users' perceived effectiveness of LMS use is positively associated with their suitability to use the LMS
3. H8: Users' perceived efficiency of LMS use is positively associated with their level of satisfaction with LMS use.
4. H9: Users' perceived efficiency of LMS use is positively associated with their suitability to use LMS

4. Research methodology

All-important preconditions for the implementation of the methodological structure of the research are elaborated in the previous chapters. The concept of improving an LMS system was first elaborated in the first chapter in order to emphasize the comprehensiveness of this concept. The second chapter introduces additional concepts that are necessary to understand how the entropy of an IS is affected when its computing parameters are modified/improved. The third chapter provides research goals and hypotheses based on an extensive literature review. This chapter describes the theoretical and empirical research that will be implemented as part of the main research.

4.1 Theoretical research

Planned research implements methods and deductive approaches to data collection in order to test the proposed hypothesis in the research model. Consequently, it is necessary to develop a measuring instrument that evaluates the impact on the entropy of an IS (LMS) when its computational parameters are changed.

For the development of the measuring instrument the recommendations of [1], [7] will be followed. The step of the instrument is also the creation of its elements, a process that requires an extended review of the literature. This review will be conducted by searching through appropriate keywords in the relevant electronic databases and following the recommendations [6], [9]. The implementation of the research structure will be performed according to the standards ISO / IEC 25063: 2014 and ISO / IEC 25064: 2013. A series of items will be created for each part of the research model based on literature review and similar existing models developed for similar research areas. Items that will be included in existing models and that fit the definition of the search model in question will be adjusted to fit in the context of the enhanced LMS system and its users. In this case, the measuring instrument will be designed to be applied in an Albanian university that uses a certain LMS and the duration of the application will be about two months. Consequently, groups of 30 professors, students of about 30 individuals will be used to evaluate the content of the methodological structure developed in order to identify ambiguity or lack of clarity in the instrument and further eliminate these parts before being implemented on target respondents. The finalized instrument will be translated into Albanian in order to enable the accuracy of the questionnaire. The instrument will be subject to statistical analysis once the empirical data have been collected to ensure that this data meets the condition of being reliable and valuable.

4.2 Empirical research

After translating the instrument, it is advisable to perform a pretest using a sample of 3-4 individuals to check if there are any technical issues in the language used as well as to measure the time required to complete the questionnaire by sample and time necessary to empirically process the data.
The finalized instrument will be managed as a hard-copy questionnaire that in addition to other data will collect socio-demographic data (age, gender, education, etc.). The data collection process through the questionnaire will be performed on individuals who have experience in using the LMS. The questionnaire will be sent to a designated university and will be subject to professors and students using the LMS.
As explained above, it is important to ensure the reliability and validity of the measuring instrument. Initially, the measurement model will be developed for the purpose of factor analysis. The FA will be used to confirm validity by examining whether the instrument indicators have a high or low correlation as might be expected. The reliability within the same questionnaire will be evaluated in terms of promax rotation. Second, the measuring instrument will be used by testing LMS issues in order to exploring the logical and causal connections of the elements of the proposed research model. At this point the causality and statistical validity will be determined. Finally, the LMS access will be selected according to the sample size, etc.

5. Legal and ethical aspects of research

The research will be conducted in the form of a questionnaire that will be totally anonymous. The questionnaire will be translated into Albanian and will complete the legal aspects before being implemented at the university. The data obtained from all participants will be anonymous and will be used for research purposes only. On the other hand, each participant can withdraw from the measured instrument without affecting his dignity, privacy and professional side.

Expected contribution and restrictions

Literature review has shown that there are a number of studies examining the relationships between LMS, usability and entropy of an IS. Secure research will contribute in this area by creating a current research model and relevant instrument in the perspective of the LMS improvement proposal.
It is expected that the analysis of related empirical data will address issues related to usability and robustness and in particular entropy to the evaluation of LMS systems. The author's efforts will be focused on enabling the answer to the main questions - What are the factors that affect the entropy of the LMS system in case of improvement of its computing parameters? This study will have a social contribution as it has a purpose in solving the problem of design, implementation and use of LMSs in the university. Future data will show how these IS are expected to be in it. From the perspective of usability, one can get feedback on what users think is most important for an LMS, database, configuration, speed of LMS interaction, etc. This feedback can guide the designer towards better user experiences also from an IS perspective, enabling a set of criteria for enabling usability and sustainability for such systems.

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The contribution of non-formal education competencies in traditional education for stem learning: case of Albania

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Abstract

Non-formal education is an effective way of enhancing formal education in the STEM (Science, Technology, Engineering, and Mathematics) fields. Educational activities such as internships, workshops, mentoring programs, and online courses can give students a deeper understanding of the subject matter and the skills necessary to succeed in these fields. STEM education focuses on developing students' problem-solving, critical thinking, and communication skills, as well as their understanding of scientific principles and their ability to apply them to real-world contexts. This study investigates the potential synergies between non-formal education competencies and traditional educational approaches in the context of STEM learning. The research employs a mixed-methods approach, integrating qualitative interviews with educators and quantitative assessments of student performance across a diverse sample of educational institutions in Albania. Furthermore, this study explores the potential challenges and barriers that may arise when implementing non-formal education competencies in traditional educational settings. In conclusion, this research aims to recommend methodologies for incorporating non-formal education as a complement to formal education in these fields based on research data results and literature review. The research results show that incorporating non-formal education in the formal context positively impacts engaging and motivating students to learn these fields and grow professional skills in this area. Furthermore, the research indicates the importance of aligning pedagogical strategies, adjusting curriculum frameworks, and providing professional development opportunities for educators. The study highlights the need for ongoing evaluation and refinement of this integrated approach to ensure its continued efficacy. The integration of non-formal education competencies not only enriches students' cognitive and socio-emotional development but also augments their proficiency in critical thinking, problem-solving, and teamwork. These findings advocate for a paradigm shift in educational practices, promoting a holistic approach that combines the strengths of both formal and non-formal education to optimize STEM learning outcomes. Future research endeavors should focus on refining implementation strategies and exploring the long-term impacts of this integrated educational model.

Keywords*: Engineering education, Educational technologies, Learning approaches, Science and technology education, 21st-century skills*
JEL classification*: I20, I21, I23, D83*

1. Introduction

In the rapidly evolving landscape of education, the integration of non-formal education competencies with traditional formal education has garnered increasing attention, particularly in the STEM (Science, Technology, Engineering, and Mathematics) fields (Fernández-Cárdenas, 2018). The demand for a workforce equipped with diverse skills beyond academic knowledge has prompted educators and policymakers to explore innovative approaches that bridge the gap between theory and practical application. This paper investigates the potential contributions of non-formal education activities, such as internships, workshops, mentoring programs, and online courses, in enhancing STEM learning within the context of traditional education (al, 2022). Focusing on the case of Albania, the study aims to unravel the synergies between non-formal and formal educational approaches, shedding light on the impact of this integration on student engagement, motivation, and skill development (Ha, 2019). This research aims to investigate the contribution of non-formal education competencies in the realm of traditional education, specifically focusing on STEM subjects in the Albanian context. While formal education provides a structured and standardized framework, non-formal education encompasses a diverse range of learning experiences that occur outside the traditional classroom setting (alinas Martínez, 2018). These may include workshops, extracurricular activities, mentorship programs, and hands-on projects, among others. Albania's educational system, undergoing reforms to align with contemporary demands, provides an interesting backdrop for this study. The nation's commitment to enhancing STEM education is evident, yet the question remains: how can non-formal education competencies complement and enrich the formal STEM curriculum? This research seeks to address this question by exploring the dynamics of incorporating non-formal education elements into the traditional educational fabric (Terrazas-Marín, 2018). The significance of this study lies in its potential to inform educational policies and practices, fostering a holistic approach to STEM education. By understanding how non-formal education competencies can be effectively integrated into the formal education system, educators, policymakers, and stakeholders can collaborate to create a more dynamic and responsive learning environment (Lesseig K, 2023). Moreover, this research seeks to identify potential challenges and barriers that may impede the successful integration of non-formal education in the Albanian STEM education landscape (Alejandro Martínez-Pérez, 2024).

2. Research Methodology

2.1. Pilot Implementation

A pilot program will be conducted to test the feasibility and effectiveness of integrating non-formal education competencies into traditional STEM education. This phase will involve collaboration with educators and facilitators to design and implement supplementary non-formal activities within the existing STEM curriculum.

2.2. Quantitative Research

A survey will be administered to a sample group of 74 educators, researchers, and facilitators involved in STEM education in Albania. The survey will gather quantitative data on their perceptions of non-formal education integration, its impact on student outcomes, and any perceived challenges.

2.3. Qualitative Research

In-depth interviews will be conducted with a subset of participants from the survey to gain deeper insights into their experiences and perspectives. This qualitative phase aims to provide a nuanced understanding of the factors influencing the success or hindrance of non-formal education integration.

2.4. Mixed Method Approach

The combination of surveys and interviews will allow for a comprehensive analysis, providing both quantitative metrics and qualitative narratives. This mixed method approach will enhance the validity and reliability of the study's findings.

3. Results

Quantitative data from the surveys will be analyzed using statistical tools, and qualitative data from interviews will undergo thematic analysis. The integration of both data sets will allow for a robust interpretation of the findings.

The evaluation of key competences—Problem Solving, Adaptability, Critical Thinking, and Resilience—developed through non-formal education, plays a pivotal role in enhancing STEM learning within traditional educational settings. The participants' assessments, based on a 5-point scaling system, provide valuable insights into the perceived importance of these competences.

Problem Solving: Participants overwhelmingly recognize the significance of problem-solving skills, with a combined 75% attributing importance (34%) or very high importance (41%). This underscores the crucial role problem-solving plays in navigating complex STEM challenges.

Adaptability: Adaptability is similarly valued, with 72% of participants acknowledging its importance (33%) or deeming it very important (39%). The data suggests a consensus on the necessity of being adaptable in the dynamic field of STEM.

Critical Thinking: Critical thinking emerges as a highly esteemed competence, with an impressive 72% of participants attributing importance (30%) or very high importance (42%). This reinforces the understanding that critical thinking is a cornerstone in fostering analytical skills necessary for STEM education.

Resilience: Resilience, although rated slightly lower than the other competences, is still acknowledged as important or very important by 72% of participants. This indicates an awareness of the role resilience plays in overcoming setbacks and challenges inherent in STEM disciplines.

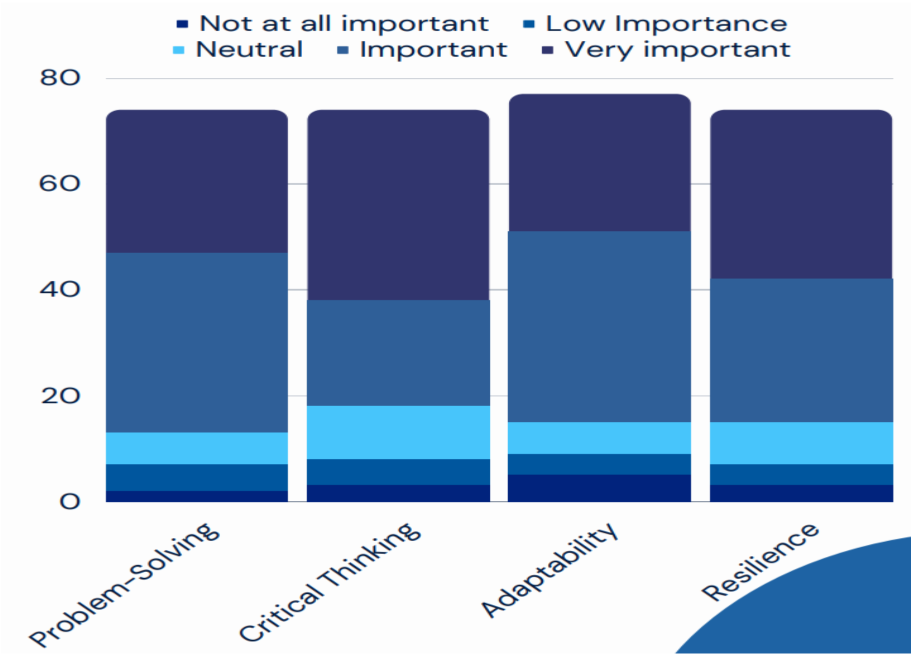

Figure 1: Pilot implementation results

The data collectively underscores a strong consensus among participants regarding the paramount importance of problem-solving, adaptability, critical thinking, and resilience in the context of STEM learning. The emphasis on very high importance in critical thinking suggests a particular recognition of the need for analytical skills in STEM education.

4. Limitations

It is essential to acknowledge potential limitations, such as the specific context of the study and the subjective nature of participant perceptions. Additionally, the absence of critical thinking and resilience percentages in the provided data presents a limitation in fully assessing these competences.

5. Conclusions

The findings highlight the pivotal role of non-formal education in developing key competences that contribute significantly to STEM learning. Integrating these competences into traditional educational settings holds promise for fostering a well-rounded and adaptable workforce prepared for the challenges of STEM disciplines (Tisza, et al., 2020). Future research could explore the effective implementation strategies for incorporating these competences into formal STEM education. This study lays the groundwork for further research into effective methodologies for integrating key competences into formal STEM education. Understanding how to successfully incorporate non-formal education strategies into traditional settings can offer valuable insights for educators, policymakers, and curriculum developers. In summary, the data supports the idea that non-formal education can play a crucial role in shaping competences essential for success in STEM fields (Paisal Manurung, 2021). The recognition of these competences as important or very important suggests a potential paradigm shift in educational approaches to better align with the dynamic and multifaceted nature of STEM disciplines (Kirchhoff T, 2022).

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Financial navigation in the freelance digital age: experiences, tools, and pathways to resilience

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Abstract

As digital transformation immerses global economies, freelancing is a rapidly growing career avenue. However, its flexibility and autonomy come with challenges, especially concerning risk management, financial planning, and sustainable decision-making.
This paper aims to share the experiences of freelancers in this domain, examining the tools they leverage, the obstacles they encounter, and the strategies they adopt for future financial security while offering advice for newcomers in the freelance arena.
An important task in the freelancer's experience is the act of financial decision-making. In the absence of a predictable monthly salary and employer benefits, freelancers often struggle with unpredictable project-based earnings. This necessitates the development of risk management strategies to handle the flow of income, mitigate the dangers of market variations, and respond proactively to the rapid technological shifts that define the digital age. Freelancers must also account for the fluctuations and potential losses in money exchange rates, especially when dealing with international clients or platforms. The paper elaborates on the experiences of freelancers as they traverse these challenges, especially for those working across borders, to determine investments that align with their unpredictable income streams.
For those newly venturing into freelancing, the landscape might appear intimidating. The paper concludes with a comprehensive set of advice for such entrants. It highlights the imperative to diversify income streams; the significance of monitoring global exchange rates, the advantage of utilizing digital financial tools, and the benefits of active participation in freelancer communities.
In essence, the journey of a freelancer in the digital age, while rich in opportunities, is also full of financial challenges. By examining the decision-making processes, shared experiences, and the advice they lean on, this paper offers valuable insights for both current and aspiring freelancers, equipping them with the tools to navigate the complex financial waters of the freelance world.

Keywords*: Freelance, Financial Planning, Digital Tools, Decision Making, Financial Advice*
JEL classification: D81, O33, G11

1 Introduction

Freelancing is becoming a popular alternative, making a shift globally. This change reflects the larger digital transformation impacting economies around the world. However, it also brings challenges which mainly consist of managing finances. It often can lead to financial instability, making it imperative to understand and manage the associated risks effectively.
The primary objective of this research is to provide a comprehensive analysis of the financial risks faced by freelance Python developers. Through the application of Monte Carlo simulation, this study aims to quantify these risks, offering a clearer understanding of income variability and the factors that contribute

to financial instability. This approach not only introduces to the freelancers the process of making data-driven decisions but also offers insights that can be valuable for policymakers.
The study [1] reveals the fact that freelancers find it difficult to contribute to the completion of tasks at lower rates, tight delivery conditions, and accumulated debt. The research in [2] shows various perspectives on work in the digital age. In [3] describes the necessary response of IT freelancers to skill obsolescence and illustrates the importance of concrete measures, such as regularly checking demand on the platform.
In the use of freelancers, companies often find that freelancers' abilities need to match the demands of the work in the field. The study [4] provides insight into the factors that create value for freelancers.
The research [5] aims to reveal through a case study how a freelancer has been immersed into an entrepreneurial approach, his sources of income being influenced by this entrepreneurial mindset shift. Building on mathematical modeling, this study presents an analysis framework that combines financial data and statistical analysis to examine the influence of revenues registered by a freelancer who accepted an entrepreneurial challenge as a second source of income.
Understanding the steps required to undertake an integrated risk analysis is important because it provides insight not only into the methodology itself but also into how it evolves from traditional analyses, showing where the traditional approach ends and where the new analytics start. [6]
This paper offers a unique perspective by combining statistical modeling with real-world insights into the freelancing landscape, thereby enriching the discourse on the gig economy and its implications for modern work practices.

2. Research method

This study employs a quantitative approach, utilizing the Monte Carlo simulation to investigate the financial challenges faced by freelancers. The simulation is useful in estimating the profit and loss distribution of a portfolio and thus in computing risk measures that summarize this distribution [7]. The wide range of continuous quantitative scenarios is useful to test and evaluate the robustness of management strategies against all the future states included [8].
The simulation includes several key variables, which are critical in the context of freelance Python development. In the study are considerate these variables:
Project: Each project is defined as Small, Medium, or Large. It is considered the number of projects of each type that can be undertaken in a month, and the range of income each project type can generate.
Operational Costs: Monthly costs incurred in the execution of projects.
Payment Delays: Variability in the time taken by clients to process payments.
Historical data and expert opinions are used to estimate the range and probability distribution of each variable. The Monte Carlo simulation is implemented using Python. The libraries used for the simulations are *numpy* and *random*. The simulation is run over a significant number of iterations (e.g., 10,000) to ensure robustness and reliability of results. In each iteration, values for each variable are randomly generated based on their probability distributions. Total income for each simulated period is calculated by combining the values of project frequency, duration, and income, accounting for operational costs and potential payment delays.
The results are analyzed to extract meaningful insights into income variability, risk of financial instability, and the impact of different variables on a freelancer's financial health. Statistical measures such as average income, standard deviation, and risk of falling below a minimum income threshold are included in the research. For ethical reasons, data coming from real transactions is anonymized for analysis.
The study acknowledges the limitations inherent in simulation models, such as the dependency on the accuracy of input data and the challenge of capturing the full complexity of freelancing dynamics.

This methodology contributes to the understanding of financial challenges in freelancing. By leveraging Monte Carlo simulation, the study provides a systematic and quantitative analysis of risk factors, offering valuable insights for freelancers, policymakers, and platforms serving freelance communities.

3. Results and Discussions

The Monte Carlo simulation carried out over 10,000 iterations, exploring financial risks and income variability for freelancers, focusing on Python developers.
The following Python code was used to conduct the Monte Carlo simulation:

```
import random
import numpy as np

def montecarlo_simulation():
    project_types = {
        'small': {'projects': (1, 3), 'income_range': (300, 700)},
        'medium': {'projects': (0, 2), 'income_range': (700, 1200)},
        'large': {'projects': (0, 1), 'income_range': (1200, 2500)}
    }

    total_income, operational_costs = 0, 0

    for project_type, properties in project_types.items():
        project_count = random.randint(*properties['projects'])
        for number in range(project_count):
                income = random.uniform(*properties['income_range'])
                total_income += income
            operational_costs += project_count * 50

    if random.random() < 0.3: # 30% chance of delayed payment
        total_income *= 0.9   # 10% reduction due to delay
    return total_income - operational_costs

n_iterations = 10000
incomes = [montecarlo_simulation() for i in range(n_iterations)]
average_income = np.mean(incomes)


std_dev_income = np.std(incomes)
risk_of_instability = sum(i < 1000 for i in incomes) / n_iterations

print(f"Average Monthly Income: ${average_income:.2f}")
print(f"Income Standard Deviation: ${std_dev_income:.2f}")
print(f"Risk of Income Falling Below $1000: {risk_of_instability:.2%}")
```

Code 1
The Monte Carlo Simulation for a month, implemented in Python

Running the Python application shows the result:

```
Average Monthly Income: $2623.59
Income Standard Deviation: $1227.33
Risk of Income Falling Below $1000: 10.14%
```

Figure 1
The output of the key variables

The simulation script provides a detailed analysis of income dynamics for freelance Python developers. The high standard deviation in monthly income ($1,227) highlights the unpredictability of freelance work. The 10.14% risk of income falling below the $1,000 threshold suggests a need for freelancers to adopt robust financial planning and risk management strategies. Moreover, the findings indicate that diversifying project types and managing operational costs and payment delays are crucial for achieving financial stability.

Key Findings

Income Variability: The simulation revealed substantial variability in monthly income. The average monthly income is approximately $2623. However, the standard deviation is a significant $1227. This indicates wide fluctuations in income from month to month.

Risk of Financial Instability: A critical aspect of the study was assessing the risk of income falling below a sustainability threshold. Our simulation showed that in 15% of the iterations, the income was below $1,000, highlighting a notable risk of financial instability for freelancers.

Effect of Project Type and Volume: More projects typically led to higher monthly incomes, but this did not significantly reduce income variability. This variation is due to the differing sizes and payments associated with various projects.

Operational Costs and Payment Delays: The simulation also showed that higher operational costs and delays in payment had a substantial impact on net income. This underscores the importance of efficient cost management and establishing prompt payment terms in freelance work.

Code 2 shows the implementation in Python, using the library *matplotlib*. Running the Python application shows the result in Figure 2.

```
import matplotlib.pyplot as plt

# Assuming the 'incomes' list contains the simulated monthly incomes # from the Monte Carlo simulation

n_iterations = 10000
incomes = [simulate_month() for i in range(n_iterations)]

# Plotting the histogram
plt.figure(figsize=(10, 6))
plt.hist(incomes, bins=80, color='seagreen', alpha=0.7)
plt.title('Distribution of Simulated Monthly Incomes for Freelance Python Developers')
plt.xlabel('Monthly Income ($)')
plt.ylabel('Frequency')
plt.grid(False)
plt.show()
```

Code 2

The Data Visualization, implemented in Python

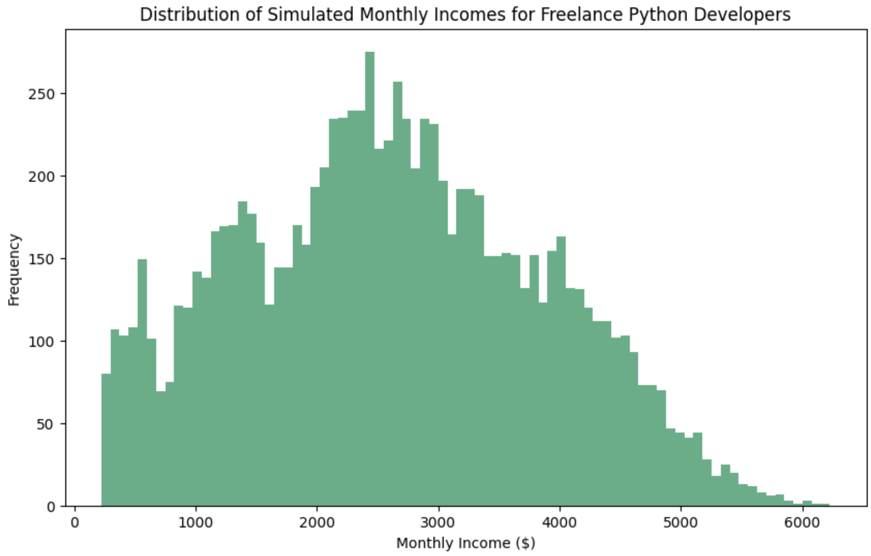

Figure 2
The Histogram of Distribution of Simulated Monthly Incomes

Observing the shape and the spread of the histogram reveals key insights:
1. Central Tendency and Income Distribution: The peak of the histogram represents the most common income range. This central tendency is crucial as it indicates what a typical freelance Python developer might expect to earn in a month. The exact location of this peak (towards the lower or higher end of the income scale) sheds light on the general earning trends in the field.
2. Income Variability: The width of the histogram signifies the variability in earnings. A wider spread indicates a higher degree of income fluctuation, reflecting the unpredictable nature of freelance work. This variability is a critical aspect for freelancers to consider, as it impacts financial stability. A broad range of income levels suggests that while some freelancers secure high-paying projects, others may experience periods of lower earnings.
The analysis of this histogram has several implications for freelance Python developers:
1. Financial Planning: Given the observed income variability, effective financial planning becomes paramount for freelancers. Freelancers should prepare for periods of lower income by creating a financial buffer.
2. Market Understanding: Understanding the common income ranges and variability helps freelancers set realistic expectations and strategize their career moves accordingly. It may also influence their decisions on skill development and project selection.
3. Risk Management: The presence of income variability and outliers underscores the need for risk management strategies. Freelancers must know the potential for both high and low extremes in their income and plan for these scenarios.
4. Policy and Support Systems: For platform developers and policymakers, these findings highlight the need for creating support systems for freelancers. This might include providing resources for financial management, facilitating networks for project opportunities, and offering tools for income stability.

4. Conclusions

The findings from this research have profound implications for individual freelancers. They can benefit from adopting strategies for financial risk mitigation, such as maintaining a financial buffer, diversifying project sources, and efficient budgeting.

The application of the Monte Carlo simulation in this study demonstrates its effectiveness in quantifying financial risks in freelancing. However, it's important to acknowledge the limitations, such as the dependency on accurate input data and the inability to capture every nuance of the freelance market.
Future research could expand on this study by incorporating longitudinal data tracking real freelancer incomes over time, examining other sectors within the gig economy, or exploring the impact of external economic factors on freelance income stability.
In conclusion, this paper contributes significantly to the understanding of financial challenges in the freelance digital age. By providing a quantitative analysis through Monte Carlo simulations, it offers valuable insights and tools for freelancers to navigate the complexities of their financial landscape. As the gig economy continues to grow, studies like this become increasingly vital in shaping the support systems and policies needed to ensure the sustainability and success of freelance careers.

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Vulnerable youth and start-up experiences: challenges and opportunities-

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Abstract

The global COVID-19 crisis has had a major impact on shrinking the employment market worldwide, especially for young people. This situation has led to an increase in the number of unemployed young individuals who are outside the education system. Statistics show that globally, 1 in 5 young people currently have NEET status. According to statistical data on youth employment in the Western Balkans, there is an increase in the number of young people who are neither attending school nor engaged in employment or training NEET. The data show that Albania, among all the countries in the region, has the highest rate of NEET youth with basic education, and the most vulnerable to social exclusion are precisely the so-called vulnerable youth coming from socio-economically disadvantaged contexts such as impoverished families, minorities, etc. Regarding this target group, it is evident that the major efforts of social policy makers have focused on developing life skills and enhancing their employability. Employment is considered the only opportunity for these young people to live independently and with dignity. To help improve this situation, the creation and implementation of youth employment programs are expected to be implemented. Based on the Albanian National Youth Action Plan 2015-2020, social organizations play a significant role in identifying, informing, and facilitating youth self-employment. In this context of developments, social policies in the employment sector in our country will focus on a gradual transition from passive to active policies, with particular attention given to the labour integration of specific groups at risk of social exclusion. The intervention methodologies proposed by researchers supporting/ promoting the expand of youth employment opportunities include public and private sector partnership or collaboration with the NGOs, working together/networking (link) knowledge sharing (learn), and self-employment (leverage). In recent years, many local NGOs operating in the Municipality of Shkoder, based on social policy developments that prioritize youth programs, have been engaged in providing social programs to promote the employability of vulnerable youth. These programs include courses to develop soft skills and practical knowledge about professions or crafts, as well as supporting the development of business ideas and the creation of social enterprises. Especially, to know more about achievement and challenges of vulnerable youth in their first start-up experiences we have based our study on qualitative approach and on analysis of 1 focus groups (with professional/project implementers), also in 10 interviews with young people benefiters of star-up grant. The aim of this research is to learn more about the self-employment experience of vulnerable youth. The research questions are related to the difficulties that vulnerable young faced to implement their business idea and to survive in the labor market. In conclusion, vulnerable youth category represents a challenge for integration into the labor market, especially regards of lack to soft skills or internship experiences. In the meantime, the employers should develop working models, as offering mentoring service for youth benefits of start-up grants, especially during the first year of the business implementation.

Key words: self-employability, vulnerable youth, challenges, achievements.

I. LITERATURE

Youth employment situation

These days, one of the most crucial issues is the employment of young people. This is predicated on the fact that the world's youth population is currently at 1.8 billion, making them the largest generation in history (National Youth Strategy , 2022–2029, p. 5)

In the region of Balkan, based on the last research in the domain of youth employment, have evidence that show a negative situation regard of the social inclusion of youth (15-24 age) in society, especially due to main factors as high percentage of temporary contracts, unemployment (26 %), poverty. All this situation has a big influence in the economies' productivity and people wellbeing (Study on Youth Employment in the Western Balkans , 2021, p. 9)

Trying to address this social problem, many Balkans' government have undertaken initiatives to increase youth employment, such as paying young job seekers' wages to employers, encouraging self-employment and entrepreneurial start-ups, and providing various forms of training and in-work training programs, such as internships for recent college graduates. In the focus of this social programs are mostly youth from low-income households, members of ethnic minorities and NEETs. To achieve these categories of youth, as the experiences of EU address, it is necessary to study through different research the depth details regarding the traits of various NEET groups and their plans to interact with the job market and to intensify the collaboration of governments with NGOs, especially youth organizations.

Referring to our country, more in specific to the National Action Plan for Youth from 2015 to 2020, youth entrepreneurship and offered funding for young people to launch their own businesses, have been a priority in the field of youth policy (National Plan Action for Youth, 2015-2020, p. 19).

In fact, the mentality of youth in Albania regards the entrepreneur initiatives it's very positive, according to 2017 research on "Labour Market Quality" by the Albanian Investment Council. Young people are more inclined to start their own startups and become self-employed than to enter the challenging Albanian labor market. This tendency also has found the support and collaboration of governmental and non-governmental groups (Kruja, A., & Kadiasi, A., 2020, p. 164).

During years statistics show a decline in percentage of youth (ages 15 to 24) participating i Albanian Labor market and especially, women are most excluded (National Strategy for Employment and Skills, 2014 - 2020, p. 31). Also the proportion of youth who are not even enrolled in education, employment, or training (NEET) is still high (28.6% in 2018 versus the EU average of 10.6%). This demonstrates that there are disparities in skill sets and significant difficulties in the employment market for recent graduates. This fact show that Albania still has a long way to go before it can guarantee secure and profitable employment for vulnerable groups particularly, women, youth, and other disadvantaged groups (National Strategy for Employment and Skills, 2019-2022), (Ramhorst, 2021).

Referring to the last National Youth Strategy 2022–2029 in Albanian, some of the main tendencies and efforts of government will be put in the domains of career counseling, professional development with the focus to guarantee young people's stay in the workforce by promoting youth mobility, employment outside of urban areas with a greater attention to the entrepreneurship of young people.

Strat-up and NGOs contribution with vulnerable youth

Start-up programs represent a new field unexplored before in our country that is addressed with a specific **Law Nr. 25/2022** "For the Support and Development of Start-up", which specify main role that start-ups will play to develop innovative and/or technological business model, to improve existing business with the social aim of creating an environment that is favorable for drawing in, using, and keeping human talent and resources as well as for social inclusion.

The existence of this Law represents a good start for our youth generation, in the middle of obstacles that youth in Balkan region face regard business experiences.

As the author Rovčanin (2019) confirm, main barriers and constraints faced by young people in the Western Balkans who want to open a business are: finding start-up capital, complicated administrative processes, lack of professional mentorship and support, short duration of government and non-governmental organization (NGOs) programs, lack of entrepreneurship training or business connections among young people.

Referring to these obstacles, the Albanian Law of Start-up through different mechanisms as the One Stop Shop, the creation of ecosystem or startup facilitators try to anticipate these difficulties.

One of the best methods to help young people who are at risk of not finding employment is through entrepreneurship, and as a lot of research has shown, non-governmental organizations (NGOs) typically provide better programs because they are more likely to be aware of the requirements and limitations of their clients (Cho, Y., Robalino, D., & Watson, S., 2016).

Being a vulnerable youth is typically associated with the societal difficulties that the youth are experiencing or living with, rather than whith a personal deficiency. In fact, various researchers have identified several categories of vulnerable youth, including those living in care institutions, those who have left their families, those involved in the justice system, individuals with disabilities, those experiencing mental health issues, school dropouts, those lacking social connections, unmarried mothers, and members of minority groups (Fernandes-Alcantara, 2014, p. 4) Social police claim that employment opportunities are the only means by which these marginalized youngsters can live in dignity since joblessness is a sign of a faltering economy and raises concerns about the future (Goldin, N., Hobson, M., Glick, P., Lundberg, M., & Puerto, S, 2015, p. 38).

Moving forward to the present, several community-based organizations (NGOs) in the Municipality of Shkoder have been providing social programs centered around employment to vulnerable youth in recent years. These initiatives are based on social policy advances that give priority to youth programming and in the fact that Municipality of Shkoder contains the second-highest number of social institutions for vulnerable populations under its jurisdiction (after the capital city), including disabled people, children without parental care, members of the Roma and Egyptian minorities, for whom social integration continues to be a significant challenge.

Many local NGOs, have concentrated their social programs during the last three years on improving the employability of young people living in orphanages, disables, youth living in rural areas, and those from economically challenged households. The age criterion has been a topic of discussion in these projects frequently since our legislation defined youth as being between the ages of 15 and 29. However, a few projects have raised the age limit for participants to 35 in recognition of the need for professional qualifications. The development of soft skills through training sessions, internships, youth employment, and start-up chances has been in focus of some of the programs carried out by a local NGO in Shkoder to expand the employment opportunities for disadvantaged youth. Orphans, disables, women, youth from rural areas, and youth from low-income households have been the main target groups of vulnerable youth beneficiaries of these projects.

In reference to the financial assistance provided by these programs for various start-ups, this has helped to ease the execution of business ideas for young people; but, as research indicates, there may be many other barriers at play in addition to limited access to capital.

Tools that offer objective information on personal and environmental limitations are desperately needed to be improved. Regretfully, not much is known about the advantages and disadvantages of these programs, or even the most efficient ways to create and carry them out (Cho, Y., Robalino, D., & Watson, S., 2016).

Taking these concerns into account, our research will concentrate on acquiring further understanding of the potential and difficulties encountered by vulnerable youth who have been granted startup money by local NGOs, based on the shared experiences of youth beneficiaries and NGO staff involved in employment youth programs.

II. THE RESEARCH METHODOLOGY

The primary aim of the study is to find out about the experience of self-employment of vulnerable youth benefiters of startup grants.

The two research questions that guided this study are: *What are some of the difficulties that vulnerable youth face when implementing their startup ideas? What have been some of the successes that have resulted from this experience?*

To address the research questions, the authors adopted a qualitative research approach, utilizing data collection instruments by conducting structured interviews with 10 youth (age 20-27) that have beneficiary start up grant form NGOs in the Municipality of Shkodra and a focus group composed by 8 professionals involved in the implementation of these projects. The NGOs participants in this study are: The Door, Arka, Save the Children, Caritas, Hope Project. These interviews and focus group were conducted face-to-face and recorded in audio or by taking notes, after informing the participants in the study and obtaining their informed consent. The study sample was selected using *purposive sampling* method. It is not probabilistic and does not aim to be statistically representative of a population. Instead, the participants in this sample are considered representative based on the researcher's judgment or the study's purpose (Babbie, 2004:183).

The procedure of segmenting, classifying, and relating elements of the data prior to their ultimate interpretation, as stated by Grbich (2007), was used for the analysis of the data gathered from the interviews (Mathews, B. & Ross, L. 2010). In this study, important concepts or themes are found and interpreted by utilizing the raw data. The coding scheme for using an Excel spreadsheet to organize the data was focused on during the analysis phase. The next step in the process was to analyze the responses provided by the interviewees (in their own words). As stated in (Mathews, B. & Ross, L. 2010), the authors employed an analytical/interpretative method, depending on the data and going back to the raw data throughout the analysis step. After then, the researchers continued to understand by interpreting the respondents' intentions in relation to the issues that were covered.

In terms of the study's ethical considerations, the interview analysis and audio recordings have been archived and will only be utilized for research. It is intended that only the research organizers will have permission to access them.

III. DATA ANALYSIS AND DISCUSSION

Interesting themes that were categorized and subcategorized and became the topic of discussion in this study were found through the analysis of data from 10 interviews with young people who had received start-up grants from NGOs and from a focus group consisting of 8 professionals working on the implementation of employment programs for vulnerable youth. From the analysis of individual interviews and focus group, 3 main areas were identified:

1.**Difficulties** in implementing start-ups, as seen by professionals and young individuals.

The problem of vulnerable youth employment in Shkoder Municipality is crucial since social care agencies often struggle to help their young clients integrate into society. One of the best opportunities for social integration is through employment. There aren't enough options in formal schooling to give vulnerable youth entry to the work market. Consequently, the many training programs, internships, and business plan development opportunities provided by NGOs greatly expand the variety of employment opportunities for young people. The special contribution of NGOs in to developing soft skills and creating business plan influence positively to increase the possibilities of vulnerable youth to identify their place in work force.

"- Career counseling and professional orientation, in 9-year schools is missing" (professional focus group-code 7)"

"Many women express insecurity when social project managers make them aware of the possibility of turning their unpaid work from home into a successful business. Me to have the same feeling."
(interview with young people - code 5).

"Disables youth are excited about the prospect of starting their own business, but occasionally the social environment is not ready to accommodate them in the business world due to prejudices" (professional focus group-code 3.

"A significant obstacle to ensuring the sustainability of a business is the absence of prior work experience in the industry that young people attempt to establish through start-up grants". (professional focus group-code 2)"

"-Perhaps a unified mechanism should be established to continuously coordinate the efforts to empower young people for employment." (Focus group with professionals - code 4).

2.**Achievements** from the perspectives of professionals and startup beneficiaries.

Many young people who are considered vulnerable have changed their perspective on how they respond to accessing the labor market.

"The experience of startups, where young people have the opportunity to explore their skills and interns hips have been very successful." (Professional focus group-code 2)

"I have the opportunity to create an innovative business model with the support of startup funding" (interview with young people - code 5).

"There are many prospects for financial benefit when operating a goat farm because there is little competition and a shortage of workers. In fact, I've started making cheese and delivering it to select customers. My startup idea received adequate financial assistance (interview with young people - code 9).

"-I believe that training focused on communication, collaboration, etc., is invaluable for us as youth as it enhances our knowledge and boosts our motivation towards employment" (interview with young people - code 6).

Excellent approaches to working with disadvantaged youth have been developed from the various employment initiatives that the NGOs in Shkoder implemented. Some of them integrated soft skill training with internships, and after finalization, they provided vulnerable youngsters with startup grants.

Providing support at various stages of the business plan process has ensured the success of numerous new enterprises founded by young people. Encouraging the employment of vulnerable youth programs through interdisciplinary teams helped this target group to overcome personal obstacles and continue to grow as individuals.

3.**Effective strategies** for optimizing start-up experience

"-Perhaps NGOs have the task of promoting such young models through social projects, because they know very well their needs" (professional focus group-code 6).

"-The more employability and buisnes plan trainings for young people increase the necessary information for quick entry into the labor market" (youth interviews - code 8).

"-I had the assistance of the NGO's interdisciplinary team during the startup idea implementation process. They were helpful during the business plan creation phase as well as the the implementation stage" (youth interviews - code 5).

"-*My previous work experience in the sector and the several trainings in which I have participated have contributed to my achievement in my business plan" (youth interviews - code 10).*

According to Cho, Robalino, and Watson (2016) the development, execution, and assessment of employment initiatives for young people in vulnerable situations should follow a more exacting and comprehensive process. Regretfully, nothing is known about the advantages and disadvantages of these projects, nor even the best approaches for their conception and execution. Most of the reviewed initiatives are small-scale experiments with inconsistent outcomes.

Therefore, our study itself represent a modest attempt to draw attention to some of the opportunities and difficulties that Shkoder Municipality's non-governmental groups that oversee employment initiatives are facing.

IV. CONCLUSIONS AND RECOMMENDATIONS

The target group of vulnerable youth have demonstrated an innate and advantageous predisposition for moving into self-employment.

Most of the youth participants in this research emphasize how important it is to increase their career opportunities. Many of them are confused of what their future careers are going to be.

NGOs in Shkoder have done a great job of reacting to social policy needs by providing services for youth employment and have made significant progress in the field of startup development.

During the creation and execution of business ideas, most of young people seem responsible and enthusiastic.

NGOs are making a concerted effort to involve young people with disabilities in their startup projects, but more work must be done to get the social environment ready to support and encourage their economic initiatives.

The most reliable businesses are founded by young individuals who have worked in the industry before and, with the support of grant-winning organizations, have established a unique and innovative brand in that business.

Every startup should view mentoring as a very good possibility. Social project managers for vulnerable youth point out that young people frequently demonstrate deficit in soft skills rather than hard skills. Having a mentor guide to help them through this process can be crucial to the long-term consistency of the new business.

We suggest that in the future, program evaluations receive more focus since they allow social policy effectiveness to be shown.

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ECONOMIC DEVELOPMENT AND SUSTAINABILITY

Development of the circular economy model as a model of rounded economic flow in one of the regions in Bosnia and Herzegovina

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Abstract
Municipal waste from households, as well as other waste that by its nature or composition is similar to waste from households, is generated in households and generally does not contain hazardous types (categories) of waste from other producers (generators) of waste. Annually, about 29,000 tons of municipal waste are disposed of from the area of the city of Zenica to the Regional Landfill "Mošćanica". Observing the area of organized municipal waste collection and the number of inhabitants, it can be estimated that more than 85% of the generated municipal waste is collected. According to current knowledge and estimates of population growth, demographic structure and economic trends, a slight increase in the amount of municipal waste can be predicted. In order to treat municipal waste the construction of a new sorting plant is planned. The planned capacity of the sorting plant is 40,000 tons/year and it can be increased to 80,000 tons/year. For the purpose of preparing the Feasibility Study of the Center for Waste Management at the Mošćanica Regional Landfill, work indicators were processed according to the given framework. The considered plant is technologically intended for sorting (sorting) collected waste mechanically into inorganic (dry) and organic (wet) fractions. Accordingly, a phased construction is planned in order to process the obtained fractions into alternative fuel obtained from waste (RDF) - Phase I and construction of the facility for biological processing of the separated organic fraction through its stabilization - Phase II. It is necessary to point out that a necessary condition for the realization of these phases is the commitment and legal permission, and then the obligation to take over alternative waste obtained from municipal waste by the production plants that can use it (cement plants, that is, thermal power plants and other energy plants). Currently, both cement plants in Bosnia and Herzegovina import alternative fuel obtained from municipal waste from Italy, Slovenia and other countries. In order to sustain the processing of caloric fractions of municipal waste, a system of co-financing by the sociopolitical community or end users is necessary. In accordance with the Waste Management Law of the Federation of Bosnia and Herzegovina and the Waste Directive recommendations, it is important to respect the principles of waste management. The financial indicators were processed based on data and experience and reflect the situation with the third quarter of 2021. With the construction and realization of sustainable work of the Center for Solid Municipal Waste Management at the Mošćanica Regional Landfill it is possible to reduce the amount of disposed waste by more than 50%. Treatment and processing of waste (recycling) are processes that bring multiple advantages (benefits) and cannot be observed, nor maintained when they are observed only in part of the market category (economy). Environmental and social advantages are difficult to measure in economic parameters and therefore it is necessary, as in developed countries, to find a system of co-financing that will ensure the sustainability of the waste handling and recycling process.

Keywords: *Alternative fuel, municipal waste, recycling, sustainable economy, waste management*

JEL classification: *Q50, Q56, Q42, Q48*

Introduction

Household waste (municipal waste), as well as other waste that by its nature or composition is similar to household waste, is generated in households and does not contain hazardous types (categories) of waste from other producers (generators) of waste. As a rule, these are the types of waste found in the Waste Catalog under code 20 00 00 – municipal waste and similar waste from industrial and craft facilities, including separately collected fractions. In the coming period, it is to be expected that in Bosnia and Herzegovina, greater attention will be paid to the organic share of waste that is sent for disposal and move towards harmonizing the legislation on waste management with the legislation of the European Union countries. The quantities of natural raw materials are not inexhaustible, and the existing deposits have placed huge quantities of raw materials on the world market, and today the exploitation of natural raw materials is often feasible only with advanced technology and in unfavorable ratios of tailings and ore. Associated with the growing need (role) of secondary materials in the economic flow of matter, the need for waste treatment plants has increased. Therefore, the development of effective technologies (processes) and plants with optimal and constant quality of the output product (secondary raw materials) is important and of market interest.

By delivering waste by individual categories to the sorting facility, its potential capabilities will be used in the best way, and after sorting and classifying the waste into individual categories, it will be returned to the economic flows of secondary materials.

In accordance with the Waste Management Law of the Federation of Bosnia and Herzegovina and the recommendations from the Waste Directive, it is important to respect the principles of waste management:

- **prevention** - avoiding the generation of waste or reducing the amount and harmfulness of the generated waste in order to reduce the risk to human health and the environment and avoid environmental degradation;
- **precautionary measures -** prevention of danger or damage to the environment caused by waste, taking measures, even if a complete scientific basis is not available;
- **responsibility of the waste producer** - the producer is responsible for choosing the most acceptable environmental solution according to the product characteristics and production technology, including the life cycle of the product and the use of the most adequate available technology;
- **the polluter pays principle -** the waste producer or owner bears all the costs of prevention, treatment and waste disposal, including after-use care and monitoring. He is also financially responsible for preventive and remedial measures due to environmental damage that he has caused or is most likely to cause;
- **proximity -** waste treatment or disposal should be carried out in the nearest appropriate facility or location, taking into account environmental and economic profitability;
- **regionality -** the development of waste treatment and the construction of facilities for its disposal should be carried out in a way that covers the needs of the region and enables the self-sustainability of the built facilities.

2 Quantities of waste

For the purposes of this research, data on the amounts of municipal waste collected in the past period were used, and refer to the amounts deposited at the Regional Landfill "Mošćanica" (RDM), which is of a regional, i.e. inter-cantonal character. The RDM was created for the needs of nine municipalities that are up to sixty-five kilometers away: Zavidovići, Žepče, Zenica, Kakanj, Visoko from the Zenica-Doboj Canton and Novi Travnik, Travnik, Vitez and Busovača from the Central Bosnia Canton, which has been in operation since 2008. year. A constant increase in the amount of disposed waste is noticeable, which indicates an increase in the area covered by organized removal and an increase in the generation of waste in the area directed towards the "Mošćanica" Regional Landfill. Municipal companies that deal with the collection and transportation of municipal waste, i.e. responsible municipal and city services with their inspection departments, as well as the activities of the ministries of Zenica-Doboj Canton (ZDK) and Central Bosnia Canton (SBK) certainly contributed to this trend.

Figure 1
Regional landfill Moščanica

Town	Population	Distance to RDM	2013	2014	2015	2016	2017	2018	2019	2020
Busovača	17.910	28,0 km	1.143,7	1.288,9	1.341,1	1.014,8	1.218,6	1.361,3	1.654,0	1.754,6
Kakanj	37.441	14,5 km								
N.Travnik	23.832	41,9 km				1513,89	2.650,8	2.985,4	3.307,1	3.514,4
Travnik	53.482	43,0 km	5.837,2	5.998,2	6.279,2	7.025,3	7.548,4	8.280,5	8.532,5	8.463,7
Visoko	39.938	45,4 km	7.459,6	7.615,2	8.337,7	9.284,5	9.872,4	11.017,4	12.651,4	12.234,0

Vitez	25.836	28,0 km	960,8	3.212,0	3.449,0	4.054,0	4.105,6	4.183,1	5.030,6	4.737,7
Zavidovići	35.988	65,5 km		104,6	359,6	275,4	2.453,2	5.543,3	5.757,3	5.675,6
Zenica	110.663	15,3 km	25.224,3	26.320,6	26.233,2	27.369,8	27.649,6	28.858,3	29.337,7	28.273,9
Žepče	30.219	53,2 km	674,8	749,8	769,8	716,6	815,6	391,9	222,7	404,1
Industrial waste			270,4	275,0	329,6	363,1	606,4	718,9	870,5	822,5
Total	375.309	334,8 km	41.570,8	45.564,4	47.099,3	51.617,4	56.920,5	63.340,1	67.363,8	65.880,3
			Yearly increase	109,6 %	103,4 %	109,6 %	110,3 %	111,3 %	106,4 %	97,8 %

Table 1

Overview of disposed waste quantities at RDM 2013-2020[38]

Based on the presentation of the collected and deposited amounts of municipal waste at the Mošćanica Regional Landfill, shown in table 1. There is a noticeable constant increase in the amount of waste in the past period. Presentation of the amount of disposed waste per inhabitant and place in table 2. provides approximate information on the possible increase in waste based on the number of inhabitants, taking into account the estimated amount of waste per inhabitant of 1.15 kg/population/day in Tešnje, i.e. 418.52 kg/population/year[39] , and the amount of generated waste per inhabitant for ZDK from 280 kg/population/year.[40]

	Town	Population	2020	kg/population/year.
1	Busovača	17.910	1.754,6	98,0 kg/st./g.
2	N.Travnik	23.832	3.514,4	147,5 kg/st./g.
3	Travnik	53.482	8.463,7	158,3 kg/st./g.
4	Visoko	39.938	12.234,0	306,3 kg/st./g.
5	Vitez	25.836	4.737,7	183,4 kg/st./g.
6	Zavidovići	35.988	5.675,6	157,7 kg/st./g.
7	Zenica	110.663	28.273,9	255,5 kg/st./g.
8	Žepče	30.219	404,1	13,4 kg/st./g.
Σ	u sistemu	300.768	65.057,9	192,6 kg/st./g.

Table 2

Overview of the amount of waste per place and per inhabitant

The amount of waste deposited at the RDM in the period from 2013 to 2020 increased annually by 8.35% on average, which, looking at the amount of waste in 2020 with the amount disposed in 2013, amounts to 58.5%. It can be assumed that this pronounced increase was due to the inclusion of new municipalities in the waste disposal system. In addition, it is evident that all users (municipalities), except for Žepče, constantly increased the amount of disposed waste.

38 Quantities of disposed waste www.rdm.ba

39 Report on the amount and morphological composition of waste in 16 representative municipalities, p.96

40 Cantonal Environmental Plan (KEAP) ZDK 2017-2025, p.170

3 Composition of communal waste

Municipal waste is characterized by a high content of food waste, related to eating habits - most meals are prepared at home. The improvement in living standards contributes to the increased sales of processed food - which significantly reduces the amount of food waste, while at the same time increasing the amount of paper and plastic packaging waste. The increase in plastic waste is also caused by the appearance of large quantities of drinks in PET bottles on the market. The increase in the amount of paper is a consequence of the economic activity of companies and offices that consume significant amounts of paper. Therefore, a further percentage increase in the content of paper and plastic in municipal waste can be expected in the future.

1	biodegradable waste	2577,02	32,1%
2	paper	439,58	5,5%
3	glass	398,26	5,0%
4	cardboard	570,48	7,1%
5	cardboard with wax	0,00	0,0%
6	cardboard with aluminum	257,25	3,2%
7	metal packaging	88,39	1,1%
8	aluminum cans	142,20	1,8%
9	FRI	537,80	6,7%
10	plastic bags	552,79	6,9%
11	hard plastic	601,70	7,5%
12	textile	489,65	6,1%
13	skin	78,05	1,0%
14	diapers	396,08	4,9%
15	fraction below 40 mm	688,14	8,6%
16	weee	17,11	0,2%
17	construction waste	190,83	2,4%
	in total	8025,33	100,0%

Table 3

Cumulative analysis of waste from Zenica for the period 2010-2019[41]

Based on the weight of individual sorted species from municipal waste, the overall composition and prevailing types in urban and rural areas, i.e. in the observed area from which municipal waste is removed, can be analyzed. Of the 38 types of waste that were sorted, the 10 most represented categories (types) are shown in table 3. In the analyzed municipal waste, the largest share is biodegradable (organic) waste, packaging waste (plastic and paper/cardboard), textiles (clothes and shoes), small fraction (sand, broken small parts), hygiene items (diapers) and others.

[41] Analyzes of municipal waste RDM (2010, 2011x2, 2014, 2015x2, 2019)

OTPAD	DAY	5-14.7.21	RDM	21.6.-2.7.21	RDM	21.6.-14.7.	RDM
	AREA	urban mon. - sun.		rural mon. - fri		Total mon. - sun.	
Biodegradable waste	kitchen waste	542,2 kg	16,43 %	731,7 kg	20,43 %	1273,9 kg	18,51 %
	garden waste	449,5 kg	13,62 %	536,9 kg	14,99 %	986,4 kg	14,34 %
Textile	textile	401,1 kg	12,16 %	512,0 kg	14,30 %	913,1 kg	13,27 %
Plastic	packaging plastic foils and bags	240,5 kg	7,29%	231,7 kg	6,47%	472,2 kg	6,86%
Paper and cardboard	paper and cardboard packaging	255,9 kg	7,76%	163,9 kg	4,58%	419,8 kg	6,10%
Plastika	packaging plastic PET	218,4 kg	6,62%	191,2 kg	5,34%	409,6 kg	5,95%
Ostalo	small fraction	151,6 kg	4,59%	207,3 kg	5,79%	358,9 kg	5,22%
	hygiene supplies	141,0 kg	4,27%	191,4 kg	5,35%	332,4 kg	4,83%
Plastics	hard plastic	155,0 kg	4,70%	142,0 kg	3,97%	297,0 kg	4,32%
Minerals	construction waste	66,7 kg	2,02%	89,0 kg	2,49%	155,7 kg	2,26%
	TOTAL	3299,8 kg		3580,7 kg		6880,5 kg	

Table 4

Percentage representation of certain types of waste

It is interesting to note that some percentage ratios of the representation of certain types of waste have changed significantly compared to 2020, when the morphology of municipal waste was done in the same way. Since the composition and amount of municipal waste is variable on several grounds, the analysis of the composition of municipal waste in Zenica from 2021 was processed for the reference analysis. The obtained results can be explained in several ways (representativeness of the random sample, season of the year, habits of the population, treatment of waste, construction of a system for separate collection of individual fractions, etc.). There is a visible difference in the reliability of the data for certain types of waste, i.e. the reported differences in individual samples. Differences are more pronounced for types of waste that are not continuously present in all samples. The formation of more reliable data on the morphological composition of municipal waste requires the realization of additional analyzes of waste, in other seasons, and based on three or four analyses, the obtained data will provide more objective information on the composition of municipal waste.

The Mošćanica landfill began receiving waste on August 5, 2008, and the construction and use of the landfill space is planned in stages. Phase I was used until November 6, 2020, where 632,720 tons of waste were disposed of in an area of 506,176 m3. Phase II has been in use since November 7, 2020, the designed volume is 1,493,950 m3, and 87,007 tons were disposed of on December 31, 2021. Since 2008, the regional landfill has been continuously providing a safe and high-quality municipal waste disposal service. The systems for collecting and neutralizing landfill gas and purifying landfill leachate are functioning and ensure that the prescribed operating conditions are met. At the beginning of 2021, the works were completed and the use of cassettes for waste disposal of the second phase began, which created the prerequisites for the functioning of the landfill in the coming decades. Annual amount of waste disposed of at RDM in 2020. year is about 66,000 tons. From the above, it can be concluded that the construction of a plant for mechanical-biological waste treatment in the area of RDM can provide the required amount of waste for its operation.

The achieved density of the deposited material in the first phase of 1.25 t/m3 is significantly higher than the planned value (0.75 t/m3), which is the result of the disciplined implementation of the disposal technology and the reception of inert bulk material, with a higher density (sand). The empirically realized value for municipal waste compaction in the previous work at the Mošćanica Regional Landfill is approximately 1 t/m3.

In accordance with the project documentation and data on disposed waste, from 1.1.2022, about 1,400,000 m3 more is available at the Mošćanica Regional Landfill for municipal waste disposal. The current amount of waste that is disposed of is about 80,000 tons annually. Given that the amount of waste deposited at the Mošćanica Regional Landfill, due to the connection of an increasing number of users and the increase in waste generation per inhabitant, has a continuous tendency to increase (table 2), it can be estimated that in the next 17 years, the available space for waste disposal will be used.

By building and implementing the sustainable operation of the Center for Solid Municipal Waste Management at the Mošćanica Regional Landfill, it is possible to reduce the amount of disposed waste by more than 50%.

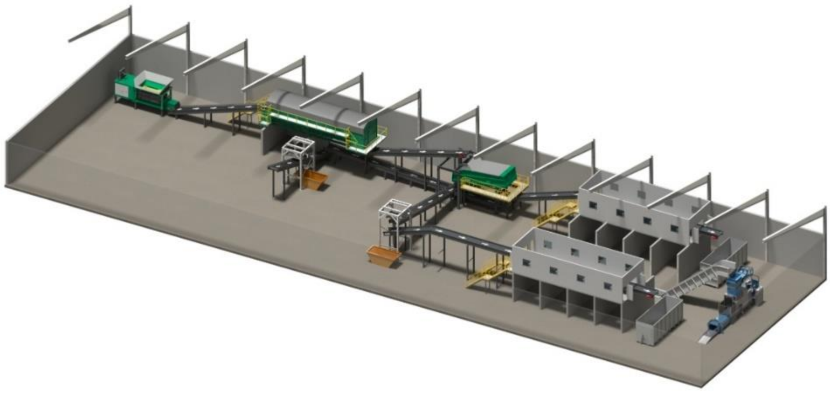

Figure 1

Proposed sketch of the plant for mechanical processing (sorting) of waste

The main parts of the system are:

- Plant for mechanical-biological treatment of waste
- Plant for the preparation of secondary fuel from waste
- Plant for biological treatment of the organic part of waste

It is planned to build:

- waste sorting halls with disposal areas,
- halls for the preparation of alternative fuel from waste (RDF/SRF), with disposal areas,
- space for biological treatment (stabilization and composting),
- closed office space, employee accommodation and workshop/storage,
- internal access roads with external traffic and disposal areas.

Conclusions

The planned capacity of the sorting facility is 40,000 tons/year in the first year of operation, and depending on the business policy with an increase in working hours, it can be increased to 80,000 tons/year. For the purpose of preparing the Feasibility Study of the Center for Waste Management at the Mošćanica Regional Landfill, work indicators were processed according to the given framework. When calculating the expected financial values, the amount of waste at the annual level of 80,000 tons was considered. The composition of the waste was determined based on the analysis of the composition of the communal waste sent to the Mošćanica Regional Landfill from settlements on the territory of the city of Zenica. The considered plant is technologically intended for sorting (sorting) collected waste mechanically into inorganic (dry) and organic (wet) fractions.

Accordingly, a phased construction is planned in order to process the obtained fractions into alternative fuel obtained from waste (RDF) - Phase I and construction for biological processing of the separated organic fraction through its stabilization - Phase II and construction for biological processing of the separated organic fraction through its stabilization - III phase.

It is necessary to point out that a necessary condition for the realization of these phases is the commitment and legal permission, and then the obligation to take over alternative waste obtained from municipal waste by the production plants that can use it (cement plants, that is, thermal power plants and other energy plants). Currently, both cement plants in Bosnia and Herzegovina import alternative fuel obtained from municipal waste from Italy, Croatia and other countries. In order to sustain the processing of caloric fractions of municipal waste, a system of co-financing by the socio-political community or end users is necessary. The processing of the separated organic fraction from municipal waste in the form of stabilization is important for reducing the pollution of landfill leachate, i.e. reducing the generation of landfill gas. The processing of a part of municipal waste into compost is conditioned by the regulation on composting organic waste and a permit for its use for soil improvement in the form of compost. Such a regulation would enable its placement and sustainability of composting the organic portion of municipal waste. The best results in reducing the amount of municipal waste disposed of and using categories of waste that can be recycled or used for other purposes are achieved when waste is collected separately by type of waste at the place of origin. For more than 10 years, ALBA Zenica has been striving with pilot projects that strengthen public awareness of the importance of correct handling of waste through informative and educational activities, i.e. by building a system for the separate collection of certain types (flows) of waste to provide the prerequisites for better and better utilization of certain types of waste that arise in households. In Zenica, the population is offered the service of separate collection of bulky waste (twice a year), separate collection of packaging waste at 47 locations, during the heating season a free ash removal service is provided for two seasons in a special bin for interested private households, and from 2021 a recycling yard is also available for taking over 10 types of special categories of waste generated in households. Strengthening the aforementioned activities on the establishment of dual waste collection are a prerequisite for the proper functioning of the planned Center for Solid Municipal Waste Management at the Mošćanica Regional Landfill. The activities on the adoption of the new Decision on the municipal order of the city of Zenica is an opportunity to regulate by regulation the obligation of separate collection of waste by citizens and business entities in the area of Zenica, with the introduction of restrictive monetary measures, and the collected sums of money can be directly directed to the improvement of the waste management system. Respecting the hierarchy of handling waste, it is necessary to strengthen the activities of raising public awareness of the importance of handling waste in the prescribed manner. It is important to organize and strengthen the system of separate collection by type of waste. The quality of separated fractions from waste increases when they are collected separately and sent to the sorting plant. Collecting waste in one container leads to the mixing of individual species and their mutual contamination.

Separate collection enables better material utilization of certain types of waste (recycling) because the characteristics of waste materials that are important for recycling are retained. Also, the costs of sorting into individual types of waste that undergo specific recycling procedures are reduced.

As already stated, it is necessary to work on a system of separate collection of waste from all users by type of waste:

a) which can be reused (packaging waste)

b) inert waste (ash, construction debris, bulky waste)

c) organic waste (garden and park waste, food waste)

d) special categories of waste (electrical and electronic waste, tires, oils, batteries and accumulators, asbestos waste, medical-pharmaceutical waste, animal waste, automobile waste, etc.)

e) the rest of the waste.

Treatment and processing of waste (recycling) are processes that bring multiple advantages (benefits) and cannot be observed, nor maintained when they are observed only in part of the market category (economy). Environmental and social advantages are difficult to measure in economic parameters and therefore it is necessary, as in developed countries, to find a system of co-financing that will ensure the sustainability of the waste handling and recycling process.

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The role of state regulations in the flow of Foreign Direct Investments for the countries of the Western Balkans

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Abstract

This study seeks to shed light on the state factors that play a role in the absorption of Foreign Direct Investments and consequently in the decision-making of multinational companies to invest or not in a foreign state. Regulatory variables are distinguished based for the most part on the life cycle of a firm.
World Bank databases are used to examine which host country regulatory factors affect FDI for six countries in the Western Balkans region. During the analysis, it is revealed that countries with a lower level of taxes on income and profits, as well as corruption, manage to attract more FDI. The integral view of the life cycle teaches us that MNEs make decisions starting from the ease of entry procedures, and then continuing with commercial operations, targeting markets that are as liberal as possible and based on rules and laws that create a climate of suitable business and investment. These results create important implications for the political reforms of the respective governments.
A fundamental question in the world of international business is "Why do some countries attract more FDI than others?"
Past studies in the field of determinants of FDIs mainly used macroeconomic variables (p.sh., Asiedu, 2006; Billington, 1999) to explain the variations between countries in the amounts of inflows of FDIs they receive. But regulatory changes should also matter. As a general trend, UNCTAD (2016) and World Bank (2016) data show that the number of changes to the regulations of FDIs that liberalize or favor incoming FDIs have outpaced changes that are restrictive.
Research done shows how a combination of market structure and numerous regulations affect the attractiveness of FDIs, while previous research on this topic has often examined the effects of a single regulatory variable on FDI entries (Khoury & Peng, 2011). This paper requires an enrichment of understanding how a combination of regulations affects the FDIs inflows.

Keywords: *Political reforms, life cycle, business climate, multinational companies*

JEL classification: *E32, F23, M16*

Introduction

As a general trend, data from UNCTAD (2016) and World Bank (2016) show that the number of changes in FDI regulations that liberalize or favor inward FDI have outnumbered changes that are restrictive.
Contractor (1990) traces the beginnings of this trend back three decades, around the decline of former communist ideologies. But this general trend is still a "work in progress" and the degree of deregulation varies between nations. Especially since the turn of the millennium, some countries have changed policies much faster, making them friendly to business in general and to multinational enterprises (MNEs), than other nations.

The main focus of this paper, in explaining FDI patterns, is on institutional and regulatory factors, rather than macroeconomic factors.
Previous theoretical works on the relationship between institutions and FDI often focus on a single aspect of formal institutions (Ahlquist & Prakash, 2010); on contract implementation (Corcoran & Gillanders, 2015); on trade regulations (Jandhyala, 2013); on property rights; (Lee & Shoham, 2016). To advance understanding in this field, a typology of institutions should be developed in relation to their effect on FDI decisions, something this paper proposes.
One assumption is that multinational companies are willing to take the risk of investing in a country with lower institutional quality at one stage of the investment life cycle in exchange for a more developed institution or lighter regulations at another stage of the investment life cycle. For example, a MNE might be willing to accept a higher cost of initial entry of their subsidiary into a foreign country - at the start-up stage - in exchange for friendlier regulations that can help them internalize profits at a later stage in the life cycle.
Research done shows how a combination of market structure and multiple regulations affect FDI attraction, while previous research on this topic has often examined the effects of a single regulatory variable on FDI inflows (Khoury & Pledge, 2011). This paper seeks to enrich the understanding of how a mix of regulations affects FDI inflows.

2 Literature Review

2.1 Location choice of MNE

Regulations and norms are also man-made constraints as channels of opportunity, shaping company behaviors or limiting their best choice options.
They may restrict some business activities or investments, while in other countries they may facilitate the same business activity. For example, in Nepal, foreign firms are prohibited from investing in either sole proprietorships or partnerships, while in India, firms originating from several countries are allowed to invest in both forms of businesses.
Cuervo (2008) reveals that United States (US)-based firms reduced their investments in countries with poor ethical and legal standards after the US and OECD countries passed anti-bribery laws in 1977.
Empirical works on the impact of country regulations and norms are increasing, but they are geographically dispersed - addressing only emerging markets (Khanna & Palepu, 2013), or large regions, e.g., Latin America, Trevino (2008); or Eastern Europe – (Botrić & Škuflić, 2006) or individual countries, e.g., China (Kang and Jiang, 2012). This research paper uses data on regulations and business climate from 6 Western Balkan countries to test whether there is a suitable model for this small developing region.
A firm may be more willing to invest in a particular country when the firm knows it can easily gain legitimacy there and the cultural distance between them is small. Kang and Jiang (2012) find that Chinese firms are more likely to invest in countries with cultures similar to China's. This supports the hypothesis that a host country's culture and norms can influence its pattern of FDI inflows.
Informal social and cultural norms influence FDI inflows. However, there is very little a government can do to influence or change its culture or social norms – in the short or medium term. Governments can change their laws and regulations much more quickly, and sometimes drastically, to facilitate or hinder inward FDI.

2.2 Economic Regulations

A country's regulations can hinder or facilitate FDI inflow and outflow, while market regulations such as price may affect the profitability of MNEs. Similarly, a country's contract enforcement and rule of law also influence MNEs' market behavior and profitability, as well as the decision to enter the country in the first place.

The speed and efficiency of private contractual dispute resolution is also positively related to FDI inflows (Lopez-de-Silanes, & Shleifer, 2004). However, the evidence is still scarce or region-specific as in Staats & Biglaiser (2012) for Latin America, Mengistu & Adhikary (2011) for 15 Asian countries, or Campos & Kinoshita (2003) only for transition economies.

In summary, researchers have examined the effects of state regulations on FDI inflows. But they have mainly focused on a region that includes countries with very different economic development from each other at a time or have only dealt with one regulatory change at a time. Furthermore, as mentioned earlier, little effort has been made to examine how changes in regulation affect the stages of the intercommunity business life cycle:

(i) Initial Entry into Foreign Markets Affected by Start-Up Regulations.

(ii) Subsequent operating stage of the FDI Subsidiary where the appropriation of profit is affected by the regulations of the host country.

3 Comparative Analysis

3.1 The progress of Foreign Direct Investments in the Western Balkans

After a decade of high political and economic instability in the Western Balkans region, the 2000s brought a series of positive developments, including improved macroeconomic performance and the acceleration of transition-related economic reforms. Until the global economic crisis at the end of 2008, the Western Balkans countries experienced rapid economic growth and macroeconomic stability growth, especially important after episodes of hyperinflation in the 1990s.

The liberalization of trade after 2000, both with the EU and with other countries in the region, has contributed to a noticeable increase in the volume of foreign trade, although trade still remains below potential (Sanfey and Zeh, 2012). After a lack of foreign investor interest in Western Balkan economies during the 1990s, there was an increase in FDI in the 2000s, driven by the privatization of enterprises and banks and the improved economic prospects.

Despite the gradual integration of the Balkan economies into the EU and the global economy, these countries have had increasing trade deficits mainly due to insufficient competition in global markets, as suggested by various indicators (Sanfey and Zeh, 2012). The labor market situation is also unsatisfactory, as most countries have low employment rates, a widespread informal economy and unemployment rates that in 2012 were among the highest in Europe, especially in Bosnia and Herzegovina (28 percent), Kosovo (45 percent), Macedonia. (31 percent) and Serbia (23 percent) (Bartlett and Uvalic, 2013, eds.).

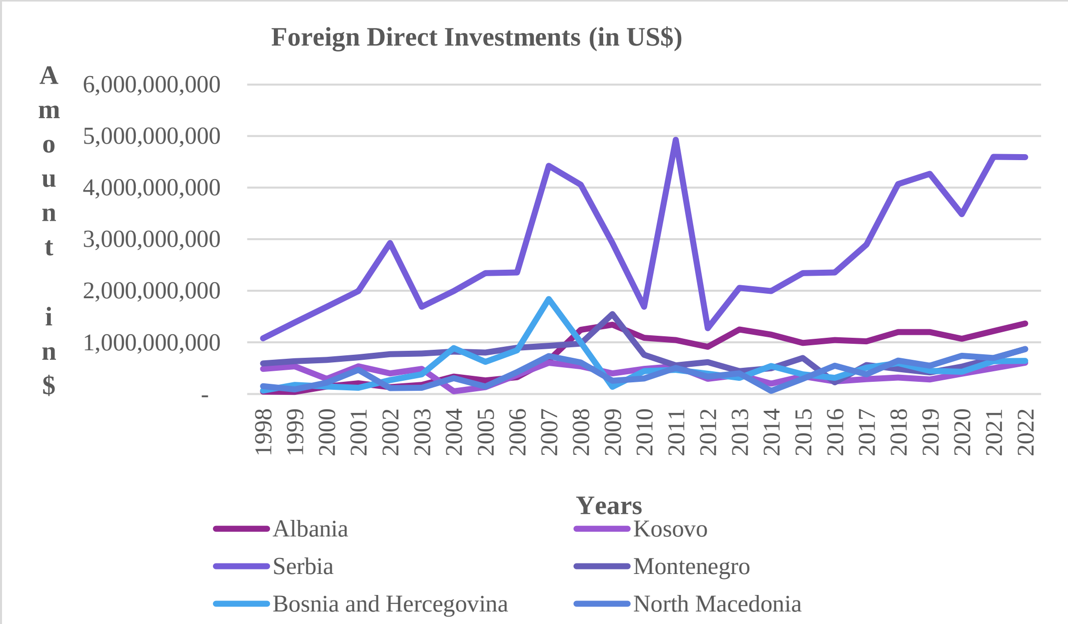

Figure 1
Progress of Foreign Direct Investments

When considering Foreign Direct Investments in the Western Balkans region, Serbia is the country which for years has a higher level, this is also due to the economic level and security of the business climate it offers. This state reached its highest peak in 2011, with a total of $5 billion. Although with a drastic drop a year later, it appears the country is reaching for high levels for the last decade.

With the exception of Serbia, Albania leaves behind all other countries in the region in the last 12 years. This is as a result of numerous economic reforms that our country has undertaken.

Other countries in the region are in a similar situation, with a target market of $1 billion.

3.2 The challenge of Corruption

According to the 2016 Freedom House report, since 2010, the average democracy score in the Western Balkans region has been in continuous decline. In 2017, Freedom House reiterated that progress towards democratic standards is being replaced by more worrying developments, not least in the field of corruption. Defined as 'abuse of entrusted power for private gain' by Transparency International (TI), corruption is a phenomenon that undermines democracy and affects society in various ways and has economic, political, social and cultural dimensions.

The World Bank's governance indicators and Transparency International's corruption perception index have repeatedly shown that corruption is widespread in this region, generally ranked among the highest in Europe.

The European Commission's recent enlargement reports and the US State Department's 2016 Human Rights Practices reports confirm the persistent nature of corruption in the Western Balkans, which remains a serious problem. A 2016 IT report on national integrity systems in the Western Balkans highlights the fact that the fight against corruption is failing. This comes at a time when fighting the phenomenon is not new and the region is already developing its fourth generation of anti-corruption, as a 2015 assessment of the Regional Anti-Corruption Initiative points out.

In its 2016 report, TI emphasizes the 'phenomenon of state capture' coupled with the lack of cooperation and coordination among state actors. According to the report, weak justice and law enforcement, entrenched political systems, and under-threatened media and civil society have led to a situation in which anti-corruption policies are not fully implemented and 'corruption in public office goes largely unsanctioned'.

Corruption is perhaps the most negative phenomenon, which, despite the interventions of the EU and international actors, still poses numerous problems.

Albania shows improvement in the situation of the last few years, but still remains far from expectations, especially in the context of meeting the conditions for EU membership.

3.3 Indicators of Doing Business

Policies and regulations established by governments can support an environment that is favorable for business development and performance or, conversely, create barriers to their economic activity. The World Bank's Doing Business survey measures various factors affecting entrepreneurial activity, with a focus on business regulations and the ease of doing business, particularly for Small and Medium Enterprises (SMEs).

According to the World Bank's Ease of Doing Business index, the Western Balkans region performs quite well compared to OECD and OECD-EU countries. In 2022, the regional average was 73 (on a scale of 0-100) compared to 77 and 78 in OECD and OECD-EU countries respectively.

However, there are significant differences in the business environment of the Western Balkans. North Macedonia is the regional leader with 81 and is above the OECD and OECD-EU average scores.

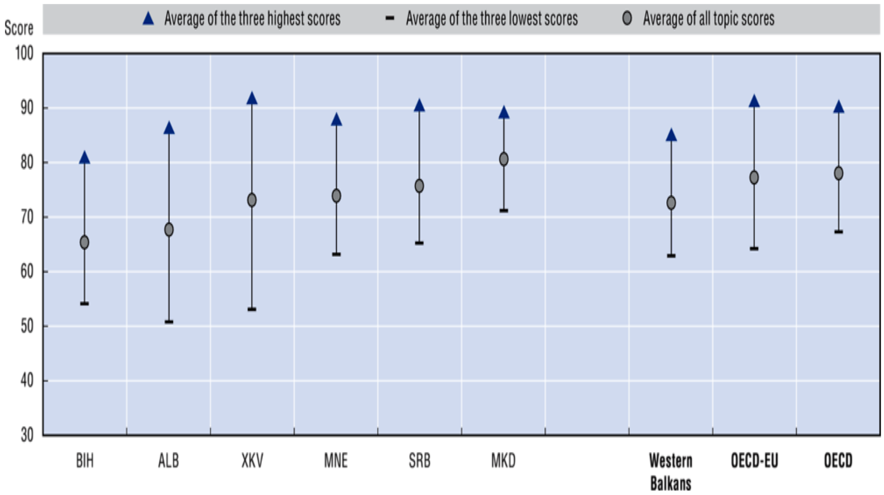

Figure 2

Current situation compared to EU and OECD

Governments in the Western Balkans region have made joint efforts to boost their economic growth and competitiveness, including through Economic Reform Programs, and these efforts appear to have yielded results.

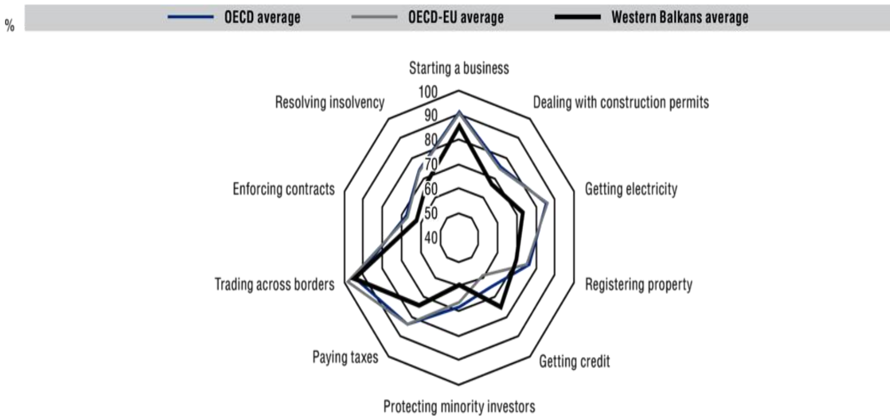

Figure 3
Averages of the main DB Indicators

The average scores of the Western Balkans region vary significantly across all components of the index, but in most cases the Western Balkans, OECD countries and OECD-EU follow the same pattern.

In absolute terms, the Western Balkans region performs best in starting a business (85) and trading across borders (95). In contrast, countries and economies across the region have the lowest scores for minority investor protection (59) and contract enforcement (62).

These are also challenging components on average for OECD and OECD-EU countries, as the differences between regional averages are relatively small, 7 and 5 points respectively.

The biggest differences from the average of the Western Balkans region to the OECD-EU average are in the ease of paying taxes and receiving electricity, where the regional averages are 13 and 12 points below the OECD-EU average, respectively.

Credit-taking is the only area where the regional average is above the OECD-EU average, with a 16-point difference. However, this component of the index primarily measures the strengths of lenders' and borrowers' legal rights and the existence of an online collateral registry, not actual credit receipt.

Examination of the sub-components shows that the Western Balkans has the greatest distance with the OECD and OECD-EU averages in the field of tax payment. The ease of paying taxes for businesses also varies widely across the region, from 60 in Bosnia and Herzegovina to 82 in Kosovo.

Businesses in the Western Balkans generally have to make a high number of payments to pay all the necessary taxes and it takes a long time to comply with the regulations.

Table 1

	Points for paying taxes	Tax payment, as % of total payments	Hours spent paying taxes
Albania	65	35	252
Bosnia and Hercegovina	60	33	411
Kosovo	82	10	154
Montenegro	77	18	300
North Macedonia	85	7	119
Serbia	75	33	226
Western Balkan	74	23	244
OECD-EU	84	10	163
OECD	84	10	161

Tax System Indicators

In three countries in the region, businesses have to make over 30 payments, namely in Albania (35), Serbia (33) and Bosnia-Herzegovina (33) in order to fulfill their tax obligations, making it a long and difficult process.

On average, it takes 244 hours per year for an incorporated business to deal with tax forms in the Western Balkans, compared to an OECD-EU average of 164 hours and an OECD average of 163 hours.

Businesses in Bosnia and Herzegovina spend 411 hours a year fulfilling tax obligations, 2.5 times more than the OECD-EU average and 3.5 times more than businesses in North Macedonia.

Conclusions

MNE investment decisions are made from a long-term perspective covering initial inflow, subsequent operations and profit capture in a foreign country - an integral life cycle view.

Since entry and exit barriers in a country also act as mobility barriers for competing rival MNEs, these barriers may hinder some other MNEs wishing to make an FDI entry, and thus serve to reduce competition. in the country's market which, in turn, improves profit capture for MNEs that have overcome barriers and operate within the country.

- In evaluating such a country, the MNE may, unwillingly but consciously, accept higher barriers to entry and exit in exchange for lower anticipated competition and higher profits for its subsidiary in the central country.
- According to economic regulation theory, MNEs facing high regulatory barriers to entry and exit try to secure financial subsidies from regulators (McGuire, Lindeque, & Suder, 2012), which can offset higher costs of entry and exit.

According to the theory, under high levels of uncertainty, firms are less likely to make irreversible investments (or 'specific' investments) immediately and always keep exit as an option, and prefer reversible investments such as retail stores or distribution centers in countries where it is difficult to appropriate the profits due to the high cost of contract implementation.

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The role of remittances in rural area of Albania

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Abstract

The migration of a significant number of young people heading toward EU and other developed countries is a scourge of our society. Remittances are a positive consequence of this phenomenon in our country's economy, which should be evaluated and used properly in order to increase its multiplier effect. Recognizing, analyzing and understanding remittances is a very important aspect in everyone's daily life, because we are all directly or indirectly affected by these flows. The concerning issue remains the high transferring cost through banks, which leads to informal transferring channels.

The role that remittances have in alleviating poverty, especially in rural areas, is undisputedly important. Families living in rural areas would financially fluctuate without the help that their families bring from abroad.

The purpose of this study is to analyze the impact that remittances have on a developing economy as Albania, in macro and micro aspects. Moreover this study focuses in analyzing the role of remittances in a rural area.

This study uses primary and secondary data. Primary data are collected through a questionnaire conducted in a rural area (Juban). There were 54 families interviewed during May-June 2023. Secondary data are used to analyze the effect of remittances in Albanian economy and are retrieved from World Bank, Albanian Central Bank, INSTAT, etc.

The study concludes that Italy and Germany are the main sources of remittances for the families living in Juban. Families included in this study have been receiving remittances from many years. The remittances account on average 31-40% of their total income and are used mainly for daily consumption or health care. Remittances are also invested in hospitality industry, agriculture and real estate.

Keywords: *Developing countries, Poverty, Investments, Remittances, Rural areas*

JEL classification: *F24, F63, O18*

Introduction

Remittances are the transfer of income or wealth in cash or in kind from emigrants to their homeland. They influence the socio-economic life of the locals and play a role in the financing of aggregate demand, in household savings, financial inclusion, in the opening of businesses, in construction and in the purchase of real estate.

The migration of a significant number of young people heading toward EU and other developed countries is a scourge of our society. Remittances are a positive consequence of this phenomenon in our country's economy, which should be evaluated and used properly in order to increase its multiplier effect. Recognizing, analyzing and understanding remittances is a very important aspect in everyone's daily life, because we are all directly or indirectly affected by these flows. The concerning issue remains the high transferring cost through banks, which leads to informal transferring channels.

The movement of people towards new places or opportunities is a very widespread phenomenon all over the world as well as in Albania. In the early 1990s, after the fall of the communist system, Albania experienced several waves of migration. Albanians left for developed countries, which had demand for the labor market, such as in Western Europe, the USA and Canada. Italy and Greece are the two main destinations of Albanian emigrants, due to the proximity to these countries, the network of emigrants that was created before, or even the similarity of the way of life. Unemployment and poverty are the main factors that lead to the increase in the number of Albanians living abroad. Due to the informality of migratory movements, it is difficult to find an exact number of Albanian migrants around the world, but according INSTAT (2019), about 1.6 million Albanians live abroad, making up 57% of the population living in their homeland, out of 2.8 million individuals.

Emigration, as in every region of Albania, is a phenomenon of the area of Guri i Zi Administrative Unit, Shkodra District, the center of which is located 4.5 km from Shkodra. This unit consists of several villages Guri i Zi, Juban, Ganjolle, Kuç, Rrence, Vukatane, Gajtan, Rragam, Sheldi, Mazrek and Shpor. As a result of the great poverty in these areas, migration is a very widespread phenomenon. Along with the negative aspect that emigration brings, it also has an important positive effect such as remittances. Remittances have a significant economic effect in a rural area, saving people from poverty, and increasing well-being through infrastructural investments, etc. The role that remittances have in alleviating poverty, especially in rural areas, is undisputedly important. Families living in rural areas would financially fluctuate without the help that their families bring from abroad.

This topic studies the role that remittances have in the economy of the country, focusing on the macro-economic, micro-economic aspects and also analyzing a specific case of the Guri i Zi Administrative Unit area. The effects of remittances when spent in a rural area have a higher effect, because they increase the consumption of local goods and services.

On the macroeconomic side, we analyze the impact on GDP, covering the trade deficit or the current account deficit, the connection with different macroeconomic indicators or the stability of flows during different events. The analysis of the transfer of these flows is important as we also look at the financial commitment of the remittance recipients. The World Bank's efforts in transferring practices and knowledge in increasing the impact of remittances and their effects on the economy through the Greenback Project are worth studying because they affect our economy and well-being.

On the other side, we look at how important remittance flows are for Albanian families. The comparison with remittance non-host families mainly in financial commitment, financial assets, formal debt and the level of participation in the real estate indicator are worth analyzing. Regarding the issue of the rural area, the characteristics of the host families, the flows, their importance in well-being and consumption, as well as in investments, have been analyzed. Since remittances play a role in our economy, it is important to know and understand them as they affect everyone. So, this study is valuable because it is an indicator that affects our lives in one way or another.

This study aims to answer some questions regarding the importance of remittances in the economy, reducing poverty and analyzing an area in the city of Shkodra:

1. What is the impact of remittances on economic development?
2. Have remittance flows been stable during the years?
3. What is the importance of remittance income compared to other family income?
4. What is the general panorama of remittances in a rural area of the city of Shkodra?

The purpose of this paper is to analyze the great impact that remittances have on the economy of a developing country such as Albania. Moreover this study focuses in analyzing the role of remittances in a rural area.

What is intended to be achieved is the analysis of macroeconomic and microeconomic factors, to see the impact of emigrant flows on the poverty reduction of families. Understanding the investment opportunities that exist from remittances, will emphasize the importance that they have in economic development, poverty reduction, unemployment reduction, etc.

The methodology of this study is based on gathering primary data through questionnaire and interviews with farmers, as well as secondary data from different sources like INSTAT, World Bank, Bank of Albania, etc. In the case of the area of the Guri i Zi Administrative Unit in the city of Shkodra, we collected primary information through the questionnaire that was distributed to the residents. Through descriptive statistics of the data collected, we have given an overview of remittances flow in the area, countries where they came from, the percentage of families receiving them, the weight they have on total family income, usage of the flows and different investments made from remittances in the area.

The limitation of the study is that the questionnaire was carried out only in the Gur i Zi Administrative Unit, limiting the work and its results only to this geographical area.

2 Literature review

2.1 Remittances and their effects in the economy

Personal remittances comprise personal transfers and compensation of employees. Personal transfers consist of all current transfers in cash or in kind made or received by resident households to or from nonresident households. Personal transfers thus include all current transfers between resident and nonresident individuals. Compensation of employees refers to the income of border, seasonal, and other short-term workers who are employed in an economy where they are not resident and of residents employed by nonresident entities (World Bank, The World Bank, 2023).

Remittances play a significant role in financing aggregate demand, in household savings, in opening businesses, in construction and in the purchase of real estate. Remittances reduce poverty of emigrants' family back in their home country, and they are also used to finance imports and external imbalances (Jushi, Hysa, Cela, Panait, & Voica, 2021). Considering the big impact, they have on these factors, it is worth using them in the right way to get the most benefit from them and increase the well-being of the country. The more these flows are spent, the greater the impact they have on economic growth due to the multiplier effect of remittances that boost aggregate demand and therefore output.

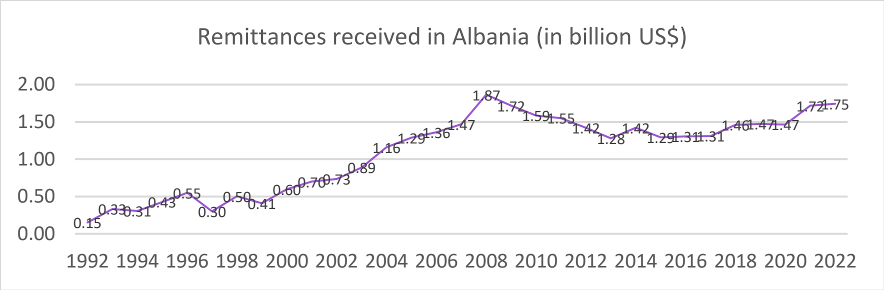
According to Barajas et al. (2009) remittances affect economic growth through (i) capital accumulation, (ii) labor force contributions and (iii) productivity growth. Jushi et al. (2021) also states another theory of remittances as a negative effect. Families receiving remittances will increase their level of dependency and will negatively affect the economic development as it will cause inequality among families. Many studies have been conducted leading to different perspectives weather or not remittances affect economic growth.

Remittances have a positive effect in the economic growth has been proved by empirical evidences through many studies (Bangake (2019), Matuzeviciute & Butkus (2016), Giuliano & Ruiz-Arranz (2009), Goschin (2014), Meyer & Shera (2016), Raggl (2017)). On the other hand, there are also many studies concluding that remittances have a negative effect or does not affect at all the economic development (Chami et al. (2005), Karagöz (2009), Chirila & Chirila (2017)).

In her empirical study on 6 countries of Southeast Europe (including Albania), Bucevska (2022) found out that remittances stimulate economic growth even in times of crises. Thus, government should support the continued flow of remittances by improving the financial channels of transfer and by lowering the transferring costs.

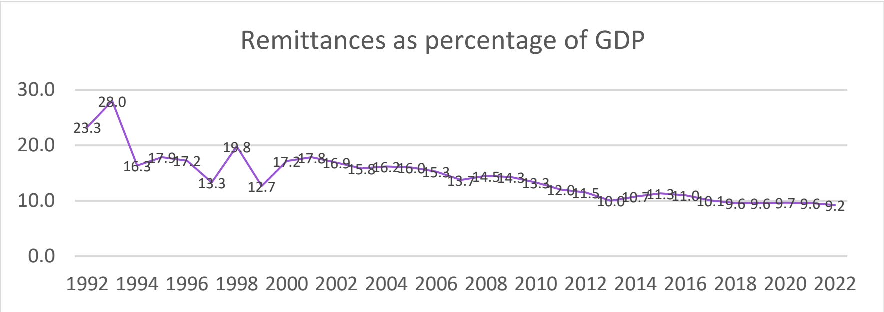
2.2 The macroeconomic effects of remittances in Albania

Remittances constitute an important and quite stable incoming flow in the Albanian economy, surpassing the positive effects of other foreign capital flows, accounting for 9.7% of GDP in 2022 (as shown in figure 1 and 2).



Source: World Bank (2023)

Figure 1. Remittances received in Albania (in billion US$)

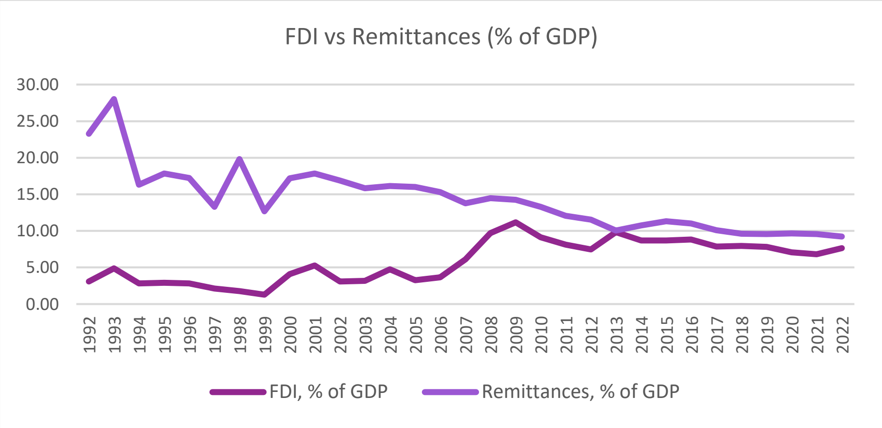


Source: World Bank (2023)

Figure 2. Remittances as percentage of GDP in Albania (in billion US$)

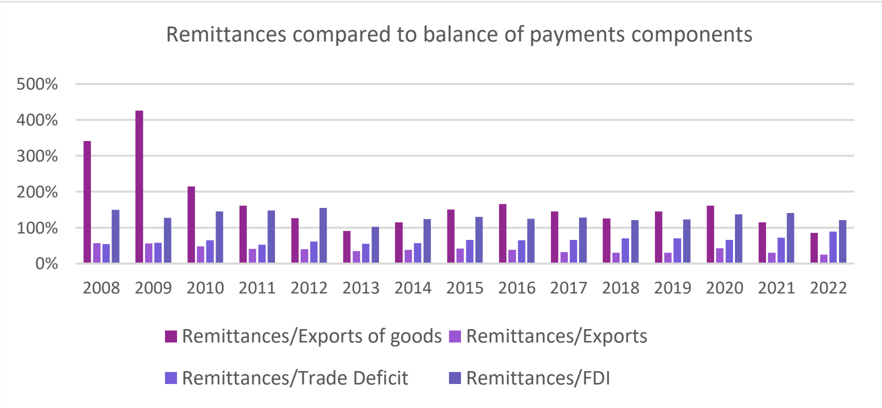
In 2022, emigrants sent an amount of 1.75 billion dollars, an amount which almost equaled the highest year of remittances, 2008. In this year, we have an increase of about 4.7% in remittances and GDP experienced an increase of 3.7%, so we can again observe the connection of the two variables. The role of remittances in this increase was 40%. The devaluation of the euro in December 2022, having the value of about 115 lek/euro, means that the recipients of remittances actually benefit less from the money sent by emigrants.

Remittances take a significant weight in the balance of payments statistics, constituting also one of the largest foreign exchange flows coming from abroad. As shown in figure 3. remittance flows have a significant impact by providing financial support to cover the trade deficit. In 2022, remittances were about 90% of the trade deficit. The ratio of remittances to the trade deficit is higher than the average of 62.8% since 2015.



Source: World Bank (2023)
Figure 3. Remittances as percentage of GDP in Albania (in billion US$)

Further more in figure 4, we note the ratio of remittances to exports and FDI. Remittances account for a high percentage of merchandise exports and foreign direct investments, having a historical average since 2008 of 177.6% and 132.7%, respectively. They occupy a lower weight to exports of goods and services with an average of 40%.



Source: World Bank (2023)
Figure 4. Remittances as % of Exports of goods, Total Exports, Trade Deficit and FDI

Remittance flows are positively affected by the productivity of both the sending and receiving countries. (Shijaku, 2020) Flows are affected by the level of income and that senders are incentivized to send remittances and invest in their country if there is an increase in productive output. Remittances are strongly driven by the prospect of investing in the economy (Topalli, 2020). For example, if we look at the growth of the industrial production index in Albania, we notice that from 2006 to 2022 we have an average rate of 11.7% (CEIC, 2023). We look at the direct relationship that exists since in these years we have increases and decreases in remittance flows, respectively, which can be observed in figure 1.

There is a negative relationship between remittance flows and the general price level in the two countries according to the analysis of the Bank of Albania. So, the increase in risk due to the increase in the general level of prices in each country reduces the flows. This can be observed in 2013 where we have a decrease in remittance money -9.9% from the previous year, while the CPI increases by 1.94% that year. This does not always happen as in 2022 we have a large increase in CPI of 6.73% and remittance flows have increased by 4.7%.

According to a questionnaire conducted in 2021 by the World Bank, 38% of remittance flows are channeled through unofficial channels, i.e. the physical transfer of money outside the border, 57% through money transfer operators, 4% through banks and 1% through post offices. As has been evidenced before, Albania presents a low financial inclusion compared not only to the countries of the EU but also with those of the region, which is also reflected in a limited development of the small value payment market (Semi, 2019).

The payment services market in Albania consists of banks, non-bank financial institutions that offer payment and transfer services, as well as electronic money institutions.

Banks

Channeling remittances in official channels is an important aspect in creating access to basic banking services and the financial inclusion of these individuals. Even when sent through official channels, remittances are disbursed in cash, increasing its use. The reasons that have led to the non-use of banks are that citizens consider banking procedures complicated, do not own an account, have a high cost, or are slower than money transfer operators. The cost of sending money, according to the WB estimate in December 2021, is 8.01% of the amount in Albania, compared to the world average of 6.3% of the amount and well above the regional average (Eastern Europe and Central Asia) of 6.15%, this is discouraging for using the banking service.

Money transfer operators (MTO)

Western Union and Money Gram are the biggest MTOs in Albania. They have a wide network and offer competitive money transfer services including innovative payment instruments. MTOs have expanded their presence due to speed of service, ease of use since paper work is limited and straightforward.

Personal transfer

The transfer of money in this case is by the sender himself or by a known person. This type of transfer is a very useful alternative, especially for emigrants from nearby countries, because they visit the country very often. This transfer is considered reliable and cheap by expats. Personal transportation may be the only option for illegal emigrants, so they charge another individual who does the courier work. On the other hand, this method may not be very safe because the money may not reach the right destination.

The Greenback Project

The World Bank (2021) is engaged in promoting the education of migrants and their families who receive remittances through the Greenback project (FSHZHD, 2019). The WB organized online meetings with the Albanian diaspora and financial sector experts to discuss challenges and opportunities related to remittance management. This led to the creation of bridges between migrants and financial service providers, experts, and regulators (FSHZHD, Diaspora Shqiptare: Analiza dhe Studime (Periodik 1), 2019). Through financial awareness, they aim to increase the efficiency of the remittance market, reducing their cost and formalization so that these revenues are of added value in the economy. In partnership with Bank of Albania, the World Bank has presented the available remittance services that financial service providers have arranged in an effort to create an environment favorable for their use. The effect of remittances will increase if these funds go to productive investment and not just consumption, and this would be realized through the financial inclusion of remittance senders and receivers. The association of remittances with increased investment leads to a stronger positive relationship between remittances and output.

WB built partnerships with organizations or institutions in the country, for example the National Diaspora Agency engaged experts for regular monitoring of remittance costs and how this service can be improved (Bank of Albania, 2019). The Greenback Project brings together the best knowledge, practices and lessons learned from the World Bank on remittances and financial inclusion.

2.3 The microeconomic effects of remittances in Albania

Income from remittances is the second most important source after income from work in the total income that an Albanian family has (Dushku & Frashëri, Remitancat dhe ndikimi i tyre në varfëri: Rasti i Shqipërisë, 2021). According to the Family Wealth Survey conducted by the Bank of Albania in collaboration with INSTAT in 2019, remittances account for 14-23% of total income, work constitutes 49-64% of this income, while income from social contribution, rent and interest accounts for 20% or less. In the activity organized by the Diaspora Business Chamber in July 2022 it shows that 32% of households receive remittances and that a 10% increase in remittances reduces poverty in countries where flows are received by 3.5%, having a significant impact on poverty reduction.

A household's net worth is the difference between the assets and liabilities it owns. In her study, Cami (2020) (based on Albanian Families Wealth Survey) shows the values of the average net wealth for families that receive remittances and those that do not, to find out the differences between the indicators. It is observed that the receiving households have a lower value in total assets. The differences are insignificant in terms of housing or real estate, while comparing the value that is owned in the form of businesses it is 70% less and in the form of financial assets 40% less. The financial inclusion of families receiving remittances is lower and this is seen in terms of financial assets and formal debt. The rate of participation in informal debt of remittance recipients is higher, so they turn to relatives when they need financing. The level of debt is lower in thousands of lek among the host families, as well as the net worth. Regarding the participation rate, host families have a higher rate in the housing or real estate indicator, so these individuals do not choose to invest their income in businesses where they could generate more income in the long term.

Socio-demographic characteristics between host and non-host families are different. According to the Bank of Albania survey carried out by Dushku & Çami (Dushku & Çami, Vrojtimi i pasurisë të familjeve shqiptare: rezultatet e raundit të parë (Albanian household wealth survey-AHWS), 2022), families receiving remittances have a smaller number of members, where 47% of these families consist of 1 or 2 members. They also live more in rural areas making up 38.3% against 27.31% of non-host families, also the age of the head of the household is higher where 41.5% are over 65 years old against 26% and consequently they receive more remittances when the head of the family is retired making up 43.5% versus 28.69% in families where remittances are not received. Households receive more remittances when their main source of income is non-work, as this includes the remittances themselves. Education plays a significant role in the flows received by households, and it is observed that those who receive remittances do not have a university education degree, accounting for 91.1%. According to these characteristics, it can be observed that these families are very financially vulnerable if they did not have the great help that comes from the flow of remittances.

If we analyze families with the same socio-demographic characteristics, such as those whose main source is income from work and in the same period they receive remittances according to Bank of Albania, we notice a greater accumulation of real assets than families that do not receive remittances. Also, the fluctuating groupings such as an unemployed person without a university degree and a family with 1-2 members with the head of the family in retirement, it is observed that the family that receives remittances is in a better situation in terms of assets, wealth, and debt.

3 Findings and results

The study of the role of remittances in the economy of families in the area of the Guri i Zi Administrative Unit was carried out through a questionnaire. The questionnaire was distributed manually on printed sheets in the houses in the area and also some questionnaires were left in some grocery stores to be answered by any costumer and were distributed during May 2023. The use of questionnaires in data collection ensures confidentiality for the respondents, giving them the opportunity to act without any fear or prejudice. 64 family members have completed the questionnaires.

3.1 General aspects of remittances flow

The first part of the questionnaire consists on gethering general inormation on the percentage of family memebers living abroad who send money to their families, on seasonal workers who work abroad, the frequency of sending money to their families and relatives, countries they live or work and the channels the money are transferred to their home country.

From the answers of the questionnaires, it came out that 84% of respondents in the area have at least one family member living abroad. This is quite a high percentage. 83% of the respondents who have family memebers abroad, stated that they receive money from their family members abroad. This proves the importance of remittances in the families' welfare. From the discussion with some individuals who have family members abroad, but do not receive remittances, they tell that the reason is that the family member may have left during the last year and that they have not yet adapted to the country.

The geographical distribution of emigrants who bring remittances consists of two main countries, which are Italy (33%) and Germany (25%). Most of the respondents receive remittances from several times to once a year, due to the proximity of the place of emigration. This justifies the fact that 53% of flows come from the sender himself, but money transfer operators are also widespread, mainly through banks.

33% of respondents who receive money, have been receiving from 6 to 10 years; 31% from 2 to 5 years; and 29% have been receiving money for more than 11 years. This is a long period of time, which shows even more the importance of remmitances in the family welfare.

3.2 Socio-demographic aspects of recipients

Understanding the socio-demographic characteristics of households receiving remittances is another important aspect in understanding why these flows are sent to the home country. The age, education, work status of the head of the family and the number of members in the family were analyzed during the questionnaire.

We were interested in taking into consideration the age of the family members who filled out the questionnaire in order to better understand their approach to investments (usually young people have this tendency). The group age of 50-64 years old has the largest weight of 41%. Meanwhile, 27% of the respondents are over 65 years old, so it is their children who help their elderly parents to have a better life in their homeland. The group age of 25-34 makes up only 7% of the respondents and it is precisely the flows that go to these families that have a tendency towards an investment in business or education. Sadly, we can come to a conclusion that the young people have left the country, and aproximately 68% are older than 50 years.

The impact of the head of the household's education on remittances received is another important factor in understanding the reason why individuals leave, since most have left to support their families. If we have a look at the respondents results, we understand that families that receive remittances in only 11% of cases the head of the family has a higher education, while 56% have a high school diploma and 33% have a secondary education (9-year education). These results reinforce the conclusion that young people have left because of poverty and, as we have heard in many families, for the support of their family members.

The employment status of the household head is also of great importance. The majority are self-employed, accounting for 41% of cases, which shows that remittances promote self-employment, but it should be kept consideration that living in a rural area, individuals usually work as farmers and this promotes production in the country. 31% are employed, 24% are retired and 4% are unemployed.

Regarding the number of people who benefit from the remittances in the families who receive them, 64% of the cases are families comprised from 1 to 3 people; 36% from 4 to 7. So, mostly the families that receive remittances are small families, where in many cases there are only the emigrant's parents.

3.3 Usage of the remittances

The amount of real flows sent on average to households in the Guri i Zi Administrative Unit area is very important, considering the key role of these income flows have in the welfare of the families. Proper consumption of remittance flows can lead to an even more positive impact on the economy and the well-being of households, who invest them wisely, but also lead to the development of the country. Although remittances in many cases are the main contributor of removing many families from the level of poverty, people should use them wisely in order to have the maximum benefit.

Studying the average amounts sent over a period of one year is an aspect of great importance, as it helps us understand more about their role in the families of the area. 20% of the families, receive on average $1,000-$3,000 per year. These amounts constitute 31%-40% of the annual income of 20% of family members. In the categories 61%-70% and more than 70% make up 13% of the income in both cases. This is a high value because many of the individuals who completed the questionnaire are retired and their children help them a lot to avoid being at the poverty level. Individuals who work abroad are also part of the last category who work temporarily in Montenegro, Italy and Germany, and this constitutes the main form of income for their family. We should emphasize that there are also amounts above 10,000 USD which usually go towards real estate investments.

3.4 Remittances and investments

It is very important to study the nature of expenditure of the remittances in the area. It should be taken in consideration that the most real estate investment in the area are made from flows that have come from emigrants. When remittances go to investments, they result in a production increase, demand increase for products, unemployment decrease in the country and multiplier effects. From the survey and conversations with businesses, we have received data that show about remittance investments.

Hospitality Industry Investments

A development of the hospitality sector leads to increased employment, improved living standards and increased local retail sales. This is also an attraction for tourism, which leads to an even more positive impact.

Bar-Restaurant-Piceri Leo is one of the oldest investments, for about 20 years. Funds for investment came from Italy and the investment was about 70,000 euros. This investment generates an average of 500,000 ALL of net income per month. *Bar-Cafe Mondi* is an investment from England 13 years ago of 40,000 euros, a small business that benefits about 350,000 ALL net income per month. *777* is a Bar-Restaurant and wedding event that was bought 3 years ago by a young man with funds coming from Australia. He made an investment of 300,000 euros and receives about 8,000,000 ALL net income per month during the summer, while in other months about 380,000 ALL net income.

King's Villa is an investment of 440,000 euros made 15 years ago from remittance flows from Greece. In summer, the business generates a net income of 6,150,000 ALL per month, while in other months, an average of 320,000 ALL. Last year they also invested in a hotel construction for tourists who come to visit the mountains, green areas or spend time in the pool.

Donations in religious organizations

Donations from emigrants to the church have been significant for a long time. During the last three years, the reconstruction of the church, a building for funerals and the arrangement of the kindergarten have been carried out. These remittances amounting to USD 250,000 have come mainly from the USA, Germany and Australia. The building for funerals is also a form of income for the church, which goes to the maintenance of the premises, but also to families in need. This also makes a connection between remittances and the reduction of poverty in a country.

Moreover, the kindergarten is a great help for all families since it is the closest kindergarten in the area and has a reasonable monthly fee, since part of the funds during the year come from outside, such as remittances or foreign church funds. At Christmas it is a tradition to donate funds from emigrants to families in need, an inflow of about $2,000 a year. This leads to increased consumption and well-being of the families.

Agriculture

Investments in agriculture are inevitable in a rural area. The help that remittances have given to agricultural production is considerably high. As it resulted during the interview with 5 farmers, who have about 0.8 hectar greenhouses in total and show that the flows coming from abroad are essential in cases where the product remains in stock so that they can continue to produce for the consequitive year. Domestic production is an important factor for the progress of the country towards growth.

A resident of the area has a hectare of vineyards, which was an investment 13 years ago from flows of about 9,000 euros brought from Italy. From this investment wine is produced, which is mostly sold in the area.

Real estate

Real estate is another major investment that comes as a remittance phenomenon. Most of the large houses are unoccupied most of the year. After I asked about the cost of the houses that have been built since the 2000s from remittance flows they amount to about 60,000-100,000 euros per house.

Conclusions

Migratory movements are widespread in Albania and the concept of remittance flows is one of the positive sides of this phenomenon. Remittances affect social-economic life and play a role in financing aggregate demand, household savings, financial inclusion, opening businesses, construction and purchasing real estate.

Remittances constitute a fairly stable inflow into the economy, surpassing the positive effects of other foreign capital flows. Remittance flows have a significant impact by providing financial support for covering the trade and current account deficit. In the long run there is a relationship with some macroeconomic indicators such as production yield, the general price level and the persistence of the exchange rate. Remittances usually play a countercyclical role in times of crisis. In descending order, flows are channeled through MTOs, informal routes, banks and post offices. The Greenback Project brings insights and best practices from the World Bank on remittances and financial inclusion.

The reduction of poverty of Albanian families also comes as an impact of remittance flows. Income from remittances is the second most important source after income from work. The difference between host and non-host families lies in the smaller involvement in financial assets and formal debt, while higher participation in the real estate indicator. Host families are more vulnerable financially if they didn't have the huge help that comes from the inflow of remittances.

There have been many remittances in the area of the Guri i Zi Administrative Unit, whether from emigrants living abroad or seasonal workers outside the border. By analyzing the host families, we see that the flows are influenced by age, education, work status and the number of members who benefit from remittances. Mostly the flows come from Italy and Germany and in most cases are brought by the sender himself. Many emigrants have been sending remittances to the country for a long time, having a lasting impact initially on the economy of the family. Most of them have shown that remittances account for 31%-40% of income and these go mainly for daily consumption or health care, which shows the necessity of flows. The more the flows are spent, the greater the impact they have on economic growth due to the multiplier effect of remittances that boost aggregate demand and therefore output. There have been investments in the hospitality industry, agriculture and real estate.

Recommendations

Central Bank and government should:

- Increase awarness and information on remittances, which are still not so promoted compared to other components of the balance of payments.
- Educate and encourage individuals to invest remittance flows in order to make the most of them and increasing the multiplier effect.
- Reduce the transfer costs through banks so that more flows enter through official channels and in this way these individuals can be financially engaged.
- Increase attention on the part of the Albanian banking system in offering new products to emigrants' remittances.
- Encourage the spending of remittances as much as possible in rural areas, since there they have a greater effect toward consumption of local goods and services. Agriculture is an important sector in Albania's economy and the encouragement would be beneficial for everyone's well-being.

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TOURISM DEVELOPMENT AND SUSTAINABILITY

Evidence of dental tourism in Shkoder

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Abstract

Dental tourism is an important segment of the growing health tourism industry. Patients generate relevant tourism revenue for the destination country beyond the dental clinics' direct income. The aim of this study is to evidence the situation of these phenomena last year in Shkoder. Methodology: This is a qualitative and descriptive study. The populations of study are: dentists, patients and travel agency workers. The time of this study was January - March 2023. The study was conducted using interviews. We interviewed dentists in different locations of the city, three workers from different travel agencies and the correspondent patients who have traveled to Shkoder for dental care. All these interviews are done face to face, anonymously and voluntarily. The data is calculated and analyzed in Microsoft Office Excel 2010. Results: The majority of patients who came to Shkodra for dental care were born in Shkoder and lives abroad. The main reasons that they prefer Shkoder are the low costs and the relationship with their families s and friends. The busiest dental tourism period is the holiday season like Christmas, New Year, and Easter and summer vacation. Travel agencies admit having clients, who come for dental tourism but they still do not have a strategy to provide these services. Conclusions: The city itself can benefit much more from the dental business with greater involvement of tourism offices. While today the primary motivation is medical treatment, in the future it would be the tourist experience with dental treatment as a by-product. A combination with dental tourism can develop Shkoder into a medical destination, where returning immigrants come to see their relatives and foreign tourists come to get healthier and relax. Hence, dental tourism in Shkoder could be a sustainable future tourism form.

Keywords*: dental, patients, tourism, Shkoder*

Introduction

Patient mobility is increasing for medical services. Medical services can be categorized as preventive medical services, fertility, dental care, surgery, cosmetic surgery, organ, cell and tissue transplants, and cardiology [1]. Medical tourism industry is growing fast. Dental tourism is a rapidly growing segment within the health tourism industry. It not only generates direct income for dental clinics but also contributes to the overall tourism revenue of the destination country. The research is focusing on the tourism components of a specific medical treatment abroad. Medical tourism captured worldwide attention only in 2006, when medical journals started to publish papers on the topic, as awareness of the phenomenon in both developing and industrial countries was increasing [2]. 'Dental tourism' is driven by numerous factors. Jurišić, E., & Cegur Radović, T. (2017) refer that these factors include the high cost of local care, delays in obtaining access to local dentists, competent care at many international clinics, inexpensive air travel, and the Internet's capacity to link individuals seeking health-related services with providers. Although dental tourism benefits some patients, increased patient mobility brings forth numerous risks, like lack of access to affordable and timely local care, which plays a significant role in prompting patients to cross borders and receive dental care outside their local communities [3]. The rise in patient mobility is a result of multiple socio-economic factors. First, in some countries private dental care is unaffordable for many patients. The high price of local procedures drives individuals to find comparatively inexpensive dental procedures. Second, patients unable to obtain prompt access to local dental care look beyond their communities in search of timely dental treatment. Third, patients understand that lower prices for dental care need not result in low quality care. Some patients return home satisfied with the quality of care they receive elsewhere. Fourth, economy air travel makes the cost of transportation considerably less expensive than the price of many dental procedures [4]. Reviewing the dental tourism research we found different studies about this subject. Österle et al. (2009) investigated Hungary's ability to attract dental tourists [5]. Barrowman et al (2010) for Dental implant tourism [6], Carmagnola (2012) investigate the perception of dental tourism by Italian patients who have recently received dental care abroad [7], Kovacs, E., & Szocska, G. (2013) evidenced the reasons for maintaining a leading position for Hungary in dental tourism [8]. Jaapar, Musa, Moghavvemi, and Saub (2017) measured tourist profiles, travel motivation and satisfaction among inbound dental tourists in Malaysia [9]. Lovelock, Lovelock, and Lyons (2018) report on the perceived impacts of dental tourism on the generating region of New Zealand [10], Adams, K., et al (2018) evidenced new insight in to the ways in which the medical tourism industry raises ethical concern and the structures of power informing unethical practices [11]. The proposed model, by Ahmadimanesh, F., Paydar, M. M., & Asadi-Gangraj, E. (2019) includes sections such as travel agencies, tour operators, restaurants, transportation, and recreation centers that can be incorporated into future researches for dental tourism.[12] All of these researches evidenced that the dental tourism seems to be more neighboring countries phenomena than global [12].

Shkoder, a historic city located in northern Albania, is not only known for its rich cultural heritage and stunning landscapes but also for its emerging dental tourism industry. With its affordable prices, high-quality dental care, and picturesque surroundings, Shkoder has become a popular destination for individuals seeking dental treatments. This article to evidence the situation of these phenomena last year in Shkodra and to explore the reasons why dental tourism in Shkoder has gained traction, highlighting the benefits of choosing this city for your dental needs. Dental tourism is an important segment of the growing health tourism industry. Patients generate relevant tourism revenue for the destination country beyond the dental clinics' direct income.

2. Methodology

This is a qualitative and descriptive study. The populations of study are: dentists, patients and travel agency workers. The time of this study was January - March 2023. The study was conducted using interviews. We interviewed dentists (16) in different locations of the city, 3 workers from different travel agencies and the correspondent patients (30) who have traveled to Shkodra for dental care. All these interviews are done face to face, anonymously and voluntarily. The questionnaire addressed to dentists is composed of simple, closed questions and was sent via WhatsApp. During our work, we have preserved the anonymity of dentists, agency workers, and patients. For the interviews with the patients, we used the moments in the waiting room before receiving the service from the doctor.The data is calculated and analyzed in Microsoft Office Excel 2010.

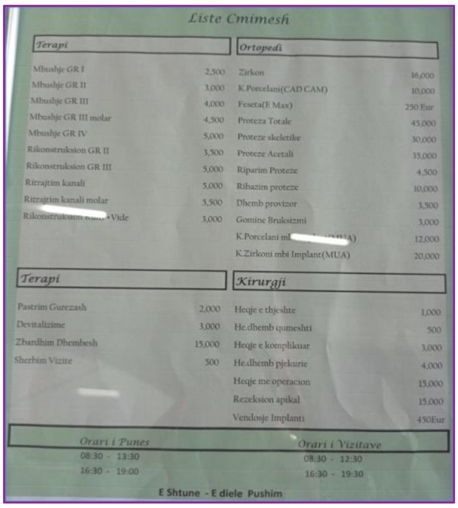
3. Results and discussion

The questionnaire and interviews were answered by 16 dentists who exercise their profession in Shkodra. 40% of them have over 10 years work experience, 20% of them have 1-5 years and 20% have 5-10 years. 53% are employed near a private clinic, 40% are self-employed, 7% work in public healthcare. 93% of them offer service for all ages, meanwhile a small percentage (7%) offer service only for adults. All of them say that they have Albanian immigrant customers that reenter the country for dental care, meanwhile 94% admit that foreigners come to get dental services. Most of the doctors, 87.5% to be exact, conclude that clients come to them with acquaintances from family, friends and colleagues. The clients of 37.5% are returning customers, as they grew up in Shkodra and now come back from abroad to take these services. Almost half of the dentists (43.8 %) say that some of their customers came from social media advertisements. Only 25% of the dentists admit that their customers came from tourism agencies. In cases when the dentists have foreign customers, they inform the foreigners themselves on topics such as: information on services or facilities such as hotels (25%), offers or packaged services (62.5%), or tourism opportunities (31.3%). Regarding the offered dental services, it is stated that they offer almost all services possible. It is a fact that 100% of them offer consultation, examination, scaling and polishing, simple filling, crown/bridge/veneer, teeth whitening, root canal treatment, and orthodontics. Only 87% of them offer oral surgery, dentures, implants, and gum surgery. When the doctors and patients were asked separately about the reason why the patients travel from abroad for the offered services, it was said by both parties, that the prices are lower in Albania than in the countries they come from, the time to get the service is considerably larger, and some of the patients have no health insurance where they live.
As said by the respondents the quality of the service in Shkodra is very good. While the immigrants can use the free time from this trip to meet up with their relatives, the foreigners can use the time for tourism. 50% of doctors report working throughout the year, while the other 50% mention that their clients predominantly visit during the summer season, taking advantage of vacations and official holidays. However, only 12.5% state that they have customers who also seek dental services outside of the vacation or holiday periods. When it comes to communication or collaboration with tourist agencies, 75% of doctors do not engage in such partnerships, whereas 25% claim to have cooperated with tourist agencies for customer insurance or service promotion. It is a fact that 88% of doctors see it as a promising opportunity to collaborate with an agency or hotel in the future to increase their client base. However, only 80% of them believe that dental tourism will be a sustainable form of tourism in the future. During the review of the literature, we found a study related to dental tourism in Albanian by Nexhipi, O. 2018, where revealed some interesting findings. Women travelled for dental care more than man. The overall mean age was 38 years which means that people tend to seek dental care in Albania while they are young. While dental tourists may possibly travel for an array of reasons, their choices are usually motivated by price considerations. This was also revealed by the results of the study, people travel to Albania for dental care due to low price. And they advise it to other people due to low price. Quality is an element that attracts people to come to Albania for dental care, and in the meantime based on the questionnaires Albanians that live in Albania consider the dental service as a good one and there is no one that thinks dental service is absolutely bad.[13] Even in our study, the majority of patients who seek dental care in Shkoder are those who were born in Shkoder but currently reside outside the country. The primary reason they choose to receive care here is due to the affordable costs and the opportunity to connect with their families and friends. The busiest period for dental tourism in Shkoder coincides with popular holiday seasons such as

Christmas, New Year, Easter, and the summer vacation period. Tourist agencies acknowledge that they have clients who visit for dental tourism, but they currently lack a strategy to provide these services.
One of the primary reasons why dental tourism has flourished in Shkoder is the affordability of dental treatments. Compared to Western European countries and the United States, dental procedures in Shkoder are significantly cheaper without compromising on quality. The cost savings can be attributed to lower operating costs, including lower labor and infrastructure expenses. This allows patients to receive top-notch dental services at a fraction of the price they would pay in their home countries. (See table 1 and figure 1)

Table 1. Price in diferent counries [14,15,16]

Services	Italy €	Greece €	Germany €	UK £	France €	USA $	Canada $
Consultation /Examination	30-60	20-50	30-100	20-65	23-50	75-200	80-350
Scaling /Polishing	60-100	40-80	50-150	30-90	45-100	75-250	100-300.
Simple Filling	70-120	50-100	60-200	45-150	40-100	100-300	120-400
Crown/Bridge/Veneer per tooth	500-1000	400-800	500-1,500	400 - 1,500	500-1,500	500-2,500	800-3,000
Teeth Whitening	200-400	150-300	200-800	250 - 700	200 - 600	200-800	300-1,000
Root Canal Treatment	300-600	250-500	300-1000	300-1,000	300 - 900	500 - 1,500	700-2,000
Orthodontics	3000-6000	2000-5000	2000-8000	2,000-6,000	1,500-5,000	3,000-7,000	4,000-8,000



Liste Cmimesh

Terapi		Ortopedi	
Mbushje GR I	2,500	Zirkon	16,000
Mbushje GR II	3,000	K.Porcelani(CAD CAM)	10,000
Mbushje GR III	4,000	Feseta(E Max)	250 Eur
Mbushje GR III molar	4,500	Proteza Totale	45,000
Mbushje GR IV	5,000	Proteze skeletike	30,000
Rikonstruksion GR II	3,500	Proteze Acetali	35,000
Rikonstruksion GR III	5,000	Riparim Proteze	4,500
Ritrajtim kanali	5,000	Ribazim proteze	10,000
Ritrajtim kanali molar	5,500	Dhemb provizor	3,500
Rikonstruksion [illegible] Vide	3,000	Gomine Bruksizmi	3,000
		K.Porcelani m[illegible]A)	12,000
		K.Zirkoni mbi Implant(MUA)	20,000

Terapi		Kirurgji	
Pastrim Gurezash	2,000	Heqje e thjeshte	1,000
Devitalizime	3,000	He.dhemb qumeshti	500
Zbardhim Dhembesh	15,000	Heqje e komplikuar	3,000
Sherbim Vizite	500	He.dhemb pjekurie	4,000
		Heqje me operacion	15,000
		Rezeksion apikal	15,000
		Vendosje Implanti	450Eur

Orari i Punes	Orari i Vizitave
08:30 - 13:30	08:30 - 12:30
16:30 - 19:00	16:30 - 19:30

E Shtune - E diele Pushim

Figure nr. 1. Price of dental services in Shkoder in ALL (source: authors)

Despite the lower costs, dental clinics in Shkoder offer high-quality services that meet international standards. Many dental professionals in the city have received their education and training abroad, ensuring they are up-to-date with the latest advancements in dentistry. The clinics are equipped with state-of-the-art technology, allowing for accurate diagnoses and effective treatments. Moreover, the dental staff in Shkoder is known for their professionalism, attentiveness, and commitment to patient care. Shkoder's dental clinics provide a comprehensive range of treatments, catering to both general and specialized dental needs. From routine check-ups and cleanings to complex procedures such as dental implants or orthodontic treatments, patients can find a solution to their oral health issues. The clinics offer services in various fields, including cosmetic dentistry, oral surgery, periodontics, and more. This wide range of treatments ensures that patients can find the specific dental care they require.

In addition to the affordable prices and high-quality services, Shkoder's natural beauty adds to the allure of dental tourism. The city is nestled between the Albanian Alps and Shkoder Lake, providing visitors with stunning landscapes and a peaceful atmosphere. Patients can enjoy the scenic views, explore historical sites, or engage in outdoor activities during their stay. This blend of dental care and tourism allows individuals to combine their dental treatments with a memorable vacation experience.

4. Conclusions

Shkoder has emerged as a prominent dental tourism destination, offering cost-effective dental care, high-quality services, and a wide range of treatments. With its attractive surroundings and welcoming atmosphere, patients can enjoy a dental vacation like no other. Looking at it from this point of view, the city itself can benefit greatly by incorporating dental businesses into existing tourist establishments. While the primary motivation today is medical treatment, in the future, it can evolve into a tourism experience combined with dental services as a byproduct.

The combination of dental tourism and regular tourism has the potential to transform Shkodra into a medical destination, attracting both Shkodra's diaspora who visit their relatives and foreign tourists seeking improved health and relaxation. Dental tourism could strongly contribute to the country's image and help to prolong the seasonality of tourism activity by enhancing the strategic marketing of dental clinics and tourism agencies toward sustainable health tourism.

So, dental tourism in Shkoder has the potential to become a sustainable form of tourism in the future. Therefore, it can be stated that sustainable development is also achieved through health tourism, especially since tourism is based on a direct link between consumers (the tourists) and the industry, the environment, and the local communities.

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The development of the creative tourism model in the city of Shkodra as an opportunity to preserve the cultural heritage. An overview of the activities that are suitable for this tourism model.

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Abstract

Cultural tourists have become more frequent visitors to Shkodra in recent years, demonstrating a particular interest in learning more about the city's heritage, culture and history.
The market for cultural tourism is expanding, which presents both opportunities and challenges in terms of the exploitation and mass commercialization of cultural artefacts.
The quality and liveability of cultural attractions are being negatively impacted by an increasing number of visitors, particularly in historic city centres. It is vital to protect cultural heritage values from deterioration, damage and commercialization of local culture in an environment where demand for cultural tourism is steadily rising.
The aim of this research is to emphasise the value of creative tourism development as a cutting-edge approach to the creation of tourism products, where the development process focuses on culture rather than culture as an object.
The creation of unique cultural products in relation to the competition based on gastronomy, artefacts, design, spoken language, spirituality, and a number if assets of the importance to the nations intangible cultural heritage is the main benefit of the development of creative tourism in the tourist destination city of Shkodra.
Objectives of this study:
- the development of a creative tourism model for the city of Shkodra
- the search for activities that are suitable for the development of creative tourism
This study uses qualitative and quantitative methods of information gathering.
The results of the study present important implications for the tourism sector in the city of Shkodra.

***Keywords**: creative tourism, cultural tourism, tourist destination, culture as a process*

***Code JEL**: Z3, Z1, R5*

1. Introduction

Creative tourism is nothing new - people have been involved in creative, educational and learning experiences on vacation for a long time. The difference now is that this type of tourism has become so common that it can be identified under a new label: creative tourism.
One of the effects of the rapid growth of cultural tourism in recent decades has been the diversification of demand for cultural tourism and the emergence of many 'new' forms of tourism within the general field of cultural tourism.
Creative tourism offers visitors the opportunity to develop their creative potential through active participation in courses and learning experiences that are specific to the destination of vacation they are

taking. This type of tourism can include a wide range of activities including music, drama, art, gastronomy, sports, languages and spiritual activities. Consequently, we will list some of the most important creative activities that are undertaken in the city of Shkodra, creating a product of creative tourism.
In this study, we will see that creative tourism has had a great impact on the development of tourism in the city of Shkodra, how this region is reacting to creative tourism and whether the new concept of creative tourism has spread in the activity tourism of businesses.
We will also prove that creative tourism is one of the main reasons why tourists choose to visit Shkodra.
Attention will also be paid to the interests of foreign tourists in terms of the activities of the creative tourism products offered by the city of Shkodra, which have been their main motivations and if it were possible what they would change for better. In other words, there will be a study of the demand for creative tourism.
The COVID-19 pandemic has had a great impact on the progress of creative tourism, we will encounter this a lot in creative activities but also in the decision-making of tourists.

2. Creative tourism

The first definition of creative tourism was by Richards and Raymond as an extension of cultural tourism, "tourism which offers visitors the opportunity to develop their creative potential through active participation in learning experiences which are characteristic of the holiday destination where they are undertaken". (Richards and Raymond, 2000 p. 18)
Creative tourism has become a focus of attention (Richards, 2011) due to recent tourism trends associated with meaningful and authentic experiences (Gilbert, 1989; Poon, 1989) and active involvement with culture and contact with real people (Richards and Wilson, 2008). The first definition of creative tourism appeared in 2000 and was seen as tourism that offers visitors the opportunity to develop their creative potential.
In general, there are two basic ways of implementing creative tourism:

1. Using creativity as a tourist activity
2. Using creativity as a background for tourism

It seems that creative tourism can offer many advantages to destinations that they want to develop new forms of tourism activity. Undoubtedly, it has a number of important advantages over many more conventional forms of tourism, including cultural tourism:

- Creativity can provide a source of tourism activity as well as an attractive background for overall tourism activity.
- Developing creative tourism can help to maintain the atmosphere of the destination.
- Creative tourism can become a business development tool for craft producers and other small creative enterprises.
- Enables local people to use their creativity (and puts them in control of the process) as it is a renewable resource.

The characteristics of creative tourism make it ideally suited to the development of sustainable community-based tourism. As DASTA has pointed out, creative tourism shares many characteristics with sustainable tourism.
Some of these characteristics of creative tourism according to DASTA are visitors and hosts where each involves the other, intercultural engagement as a cultural experience, the spirit of the place and the deep understanding of the specific cultural feature of the place. Creative tourism creates practical experiences and an exchange of information that leads to transformation and transformative experiences where participants are more than observers. Also tourists get opportunities to develop their creative potential

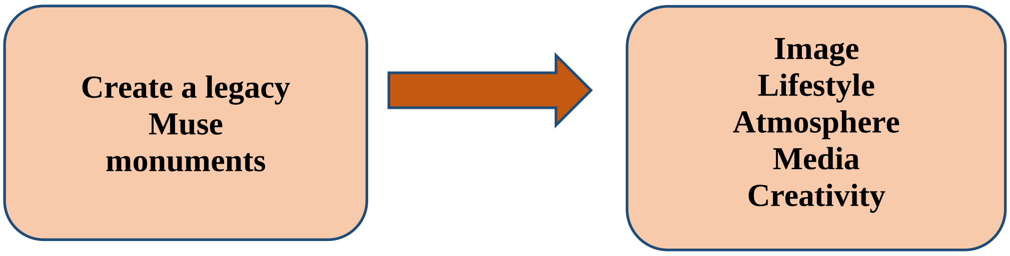
places and participate in the decision thus creating a process of making (co-creation of the tourist experience) and a made-to-order approach.

The main principles on which creative tourism is based include creative tourism activities created from unique local cultural assets. Storytellers or local artists can create an uplifting story that can attract attention and create inspiration for visitors to learn and create their own masterpiece. The creative activity is designed to have participatory and fun learning experiences, to have active participation and opportunities for the host and guest to share cultural experiences and knowledge and to have the five senses (hear, touch, taste, see, smell).

Also one of the other principles belongs to the place or the creative space to stimulate the expression of creativity as well as the creative activity offers the visitors the opportunity to develop their creative potential which can lead to the innovation of new ideas.

One of the principles of this tourism is that the designer of creative tourism can identify the brand message and create a marketing campaign as well as communicate the uniqueness of the activity and in continuous improvement.

2.1 Transition from "Cultural Tourism" to "Creative Tourism"



Graph no. 1

Transition from cultural tourism to creative tourism

2.2 Cultural city or creative city?

There is some evidence to suggest that cultural tourism may have begun to suffer from monotony, particularly in major urban destinations such as Venice (Russo 2002). Not only the increase in number of cultural visitors create a strain on the infrastructure of such countries, but there is a growing array of new destinations and attractions trying to capitalize on this 'success', increasing the competitive pressure with which individual destinations face (Richards 2001a).

Although many developments in cultural tourism have been predicated on the power of culture to attract tourists to new destinations, the impact of cultural tourism on regional development has also been generally questionable. The experience of cities like Glasgow shows that it is based on cultural tourism. Strategies can only succeed if they are seen as long-term projects, not short-term reinforcements. As competition between cities increases, those cities bid to host large or open events. New major attractions will have to think much more seriously about the costs and benefits involved.

Given the time and effort that must be invested in the offerings and stages of mega-events such as the European Capital of Culture, it may seem more attractive to invest in cultural 'bricks' than cultural 'hits'. New museums such as the Guggenheim in Bilbao and the Tate Modern in London have been held up as successful examples of cultural tourism development. However, the cost of such developments are huge, and with over 60 cities lining up to build a new Guggenheim (Richards 2001b) the competitive advantage they provide may be short-lived.

2.2 Towards Creative Tourism?

Graph no. 2 - Changes in tourism drivers over time

People who once traveled in search of the 'Culture' of a destination may now be looking for a particular type of art or music or architecture. In the future it may be increasingly difficult to speak of the 'cultural tourist' for the simple reason that the different types of cultural tourists have little in common with each other apart from their predominantly middle-class background.

These types of activities have a number of advantages over traditional cultural tourism:

1) Creativity can potentially create value more easily because of its scarcity.

2) Creative tourism can develop faster than many other forms of tourism. Destination scanning innovates new products relatively quickly, giving them a competitive advantage over other locations.

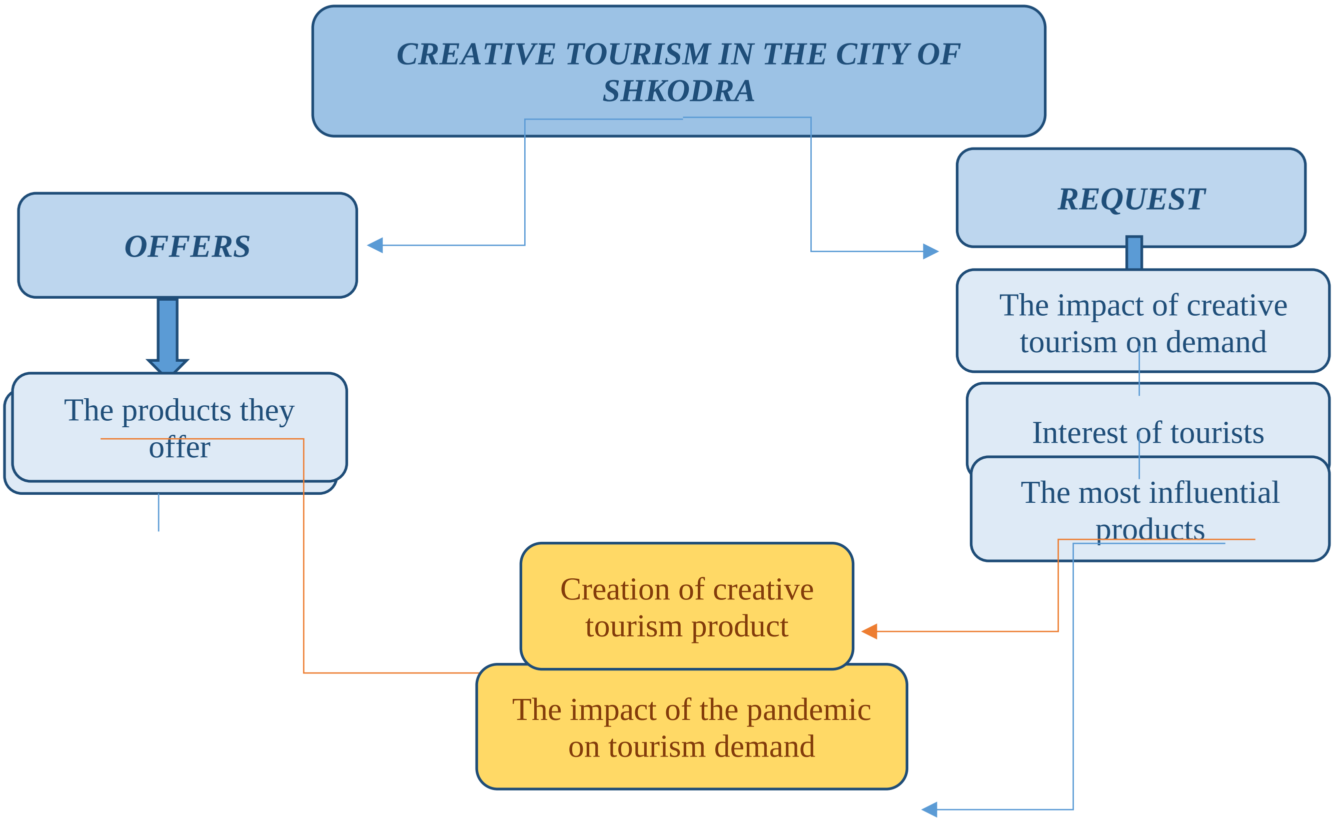
3) Creativity is a process and creative resources are more stable. While physical cultural resources, such as museums and monuments, may wear out over time and become degraded, creative resources are arguably renewable.

4) Creativity is portable.

5) Creative tourism can be established more cheaply than cultural tourism.

3. WORK METHODOLOGY

3.1 Conceptual model



3.2 Research questions

1. How has creative tourism influenced the tourism sector in Shkodër?
2. Has creative tourism influenced the interest of foreign tourists/visitors?
3. What are the businesses that include creative tourism and products of special interest in their activity?
4. Is creative tourism the primary reason for the arrival of tourists in the city of Shkodra?
5. How has the COVID-19 pandemic affected the demand for creative tourism?

3.3 Research objectives

1. Defining creative tourism at the regional level (Shkodra region).
2. Determination of activities related to creative tourism in the city of Shkodra and their characteristics.
3. Determination of the main products offered by the city of Shkodra and interest in them
4. The study of creative tourism behavior in Shkodër, the main motivations and demands of foreign tourists and where they participate the most.
5. Study of the impact of the COVID-19 pandemic on the demand for creative tourism.
6. Building a tourist product based on creative tourism activities in the region of Shkodra.

3.4 Hypotheses

Hypothesis 1. Creative tourism has had a great impact on the development of tourism in the city of Shkodra.
Hypothesis 2. Creative tourism is one of the main reasons why tourists choose to visit Shkodra.
Hypothesis 3. Businesses are increasingly moving their activity towards the concept of creativity and creative tourism.
Hypothesis 4. The COVID-19 pandemic has had a great impact on the performance of creative tourism.

4. CREATIVE TOURISM IN THE CITY OF SHKODRA

Shkodra is the most important urban center of northern Albania, known throughout the country for its rich cultural traditions. It is one of the largest cities in Albania, with a population of 114,085 inhabitants. Shkodra has a very favorable geographical position and is considered the gateway to the Albanian Alps on the one hand, and to the sandy beach of Velipoja on the Adriatic Sea, on the other.
Shkodra, this 2500-year-old ancient city, is one of the most prominent civic centers of Albania and the Balkans, known as the traditional center of Albanian culture.
"When I'm not there, I'm reminding you that only then, I'm ready to swear with the Albanians that it is the best city in the world" - Edith Durham
Traditional clothing is worn to display national and cultural identity. Costume design has always been treated as the main element of the spiritual and material culture of an ethnicity.
The Shkodra wedding and the ritual of its celebration is known throughout the country for the joyful atmosphere that dominates not only in the family but also beyond. It is also known for its rich repertoire of folk songs, which correspond to every wedding ritual. After the wedding ceremony, the birth of a child is a very important and special event. Shkodra has a rich tradition in musical folklore. Shkodra is known as the cultural cradle of Albania. "Ahengu Shkodran" is one of the 7 masterpieces of national spiritual heritage. They are songs that the folk masters of Shkodra has inherited from generation to generation, continuously increasing the expression, strength and beauty of their sound.
A special rule of the party in Shkodër is that the singer must sing the songs of the party one after the other. Usually the party was held on the night of the wedding, the day of the marriage, the evening when the crown was put on until the morning of the next day. Popular tools as well as imported tools are the main companions of the party. The special Shkodran humor is known throughout Albania. It was not only

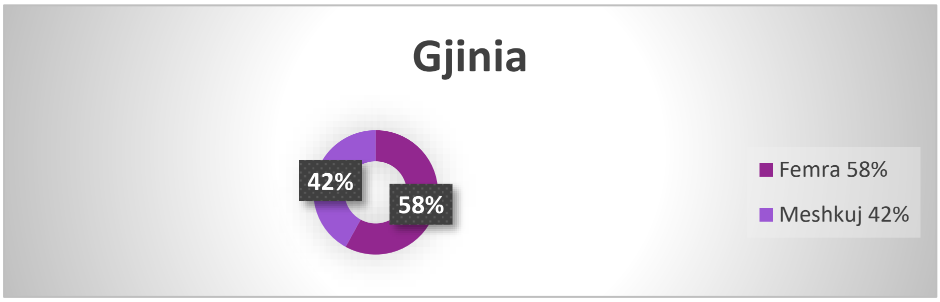
professional humor that defined Shkodra as the place of humor, but also countless jokes and jokes, which came out of the mouths of ordinary people, who became quite popular in Shkodra and beyond, through jokes of their barcalets full of humor. For Shkodrans, humor is an essential part of everyday life.
"A day without laughter is a day wasted" they say in Shkodër.
Shkodra is not only known as the city of tradition and early culture, where generations of artists, sportsmen and craftsmen of Balkan fame have emerged, but Shkodra has also entered Albanian history as the city of bicycles. The first bicycle in this city arrived in 1907 from the honorary consul of Sweden in Shkodër, which is supposed to be the first bicycle to enter Albania. Shkodra is considered one of the 5 bicycle-friendly cities in Western Europe.
The characteristic Shkodra apartment is part of the type of Albanian apartments of the two-story house, with an attic and a pitched roof. It is located in the center of the plot surrounded by very high vapors. In front of the house, which is usually located facing the sun, is a very large yard, with flowers and trees. The courtyard door, usually with an arch, is large and thought out in advance the wagon loaded with hay to enter freely. Communication was done through a small door that opened in one of the lids. The garret is large and communicates with some of the rooms and alleys of the house. In the courtyard there was a well with a beautiful mouth and a winch on which hung a bucket for drawing water. Near the well was a large stone trough and a stone slab for washing clothes.
Even in the city of Shkodra, businesses that are incorporating creativity into their activities are numerous and are increasing day by day.
Venetian masks in Shkodër are a must-buy souvenir for the millions of tourists who visit the city every year. The world's largest factory of handmade Venetian masks is located in Shkodër. They supply 70% of the world market and they are good at what they do. Everything handmade, everything unique..
The masks have intricate details, bright colors, ornate feathers, gold leaf and crystals that make them unique pieces of art. The masks are exported worldwide and sold in six shops in Venice. Volto, Colombina, Bauta, Arlecchino, Zanni, Cruise Mask and many other models of decorative masks can be found in the workshop of the successful entrepreneur Edmond Angoni. Over 1,700 models are one of the secrets of the factory's success, which annually produces a total of over 30,000 masks.
In Shkodër, everyone knows Nermi Shurdha, the economist by profession who loves art and beautifies the city with her murals. The environment at the entrance of her apartment has turned into an outdoor exhibition, where Nermini spends hours lost among the rows of books. He used the quarantine in the most productive way by creating several murals, the most special of which is the well-known painting by Gustav Klimt entitled "The Kiss", which has been brought into the Albanian version.
The young sculptor in the profession, Edis Kadija has extended his art to recreating objects of archaeological importance by taking photos of early Illyrian objects and reproducing them identically as vases or other ornaments. Favorite works are those with ethnic content, as his clients are not only immigrants. For the sculptor, the support from the institutions in Shkodra is not enough, so he needs more attention in the future. During the summer, he participated in the few fairs organized during the summer, but he says that more work is needed to promote the art of ceramics.
Gallery 'Oda' in Shkodër opened on December 25 the collective exhibition 'Vita Via Est' which brings together 28 Albanian photographers. The art of photography in Albania had its beginnings in 1858, when master Marubi opened the first photographic studio, in his house in Shkodër. ODA Gallery is set up in one of the old Shkodra houses and this makes the presentation of photographs in the various exhibitions that will be opened by the photographic artists even more attractive and exciting.
Artizane Qobaj, now a small family business with 11 female and 2 male artisans. Nabija learned to weave at a very young age. She turned her home into a workshop, dyeing wool & weaving and soon trained and employed eleven local women, each - the sole breadwinner in their families. She inherited a large old barn from her husband's grandmother in 1996 and thus began her work and passion.

The Arka youth center was founded to help the youth of Shkodra face challenges. It does this, as youth centers tend to do, by providing them with social relationships, workshops and volunteer opportunities. There are movie nights with regional films, which attract a full house. There is a recording studio that broadcasts radio. The shelves on the walls are filled with bestsellers in Albanian, Italian and Turkish. Importantly, and somewhat unexpectedly, the Arka youth center is launching a museum-quality gallery space, complete with lightning model and rooms named after local heroes. They do this because the people of Arka Youth Center believe that one of the best ways to have a positive social impact is by increasing the cultural and creative skills of young people and creating a cultural heritage destination that is not only aimed at tourists, but directly affects the local community.
Fabric works with looms are a time-honored tradition of the city of Shkodra. The Mjeda family has inherited this craft for 150 years, being the only citizen family from Shkodra that produces works on the loom, in its workshop. The ability to work with fabric makes them feel confident in this field, because their path is based on many years of tradition and experience. Everything is made by hand.
Shkodra's carnivals began in 1861. Over the years, their organization has turned into a celebration in our city. Carnivals come as an act of sacrifice of 40 days by not consuming meat, eggs, liver and other non-essential foods. This 40-day period begins on a Tuesday, which is called "Carnival Tuesday". On the last day of the carnival, the burning of the scarecrow is predicted, which symbolizes the burning of the negative phenomena of society. Meanwhile, this holiday has already received a lot of attention not only from the citizens of Shkodra, but also beyond.

5. Data analysis and findings

This chapter presents the results of data processing. The analysis was conducted using the Excel program. First, we will present the demographic variables such as: gender, age, status and education, to get an idea of the category of tourists visiting the city of Shkodra.

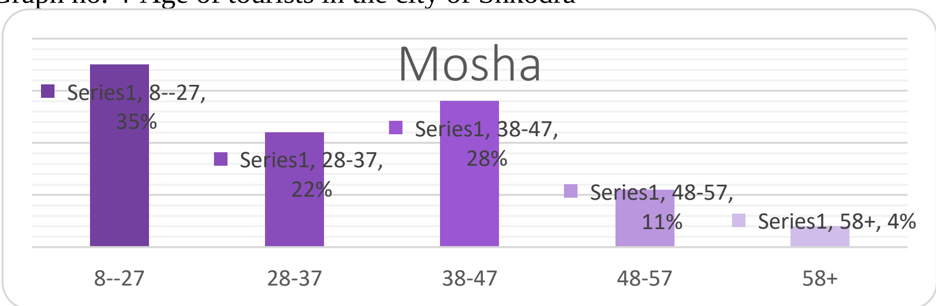
1. In our sample of 100 tourists, women have the highest percentage, with 58%, while men have a lower percentage, 42%. According to this study, we understand that the female gender has a higher tendency to travel and visit the city of Shkodra, while the male gender less.



Graph no. 3- Gender of tourists in the city of Shkodra

2. In the age variable, it is clear that the age group that visited the city of Shkodra the most were 8-27 years old and 38-47 years old, while the age group with the lowest percentage is +58 years old.

Graph no. 4-Age of tourists in the city of Shkodra



3. Based on the questionnaire data, the selection of the destination of Shkodra, for 39% of the tourists was part of an itinerary they chose, while for 51% of them the city of Shkodra was the reason and main destination of their trip.

Graph no. 5-The way of selecting Shkodra as a destination

4. Based on the questionnaire data, it results that 77% of tourists are informed about creative tourism, while 23% are not informed about what creative tourism is.

Graph no. 6 - Information on creative tourism

5. In our sample of 100 tourists, 64% of them have creative tourism as the main reason for their trip to the city of Shkodra, while 36% of them do not have it as the main reason for their trip.

Chart no. 7-Creative tourism as a reason for travel

This graph proves two of the raised hypotheses:

Hypothesis no. 1. Creative tourism has had a great impact on the development of tourism in the city of Shkodra.

Hypothesis no. 2. Creative tourism is one of the main reasons why tourists choose to visit Shkodra.

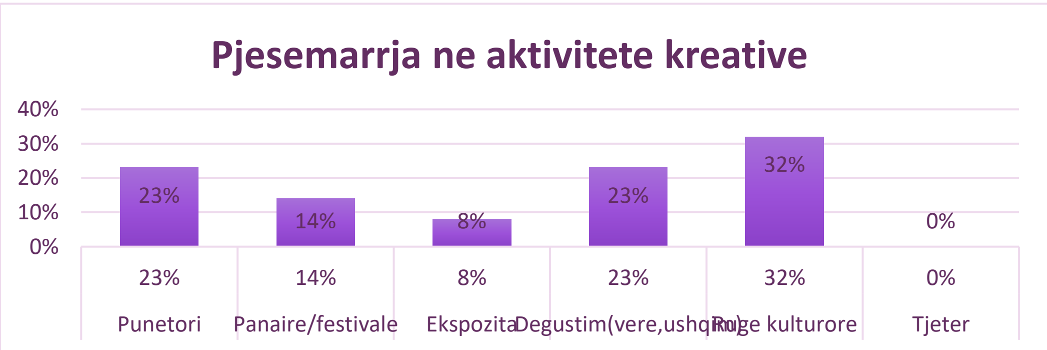
6. When asked which of the elements of cultural and creative tourism they consider the most important, it turns out that 40% are interested in culture and tradition, 20% in traditional architecture, 12% in

festivals and events typical of the city of Shkodra, and 11% in handicrafts, 9% local products and 8% museums.

From this graph it follows that the greatest interest of tourists is attracted by the old culture and tradition of the city of Shkodra, since this city is also known for the city of art and culture, followed by its typical architecture, while the most interest low is related to local products.

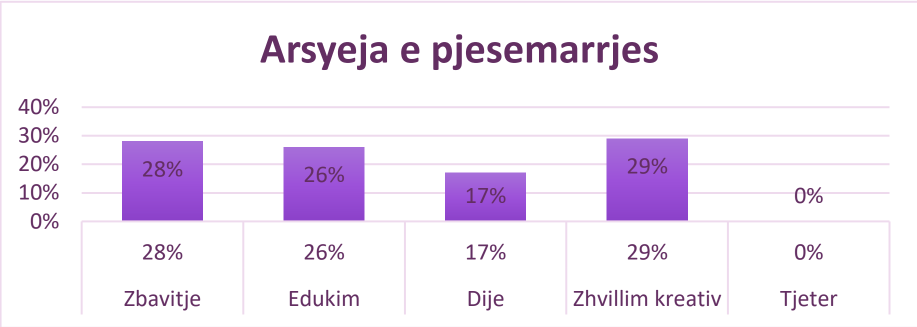
Graph no. 8-The importance of the elements of creative tourism

7. Regarding the participation of tourists in creative activities in the city of Shkodra, 32% of them participate in cultural routes, 23% in various workshops, 23% in tasting (wine, food), 14% participate in fairs and festivals and 8% in various exhibitions. The highest percentage is occupied by tourists who participate in cultural exchange and through their involvement in networks and associations at the local level, and professional organizations. This contributes to the preservation of a diverse heritage through theme-based tourist itineraries and cultural projects. While the activity with the lowest participation by tourists are exhibitions.



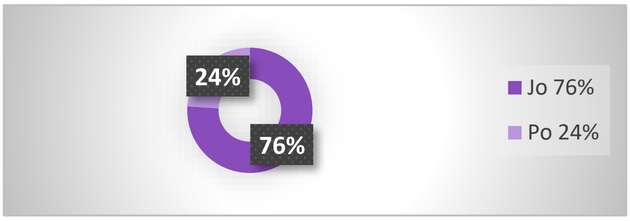
Graph no. 9- Participation of tourists in creative activities

8. The reasons why tourists participate in the aforementioned creative activities are among the most diverse. 29% of tourists become part of activities for creative development, 28% for entertainment, 26% for educational reasons and 17% to deepen their knowledge. So based on the questionnaire, the main reason is for creative development, while the reason with the lowest percentage is for knowledge.



Graph no. 10 - Reasons why tourists participate in creative activities

9. Graphic "Is there any creative experience that you wanted to do in the city of Shkodra and you couldn't do it...



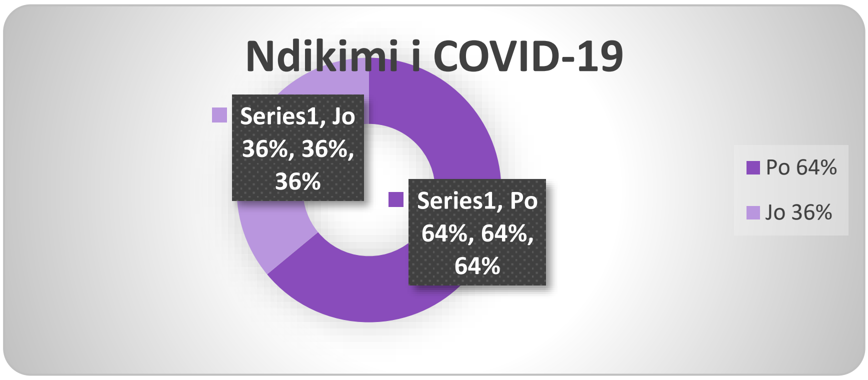
Graph no. 11-Creative experience in the city of Shkodra

76% of tourists wrote that they tried everything they wanted, while 24% of them wanted to try something more, experiences which are presented in the table below:

Creative-theatre	8%
Wider involvement in arts and crafts classes	4%
More wine tasting/food classes	7%
Online creative/cultural itineraries	5%

Table no. 1
Creative experience in the city of Shkodra

10. As worldwide, in our sample of 100 tourists, the COVID-19 pandemic has had its impacts, with 64% claiming to have been significantly impacted by the pandemic (including financial and travel restrictions) and 36% of them were not affected.



Graph no. 12-The impact of COVID-19 on the progress of creative tourism

With this result, we confirm the fourth hypothesis: Hypothesis 4. The COVID-19 pandemic has had a great impact on the progress of creative tourism.

6. THEORETICAL CONCLUSIONS

Creativity, as a process that creates new cultural forms, is able to develop new innovative cultural products and increase the cultural economy.

Creativity essentially involves adding something new to existing tourism products, it is an essential source of innovation.

People who once traveled in search of the 'Culture' of a destination may now be looking for a particular type of art or music or architecture. In the future it may be increasingly difficult to speak of the 'cultural tourist' for the simple reason that the different types of cultural tourists have little in common with each other apart from their predominantly middle-class background.

Creative tourism can develop faster than many other forms of tourism. Destination scanning innovates new products relatively quickly, giving them a competitive edge over others.

Creativity is a process and creative resources are more stable. While physical cultural resources, such as museums and monuments, may wear out over time and become degraded, creative resources are arguably renewable. This rapid growth of cultural and artistic festivals in Europe in recent years underlines this fact.

Creative tourism can be established more cheaply than cultural tourism. It is based on the transfer of local skills and experiences to the tourist, something that needs to happen in a suitable environment but does not need the same level of custom-built infrastructure as more cultural tourism. Museums and visitor centers are therefore not necessary - although they can be used for creative tourism if they are already built.

7. Conclusions from the study

The contribution of this study lies in the impact of creative tourism on the development of tourism in the city of Shkodra.

The cases examined illustrate how, in a variety of settings and at different scales, tangible and intangible resources are gathered and utilized, giving them meaning through a variety of design tools and using creativity to place these meanings in country and to match the country's spatial resources with the demands of tourists.

In each case analyzed, the creative process of place-creations produces different results, because the design tools adopted and their context differ.

Another important implication is that as the focus shifts from tourism destinations to tourism destinations, the need to consider a wider range of processes outside the tourism sphere becomes more apparent.

From this study carried out on the impact of creative tourism in the city of Shkodra, we come to the conclusion that creative tourism is getting the right importance in this city, now more businesses are including creativity as a very important element in their daily activity.
In this way, creative tourism in the city of Shkodra is attracting more tourists and businesses have the opportunity to promote their activities and products more, intertwined with the culture of the city of Shkodra.
Regarding the impact of creative tourism on the demand for tourism, according to the study it results that tourists are informed about creative tourism and that creative tourism is the main reason for their visit to the city of Shkodra and they participate in creative activities carried out in this city.
Also inevitable was the impact of the global pandemic COVID-19, where according to tourists it had its negative impacts both financially and on the difficulties to travel.

8. Recommendations

- Preserving, continuing and conveying the culture and tradition of the city to local products.
- The introduction of creative and innovative ideas in the activity of businesses in the city of Shkodra, as long as they do not lose their identity and originality.
- Promotion of local products, businesses, activities and events, with all forms of promotion in order to give them the right attention. Creating a website specifically for tourism and creative tourists would be a very good idea.
- To support creative tourism more. Knowing that creative tourism has positive impacts, then let's allow a greater involvement of tourists in our cultural/creative activities.
- Carrying out as many questionnaires or online surveys as possible for tourists, in order to better understand their wishes and expectations and, consequently, to add creative activities that are missing in our city.

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19. *Arka Qëndra Rinore*

Albanian tourism statistics compared with the other countries of the region.

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Abstract

In the last years, Albanian tourism has developed at a high rate, and especially 2023, which has not yet closed, is considered the year of Albanian tourism. Statistics from official sources show a significant increase in foreign tourist arrivals in Albanian territory. Nevertheless, these statistics see a discrepancy between this increase in the number of visitors and their overnights spent in Albania, which would turn into more income, employment and tax revenue. UNWTO, noting the importance of statistics, stresses, "Official statistics provide an essential element for the information system of a democratic society by providing government institutions, the economy and the public with data on economic, demographic, social and environmental situations". The purpose of this paper is to prove that in the case of Albania we are dealing with an "anomaly", when comparisons between the arrival of foreign tourists and their overnight stays in different countries of the region are made. Comparing the overnight stays per tourist in each of the countries, based on publications from statistical institutions of all five countries, we are faced with an unrealistic result. The paper also attempts to answer the question about the cause of this discrepancy, but it would be quite difficult because of the inability to have reliable figures and data. Different institutions provide different statistics from INSTAT based on different sources of information. The paper cannot assess the extent of the impact of each of these causes, which would be subject to more extensive research and also due to lack of consistent data.

Keywords: *Anomaly, INSTAT, Discrepancy, Overnight stay, Tourists.*

1 Introduction

2023 has been a special year for Albanian tourism, marking month-on-month record numbers in terms of the number of tourists and visitors who have entered the Albanian border. In fact, this indicator, except in 2020, the year when the displacement of people was almost completely stopped, has consistently come to a steadily considered increase somewhere between 15-20%, according to INSTAT Albania. According to the economic journal Monitor[42] , which refers to data from Eurostat, 2023 has recorded record numbers even compared to the average growth of EU countries. The number of nights of foreign visitors to Albania for the first six months of 2023 increased by 44.1%, while the EU had this 12.9% growth rate, placing Albania at the top of the rankings in terms of increasing the number of nights between the first six months of 2023 and 2022. Also, 2023 brought a significant increase in foreign visitor inflows to Albania. Again, comparing the first two months of 2023 and 2022, the number of foreign tourists entering Albania has increased by 33%. According to the publication of the balance of payments of the Bank of Albania, processed by Open Data Albania[43], the contribution of tourism revenues to the Albanian economy has

[42] https://www.monitor.al/eurostat-shqiperia-me-rritjen-me-te-larte-te-net-qendrimeve-te-turisteve-ne-europe-ne-6-m-i-2023/
[43] https://ndiqparate.al/?p=19887

followed the same year-on-year growth trend, reaching 2022 to EUR 2.84 billion, with an increase of 48% compared to 2021. In 2023, the data is promising in terms of revenue generated by tourism.

On the other hand, much has been spoken and written about informality in the Albanian economy and especially in the tourism sector. Precisely, to understand the measure of informality in Albanian tourism, this paper tries to analyze some of the statistical data of tourism development in recent years in Albania as, as UNWTO points out, "Official statistics provide an essential element in the information system of a democratic society, providing the government, economy and the public with data about the economic situation, "Demographic, social and environmental."[44]

Through a comparative methodology between Albania and the countries of the region of tourism statistical data, the work aims to prove and in some way create an idea of the measure of informality in the tourism sector in Albania by not exactly matching the measure of this phenomenon. For this purpose, data published by statistical institutes of five countries of the region, Albania, Kosovo, Montenegro, Republic of North Macedonia (RNN) and Serbia were taken into analysis.

2. Theoretical Background

The International Institute for Peace Through Tourism (2017) suggests that tourism is "peace" industry and every traveler is a potential "peace ambassador." Such statements are overly optimistic with little evidence to back them up (Pratt & Liu, 2016).

The phrase "Lies, Damned Lies and Statistics," popularized by author Mark Twain, sums up the belief that the persuasive power of statistics can support a weak (and often exaggerated) argument. Despite the presentation of statistics, the presentation and their existence is valuable for researchers to conduct research and also for policymakers. In an era of competition for limited resources, various industries and government organizations need a healthy dose of reinforcement to show their sector in a favorable light and demonstrate its benefits to the community and the wider economy. For example (Pratt & Tolkach, 2018). Concerns about the availability and accuracy of tourism statistics exist in many countries with different levels of development and often constitute a matter of discussion. Edwards (1991) questions the reliability of tourism statistics as data from various sources may not match. Progress in tourism statistics is slow and requires more cooperation between participating and contributing stakeholders in the system of collecting and analyzing statistics. Volo and Giambalvo (2008) provide a case study demonstrating discrepancies between official statistics and reality on the ground. Therefore, researchers and practitioners should never take tourism statistics as an absolute truth but should approach existing numbers critically and with skepticism.

Some official statistics of international tourist entries should be regarded as truly domestic tourism rather than international tourism. Understandably, UNWTO (2017) highlights tourist arrivals given its stated purpose, as stated on its website: The World Tourism Organization is the United Nations agency responsible for promoting responsible, sustainable and universally accessible tourism. As the leading international tourism organization, UNWTO promotes tourism as a driver of economic growth, inclusive development and environmental sustainability and provides guidance and support to the sector in advancing tourism knowledge and policies worldwide. According to Pratt & Tolkach (2018) tourist statistics are useful for quantitatively determining the size and impact of tourism for policymakers and researchers, and these statistics provide empirical evidence for theories that should be tested and hypotheses accepted or rejected. Tourism as an activity competes for the budget and attention of consumers, businesses and governments. As such, those who have a vested interest in the industry and want to portray tourism as a means to solve many of the world's problems. On the other hand, whether

[44] https://www.unwto.org/tourism-statistics/

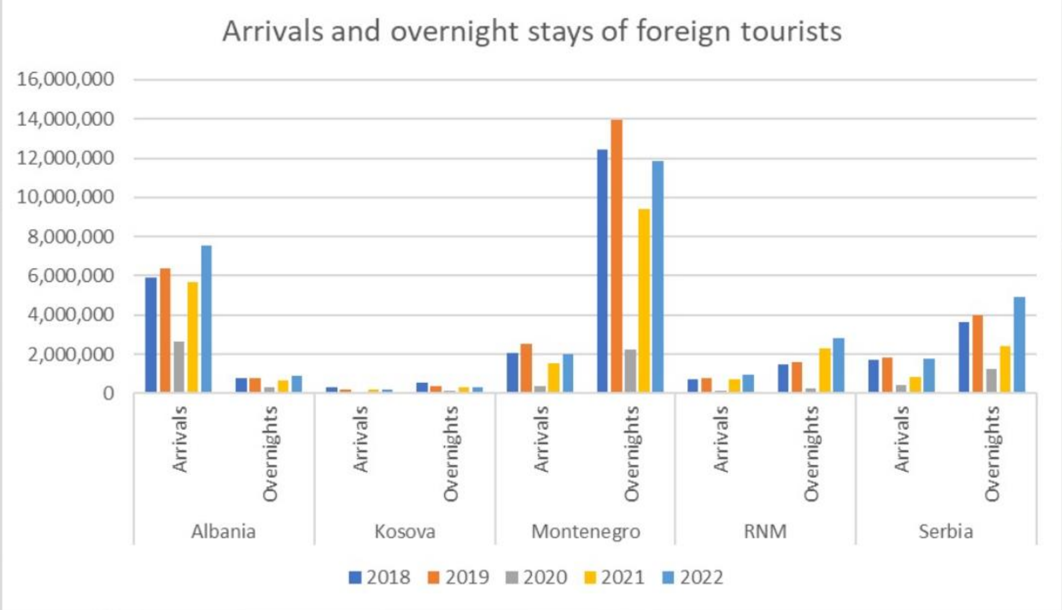
intentional or random, it could be argued that tourism statistics often overestimate and exaggerate the size and impact of tourism. Tourism statistics need to be critically interpreted. If the data seem too good to be true or if the numbers look "weird" then they probably really are. Statistics generally represent the views of organizations and individuals reporting them. UNWTO is dependent on host countries to send them accurate data and data that has been accurately collected and compiled. Of course, for policymakers and researchers using the data, although potentially inaccurate, using this data is better than not reporting data at all. More attention should be paid to reporting how accurate the statistics are. Pratt & Tolkach (2018) stress that UNWTO should be encouraged to highlight not only numbers but also the reliability ratio of data. Rather than dealing only with data collection from national organizations, UNWTO may be more proactive in identifying statistical irregularities and assisting national authorities in solving them. Individual countries should follow internationally recognized standards for collecting and reporting statistics to provide a more accurate picture of the current state of global tourism (Masiero, 2016).
Both providers and users of tourism statistics should critically analyse the statistics offered and not simply blindly accept them. Suppliers and users of tourism statistics should take into account the exaggeration of tourists, given that much of the world's population is not undertaking international travel and that those traveling "internationally" can be categorized as domestic tourists. Certain indicators of statistical observations of countries should be integrated into a single global system and the data and procedures for their collection should be harmonized. Countries should be encouraged to develop their own tourism statistics systems based on the International Guidelines for Tourism Statistics (2008). Unified methods of data collection will avoid data distortions both locally and regionally.

2 Analysis

The following graph shows the arrivals of foreigners and the respective sleeping nights for the five countries of the region during the last five years. It is easily noticed the fact that all countries of the region in 2020 have had a significant decrease in the number of tourists and after this year the growth has been rapid, but only some of them have reached the figures of 2019, among them Albania. In particular, Serbia has an impressive growth, averaging 200% per year both inbound foreign tourists and in nights of stays after 2019. From the graphic, it is obvious that Albania is the only country that has many more foreign tourist arrivals than night stays, even with a very large difference between them. In all other considered countries, the number of stays is significantly greater than the number of tourists who have entered.

Graph No. 1

	2018	2019	2020	2021	2022	Average annually for 5 years	Nights of stay/ overnight stay in Albania
Albania	0.36	0.34	0.3	0.36	0.33	0.34	1
Kosovo	1.83	1.68	1.79	1.81	1.67	1.76	5.21
Montenegro	5.99	5.55	6.35	6.07	5.83	5.96	17.65
RMV	2.11	2.08	2.14	3.23	2.94	2.5	7.41
Serbia	2.14	2.17	2.84	2.79	2.79	2.8	8.31



Source: Excel

Starting from this fact we decided to further investigate in order to understand the extent of this phenomenon. By placing nights in relation to the number of foreign tourists who have entered each country, we calculate the average number of stays for each foreign tourist, according to figures published by statistical institutes of all five countries. The five-year average of stays for every foreign tourist is also shown in the table. In the last column, the nights of stay in each of the countries are presented compared to an overnight stay in Albania. This calculation helps to more clearly understand how big is the difference between Albania and other countries in the region.
Table 1.

From these calculations, it turns out that the average number of nights of foreign tourists in Albania is many times less than that of the countries in the region considered. If we refer to Table 1, the last column, for every night spent in Albania, a tourist in Kosovo spends 5.21 nights, RMV 7.41 in Serbia 8.31 and in Montenegro 17.65 nights. This calculation gives us an idea of how big is the difference between these countries and Albania. Given Albania's tourism resources compared to at least Kosovo and the RNM (countries without coastal tourism and unmatched by Albania in terms of mountain and cultural tourism) we can conclude that there is something wrong here with the statistical system, the methodology of collecting statistical data, informality or even the reporting of data from various state institutions.

3 Methodology

If we consider the methodology of data collection from the Institute of Statistics of Albania[45], it turns out that the source of data on the entry of foreign nationals into the Republic of Albania is done through the system of registration of foreign and Albanian nationals at border crossing points of the Republic of Albania. As explained in the explanation of the data collection methodology by INSTAT[46] but also from the response to the email interview of[47] INSTAT employees, every entry of foreign nationals, regardless of how many times he enters Albania and regardless of the purpose of the trip and regardless of the time of stay. This brings every visitor with foreign citizenship to register as a tourist, considering that visitors who enter Albania even within the day for different reasons, thus significantly and artificially increasing the number of foreign tourists in Albania.

Whereas according to the annual statistical journal of the Republic of Serbia[48], in the chapter of data collection methodology, it is defined by definition that "tourist" is any person who spends at least one night at the place of visit, outside his or her residence, in a tourist accommodation facility for rest, recreation or other reasons such as health, sports, education, religion, business etc. The person is considered a tourist, if he spends a maximum of 12 consecutive months in a hostel, without carrying out an activity funded by the place of visit, i.e. from the place where he resides.
The entrance of tourists shows the number of tourists who have registered and spent the night in an accommodation facility. Tourists are obliged to register in tourist registers in any hotel facility (offering commercial accommodation) in which he stays. In case of change, it is re-registered. Tourist stays represent the number of registered nights of tourists in facilities that offer accommodation services. Concludingly, it can be said that the methodology followed by INSTAT in Albania does not realistically reflect the number of tourists entering Albania, including in the statistics and daily visitors, causing the number of foreign tourist arrivals to be artificially inflated.

4 Informality

Based on the email interview of INSTAT Albania, the collection of the number of nights of foreign tourists is done on the basis of monthly self-declaration of entities offering accommodation services for business purposes in Albania, we cite "Data on nights of stay by resident and non-resident visitors, collected from the Survey of Accommodation Structures. The Survey of Accommodation Structures includes all tourist accommodation structures from the Statistical Register of Enterprises. The large difference in the number of average tourist stays between Albania and other countries in the region allows us to assume that self-declaration data collection leaves room for unrealistic data and informality. In addition to the unreal self-

45 https://www.instat.gov.al/

46 https://www.instat.gov.al/al/temat/industria-tregtia-dhe-sh%C3%ABrbimet/statistikat-e-turizmit/#tab4

47 In every publication on the Movement of Citizens and data that INSTAT publishes, the data source is included. The data are administrative and provided by the Ministry of Interior (State Police, Border and Migration Department). Each entry of a visitor is counted as one entry, so if a foreign national enters Albania 5 times, he is considered as 5 citizens.

48 https://www.stat.gov.rs/en-us/publikacije/publication/?p=15431

declaration by the accommodation businesses, another aspect constitutes a source for incorrect data in tourism statistics in Albania and concerns unregistered and unlicensed businesses operating in Albania.
Apart from small tourist facilities operating in remote and seasonal character, a good part of which do not even declare their activity at all, a recent trend is also the daily rental of apartments in large urban centers, a trend which has had a significant increase in recent years. According to an article in Monitor magazine[49], which refers to data from AirDNA[50] – which analyzes statistics on daily rental accommodation facilities from Airbnb platform, in June 2023 there were 15,375 apartments listed for daily rental in Albania, the majority of them operating under total informality conditions, making tourists not counted in any statistics. If we make a simple calculation, considering a capacity of four beds per structure and an annual occupancy rate of an average of 25%, results in approximately 600,000 nights of sleep spent in these facilities. This is a significant number in the statistics of the nights of stay of foreign tourists in Albania.
Another interesting fact coming from AirDNA is the average number of stay times of a tourist in Albania, which according to their statistics fluctuates from 3 days in the period of the low season to 4 days in the summer period, which is likely to get closer to reality.

5 Conflicting data

Different sources provide different numbers of tourism statistics in Albania. We have referred to statistics of the Institute of Statistics of Albania, which constitutes the official statistical body in Albania. Meanwhile, if we refer to the statistics offered by the Ministry of Tourism and Environment, they are very different from INSTAT. For example, according to the statistical yearbook published by MTM for 2022[51], foreign visitors who come for personal purposes have an average stay of 5.5 nights. For non-residents who have entered Albania for business reasons, the average daily stay night is 4.8 nights. They are quite distant figures with the statistics that instat gives. As for the methodology that MTM is persecuting, it gives this figure based on the questionnaires that the Ministry receives at the exit of border crossing points, where sample tourists fill out questionnaires with basic information about their stay in Albania. Meanwhile, when it comes to the number of tourists who have entered Albania, MTM refers to INSTAT, this makes you think of a strong policy influence in publishing statistics of different institutions.
Another important statistical data of tourism is the expense that each tourist carries during their stay in Albania. Again here there are various, often contradictory and incredible data. According to Open Data Albania[52] , which refers to WTTC World Travel & Tourism Council[53], the contribution of foreign tourists in 2022 is estimated to be around 2.3 billion euros, which accounts for 64% of the total tourism contribution, which constitutes about 44% of the total exports for 2022. The estimated average contribution per international tourist is estimated to be around 480 euros in 2022. Meanwhile, MTM, in its annual report, states that revenues from foreign visitors are in the amount of EUR 2,840 million, referring to the balance of payments ratio of the Bank of Albania a significant difference of more than half a billion Euros.

5. Conclusions

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[49] https://www.monitor.al/shqiptaret-hapin-dyert-per-booking-dhe-airbnb-lulezon-biznesi-i-qiradhenies-mbi-28-mije-apartamente-te-listuara/
[50] https://www.airdna.co/
[51] https://turizmi.gov.al/wp-content/uploads/2022/03/BULETINI-TE-DHENA-EKONOMIKE-2022.pdfhttps://turizmi.gov.al/wp-content/uploads/2022/03/BULETINI-TE-DHENA-EKONOMIKE-2022.pdf
[52] https://ndiqparate.al/?p=19887
[53] https://wttc.org/

1. The statistics of INSTAT Albania provide unconvincing data regarding the number of foreign tourists and their stays. This is attributed to the incorrect methodology used by INSTAT. We recommend considering as tourists only those who spend more than one night in Albania.
2. The data of the Ministry of Internal Affairs and precisely the system of registration of citizens entering the border crossing points referred to by INSTAT, should register and make the difference in the time of entry and exit of foreign tourists by calculating their time in Albania. This would be an important contributor to Albania's statistical data.
3. Albanian institutions such as INSTAT do not have a unique reference system of official data and this often brings mistrust and confusion among statistics.
4. Tourism statistic providers and users should critically analyze the statistics offered and not simply accept them blindly.
5. Suppliers and users of tourism statistics should take into account the exaggeration of tourists, given that much of the world's population is not undertaking international travel and that those traveling "internationally" can be categorized as domestic tourists.
6. Certain indicators of statistical observations of countries should be integrated into a single global system and the data and procedures for their collection should be harmonized.
7. Countries should be encouraged to develop their tourism statistical systems based on the International Guidelines for Tourism Statistics
8. Unified methods of data collection will avoid distortions of data both locally and also in the region.

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Alternative tourism for innovation and sustainability: Using literature to enhance tourism and heritage

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Abstract

Even though we have heard a lot about the boom of tourism in Albania lately, sadly, it tends to be quite limited. It typically revolves around the 3 Ss – sea, sun, sand – and visiting the mountains. There is some interest in culture as well, but that is mainly focused on history. How about encouraging alternative forms of tourism? By using a qualitative approach and employing literature review and observation as methodology, this paper claims that supporting the development of new forms of tourism such as literary tourism would not only diversify the cultural offer, but it would also promote the local economy, help preserve the literary heritage, as well as contribute to sustainability by encouraging responsible and mindful travel practices. The paper contributes to the research on tourism studies with a focus on Albania by suggesting the development of alternative tourism types as the potential of literature in tourism is both under-researched and underexploited.

Key words*: alternative tourism, literary tourism, culture, local economy, heritage, sustainability*

JEL classification: *Y, Z*

Introduction

Sustainability has become a significant concept in several areas because of its wide application in social, environmental, and economic contexts. As such, embracing it is essential for both the present and future. This paper suggests encouraging alternative, sustainable forms of tourism such as literary tourism, a tourism niche which is both under-researched and underexploited. The main objective of this paper is to explore the potential of literary tourism and highlight the benefits of developing it in Albania.

1.1 Identifying the problem

The dominant form of tourism in Albania is landscape tourism typically revolving around the three Ss: sun, sea, and sand. A few tourists choose the mountains, and there are also those who show interest about culture as revealed in the reports by INSTAT[54] and AKT[55]. While the country is primarily chosen for its Mediterranean climate and relatively unspoiled natural sites, visitors, especially foreign ones, are increasingly looking for a more authentic experience such as involvement in the lifestyle of villagers, following the process of artisan work, cooking as well as tasting local food, or even learning more about oral traditions, which are often not part of the usual tourist packages. Such change in the travellers' demands and behaviour calls for changes in what is offered. Part of a new cultural offer should also be literature.

[54] Albanian Institute of Statistics
[55] National Agency of Tourism

Although literary tourism has grown into an important niche of cultural tourism in many countries in the recent years, this is not the case of Albania. The author of this paper believes that literature should make up an important aspect to be added in the country's cultural offer, for both foreign and domestic visitors. This would not only increase interest in literature and create stronger connections with the literary tradition, but it would also offer unique experiences, help connect with local communities, support local economy (as literary tourism is possible in shoulder seasons) and it can also help leverage sustainable tourism.

1.2 A short introduction to literary tourism

Literary tourism is a niche of cultural tourism also known as book tourism or literary travel. It refers to the practice of visiting places associated with literature, including the homes of famous authors, settings of novels, literary festivals, and bookstores (Squire, 1996; Herbert, 2001; Robinson & Andersen, 2002; Smith, 2003; Stiebel, 2004; Watson 2006; Fox, 2008). Researchers consider literary tourism as intrinsically related to both culture and heritage.

In the last few years there has been an increase of interest in literary tourism by both researchers and those responsible with the development and implementation of new tourism strategies. This is because "literature, literary characters, and film productions that embed characters in real or imagined settings while sharing narratives and qualities that appeal to the consumer is driving a developing global industry for literary tourism" (Connel, 2012).

1.2.1 Culture, Literature, Tourism, and Sustainability

According to the World Tourism Organisation, before Covid-19, cultural tourists accounted for 40% of global tourism (Richards, 2018). Because of the growing interest in cultural tourism, there are several reasons why the development of literary tourism as a sustainable form of cultural tourism should be encouraged.

To begin with, cultural tourism is an effective marketing tool for an area (Carson et al., 2017: 380). Ferreira et al. (2009: 506) also support this claim by stating that cultural products "allow the distinction of territories in an increasingly global world." As such, a cultural experience is likely to be unique and authentic.

Other researchers highlight the value of culture as a way of providing a tourism strategy based on sustainability (Medeiros, 2005 as cited in Carvalho et al. 2012: 4). Richards (2004) points out that:

> In a world in which 'tourists' are often regarded with disdain, because of the supposed negative impacts they have on the environment and culture, cultural tourism is seen as a 'good' form of tourism. Tourists motivated by culture are supposedly more respectful of local culture, they behave themselves better, and most importantly, they leave more money behind.

For Ghetau and Esenau (2011: 352), it is important to understand the need for sustainable development, and implement specific strategies accordingly. They believe that an alternative form of travel is needed as a way of conserving the cultural heritage associated with a destination. The scholars suggest literary tourism as a significant way of promoting sustainable development through preservation of an area's cultural identity and heritage (Ghetau and Esanu, 2011: 347-9). By motivating visits to literary sites, authors' homes, and other places with literary associations, cultural assets can be better preserved.

Capdepón (2014: 409) sees the emergence of literary tourism as "the reaction of demand against standardization." When it comes to local identity and territory, literature has a distinctive value. It seems to possess that exceptional quality which has the potential to transform the existing cultural tourism into a more creative one. There is hardly a person who has been left unaffected by a book related to his/her destination: "Literature and narratives affect a psychic change in tourists […] a written text is a key to providing stimulations and the emotive responses to visit and experience a destination" (Jenkins & Lund, 2019, "Preface") Thanks to its unique qualities, literary tourism could be a successful tool to develop new destinations (Saniuta et al., 2022: 526).

Mansfield and Topler (2021: 327) also point out the challenge to connect cultural heritage to responsible tourism. They think that because increased use of technology often leads to homogenized products, it is important to make the experience unique. One way they suggest doing this is by involving citizens in the process of place-making. They believe this would help maintain diversity of cultural heritage in sustainable ways. The scholars add that both communities and local authorities can be made aware and encouraged to invest in the preservation of the literary heritage for future generations.

In addition to preserving cultural heritage, literary tourism can also promote local economies by supporting bookshops, local cafes, accommodations, and artisanal shops. This can generate income for local businesses and encourage sustainable economic growth within the community.

Literary tourism can also educate visitors about the cultural significance of a place through its literature. This can in turn foster a greater appreciation of local culture, encouraging responsible tourism. In order to achieve this, it is crucial to redirect tourist flows to create destinations which are productive and sustainable (Arcos-Pumarola et al. 2018: 188). Firsova and Myshlyavtseva (2019: 66) think the sustainability of a tourist destination can be guaranteed by "continuous project activities related to literary places and other cultural and natural resources integrated into a tourism product."

Another way literary tourism can contribute to sustainability is by suggesting literary tours which involve walking, cycling, or, use of public transportation, which aligns with sustainable transportation goals and minimizes the impact on the environment by reducing the carbon footprint associated with travel.

Finally, developing literary tourism can stimulate interest in reading and literature. By visiting the sites where famous authors lived and wrote people can get inspired to read their works, thus, contributing to the preservation of literary traditions.

The case of Albania

During the last few years, tourism has become a priority sector in the country (Ministria e Turizmit dhe Mjedisit, [MTM], n.d.) and Albania a rising tourist destination. The tourism sector contributes to the country's GDP and it makes up an important sector in terms of employment. The figures for 2017 were 8.5% and 7.7% respectively, according to Agjencia Kombëtare e Turizmit, AKT [The National Agency for Tourism].

However, even though the National Strategy for Sustainable Development claims to have diversification of the tourist offer as its mission, little has been done so far. This is related to several factors such as poor institutional mechanisms specialising in tourism development/ management, poor infrastructure and insufficient investment, lack of qualified staff, lack of a tourist offer which comprises a rich diversity of attractions, unexploited resources, lack of partnership culture among stakeholders, lack of experience, little use of digital technologies, and so on. As Ciro and Toska (2018: 84) put it,

> Despite the various approaches adopted, elected governments of the past few years have recognized the potential that the tourism sector has to drive economic development. To this end, numerous strategies have been drafted both on a national and local level, most of which have been unsuccessful in operational terms. Brands such as "Albania: A New Mediterranean Love" and "Albania: Yours to Discover" have, on the one hand, fascinated and lured onetime visitors, as demonstrated by the increasing number of foreigners visiting the country. On the other hand, these branding strategies have further widened the shortcomings deriving from incomplete and unimplemented strategies, structural weaknesses, and sectoral policy failures.

The same scholars point out a discrepancy between the government's ambitions for the development of tourism and the latter's minimal contribution to the Gross Value Added. They argue that although the government has been quick to understand the importance of the sector for the country's economy and has taken a few measures to extend the tourism all year round, yet, practically speaking, the application has often failed. Ciro and Toska (2018: 86-7) attribute such failure to a "top-down driven tourism strategy" and the "poorly-skilled and equipped local governments to respond and translate the strategy in operational action plans."

Another problem hindering development is that the tourism sector is not given the necessary financial support; the budget planned for 2018-2022 was less than 0.01% of the GDP and less than 0.1% of the overall government budget (Ministria e Turizmit dhe Mjedisit, 2018: 46).

Ciro's and Toska's analysis of the current tourism situation reveals that the government plays an insignificant role and that this industry mainly depends on the services offered by the private sector. Even though there is legislative framework granting municipalities competences in planning activities which would foster economic development with a focus on tourism, financial problems often make local governments "prone to using opportunistic behaviour to attract investors" (2018: 89) with sustainability being overlooked.

Currently, coastal tourism is still the favourite form of tourism in the country, while cultural tourism falls behind despite it having gained some ground as compared to previous years—12% more visitors in 2022 than in 2021 (AKT: 8). Research reveals that the cultural tourism offer in Albania is still relatively traditional and it typically depends on tangible heritage. Specific plans from the government for sustainable development through literary tourism seem to be missing except for a few scattered efforts (Kadare's house). Economic problems along with inappropriate planning and promotion have hindered the development of this type of cultural aspect. Research is little or lacking and no records are kept concerning the influence of literature in shaping people's perceptions of place and motivating them to visit or the extent to which a literary piece affects one's decision concerning the choice of a tourist destination. Similarly, no on-site research has ever been conducted to explore if the visit changes the reader-tourist's initial perceptions. Also, no specific mention of literary sites (such as Kadare's house/museum) is made on official records produced by specialised institutions such as INSTAT or AKT. Little is done to promote the country's literary heritage. Even though a few literary activities are organised, they lack visibility and the necessary distinctiveness to attract more people. In addition, the writers' houses and their personal belongings are not accessible to the public. The same is true about the preservation of the literary heritage (consider writers' houses in Shkoder: Migjeni's and Pashko Vasa's, Shiroka's, Gurakuqi's). Another drawback is that not much has been translated into other languages, which means that there is no real drive for foreign visitors.

And yet, there is a lot of literary potential in the country. What is needed are specific plans to encourage and promote literary tourism. If literature were exploited in more diversified and interesting ways, the benefits would be multiple. One of the advantages of developing literary tourism here could be its contribution in facilitating the shift from mass to niche tourism for those no longer attracted by overcrowded places, "looking for tailor-made products that provide a unique experience in an authentic environment" (Munster, 2021: 56) and providing information "to satisfy their cultural needs" (Richards, 1996). In addition, many destinations that attract literary tourists are rural or less-visited areas. By promoting literary tourism, these areas can diversify their tourism offerings, reducing the pressure on more popular tourist destinations and spreading the benefits of tourism more evenly (consider Mjeda's house in Kukel for example).

However, despite the challenges, with support from the authorities, it is still possible to develop literary tourism. Asadi et al (2022) suggest a few approaches that include recognizing and designing literary routes, preserving the literary heritage, turning writers' houses into literary tourism attractions, marketing literary tourism, promoting literary events, designing literary tourism maps, and teaching and culturalizing literary tourism.

When considering the development of literary tourism, Hoppen et al. 2014 state that a collaborative approach among different stakeholders might be necessary to create sustainable products and brands. Müller (2006) notes that literary places must meet a variety of other tourist needs. He points out that literary tourism can only develop if other aspects such as infrastructure, landscape, and accommodation are considered. There are several successful examples of the development of literary tourism worldwide, which could serve as models in using literature as an effective tool in branding destinations and creating sustainable marketing strategies.[56]

Conclusions

In the face of globalisation, preserving what is typical and unique has become a must. With rising tourism interest in cultural heritage, it is important to consider the intangible cultural heritage such as the one offered by literature. Literary tourism is an innovative alternative form of tourism which can contribute to sustainability as it is founded on principles such as authenticity and diversity. The role that literature as a cultural component can play has never been seriously considered in Albania. Literature tourism in the country is under-researched and underexploited.

Researcher and tourism authorities need to understand that as an essential element of culture, literature can contribute to promote the cultural appeal of a place and thus enhance the attractiveness of local tourism in sustainable ways. Adding literature to the tourist offer in Albania would help redesign and regenerate the country as a creative cultural space using many of its tangible and intangible cultural assets for both foreign and domestic visitors. This could in turn increase interest in literature and create stronger connections with the literary tradition, offer unique experiences for visitors, help connect with local communities, leverage sustainable tourism, and also support local economy as literary tourism is possible in shoulder seasons, and.

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Some elements of strategic planning for the tourist development of the protected areas of Korrab-Koritnik and the Albanian Alps

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Abstract

The region of Dibra is being visited more in recent years with an ever-increasing number of foreign and local tourists, where this region stands out for its natural diversity, agricultural economic development, tourist potential in rural areas, agro-tourism and cultural heritage, as well as the tourist areas of the National Park of the Alps are characterized by special features of economic development, natural resources, mining, historical and cultural values with really importance in the development of tourism.
The purpose of this study is to provide an analysis of the tourism potential and socio-economic development of protected areas and national parks in the area of Korrab-Koritnik (Peshkopi, Kukës) and the Albanian Alps (Shkodra, Bajram Curri), as well as the analysis of cross-border context regarding existing and new tourist areas and services.
The methodology of this research is based on the collection of secondary data from the study conducted during the period February-April 2023 in the municipalities of Shkodër, Dibër, Kukës and Tropoja regarding the current situation of economic development with a focus on the tourism sector. From the contacts with the representatives of the tourism directorates in these municipalities, the documents of the strategic plans were obtained, as well as the previous studies carried out by the government, municipalities or local and international associations were collected. While for the collection of primary data, about 30 tourism businesses in Dibër Municipality, 25 tourism businesses in Kukës Municipality were surveyed through questionnaires, as well as 10 focus groups (with 5-6 participants) and interviews with representatives of hotels/hostels, bars, restaurants, campsites in Dibër, Kukës, Theth, Valbona Valley. Interviews were also conducted with representatives of municipalities, museums, specialists in the tourism sector, agriculture and medicinal plants, as well as owners of hostels, campsites and bar-restaurants in the areas of the two national parks.
From the results of the surveys, we can see that there are some shortcomings, such as the lack of promotion of tourist destinations that are mainly related to mountain tourism and nature tourism; lack of nature tourism attractions related to recreation, entertainment and sports; lack of an unbroken chain of tourism supply where tourists can be offered transport, accommodation, food, entertainment by local businesses; lack of domestic and foreign investments due to the lack of a favorable climate for these businesses, such as the lack of legality of land ownership in the national park areas and other legal facilities that tourism businesses must have, which leads to the inability to benefit from any international subsidy and donation; need to improve the infrastructure of the tourist trails (signs, maps and maintenance); lack of proper waste management.
In conclusion, we can say that the potential of the areas of the National Natural Parks of Korab Koritnik and the Alps present great potential for the development of nature tourism, where in the short term it is suggested to adjust and maintain the tourist trails in terms of signage and waste management as and financial support of hostels that provide accommodation for tourists in terms of improving the quality of service and tourism offer in general.

Keywords: *analysis, offer, potential, services, tourism.*
JEL classification: *Z31, Z32, R10, Q0, L91*

Description of destinations

The ***Korab-Koritnik National Park*** is located in the northeastern region of Albania, positioned in the border triangle between Albania, North Macedonia and Kosovo, and southwest of the Sharr Mountains. The Korab-Koritnik National Park is accessible via Dibra as a connecting point where from Tirana the journey by public transport (bus) takes 4 hours at a distance of 130 km and from Kukësi by public transport it takes 2 hours at a distance of 75 km.

The region of Dibra is becoming more frequented in recent years with an ever-increasing number of foreign and local tourists. During the period January-October 2022, around 26,000 tourists/visitors are counted (Source: Dibër Municipality). This does not include the visitors of spas, which comprise an approximate number of around 30 thousand tourists (Source: Municipality: Dibër). The situation of tourism development during 2022 is much better compared to the period before the pandemic (2019). This is as a result of the improvement of the tourist offer of Dibra, since with the support of various projects from the government (investment in infrastructure: Rruga e Arbri) and NGOs, the tourist infrastructure and services in this sector have been improved.

Natural diversity, agricultural economic development, tourism potential in rural areas, agro-tourism and cultural heritage have made Dibra part of the "100 villages" project, where it is represented with Radomira, Rabdishti and Upper Kerçishti.

The areas studied by the Alps National Park belong to the Municipality of Shkodër: (Thethi) and the Municipality of Tropoja (Valbona Valley).

Access to the Alps Territory. The territory has a direct connection with Montenegro through the existing customs points Muriqan-Sukobin, Hani i Hotit-Bozhaj (North-South Corridor), Vermosh-Guci and those planned to be built in the future such as Zogaj-Hutaj, Grabom -Cijevna and Qafë Vranicë-Plavë, as well as with Kosovo through customs points Morinë-Vërmicë (Corridor X), Qafë Morinë-Gjakovë. Also, in addition to the border points, there are also several police points such as Valbona, Rosni, and Tamare, which serve only for the passage of pedestrians. Based on the data received from the Ministry of Internal Affairs of the Republic of Albania for 2016, it results that at the border points with Montenegro, about 966,000 vehicles with Albanian and foreign license plates enter and leave, while at the border points with Kosovo about 2 million vehicles.

The flow trend at the border points varies depending on the season, where during the summer season and year-end holidays, this flow is greater.

The tourist areas of the Alps National Park are characterized by special features of economic development, natural resources, mining, historical cultural values of importance in the development of tourism.

The region of the Alps National Park stands out for a suitable terrain for the development of tourism such as:

• ecotourism - local centers such as Boga, Thethi, Razëm and Vermosh;

• mountainous – in the entire area of the Alps;

• natural – the Shoshan canyon, the Grunas waterfall, or even the area and panoramic landscapes of Valbona and Nikaj-Mërturi

In the Alps, there are about 110 rural settlements, small and scattered. They are mainly located in their valleys and slopes, where there were more opportunities for arable land. Their houses are built of stone, in the form of towers and with very steep roofs in order not to keep the heavy winter snow.

Purpose

The purpose of this study is to provide an analysis of the tourism potential and social-economic development of protected areas and national parks in the area of Korrab-Koritnik (Peshkopi, Kukës) and the Albanian Alps (Shkodra, Bajram Curri).

Hypothesis

The hypothesis of this paper is to prove the existence of natural and economic resources efficient enough to support tourism development products and packages in the service of the domestic and international market.

Objectives

The main objectives of this study are:

- Identification of all existing tourism services and economic activities related to natural tourism in the target areas.
- Identification of other potential tourism products through sustainable use of natural resources and development trends in this area.
- Identification of the possibility of involving vulnerable groups in this development with a focus on tourism and relevant sectors such as agriculture, livestock and crafts.
- Identifying and exploring the capacities of rural communities and local businesses to provide tourism services and build infrastructure taking into account habitats and biodiversity protection to end up with an Action Plan that will serve as a guide for improving local well-being beyond the protection of biodiversity.

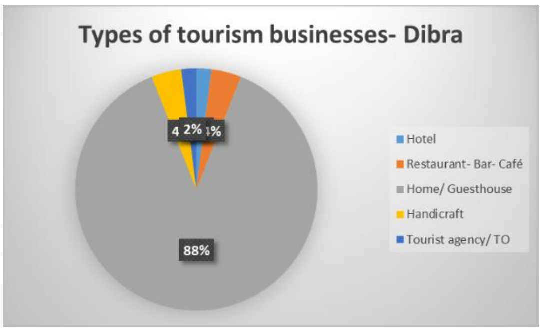
Methodology

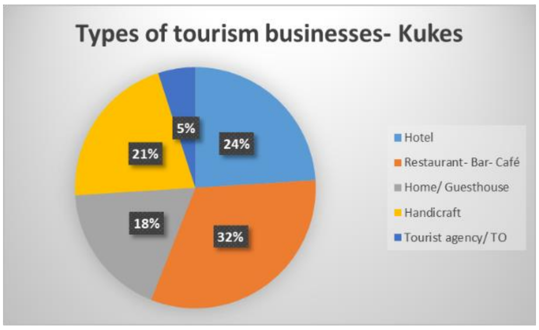
The methodology of this research is based on data collection through secondary research and primary data collected through questionnaires (surveys), focus groups and interviews. The aim of the study was to analyze the tourist offer of the current sustainable tourism of the Korrab-Koritnik (Peshkopi, Kukes) and Albanian Alps (Shkodra) areas and its adaptation to the tourist demand through the collection of opinions and suggestions of the representatives of the municipalities. business representatives, experts, tourists and current and potential residents about the priorities of their regional economy and to identify the problems that hinder and favor the development of sustainable tourism in protected areas. For the preparation of this study, secondary sources are used, which consist of information obtained from previous studies by specialists of districts, municipalities and communes, and from primary sources, which consist of information obtained from surveys conducted within the framework of this study. The method of collecting information consists in the design and distribution of questionnaires in samples regarding the number of the businesses for these areas. Primary data were collected using interviews with specialists and local authorities who have knowledge and information on the economic development potential in the target areas.

Simple statistical methods were used for data processing, which were the basis of the conclusions and recommendations given for the future as part of the final paper.

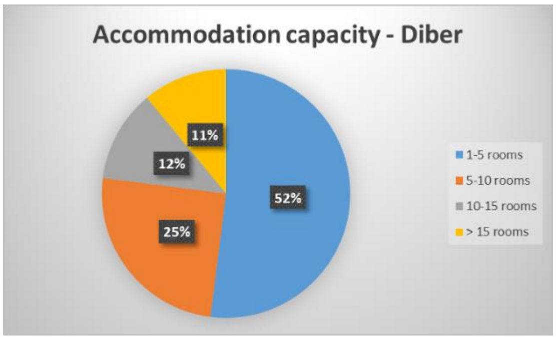
Questionnaire of tourism businesses Dibra and Kukesi

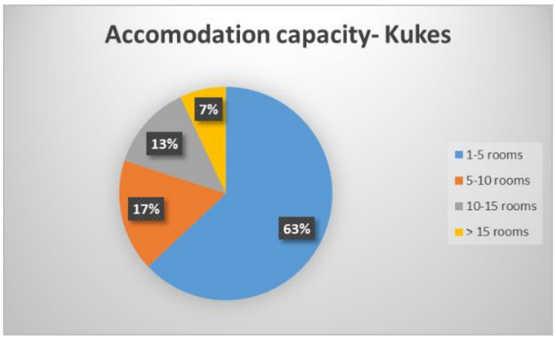
During the study conducted in the period February - April 2023, questionnaires were distributed to 30 tourism businesses in Dibër and 25 tourism businesses in Kukës, from which the following results were obtained:



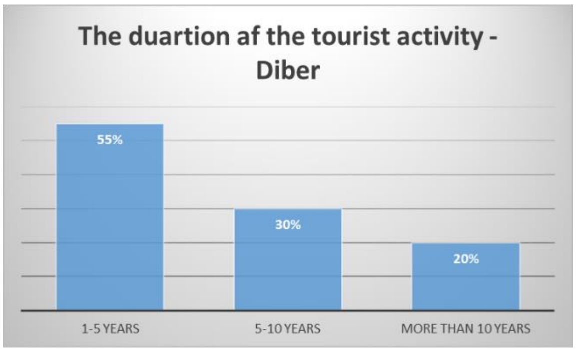


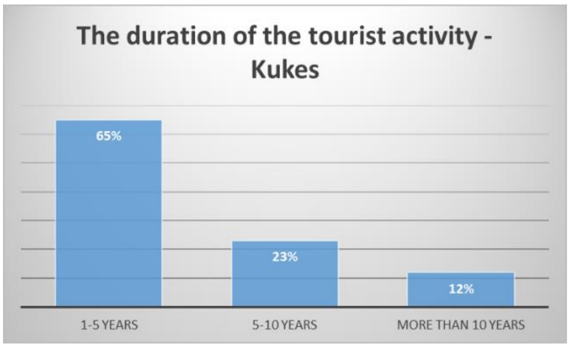
The businesses that participated in this survey are of the guesthouse category at the rate of 88% for Dibra and 18% for Kukës, hotels at the rate of 2% for Dibra and 24% for Kukës and tourist agencies, handicraft businesses at the rate of 4% for Dibra and 24% for Kukës.



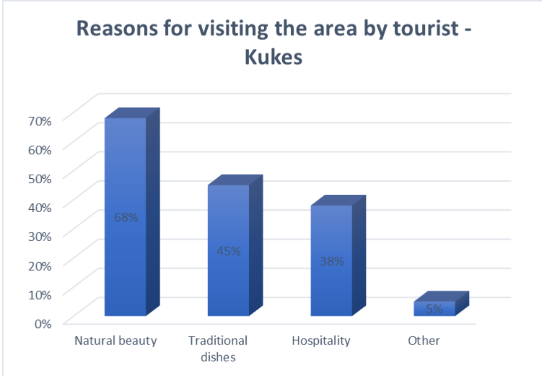


As can be seen from the graph, it can be seen that the accommodation capacities in Dibër are at the rate of 52% with 1-5 rooms and at the rate of 63% with 1-5 rooms in Kukës, consisting of hosting capacities that suit the development of sustainable and nature tourism.

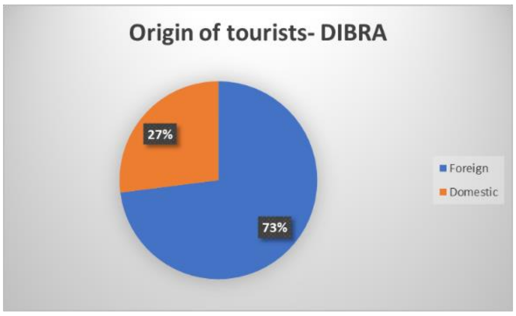


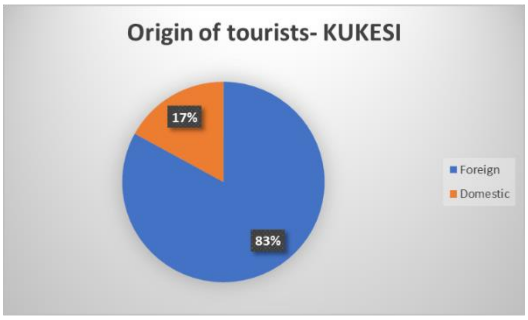


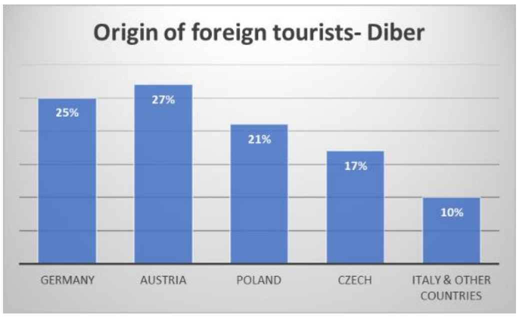
From the graph, we see that the sample businesses of this study belong to a duration of their activity of 1-5 years to the extent of 55% in Dibër to the extent of 65% in Kukës. It should be noted that the COVID-19 situation has brought changes in the tourism offer of businesses as well as the closure of many of them, consisting of relatively new businesses, also due to the fact that the tourism sector is under development in the tourist areas of Dibra and Kukës.

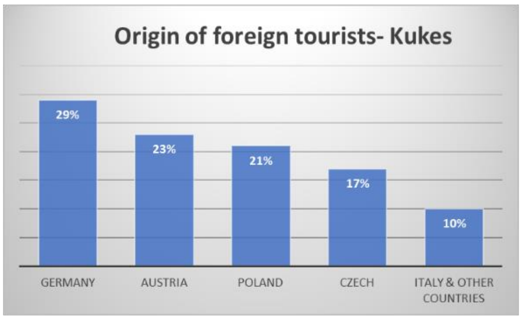


We can see from the graph that the reasons for the attendance by tourists are the natural beauty in the amount of 48-68%, the traditional cuisine in the amount of 45% and the hospitality in the amount of 38%, where the other reasons are related to the existence of unexplored virgin places or curiosity about the culture and Albanian traditions.

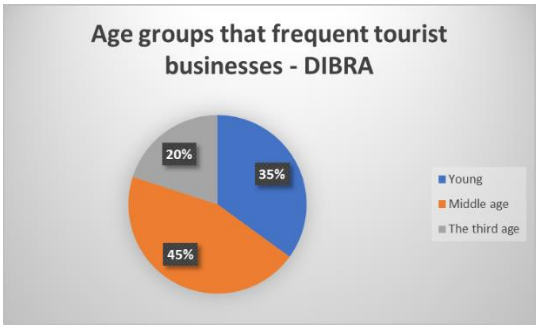


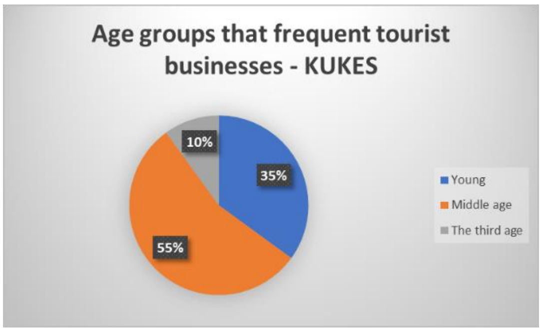






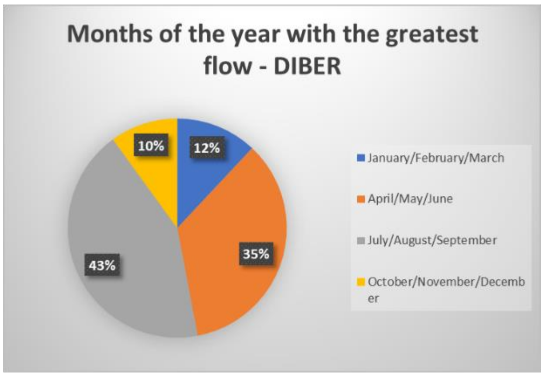
As we can see from the graphs above, foreign tourists lead, where the origin of the tourists is mainly from Europe, specifically from Austria, Germany, Poland, the Czech Republic, etc.

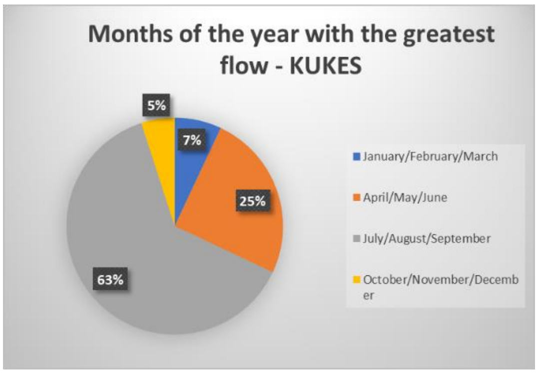




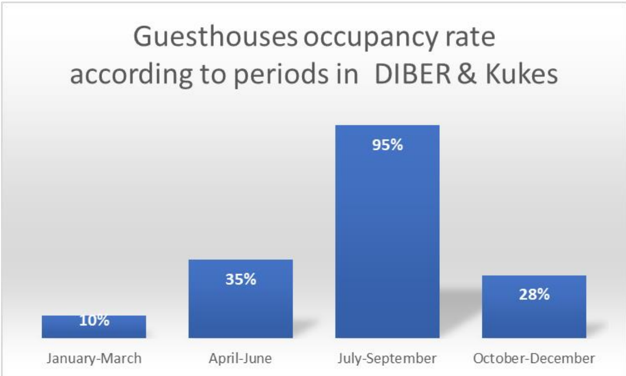
As can be seen from the graphs, the age groups of tourists visiting the tourist destinations of Dibra and Kukes are the young (15-

30 years old) and the middle-aged (30-45 years old) as an indicator to adopt the tourist offer to them as well as an indicator to attract other segments of the tourist market.

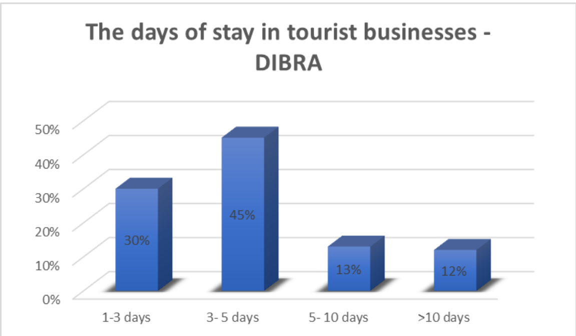


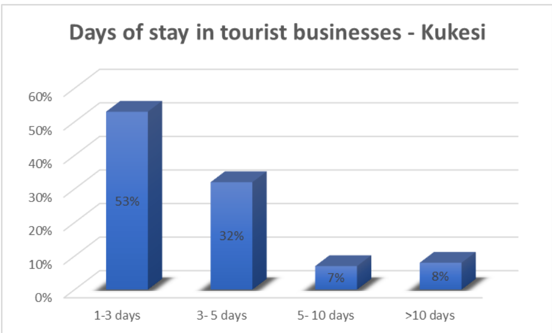


According to the graph, we see that the months with the largest influx of tourists are the period July - September, at the rate of 43% for Dibra and 63% for Kukës, with a tendency for the tourist season to increase towards the months of October - November and April - June. It is also seen that the average rate of occupancy is higher during the months of July - September and this rate is higher in Dibër than in Kukës, showing the necessity of promoting tourist areas in the area of Kukës as well as improving the quality of services (food , accommodation and transport) in these areas.



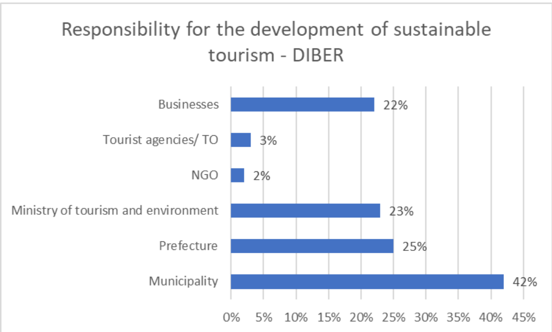
We see from the graph that the numbers of tourists visiting tourist businesses are higher during the period July-September and April-June, giving us an important indication of the need to extend the tourist season through the improvement of the tourist infrastructure.

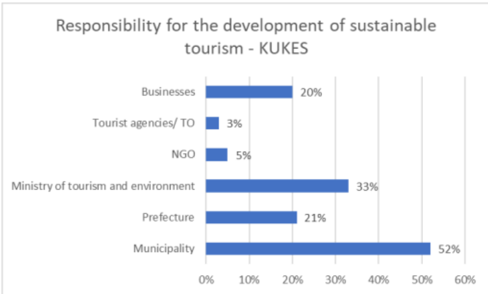




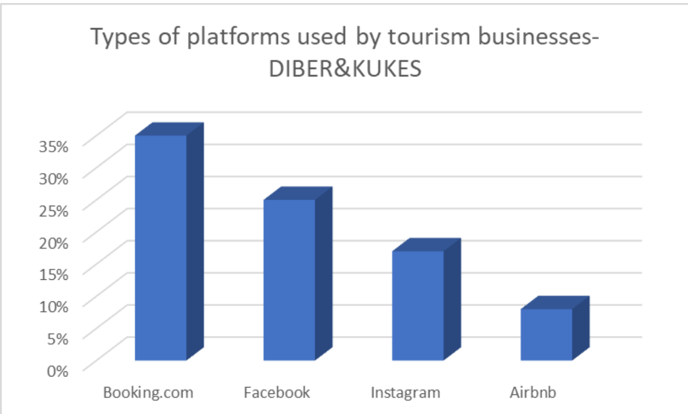
We can see from the graph that the days of stay 1-3 days is the largest percentage in Kukës, while 3-5 days is the largest percentage of stay for businesses in Dibra, bringing the necessity of extending the time of stay with the addition of fun, entertaining activities and sports.

According to the graph, a high degree of environmental awareness of tourist businesses can be seen, where in Dibër (72%) it is higher than in Kukës (58%).

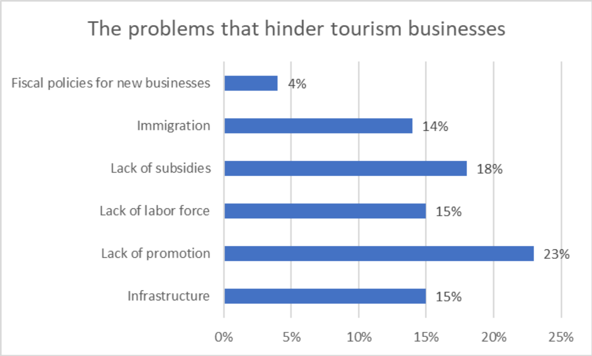




According to tourism businesses, the responsibility for the development of sustainable tourism is 42%-52% of the municipality, then 23%-33% of the Ministry of Tourism and Environment and 20-22% of the businesses themselves.



The development of technology has influenced the tourist businesses of the Dibër and Kukës areas, where 90% of them use digital platforms such as Booking, Facebook and Instagram.



As we can see from the graph, among the main problems that hinder tourism businesses are the lack of promotion, lack of workforce and inadequate tourism infrastructure.

Alps National Park Focus Groups

The focus groups carried out during the period February - April 2023 at *Theth* aimed to draw a conclusion on the current challenges in the management of tourist services, the suitability of their development and the impacts (positive and negative) on the development of sustainable tourism. Some of the identified challenges are:

The lack of legalization of the property of the owners of hostels, which makes it impossible to benefit from any international subsidies and donations.

• The increasing construction of tourist facilities without planning their development in the respective areas increases the pressure on scenic landscapes, leading to deforestation, land degradation, loss of wildlife habitats.

• The construction of hosting tourist facilities by not integrating with the local nature and indigenous architecture of the area leads not only to scenic pollution and loss of the local architectural character. While they may be aesthetically successful, they lack authenticity in various ways.

• Loss of vegetation from the activities of tourists due to the lack of appropriate signage for the movement of tourists and the development and control of tourist activities.

• The lack of proper waste management such as the lack of bins along certain areas and parts of the tourist trails and the inappropriate disposal of waste brings irreparable damage to the natural environment and the scenic landscape.

• Adaptation by local youth of some habits, cultural manifestations and new lifestyles that are not the tradition of the area as a result of the introduction of new cultures by visitors.

• Absence of the tourism supply chain that engages local businesses in providing offers related to transport/guides-accommodation-food-entertainment/sports.

• Lack of tools and spaces for sports activities such as hand games or skiing.

Currently there is a critical need to harmonize environmental protection and house restoration so that residents are aware that they should consider these two as inseparable parts to improve the quality of life. Environmental awareness should be offered together with interventions to improve infrastructure and ongoing generating activities, thus forming an alliance with residents on a personal level and also awareness of environmental protection and economic development.

Currently, there are only a few activities that bring economic benefits as part of the supply chain where some tourist businesses (accommodation facilities, farmers) cooperate in the service of tourists. Due to the distance from markets and limited agricultural land, local producers are not in a position to compete in local, regional, international markets, being limited in offering tourists local products in small volumes but of high quality. These products are more suitable to be consumed in the context of the local tourist market and are subject to seasonal fluctuations in tourist demand. Based on the evidenced potentials, it is clear that the economic development for this area will be the local tourist development with a focus on mountain tourism extending during the four seasons of the year combined with the development of livestock and local agriculture.

Valbona Valley Focus groups: The locality is characterized by the typical architecture of the Tropoja highlands. Houses are scattered and there is no consolidated center of settlements. Through natural paths, it is connected to Theth, Dobërdol, Kosovo, Montenegro.

As a summary of focus groups we can say that in the locality there are natural and landscape assets that make the following interventions necessary.

• Identification of the center of the locality near the Tourist Information Center.
• Creation of public parking spaces also adapted for buses.
• Recovery of buildings under construction to adapt them to elements of traditional architecture.
• Enriching the area with structures of gastronomic services to promote daily tourism.
• Determining and setting up signage on the paths to the mountains and alpine pastures, potential for the development of winter sports.
• Point of promotion and trade of traditional gastronomic, ethnographic, handicraft products.
• Point of sale of guides and tourism products.
• Identification of the necessary spaces for setting up campsites.
• Training of hosts in providing services and tourist information for the locality.

Reccomendations

At the end of this study, we can say that the potential of the areas of the National Natural Parks of Korab Koritnik and the Alps present great potential towards the development of nature tourism, where in a short-term period it is suggested to adjust and maintain tourist trails in terms of signage and management of waste as well as financial support of hostels that provide accommodation for tourists in terms of improving the quality of service and tourist offer in general. While in the medium term it is necessary to undertake the following measures:

 Extending the length of stay of tourists from 1-5 days to 7-10 days as well as extending the tourist season from May-September to a higher intensity in January-March and October-December by diversifying the tourist offer with sports tourist attractions, cultural and entertainment that respect the nature and legal framework of the management of national parks.

 Improving the tourist offer through the strengthening of the value chain where the accommodation structures must cooperate with farmers for the provision of local organic products and other typical handicraft products, bringing the simultaneous development of tourism and agriculture, livestock and handicrafts with great potentials in both districts (Diber, Shkoder).

 Design and development of a marketing program for the creation of the destination brand and the Destination Management Organizations that will strengthen the appeal to tourists and the stronger promotion of the park areas and the typical local tourism products they offer.

 The creation of nature tourism attractions related to fun, entertainment and sports that can attract several categories of tourists of different ages, preferences and origins than those who currently frequent the destinations.

Need to improve the infrastructure of the tourist trails (signs, maps and maintenance).

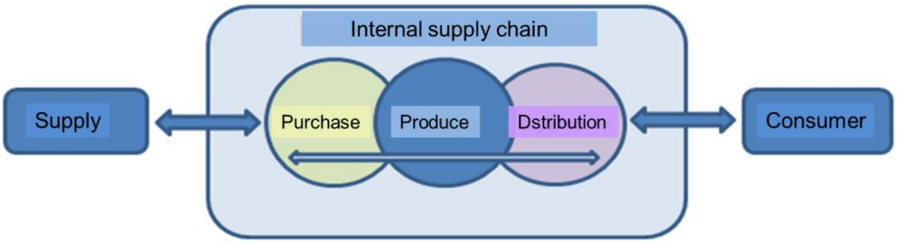
Solution of the problems related to the legalization of the properties of the owners of the guesthouses, which leads to the impossibility of benefiting from any international subsidy and donation.

 Promotion point and trade of traditional gastronomic, ethnographic, handicraft products.

Sale point of guides and products in the function of tourism.

Identification of the necessary spaces for setting up campsites.

 Internal supply chain



Since among the main problems also identified by the analysis of the questionnaires of tourist businesses in the areas of Dibra and Kukës and the focus groups that were carried out in Theth and the Valbona Valley, there is a tourist offer that is not coordinated and disconnected in many cases from the local resources of the tourist areas the implementation of the concept and scheme of the tourism supply chain should be developed in addition to the actors of a tourist destination but also between two or three destinations that are in close proximity to each other so that the costs of transportation do not exceed the cooperation in the transportation of tourists and products for the supply Theirs. A model of cooperation could be between the area of Theth and the Shala Valley, where this valley has the opportunity to cultivate vegetables and fruits with which can supply the tourists who visit the Shala Valley and those who visit the Theth area.

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POSTER SESSION

Budget deficit and public debt in Albania

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Abstract

The sustainability of public finances is a very important issue that affects many economic discussions. For many countries in the world, keeping the public debt under control is an economic and political challenge. For our country, a high short-term debt means a high risk of fiscal financing, and in the medium term this increase can reduce private sector lending and economic growth itself. A sustainable economic growth is quite important for any economy. This certainly also applies to Albania, which, as a developing country, aims to take steps forward to achieve membership in the European Union.
As a result of the COVID-19 pandemic, which followed the strong earthquake that hit Albania in November 2019, the country has suffered a major economic contraction on the one hand and an expansion of the deficit and borrowing, on the other hand, reversing the downward trend of debt in recent years and increasing public debt for 2020.
This paper aims to present an overview of the state budget, the budget deficit in our country, the possibilities and resources that the government can use to cover this deficit.
The main purpose of this paper is to present a complete overview of the public debt in Albania, the comparison between years as well as a comparison with other countries in the Balkan region.

Keywords: *Expenditure, Revenues, Internal Debt, External Debt, Economic Growth.*

JEL classification: *(H61, H62, H63)*

Introduction

Albania, like any other country, faces the phenomenon of public deficit. Deficit is the beginning, it is the main reason that promotes public borrowing, so it is important to identify the size of the deficit and the goals of increasing government spending.
The biggest problem with public debt is that it does not generate economic growth, but only aggravates the fiscal situation, becoming a burden on the budget.
In this paper, we are going to present a complete overview of the public debt in Albania, the comparison between years as well as a comparison with other countries in the Balkan region.

Budget, Revenues and Expenditures

Just as every family plans its expenses based on the amount of income it has available, the government also plans its expenses depending on the budget it draws up.

So, government budget is compared to a descriptive act, which defines all lines of government revenue, expenses and investments in a year, as well as a reserve fund[57].
Government budget is planned for a certain period which is called "budget year". This year consists of 12 months and according to standards established in our country is the same as calendar year, i.e. it starts on January 1st and ends on the 31st December.

1.1 Government revenues

The total revenues of the government budget include all revenues from various tax, non-tax sources and aid given by foreign governments or donors. Tax revenues come from taxes and customs, local government and special funds. Non-tax revenues are revenues that come from the economic activity of public enterprises, from public property, from administrative services and secondary revenues.

Tax revenues are the category that makes up the largest share of budget revenues. In the last two decades in nominal terms, in Albania, general revenues have increased steadily from year to year, with the exception of some specific years such as 2013, the year of political rotation accompanied by changes in the direction of the tax and customs administration or 2020, the year of closure due to the Covid-19 pandemic accompanied by suspension and closure in some economic sectors. The table below shows the income in the state budget from 2011 to 2022

Year	Budget Revenues (million ALL)
2011	330,475
2012	330,384
2013	328,627
2014	366,686
2015	379,206
2016	407,021
2017	430,397
2018	449,909
2019	460,349
2020	425,905
2021	489,526
2022	536,811

Table 1. Progress of budget revenues over the years (2011-2022)
Source: Ministry of Finance and Economy, Albania

Budget revenues in total have an increasing trend year after year. If we take a look at all the years one by one, we see that the income trend is downward in the first 3 years. From 2011 to 2013, we have an annual decrease of 0.56% of income. After this year until 2020 we have an increase in income. In 2020, due to the situation of Covid 19, the total income falls, mainly due to the decrease in tax income.
In 2021 and 2022, the increase in budget revenues continues, where in 2022, about 540 billion ALL were collected, the maximum value among the years under consideration. From 2011 to 2022, revenues in the state budget have increased by approximately 206 billion ALL.

[57] https://shtetiweb.org

The above data are presented in the graph below.

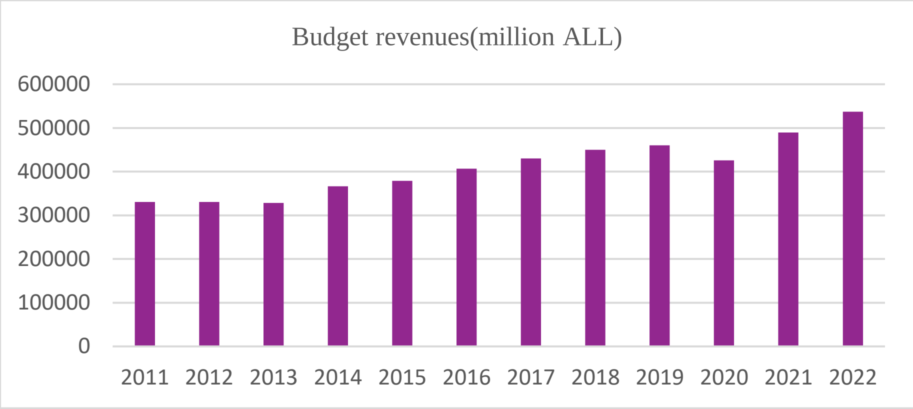

Figure 1. Progress of budget revenues over the years (2011-2022)
Source: Ministry of Finance and Economy, Albania

1.2 Government expenditures

The total expenditures of the government budget are non-refundable payments made by the government for the realization of its functions (health, defense, education, maintaining order, etc.).
The structure of expenditure consists of several categories, such as capital expenditures that are investments and public works with long-term effects and sustainability, current expenditures that are expenses with short-term effects for salaries, purchases of goods and services and the like.

- purchase of goods and services
- purchase or creation of long-term assets
- payment for borrowing
- government transfers
- grants, contributions and donations
- rental expenses
- financial payments
- interest expenses
- financial lease expenses
- payment of debt principals, etc.

Year	Current expenditures (million ALL)	Capital expenditures	Total expenditures
2011	307 221	69 079	376 352
2012	312 585	61 656	376 241
2013	328 641	65 477	394 051
2014	341 012	60 749	438 849
2015	350 752	63 059	437 408
2016	368 720	59 478	433 697

2017	382 287	68 455	461 410
2018	397 345	78 434	476 147
2019	416 849	74 986	491 897
2020	421 367	101 900	536 279
2021	461 065	128 044	610 069
2022	499 989	112 119	637 694

Table 2. Government budget expenditures.
Source: Ministry of Finance and Economy, Albania
The table above shows the two main categories of expenditures, as well as the total expenses. From 2011 to 2022, current and capital expenditures have increased, thus their total.
If we look at the details year by year, we see that the current expenses have continued their growth, taking up the main part of the total expenses, while the capital expenses have fluctuated year after year.
These data are also presented in the graph below.

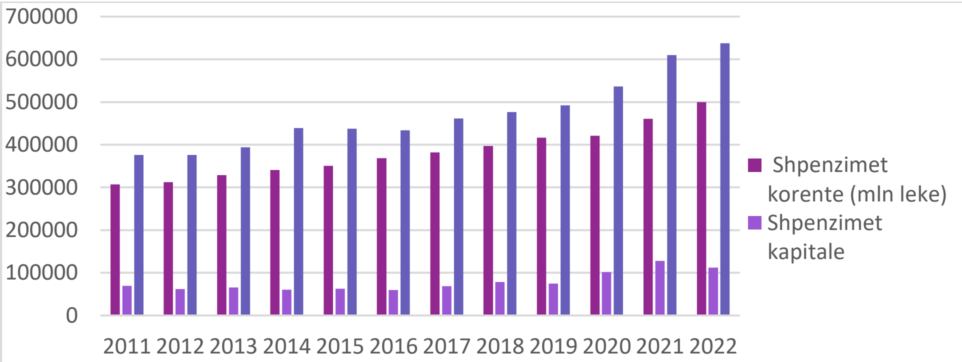

Figure 2. Government budget expenditures.
Source: Ministry of Finance and Economy, Albania

1. Surplus and deficit budget

A fiscal deficit occurs when, in a given year, a government spends more than it receives in revenues. On the other hand, a government will run a surplus when revenues exceed expenditures.
The revenues are not realized because not all taxpayers are correct with the law and avoid the obligations to pay, due to the difficulties in collecting taxes, due to the social policies that the country follows, etc., while the payments are high for due to public investments, current expenses, etc.

2.1 Deficit budget

To balance the accounts, the deficit can be compensated through:

- borrowing, this shifts the problem in time, the creditor's trust is needed and there is an additional cost since interest must be paid
- using previously accumulated reserves from budget surpluses realized during previous years
- increase in taxes, assuming that they do not stifle economic activity, which would lead to a decrease in revenues for the public budget. Conversely, the reduction of taxes designed to stimulate the growth of economic activity would bring about the increase of the aggregate of fiscal revenues

- monetary emission. This is the last way the government should use, because of the high negative consequences it can bring.
- reduction of public expenses.

In the chart below, is presents an analysis of revenues, expenditures and, consequently, the budget deficit from 2011 to 2022 in Albania.

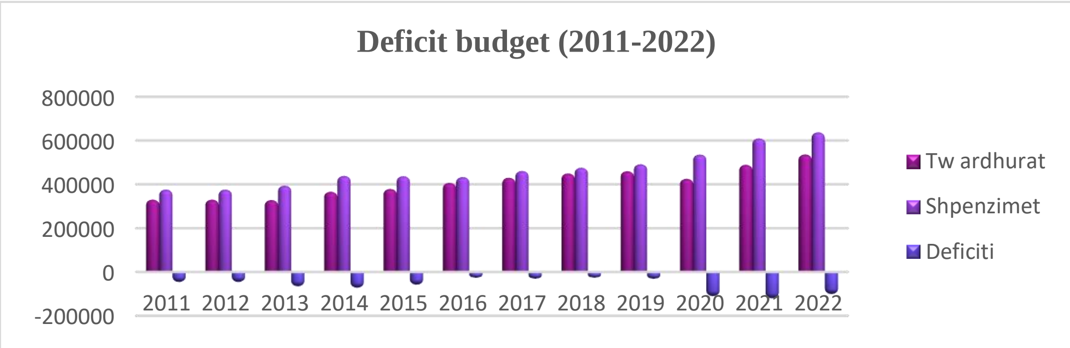

Figure 3. Budget Deficit over the years (values in million ALL)
Source: Ministry of Finance and Economy, Albania

The difference between the revenues and expenses of the Government in Albania during these last 11 years has been equated to deficits. This is a normal thing for countries in transition. The analysis of the budget deficit over the years shows that in the period 2011-2015 it is characterized by an upward trend from 45.8 to 58.2 billion ALL, mainly stimulated by the higher growth of expenses than budget revenues. The years 2016-2018 continue to result in a negative but improved overall balance as a downward trend appears, respectively from 26.7 to 26.3 billion ALL, an improvement mainly resulting from a higher increase in budget revenues. The year 2019 continues with an increase in income, but a higher increase in expenses, on the other hand, has been accompanied by a worsening of the budget deficit.
Then in the years 2020 and 2021, the most difficult situation appears in terms of high levels of budget deficit. In 2020, the deficit exceeds the amount of 110 billion ALL, stimulated by the high increase in budget expenditures necessary for managing the pandemic and the consequences of the earthquake. To be followed in 2021 where the budget deficit reached its peak. In this year, the value of the budget deficit reached 120 billion ALL. In 2022, we have a decrease in the budget deficit.

2.2 Budget deficit to GDP in Albania

Usually, to assess how deep a country's budget deficit is, its ratio to a country's production (Gross Domestic Product) is calculated. This figure shows what part of the value of the total production of the economy is occupied by the budget deficit of the state.

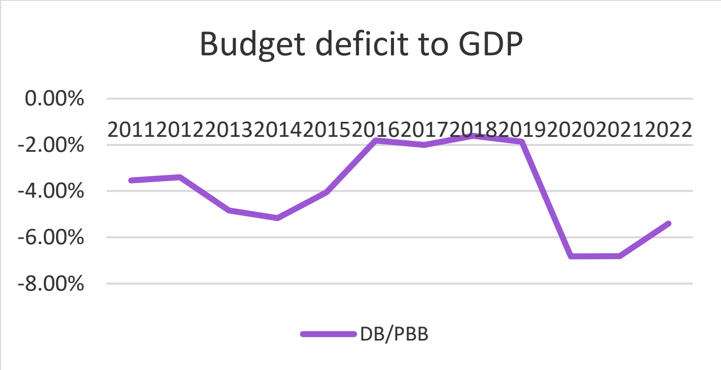

Figure 4. Budget deficit as a part of GDP
Source: Ministry of Finance and Economy, Albania

In the graph we can identify the years with the improvement of the budget deficit.
Specifically, in 2015-2019 where budget/GDP deficit fluctuates from 4% to 1.9%. This period consists of better management of public finance as a result of new coercive measures applied after 2016. Introducing new fiscal rules in the law of budget system management in Albania in 2016, including compulsory clauses 'to ensure a decline in public debt until you reach 45% of GDP'. As a result of the implementation of legal clauses, it has led to a decline in public debt. We see a significant increase in the budget deficit in the last 2 years.

2.3 Sources of financing budget deficit

Two sources can be used to cover the budget deficit, internal and external.

Internal Funding Sources:

- issuing securities
- issuing other state assets,
- Central bank loans.

Internal market funding can also be accompanied by restrictions derived from relatively short lifespan of domestic debt, high level of debt refinancing, non -developed state title market, etc. These resources solve the problem temporarily, but loans in the future will require debt repayment or assets sold will no longer be profitable. All of these methods only delay the problem, but do not solve it.
On the other hand, the high demand for government funding in the domestic market can reduce the private sector's lending, which is a very important factor in: the economic growth of the country, the reduction of the unemployment rate as well as the increase in productivity and competitiveness in the region and beyond.

External resources

These include:

- Credit from international banks (mainly from the International Monetary Fund)

- Credit from other countries
- Free financial assistance (grants) for implementing intended programs of international importance.

Consequently, foreign resources of financing in the medium term will serve as an internal resource supplement. Internal borrowing is easier to accomplish in terms of procedures, avoids exposure to the risk of exchange rate. The government can borrow even when the income is equal to the expenses. That's because it has to pay previous debts. The debts that were previously not had all the 1 year maturity deadline.
Therefore, even if she does not currently need to borrow, she spends on the debt she has received in the periods taken in previous periods. In this situation, it is a burden of the subsequent governments the repayment of these debts when they mature.
A country's debt stock is the total public debt that has not yet been repaid[58].

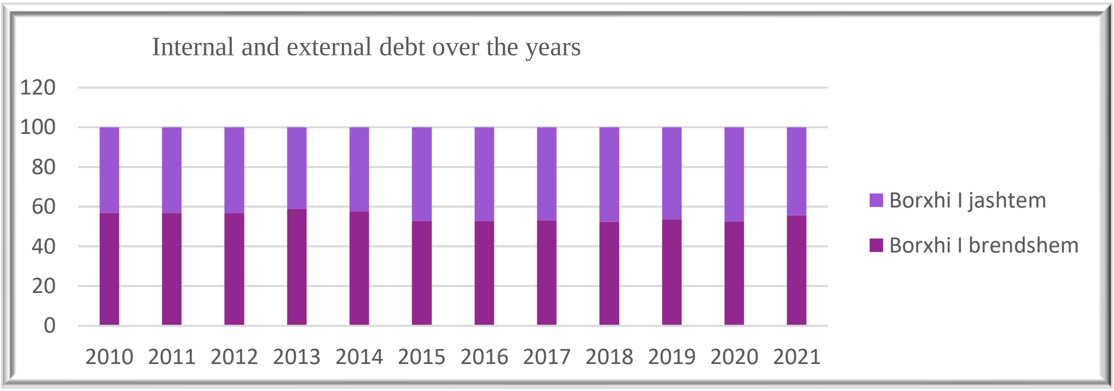

Figure 5: Internal and external debt over the years
Source: Ministry of Finance and Economy, Albania

From 2010 to 2011 we have increased financing of the budget deficit from external debt and declining the same size of domestic debt funding. 2012 remains at the same level as those of 2011 where the state budget is financed with 56.8% from internal debt and 43.2% of external debt. In 2013 we have an adverse trend where external debt funding drops by 2.1% compared to last year, reflected in the growing funding with domestic debt. From 2013 to 2016 we have a steady increase in financing of deficit from external debt and a decline in domestic debt funding. From 2017 to 2021 we have continuous fluctuations in the weight of domestic and external debt in the funding of the state budget. External debt funding remains at higher levels than 2010-2014.

58 https://financa.gov.al/wp-content/uploads/2022/02/Buletini-i-treguesve-te-borxhit-31.12.2021.pdf

2.4 Albania and other countries in the region

Below, the table shows public debt to GDP for Albania and some other countries in the region.

	2016	2017	2018	2019	2020	2021
Shqipëri	72.4	70.2	67.7	66.2	77.9	78.6
Bosnjë dhe Hercegovina	43.8	37.7	35.6	34.5	38.8	38
Kosovë	14.5	16.4	17	17.6	22.4	23.2
Maqedonia veriut	48.8	47.7	48.4	49.4	60.2	62.7
Mal i Zi	70.4	69.1	74.1	80	108.7	90.7
Serbi	68.6	58.7	54.4	52.7	57.8	60.3

Table 3. Countries in the Balkan region, public debt / to GDP (2016-2021)
Source: Ministry of Finance and Economy Albania; World Bank

Referring to the table above, we see that in 2016 Albania ranks first for the high weight of public debt to GDP. After Albania is Montenegro, Serbia, etc. Kosovo is the state where public debt to GDP occupies the lowest weight. This trend continues in 2017. In 2018-2019 Albania and Montenegro 'change countries'. So Montenegro has a higher weight of public debt to GDP then Albania comes. Even in these years Kosovo has the lowest weight of public debt to GDP.
At first glance is the year 2020. It is the year where the influence of the world pandemic first appears. In this year, Pasha of public debt to GDP has been higher in Montenegro than in other countries in the region. This can be explained by the structure of this state's economy. Being the highest weight activity results in the tourism sector, the closure of the economies has resulted in a significant reduction in this state's income. The above data is summarized in the graph below.

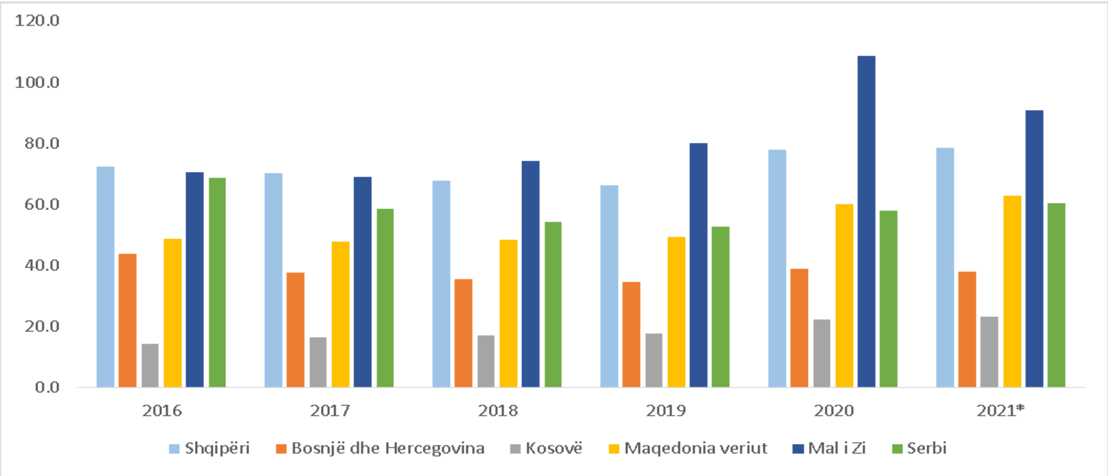

Figure 6. Countries in the Balkan region, public debt / to GDP (2016-2021)
Source: Ministry of Finance and Economy Albania; World Bank.

So, to summarize Albania does not appear in countries with the poorest annual finance performance, it turns out the second for the highest public debt. The highest debt growth was experienced by Montenegro over 28% increase compared to 2019, with 76.5% exceeding 105% of GDP in 2020.
Albania is third in the region for public debt growth plus 11.7%, from 66.2% in 2019 over 77.9% in 2020.

2.4.1 Why do governments borrow?

Some reasons are:

- to finance long -term investment in infrastructure.
- to keep current expenses, without increasing taxes during difficult periods or to face difficult situations such as natural disasters or wars.
- To keep current expenses without increasing taxes (in order to achieve the highest economic growth) by passing part of the burden on future generations thinking that the country in the future will be in a situation more favorable to paid.
- to finance the government budget deficit;
- to refinance government debt, previously signed;
- to pay government guarantees;
- to pay the cost of emission of government debt;

In all cases the government should analyze two main moments: the first, if the benefit from the expense or investment made is greater than the cost of the loan and the second, if it is better alternative to the debt or the increase and increase taxes.

Conclusions

The government has reduced the scope through which it can generate additional revenue to pay off obligations. Especially the situation created by the earthquake and the pandemic crisis makes the situation even more difficult. Because of these limitations, the country's debt is entering a dangerous cycle, where economic growth will have to be made available to repay the debt.
Governments take on debt for some expenses that are not covered by revenues. They are usually investments in infrastructure and development projects that can produce economic growth. Through the growth and productivity that these projects create, they affect the increase in benefits for debt repayment. The idea is that debt-financed projects in the future generate income that helps reduce it going forward. The biggest problem with the high public debt is that it has not generated economic growth, but has only aggravated the fiscal situation, becoming a burden on the budget.
As a result of the COVID-19 pandemic, which followed the strong earthquake that hit Albania in November 2019, the country has suffered a major economic contraction on the one hand and an expansion of the deficit and borrowing, on the other hand, reversing the downward trend of debt in recent years and increasing public debt for 2020.

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An Insight on How Corruption Affects Firm Performance: The Western Balkan Case

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Abstract

In the following paper, we examine the extent of small- and medium-sized businesses' (SMEs) corruption and how it affects the Western Balkan nations' economies. We utilize survey data from the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and the World Bank Group (WBG) from 2019. Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Montenegro, and Serbia have been chosen. The questions in the dataset enable us to understand what firms encounter in the private sector. The information gathered is based on the experiences of businesses and how they view their operating environment. In our study, we evaluate how well an organization is doing in terms of growth in sales, headcount, and fixed assets.
Enterprise factors including age, size, ownership structure, legal status, availability of formal banking services, ownership by gender, and other constructed variables are included in the vector of independent variables. Additionally, we will concentrate on the following ES questions in order to determine how much perceived corruption there is among businesses: Is it common to have to pay some irregular additional payment or gifts to get things done with regard to customs, taxes, licenses, regulations, services", and the "corruption payment" is defined in the form of a dummy equal to one if the enterprise replies "frequently", "usually" or "always".
Results from preliminary empirical research offer insight on the degree and impact of corruption on the performance of enterprises. The selected countries' magnitudes and statistical significance, however, varied from one another. Both in terms of employment productivity and sales growth, we find a positive but not statistically significant effect for Albania. While we observe negative and statistically significant results for employment productivity in the other western Balkan nations.
On the one hand, businesses might have to "grease the wheels" of the bureaucracy, deal with a variety of bottlenecks, and use bribery to their advantage while installing new capital equipment. On the other hand, corruption has a significant adverse effect on the productivity of the labor force.

Keywords: *Firm Performance, Entrepreneurship, Corruption.*

JEL classification: *L25, L26, D73*

Introduction

Corruption is widespread in the Western Balkan countries. International agencies categorize several economies in the region as having substantial degrees of corruption (Qerimi & Sergi, 2012; Budak & Rajh, 2014; Kalaj, 2015; Xhindi & Gjika, 2022). The Corruption Perception Index, developed by Transparency International, ranges from 0 to 100, with lower numbers indicating nations with a high level of corruption. For example, in 2022, the United Kingdom had a score of 73, while Albania and Bosnia and Herzegovina achieved scores of 36 and 34, respectively.

The detrimental effects of corruption and regular bureaucracy on corporate performance and market access are widely acknowledged. The literature on corruption suggests that making formal and informal adjustments to legislation in countries with weak institutions can decrease inefficiencies (Hellman et al., 2003). The interplay between business and government authority has a significant impact on the operational performance of a firm (Sotiropoulos, 2017; Bartlett, 2021; Kalaj & Golemi, 2023). Businesses that have an enormous administrative burden may turn to corrupt public officials for assistance in order to improve their economic activity. While a bureaucratic environment with several lengthy procedures may hinder entrepreneurial chances and decrease earnings, organizations that effectively navigate regulations by employing diverse networking tactics with authorities achieve superior performance.
The structure of the paper's summary is as follows. The notion of "corruption" is presented in Section 2, accompanied by a comprehensive examination of existing literature. The data and methodology for analysis are outlined in Section 3, while the conclusion may be found in Section 4.

2 Literature review

According to studies on rent-seeking or the so-called "helping hand" kind of corruption, corruption may be the means by which an ineffective regulatory environment is avoided, especially in emerging and developing nations (Wieneke & Gries, 2011, Hanousek & Kochanova, 2016). An argument has been made that in countries where corruption is expected in every transaction, the expectation of corruption diminishes the 'unfairness' of corruption and greases the wheels of businesses. Corruption affects the performance of organizations of all sizes. However, larger firms may potentially gain more by engaging in rent-seeking behavior compared to smaller enterprises. This has been supported by studies conducted by Mendoza et al. (2015), and Rose-Ackerman & Palifka (2016).
A common phenomena known as "corruption" is the term used to characterize unethical or illegal actions taken by public servants, private citizens, or other people with the intention of achieving personal gain. The current research is engaged in a debate regarding the impact of corruption on corporate performance. One perspective regards corruption as a means to expedite bureaucratic processes and improve inefficient service supply, akin to "greasing the wheels" (Meon & Weill, 2010; De Vaal & Ebben, 2011). According to another school of thought (Kaufmann & Wei, 2010; De Rosa, Gooroochurn, & Gorg, 2015), corruption exacerbates rent-seeking, increases transaction costs and uncertainty, leads to inefficient investments, and results in an insufficient distribution of production components, all of which are detrimental to the economy.
The capacity of businesses in the Western Balkans to grow, develop, and compete is hindered by corruption, according to the findings of researchers. This is because corruption has a detrimental impact on the performance of enterprises in the region. Numerous research works have explored the relationship between corruption and business performance, and they have determined that corruption is a major impediment to economic expansion and advancement in the Western Balkan nations (Budak & Rajh, 2014; Zeneli, 2016; Kresic et al., 2017; Vučković et al., 2022).
Research has shown that, despite the detrimental consequences of corruption on business performance, certain elements, such as transparent and excellent governance, might help to lessen these effects. In particular, institutional reform that is aimed at decreasing corruption, increasing transparency, and strengthening the rule of law can be of assistance in fostering innovation, growth, and economic development by improving the environment in which businesses operate. Uberti (2020) suggests that companies may be required to offer bribes in Albania and Kosovo as a means to expedite bureaucratic processes, eliminate various obstacles, and capitalize on investments in new capital equipment. The evidence also demonstrated that there would be no adverse impact on investment if corruption were to occur. Therefore, it would appear that corruption has a "problem-solving" effect in this sense.

3 Data and Methodology

The European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and the World Bank Group (WBG) jointly developed the Enterprise Surveys (ES) initiative in 2019, from which we use survey data. The countries that have been chosen are Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Montenegro, and Serbia. The study encompasses a comprehensive range of topics pertaining to corporate operations, market focus, financial outcomes, employment, as well as the infrastructural, criminal, corruptive, and legal settings.

The analysis of data indicates that detrimental actions by competitors in the informal sector appear to be primarily a hindrance in Montenegro (35.5 percent of respondents identified this as the main obstacle), closely followed by Kosovo (25.48 percent) and Serbia (19.73 percent). Research indicates that informal sector rivals most often affect small enterprises that serve low-entry markets (Lamanna, 2007; Williams & Kosta, 2020). Bosnia and Herzegovina and North Macedonia are the two countries in the region that have the most significant economic issues due to political instability, compared to other countries in the region. Bosnia and Herzegovina experiences political instability that accounts for 21.18 percent of its economic challenges, while North Macedonia's political instability contributes to 28.6 percent of its economic challenges. Although several Western Balkan countries have made major improvements to their tax systems and maintain relatively low tax rates, Albanian enterprises have identified taxation as a significant obstacle.

Based on the data presented in Figure 1, it is obvious that corruption is more severe for businesses operating in Albania, with 8.41 percent of respondents identifying it as the main obstacle. Kosovo and Bosnia and Herzegovina follow closely, with 7.94 and 7.26 percent of respondents respectively.

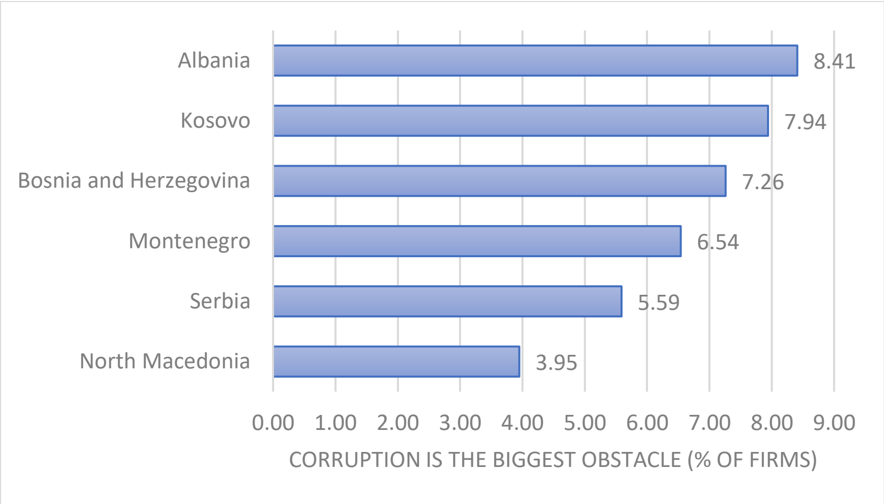

Figure 1. % of Firms perceiving “Corruption as the main obstacle”

The assessment of a company's performance is contingent upon its sales growth and labor productivity, as both elements are crucial in generating wealth, employment opportunities, and overall economic expansion.

The following ES question's responses provide the corruption measure: “*Is it common to have to pay some irregular additional payment or gifts to get things done with regard to customs, taxes, licenses, regulations, services*” defined in the form of a dummy equal to one if the enterprise replies “frequently”, “usually” or “always”. The firms' performance is assessed based on three variables: sales growth over the past three years, employment productivity evaluated as the logarithm of operational revenue divided by the number of employees, averaged over the past three years, and fixed assets growth over the past three years. The independent variable vector comprises enterprise attributes such as enterprise age, size, ownership structure, legal status, sector, gender ownership, and other composite factors.

Sales growth	(1) ALB	(2) BiH	(3) KOS	(4) MKD	(5) MNE	(6) SRB
Informal Payments	.115	.002	.391	-.368	-.191	.107
	(.463)	(.199)	(.464)	(.29)	(.445)	(.236)
Age	-.048*	-.01	.007	-.01	-.034	-.012
	(.027)	(.012)	(.045)	(.017)	(.026)	(.014)
Age squared	.001**	0	0	0	0	0
	(0)	(0)	(.001)	(0)	(0)	(0)
Manufacturing	-.237	-.575**	-.442	-.622**		-.827***
	(.337)	(.263)	(.351)	(.303)		(.284)
Retail	.533	.053		.673**	-.541	-.143
	(.326)	(.259)		(.297)	(.333)	(.279)
Sole proprietorship	-.437	.954*	-.599	-.346	-2.549**	-.039
	(.417)	(.528)	(.692)	(.306)	(.983)	(.369)
Partnership	.005	.09	-.209	-.113	-1.594*	.223
	(.288)	(.211)	(.7)	(.57)	(.88)	(.36)
Small	-1.642***	-3.41***	-2.8***	-3.389***	-3.785***	-3.258***
	(.4)	(.266)	(.746)	(.357)	(.413)	(.294)
Medium	-.744**	-1.481***	-1.605**	-2.213***	-2.277***	-2.094***
	(.367)	(.252)	(.735)	(.352)	(.452)	(.289)
Female	.664	-.298	.538	1.439	.866	-2.124*
	(2.184)	(.615)	(2.06)	(.946)	(1.11)	(1.184)
Foreign	-.355	.332	1.132	1.121**	.266	.666*
	(.45)	(.271)	(1.011)	(.468)	(.507)	(.349)
Exporter	-.065	.278	-.214	.879***	.63	.342
	(.339)	(.241)	(.373)	(.308)	(.403)	(.254)
_cons	17.572***	15.906***	13.883***	17.293***	16.534***	21.767***
	(2.163)	(.762)	(2.179)	(1.103)	(1.497)	(1.3)
Observations	261	245	141	214	83	223
R-squared	.128	.481	.181	.488	.629	.474

Table 1. Regression results on sales growth, by country

Based on the regression estimations in Table 1, it can be concluded that informal payments, used as a measure of corruption, are not statistically significant for the entire sample. However, the direction of the coefficients is noteworthy. Evidently, informal payments exert a beneficial impact on the growth of fixed assets and sales. Conversely, corruption has a negative impact on employment productivity. The coefficients of the explanatory variables exhibit the expected signs. When taking into account the age of firms, younger ones see significantly higher sales growth. Moreover, this outcome aligns with the usual assumption that established companies experience reduced rates of growth. Foreign-owned firms are expected to experience faster growth. Only in the case of Albania informal payment positively affect both sales and employment productivity even though the results are not statistically significant.

4 Conclusions and Discussions

Our study employed cross-sectional research to examine the correlation between corruption and the performance of enterprises in several Western Balkan nations, namely Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia. Empirical study findings provide insight into the magnitude of corruption and its impact on organizational performance. The magnitudes and statistical significance of the selected nations, however, differed from each other. In the instance of Albania, we observe a favorable outcome in both sales growth and employment productivity. However, this conclusion does not reach statistical significance. In contrast, the employment productivity in the rest of the western Balkan countries exhibits a notable and statistically significant decline.

It may be essential for businesses to facilitate bureaucratic processes, resolve obstacles, and obtain benefits from acquiring new capital equipment through the act of offering bribes. Corruption, on the other hand, has a substantial detrimental effect on productivity in employment. Based on the existing literature, we hypothesized that this observation could be attributed to the diversion of time from crucial supervisory responsibilities due to the management of illicit transactions.

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Rrok Gera, a European-level financier

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Abstract

Rrok Gera (1901-1969), a Shkodra native with the distinctive virtues of his contemporaries, shaped his personality in Shkodra in the early years of the 20th century and continued his education at the Faculty of International Economic Relations at the University of Vienna. He would become one of the most important figures in the reforms undertaken in Albania in the 1930s to consolidate the Albanian state, holding high-level state positions such as minister, economist, financier, jurist, diplomat, etc., for more than 10 years, "... Rrok Gera, a ministry official, half Viennese, cultured to his fingertips..."(Friedrisch Wallisch).
With the establishment of the communist regime, Rrok Gera's ordeal of trials and punishments would begin, where, like most of the intellectuals educated abroad, this regime would consider him as "enemies of the people." The accusation against him, in the second trial (1952), was "...he assisted in the occupation of Albania by fascist Italy and undermined the resistance of the Albanian people." However, he may also be one of the few high-profile personalities sentenced in the early years of the communist regime, to whom innocence was granted regarding the charges made against him.

Rrok Gera was born on August 15, 1901, in a typical urban Shkodran house, in a merchant-trader family, in a cultural and intellectual environment, not uncommon among Shkodran families at the beginning of the 20th century[59]. He attended elementary school at the Saverian College in Shkodra (founded on October 17, 1877), where he also started high school, but in 1917 he won a scholarship from the Austrian state awarded to students with excellent results. He began his studies at the Vienna Academy of Commerce. However, due to the difficult situation created after World War I and the death of his father, Rrok Gera was forced to interrupt his high school studies and return to his family to help. But this was only for a short time, as he returned to Austria, now in Linz, where he completed high school at the Academy of Commerce in 1925.

He continued his higher education again in Austria, but this time in Vienna, at the Faculty of International Economic Relations, with a scholarship from the Albanian state. During his student years in Vienna, besides his studies which were his priority, he also actively participated in student life, artistic and cultural events, and the attractions of the Austrian capital. During this period, he joined the society

59 "*The eldest brother of Rrok Gera, Tefa, has held positions in the Municipality of Shkodra, and in 1925, he was elected as a deputy in the Albanian Parliament. Another brother, Laca, has been a treasury inspector in the Ministry of Finance, collaborated on budget matters also in the Ministry of Finance, was a member of the Control Council from 1925 to 1930, chairman of this Council in 1926, and later, until April 7, 1939, chairman of the General Intendancy of the Defense Command. For his performance in this role, on August 30, 1938, Lac Gera was awarded the decoration "Commander of the Order of Skanderbeg" by King Zog. Another brother, Gaspri, has worked as an employee in the Customs Office of Shkodra. Tefa's son, Zefi, graduated with distinction in 1943 from the University of Bologna, with a degree in "Doctor of Industrial Chemistry," and made an extraordinary contribution to the development of color metallurgy in Albania. Rrok Gera himself has served as Minister of Finance twice and once as Minister of National Economy, was chairman of the Control Council for nearly two years, for several years Secretary General of the Ministry of Finance, as well as in other duties.*"Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.21.

"Albania" where he wrote two articles in the society's magazine "Djalëria"[60]. In these articles, he addressed economic and financial issues ("Mercantilism and the trade and payment balance" and "Money paper")[61]. While on the anniversary of independence, he wrote articles with a historical character.[62]

During his years of study in Austria, Rrok Gera had friendships with many compatriot students, personalities who later excelled in various fields of Albanian science such as: Frederik Shiroka, Sokrat Dodbiba, Skënder Luarasi, Aleks Buda, etc. He also befriended Austrian students and friends, among whom we can mention Wilhem Pik, a leader in the 1950s of the German Democratic Republic.

On July 12, 1928, he completed his studies (internship in a well-known bank in Vienna)[63] and defended his diploma, highly appreciated by his professors, and likewise, a few months later he obtained the degree of "Doctor of Economic Sciences". He immediately returned to his homeland, where he remained unemployed for nearly a year although he could have pursued another career in Europe.

On May 19, 1929, Rrok Gera was appointed Head of the Financial Section at the Ministry of National Economy and Deputy Commissioner for anonymous companies. Since that year, Rrok Gera has been the secretary of the Albanian-Austrian Association in Albania.[64] During this period, he accompanied the Austrian writer Friedrisch Walisch on his trip to Albania (author of books with Albanian themes "The Eagles of Skanderbeg" and "Albania, a new country"), and the way that writer describes it in his book is impressive: "*...Rrok Gera accompanies me, a ministry official, half Viennese, cultured to his fingertips, who completed high school in Linz, higher education in Vienna, and at a young age has achieved success in state duties*"[65].

In June 1930, he was appointed General Secretary of the Ministry of Finance. In this role, Rrok Gera had a significant influence on agreements with representatives of the National Bank of Albania and the Italian state. In these agreements, he primarily saw the interest of his country. This is notably observed during the nearly one-year period of negotiations on various issues related to economic cooperation between Albania and Italy, especially the issue of customs cooperation, which was not accepted (it would be realized on April 20, 1939, after the occupation). Rrok Gera's name (Minister of Finance Kolë Thaçi, Prime Minister Pandeli Evangjeli) is also encountered in a series of very important draft laws for the Albanian economy of the 1930s, years that coincide with the crisis of 1929-1933. This crisis brought many consequences such as: high unemployment, poverty, low profits, deflation, decreased agricultural incomes, and a pronounced economic decline. During this period, about 70 important draft laws were prepared. Here we mention the draft law for the reform of the tax system, a very important step in economic policies, where Gera made a significant professional contribution, but which was only approved in 1935. "*...The holder of this Ministry has struggled for 5 years in his capacity as General Secretary, the tax system, until was found a Minister of Finance who understood the importance of the issue...*"[66]. In many projects and very important financial issues, can be seen the significant role played by Rrok Gera. This is also understood from the correspondence of the General Director of the National Bank with headquarters in Durres Xhulio Gaudenzi with the delegated advisor of the Bank in Rome, Amedeo Gambino, where in one case he expresses surprise that the General Secretary of the Ministry of Finance is assigned such important

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60 Prof.Dr.Vladimir Misja, Rrok Gera jeta dhe vepra (1901-1969), "Shtjefni", Shkodër, 2007, pg.37.
61 Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.28.
62 Prof.Dr.Vladimir Misja, Rrok Gera jeta dhe vepra (1901-1969), "Shtjefni", Shkodër, 2007, pg.37.
63 Prof.Dr.Vladimir Misja, Rrok Gera jeta dhe vepra (1901-1969), "Shtjefni", Shkodër, 2007, pg.39.
64 Prof.Dr.Vladimir Misja, Rrok Gera jeta dhe vepra (1901-1969), "Shtjefni", Shkodër, 2007, pg.61.
65 Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.35.
66 Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.40.

and delicate issues when ministers themselves were assigned less valuable issues.[67] Another case where Gera is seen as a protagonist concerns the issuance of Albanian treasury bonds, a project that was sabotaged by Italian bank executives, along with other Albanian projects for the circulation of fractional coins and for obtaining a loan from the National Bank. All these initiatives would serve to overcome the country's major financial difficulties, but despite the great efforts of Albanian specialists, where Gera's role stands out, these initiatives did not succeed, especially when they depended on the National Bank. Rrok Gera's activity is also clearly seen in the relations of Albanian authorities with AGIP (Azienda Generale Italiana Petroli - Italian General Petroleum Company), the Italian company that had a monopoly on fuels in Albania.[68]

Meanwhile, Rrok Gera's name is often found in the contemporary press addressing various issues of Albanian economics and finance and the ways and methods to pull the country out of crisis. Together with his friend Sokrat Dodbiba, in January 1932, they founded the magazine "Albanian Economist", a very important organ for the time, when publications of this nature did not exist until this period. In one of his articles in this magazine, he writes: "*The Albanian State, as mentioned earlier, is actively engaged in determining its economic direction. Let us hope that the heavy and responsible work, which each older generation imposes on the new generations, will be done at the speed that favorable time allows for such actions.*"[69].

The League of Nations, based in Geneva, appointed Rrok Gera as a "Corresponding Member" of its Financial Commission[70] from January 1932 until April 1939. This appointment was made for significant personalities in the financial and tax field from some of the member countries of the League of Nations, as not all countries had representatives on this body. In February 1934, Rrok Gera also became a representative of the Albanian government at the National Bank of Albania. A duty that actually concerned the Italians, as a letter from the Central Directorate of the National Bank in Rome requested his non-interference "*in the management of various issues or in the administration of the Bank.*"[71]

In mid-October 1935, under the leadership of Mehdi Frashëri, a new government was formed which we can say was relatively liberal and was also an indication of a departure from the old politics pursued until that time ("the cabinet of the young")[72]. The country was suffering from a major economic downturn, and there were strikes and demonstrations everywhere. To overcome this situation, Ahmet Zogu blamed the previous government of Pandeli Evangjeli, with the idea of presenting a new political figure, like Mehdi Frashëri, even before the Italians. The latter, who had been Albania's representative to the League of Nations for many years, a well-educated figure (historian, orator, jurist), a clean political figure with progressive ideas, formed the new government without retaining any of the ministers from the previous government. "*The most liberal and well-known government of the entire monarchy period... In the history of monarchy governments, the Frashëri government is considered the most democratic and liberal... Its members were well-known intellectual figures and four ministers had completed higher education in Germany.*"[73] Rrok Gera would be a member of this government as Minister of Finance. Upon assuming his duties, he sent a circular to all offices under this ministry requesting cooperation, but at the

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[67] Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.48.
[68] For more: Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.54-60.
[69] Ekonomisti shqiptar, "Mbrothësia" Kristo P. Luarasi, "Problemi i produkcjonit të Shqipnis", Vj.I, nr.4, Prill 1932, pg.8-13.
[70] Revista "Leka", vtit 1932, nr.2, pg.6
[71] Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.62-64.
[72] Kastriot Dervishi, Historia e shtetit shqiptar 1912-2005, Shtëpia botuese 55, Tiranë, 2006, pg.362-365.
[73] Afrim Krasniqi, Sistemet politike në Shqipëri 1912-2008, Ufo University Press, Tiranë, 2009, pg. 147-148.

same time emphasizing their obligation to fulfill their functions. Likewise, in many other cases, through circulars and press interviews, his continuous demand for discipline in work and in the implementation of directives can be seen. During the period he was the head of the Ministry of Finance, major projects related to the Agricultural Bank, tobacco concession, fisheries, etc., were under study, but the main focus was on the financial situation, which he presented several times in parliament, also showing possibilities for its improvement.

The program of the new government[74] was a very ambitious one, where domestic policy aimed at the country's development through the consolidation of administration, economic development, transportation, education, art, culture, etc., while foreign policy aimed at strengthening ties with Italy, alongside respect for the League of Nations. But such a program would soon create opponents, especially among Albanian parliamentarians who in November 1936 overthrew this government with a vote of no confidence. This was also the first case where the government was overthrown by the Parliament.[75] However, after this, Zog's policy sought to replace Mehdi Frashëri with a government official preferred by the Italians, Koço Kota, who formed a conservative government.

The distinguished economist, Prof. Dr. Vladimir Misja, in his monograph dedicated to Rrok Gera, highlights some interesting comments from documents of the British Foreign Office on the politicians of the 1930s and 1940s: "*Rrok Gera, limited in initiatives for radical changes in finance: ... Spoke German, Italian, and French... He came to his workplace with enthusiasm in addition to technical knowledge and work experience in this department. But he had limited freedom for his initiatives to make radical changes in financial administration during his short stay in the Frashëri Government. He was appointed Chairman of the Audit Council in April 1937 and Minister of National Economy when the latter government was partially reconstructed at the end of May 1938*."[76]

On March 20, 1937, Rrok Gera was appointed Chairman of the Audit Council (Controller - now the State Supreme Audit Institution), and in this capacity, he enacted the pension law, "*a comprehensive law that defined all mechanisms for the pension process of municipal employees...*"[77]. While on May 31, 1938, he was appointed Minister of Economy[78] until the landing and establishment of Italian military troops of occupation in Albania (April 7, 1939). Researcher Arben Pustina cites a report from the US Minister in Tirana to Secretary of State Cordell Hull in Washington, where among other things about Rrok Gera, it is written: *"...He is only 37 years old and has received excellent education in finance and economics at the University of Vienna. Also, there is a general opinion about Gera that he has no kind of connection with Italy...*"[79]. Again, upon assuming the position, he sent a circular to all offices under this ministry requesting commitment and integrity in their work.

In his duty, he encountered many economic problems, especially regarding trade with Italy, with agreements with various Italian companies where he tried with all his might to preserve the interests of his country. "*... Rrok Gera did his duty with dedication, with determination, almost every day in continuous contact with the Cabinet, with the Ministry of Foreign Affairs, or with our Legation in Rome, encouraging others to insist, to demand, to hold accountable for responsibility, to achieve as much as possible, the best in favor of the Albanian economy*."[80] For less than a year, this ministry drafted and attempted to implement

[74] "Votbesimi i Kabinetit të ri", Bisedime Parlamentare 1935-1936, Shërbimi i Botimeve Parlamentare të Kuvendit të Shqipërisë, Tiranë, 2012, pg.11-15.
[75] Valentina Duka, Histori e Shqipërisë, Albas, Tiranë, 2014, fq. 184-187.
[76] Prof.Dr.Vladimir Misja, Rrok Gera jeta dhe vepra (1901-1969), "Shtjefni", Shkodër, 2007, pg.81-82
[77] Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.107.
[78] Kastriot Dervishi, Historia e shtetit shqiptar 1912-2005, Shtëpia botuese 55, Tiranë, 2006, pg.373.
[79] Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.109.
[80] Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.121.

many projects such as: projects for water systems, canalization, and land reclamation;[81] he took care of the villagers by offering specialized assistance in agriculture and livestock[82], in easing some taxes; the first publication on the development of the veterinary sector "Tenth Anniversary of the Veterinary and Zootechnical Service 1928-1938"[83] was realized; and special importance was given to progress in implementing Agrarian Reform and drafting legislation in various sectors of the economy.

During this period, Rrok Gera's name appears in many activities in various fields. He was the first guest for an interview in the Radio Tirana studio on November 28, 1938, on the first day of its broadcast transmissions. On October 12, 1938, Gera delivered a speech and cut the ribbon for the inauguration of the 27 km road from Bogë to Theth, and on October 31, 1938, he also delivered a speech and cut the ribbon for the inauguration of the new headquarters of the National Bank of Albania. On March 12, 1939, Rrok Gera went to the Vatican as the representative of the Albanian state at the coronation ceremony of Pope Pius XII.

On April 7, 1939, Italian military forces landed in Albania. There were many discussions among the senior Albanian state personalities regarding the measures and how to deal with this situation, among which Rrok Gera had expressed on every occasion that he was in favor of responding to the aggressor with arms. After much debate, it was decided that Rrok Gera, Colonel Sami Koka of the General Staff, and the military attaché in Tirana, Colonel Gabrieli[84], would go to Durrës to negotiate with Italian General Guzzoni. This shows the trust they had in him as a personality and in his negotiating abilities. However, this attempt yielded no results except for a ceasefire for a few hours. The fate of the country was already determined despite Gera's aim to salvage something.

The day after the occupation, Rrok Gera and his family left for Greece. Seeing it impossible to stay there as a member of the government in exile, he sought to return to Tirana, but like other members of the government, he was interned in Italy by the Italian authorities of the occupation. After many requests in which he declared that he would not engage in political activity, he was allowed to return with his family to Shkodra, where he engaged in private trade activities. This activity continued even after the entry of German military troops into Albania.

However, we also encounter the name of Rrok Gera in the difficult year of 1944, regarding important problems of the Albanian economy such as the nationalization project of the National Bank of Albania when it continued to be led by Italian specialists. This task was entrusted to Rrok Gera, who went to Rome for an agreement related to the participation of the Albanian state in the bank's shares. In May 1944, he was appointed as a minister of full powers of the first rank regarding this agreement and for the transfer of the majority of shares in favor of the Albanian state.[85] Meanwhile, on July 17, 1944, with the establishment of the new government led by Fiqiri Dine, Rrok Gera again assumed the position of Minister of Finance[86], after much hesitation but with the main goal of completing the National Bank project. The economic situation and financial condition of the state were very dire, and the country could descend into anarchy. According to Gera, the cause was not only the war but also the bloated civil and military

[81] "Dekret-ligji mbi pronësinë e bonifikimit të kënetave", Bisedime Parlamentare 1939, Shërbimi i Botimeve Parlamentare të Kuvendit të Shqipërisë, Tiranë, 2012, pg.235-241.

[82] *"... I am a member of the Government who has signed this project... The Government with this project has aimed to support the country's livestock..."*. Bisedime Parlamentare 1939, Shërbimi i Botimeve Parlamentare të Kuvendit të Shqipërisë, Tiranë, 2012, pg.70.

[83] Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.135.

[84] Kastriot Dervishi, Historia e shtetit shqiptar 1912-2005, Shtëpia botuese 55, Tiranë, 2006, pg.408.

[85] Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.181-182.

[86] Afrim Krasniqi, Sistemet politike në Shqipëri 1912-2008, Ufo University Press, Tiranë, 2009, pg. 183-184.

administration with its huge expenses, irregular tax collection, the situation of former foreign concessions from which no revenue was being collected, non-compliance with laws in controlling the expenses and revenues of institutions, etc. Added to this was the pressure from German military leaders who demanded funding for their troops, issuance of new banknotes by the National Bank of Albania, because otherwise, they would introduce their currency into circulation, which would have serious consequences for the country's economy and finances.

Rrok Gera asked the Prime Minister for immediate measures to change the situation and for the government's support for these measures: "*...Therefore, the problem presents an urgent need for: a) rapid and radical savings measures in the civilian and military administration. b) rapid and radical measures to increase state revenues and enforce them. c) solving the problem of the National Bank of Albania and foreign concessions. d) providing Finance with the necessary authority and organs to ensure a more efficient service. e) coordinating the revenues and expenses of various entities and groups to avoid fiscal anarchy*..."[87].

The project related to the nationalization of the National Bank of Albania (BKSH), in which Gera played the largest role, failed to materialize as a result of measures taken by the Italians to sabotage it. Therefore, at the government meeting on August 28, 1944, despite Gera's defense of the significant importance of the country's development, this project was rejected after many backstage maneuvers carried out by well-known figures of the time[88]. After 40 days, Fiqiri Dine's government resigned due to the impossibility of implementing its program, maintaining public order, and defending the country.[89]

On September 6, Rrok Gera returned to Shkodra, where he was soon arrested (January 1945) and tried in the Special Court held in Tirana against 60 former officials. This trial, held from March 1 to April 13, 1945, aimed to punish "war criminals," Albanian or foreign. In its decision of April 13, 1945, the activity of the 60 defendants was deemed "anti-national" and "anti-popular," in line with the goals of "reactionary cliques," before and after April 7, 1939. 17 individuals were sentenced to death as "war criminals" or "enemies of the people," 8 to lifelong imprisonment, and others to various prison terms. Rrok Gera was sentenced to 10 years of hard labor and confiscation of movable and immovable property. He was released in 1949 after an amnesty that reduced his sentence by five years.

After a year of work in a state enterprise in Shkodra, he was arrested again and held in detention in Shkodra and Tirana for nearly a year and a half without any evidence of guilt against him. By decision dated October 11, 1952, he was sentenced to 20 years by the military court of Tirana. He served his sentence in Burrel prison until May 8, 1958, when he was declared innocent, an unbelievable decision for him. He returned to Shkodra where he spent the remaining years of his life until his death on January 28, 1969, unable to work in state jobs but free, respected, and dignified, as was his entire life.

[87] Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.197.
[88] Arben Pustina, Rrok Gera një burrë shteti, ashtu si duhet, Gent Grafik, Tiranë, 2022, pg.201-203.
[89] Kastriot Dervishi, Historia e shtetit shqiptar 1912-2005, Shtëpia botuese 55, Tiranë, 2006, pg.526-528.

Concepts of applied linguistics by foreign and Albanian researchers

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Abstract:

Different linguistic and psychological trends have achieved well-known results, in Institutes and Scientific Research Centers, directed by specialists in the field. We have distinguished among these authors those who are known today for dealing with such topics, dividing them into 2 groups: (i) Psychologists and linguists, who have made language acquisition of children the object of their work, and (ii) Researchers, psychologists and pedagogues, who have also dealt with evolutionary disorders during the language acquisition process at these ages.
The method used in this article is an analytical-descriptive one. An analysis of Albanian and foreign authors has been made, as far as the language acquisition of children in infancy and childhood is concerned, but also with homogeneous groups and classes, divided on the basis of evolutionary development, social and cultural conditions, origin and according to age groups of children.
The following treatment gives a brief summary on how babies learn to speak naturally, how language comes to humans, and how many stages the individual must go through in order to learn to speak. Even linguists and writers in this field have long highlighted these issues in the first textbooks, such as the primers of different languages.
In closing this presentation of ideas, opinions and practical achivements of researchers during experiments, tests, and short-term and long-term observations with individuals or groups of people, in the field of studies on the acquisition of the first language, it is and will continue to be a dynamic field with many open issues that grab you and attract you to new research. Which theory (or combination of theories) is in such a position that it seeks to give the most correct ways of language development in children? How many cross-linguistic and cross-cultural variants exist within language acquisition? How can more complete answers to such questions help to understand the human mind? These questions are pretty far to get an answer, but close searches can bring us closer to solving the puzzle.

Keywords: *language acquisition, vocabulary, childhood, linguistics*

1.Introduction

It must be said that such research in this field can be shaped in studying levels based on achivements in foreign linguistics, according to different linguistic schools, in which detailed scientific experiments and observations have been carried out for years and continue to be carried out, not only on numerous individuals. Of course, the different linguistic and psychological directions have achieved well-known results, in well-known Institutes and Scientific Research Centers, directed by specialists in the field. However, even in Albanian linguistics, a tradition has already been created, however new, for such research. For a few years, they have proven that they can deal with such topics even in the conditions of Albanian science: in terms of language acquisition by young children, especially regarding the acquisition and enrichment of the lexicon in early childhood ages. We have distinguished among these authors those who are known nowadays for dealing with such topics, dividing them into 2 groups:

1.Researchers, psychologists and linguists, who have made the language acquisition of children the object of their work,

2. Psychologists, researchers and professors, who have also dealt with evolutionary disorders during the process of language acquisition at these ages.

In general, it must be affirmed that the literature written by Albanian authors has, at most, goals of scientific knowledge in this research field; so the few researchers that we will mention in the following should be appreciated mainly for the bringing of Western science, even when they have brought many examples and research models from long-term observations in Albanian-speaking environments. On the other hand, in the literature of this field of knowledge, we already have quite few selected translations by European and world-famous authors, mainly from USA, which we have consulted and cited according to the arguments presented.

Language acquisition is a term that indicates the process through which a natural language is learned, as a mother tongue or when a second language is required (respectively, L1 and L2); to avoid ambiguity in terminology, in recent years, it is referred to as L1 and L2 language acquisition. According to today's philosophical knowledge about language, we note that it was created from the vital need to communicate and to organize the society. Umberto Eco writes: “The sign is used to transmit information, to say something that someone knows and wants others to know as well” [1].

In the first sense, the process of language acquisition is purely spontaneous and undoubtedly belongs to the way in which the child learns to speak, that is, to develop passive and active skills in his mother tongue. From a theoretical point of view, there are essentially three dominant ideas related to language acquisition:

1. Behaviorism [2] presents the model of linguistic communication, which is called the model of behavior, the context that brings about the imitation of learning, as described by the stimulus/response (reaction)
2. The maturational model or form [3-4] according to which human beings genetically inherit a language ability, which helps them learn the language. This innate mechanism, which Chomsky calls LAD (Language acquisition device), is thought by him as an internal grammar. Precisely, this innate ability of the human brain or this *internal grammar,* which is found in the brain of the newborn child, is called *universal grammar* (UG).
3. Constructivism or theory of evolution [5]: the process of language acquisition is dynamic and is achieved step by step, in a continuous interaction between physical development and cognitive development of children.

Ideas b) and c) are both innate (innatism), yet different, while for the latter position language is a learned behavior.

In the process of language acquisition, even in its continuity, we can identify some distinct and decisive steps for the development of the child's language skills. In the first two months of life, the child is able not only to distinguish the sounds that belong to the language, but also to distinguish between different sounds in terms of features such as phonetics. In the first year of life the child is in the “prelinguistic” stage of development, from the production of the first word that normally corresponds to the first twelve months of life. This stage of acquisition is still a production in phonetics, babbling (stuttering), which is the production of the sounds of the word, to then structure them into syllables, which come and are repeated frequently. The phonetic changes in the child's pronunciation during the first year of life are related to the changes that gradually affect the vocal tract (lengthening of the throat, elasticity, teething, etc.) “In the *stammering* stage” (of Babel), in which the child is able to produce utterances consisting of a single word (holophrastic stage), corresponding in category to the semantic one, such as *agent, action, patient, place, instrument*. Within the first years of life, around the age of 15-16 months, the American psychologist Marilyn Shatz [6] writes, most children have assimilated many of the sound configurations of the language, from this moment they begin *lallations* (or Babel), accepting different sounds of the language and connecting them together in order to imitate the rhythm and intonation structure of the language. By 15 months, many children (but not all) begin to acquire some identifiable words and use them casually in appropriate settings. The researcher above goes further, characterizing the phenomena of language acquisition of this stage up to 3 years old, when she states that at the age of 15 months, a human being is still more of a baby than a child. In the first 20 months, infants undergo many changes: they develop structured language and begin to use adaptive skills to recognize the world in which they live, to control their emotions and social behaviors, and to reflect on adaptive skills and cognitions. At this age, children are not only self-centered, but also stubborn and generous. In short, the 3-year-old child has transformed into a person who knows the social life that surrounds him and becomes part of it [7].

This stage is usually very short and lies between the age of sixteen and eighteen months. In this period, the child is already able to understand a large number of words addressed to him: his capacity for decoding is more developed than that of *encryption,** which is a constant of the language acquisition process. In the holophrastic period, the child is prepared for the next stage, that of "combination", which produces mini-groups consisting of two words; in this period there is a dynamic growth of the vocabulary, a time that marks the limit at the end of the second year of age, the average age to understand several hundred words. The first words that the child articulates, that he produces, often do not correspond to their normal form, which is why they are sometimes called *protoparole* [6].

2. Literature review

2.1. Theoretical rationales

The most vocal linguists as well as psychologists of cognitive sciences have dealt with the phases of lexicon acquisition from small preschool ages and have them as the object of their scientific research work. Among them I will mention the famous Italian linguist Tullio De Mauro, one of the most prominent experts in Sosyrian knowledge, who states that the ability to use words and phrases in auditory phonetic forms is innate to normally and naturally developed human beings from the first steps of their life, even in the prenatal phase. He writes: 1"All individuals of the human species, except for pathological cases and severe traumas, inherit from birth this ability , which in Albanian is called "ligjerim" (in Italian "linguaggio", in French "langage" o faculté du langage, in English "language", in Spanish "lenguaje", in German "Sprache", in Russian "jazyk", in Japanese "gengo", etc.). Of course, in terms of the behavior of all human beings, we are talking about a complex ability, which, apparently, comes completed in different ways [8] (p.3).

This theoretical elaboration that we are presenting, in support of the linguistic-practical subject, which is the main point of our work, would be better started with the explanation of the concept of "language acquisition", which is a term in the vocabulary of language learning or language acquisition, especially when it comes to the first language (L1). The following treatment gives a brief and summary picture to understand how babies naturally learn to speak, how language comes to humans and how many stages the individual must go through until he learns to speak. Even the linguists and writers of this field have long underlined these issues in their first textbooks, such as the primers of different languages; thus, scientifically and in terms of contemporary knowledge, and this is also seen in "Albania-Kosovo Common Primer". A book for teachers, [9] (p.49) where three moments given are related to language development in general, to speaking in particular and mainly, to the enrichment of active and passive vocabulary of the little ones:

-Speech development.

-Vocabulary enrichment.

-Improving and clarifying the speaking linguistic structures of Albanian.

At the moment when children reach the status of social being (in the sense that they have begun to understand and be understood), they enter into diverse relationships with other peers, as for example, during games, an act or process that becomes a trigger for the evolutionary and linguistic development.

Only human language, as facts in today's situation prove, was the inseparable traveler of the very evolution of being. Its ability to have an extraordinary economic yield, where from a few dozen phonemes hundreds of thousands of words can be created and an infinite number of utterances to represent human experiences, makes this creation of man his most perfect tool [10] (p.49).

In addition to our above-mentioned authors, it is good to appreciate the few translations from the works of foreign researchers, among which we can single out, especially, "Infancy Years" 1.(Early childhood development, viewed from a biological perspective. The next book of education) by Remo H. Largo [11] and "Body language" by the author Allan & Barbara Pease [12] (p.49).

We will continue with some flows of today's contemporary discussions, related to the acquisition of language by humans (homosapiens), which, in historical and anthropological explanations, is almost the same thing, or is comparable to the acquisition of language by infants, since the individual's growth periods coincide or approximate the stages of his historical development. We do not hesitate to say that the hypotheses presented today in front of the cognitive sciences (where language has a leading role) by a number of researchers, without fundamentally denying the achievements of the American linguist, can be called 2 post-Chomskian, otherwise, and born in the new century, which we have entered for two decades. It is about the Darwinian evolutionary theory, which, according to some researchers in the field of language

and discourse, is the only theory, where the topic of the origin of the extraordinary faculty attributed to man, such as speech, can be incorporated. Regarding this, everything we will have in the following is based on Darwinian knowledge, an idea created by Ch. Darwin, who focused on the belief that humans are animals among other animals [13] (p. 4). According to the philosopher Cartesio, the rational soul is at the basis of the *qualitative difference* between humans and other animals, according to which for many researchers today, discourse (which has replaced the soul), is the main characteristic to see humans as a "special" entity in nature. Besides this, to believe that for human beings the history of development has not flowed as it has for all animals is an interpretation that strongly feeds our anthropocentric pride. According to this, humans are not different from other species in the way that any living species is different from another, because humans are not just animals. "*To think of discourse in terms of qualitative differentiation with the rest of the living world*, writes Francesco Ferretti, *cuts off any possibility of seeing the human verbal capacity as a form of biological adaptation due to natural selection*."[13] (p. 5).
From the point of view of adoption, otherwise, the fact that we can be made to be so arrogant by the extraordinary ability that characterizes our species, is not quite at odds with the idea that these abilities bring us back to the animal nature of human beings; not at all. To investigate the origin of discourse (language), in the light of evolution, in fact, means to analyze the arrival of verbal capacities at the limits of abilities, more simply basic, almost present in other human species, which marked the path of the evolution of ***Homo sapiens***. In the center of this argument there lies the idea that the initial steps of human communication should be guided by cognitive abilities in such a way that they are firmly embedded in the organisms in the environment where they live. Thanks to these capacities, organisms acquire, so often at the cost of a very great effort, a state of equilibrium with the external environment. Now, if the idea *that men are animals among other animals* is true, the methodological conjecture of the relative investigation of every human faculty must be presented; thus it is possible that the reference to the "equilibrium force", established in the act of organisms to adapt to the environment, should also be assumed a first-hand role in the analysis of the origin and functioning of the discourse. Because this is a real revolution that must be fulfilled, since the fact of effective communicative exchange involves an "effort", which processes a verifiable phenomenon before everyone's eyes. The most original case appears in the course of speech, during which the difficulty arises and remains with the sender in trying to keep the "thread of the conversation" - showing with the data that the communication is directed on a balance (with such uncertainty), between the attention of the speaker and listener expectations. One of the basic hypotheses is the idea that the strain of balance, remaining in the act of the speakers of affective communication, can function as a key to the entry of the meanings of the bringing of the verbal capacity in the phylogeny (*evolutionary history of a human or plant species*). In relation to this hypothesis, there is an idea closely related to the so-called metaphor of communication: *as a form of navigation in space*. The spatial orientation ability of some birds is undoubtedly amazing, so that when we pay attention to them, our imagination immediately flies to the path of migratory birds or to the thousands of kilometers traveled by marine animals to cross from one side of the ocean to another. But it is not necessary to go that far: it may happen that for a moment the satellite navigators of our car go out of use and we are left without a driver in the continuation of the journey. Thus, the speaker builds the communicative flow by giving the "direction" or "orientation" to what he says, and the listener reconstructs what the speaker is saying, trying to keep the direction and orientation of the flow of speech (conversation) under control as closely as possible, indicators that, if not achieved, compromise the utterance, as is the case with the inability of schizophrenic patients, who cannot follow the flow of discourse from its source. So, basically, the origin of discourse (language) should be analyzed in reference to the concepts of "equilibrium strain" and "space navigation", which, together with some others, are in favor of the Darwinian theory, according to which relative researches to the more special characteristics of the human nature of man must have been overcome by the analysis of the more general features, where human beings differ from other species.
Every time we talk about the discourse, its complicated issue comes in front of the researchers. The widely dominant tradition in the cognitive sciences leads us to believe in the "universal grammar" (UG) model, first proposed by Noam Chomsky in the last half of the century, which is followed today by many authors, such as: Jeckendoff, 1993 , Pinker, 1994 etc. The compatibility of UG with the evolutionary framework is one of the key points for the arguments of this developmental theory. Now, the idea of considering discourse in evolutionary terms would require a *behavior of hesitation*: how should the drafting of discourse be interpreted as an innate component of the mind/brain (as UG proponents do), if not in the spaces of biological adaptation? A question of this kind must accept, at least among naturalists, a unique answer at the limits of natural selection. But naturalists, as it is known, are "restless souls", so the idea of discourse as a biological adaptation, brought about by nature's selection, is highly questionable. But, if

you look closely, the denial or opposition of Darwinism by the proponents of UG is not only due to the disturbed status that characterizes these authors. Noam Chomsky, for example, as early as 1998, insists that the birth and acquisition of discourse are, in his view, incompatible with Darwinian evolution. The idea that the discourse should be analyzed referring to the "qualitative difference" between people and other creatures, brings in effect different problems for those who seek to enter the study of verbal ability in the "naturalist key".

Discussion

The conclusion of this article brings ideas, thoughts and practical achievements of researchers during experiments, tests, and short-term and long-term observations with individuals or groups of people, in the various studies on the acquisition of the first language, it is and will continue to be a dynamic field with many open issues, which grab you and attract you into new research. Which theory (or combination of theories) is in such a position that it seeks to give the most correct ways of language development of children? How many cross-linguistic and cross-cultural variants exist within language acquisition? How can more complete answers to such questions help to understand the human mind? These questions are pretty far to get an answer, but close searches can bring us closer to solving the puzzle. These three questions are asked by the authors we cited above: King, Kendall A. & Mackey, Alison. In Albania, there is a great interest from researchers in relation to language acquisition in early childhood, an age which lays the foundations of language knowledge in the later school stages.

In closing this presentation of ideas, thoughts and practical achievements of researchers during experiments, tests and short-term and long-term observations with individuals or groups of people, in the field of studies on the acquisition of the first language, it is and will continue to be a dynamic field with many open issues which grab you and attract you into new research. Which theory (or combination of theories) is in such a position that it seeks to give the most correct ways of language development of children? How many cross-linguistic and cross-cultural variants exist within language acquisition? How can more complete answers to such questions help to understand the human mind? These questions are pretty far to get an answer, but close searches can bring us closer to solving the puzzle. These three questions are posed by the authors we cited above .

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