



# EJIS

EUROPEAN JOURNAL OF  
INTERDISCIPLINARY STUDIES

May-August 2015

Volume 1, Issue 2

ISSN 2411-958X (Print)

ISSN 2411-4138 (Online)

ISSN 2411-958X



9 772411 958003 >

REVISTIA  
PUBLISHING AND RESEARCH

EUROPEAN JOURNAL OF INTERDISCIPLINARY STUDIES

May-August 2015

Volume 1, Issue 2

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

Typeset by Revistia

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

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

Tel: +44 2080680407

Web: <https://ejis.revistia.org>

Email: [office@revistia.org](mailto:office@revistia.org)

ISSN 2411-958X (Print), ISSN 2411-4138 (Online)

Indexed in Elsevier's Mendeley, WorldCat, RePEc & Ideas, Google Scholar, Index Copernicus, Crossref & DOI and PKP

Key title: European journal of interdisciplinary studies

Abbreviated key title: Eur. j. interdiscip. stud.

## **International Editorial and Scientific Advisory Board**

**Ahmet Ecirli**, PhD, Assoc. Res. Institute of Sociology, Academia Romana  
**Javier Cachón Zagalaz**, PhD - Universidad de Jaén, Spain  
**Sevim Yilmaz**, PhD - Pamukkale University, Denizli Turkey  
**Bartosz Kaźmierczak**, PhD - Poznań University of Technology, Poland  
**Souad Guessar**, PhD - Tahri Mohamed University of Béchar, Algeria  
**Warda Sada Gerges**, PhD - Kaye College of Education, Israel  
**Gonca Atıcı**, PhD - Istanbul University, School of Business, Turkey  
**Enkhtuya Dandar** - University of Science and Technology, Mongolia  
**Sri Nuryanti**, PhD - Indonesian Institute of Sciences, Indonesia  
**Balazs Hohmann**, PhD - University of Pécs, Hungary  
**Basira Azizaliyeva**, PhD - National Academy of Sciences, Azerbaijan  
**Natalia Kharadze**, PhD - Ivane Javakhishvili Tbilisi State University, Georgia  
**Selma Maria Abdalla Dias Barbosa**, PhD - Federal University of Tocantins, UFT, Brazil  
**Neriman Kara** - Signature Executive Academy UK  
**Gani Pllana**, PhD - Faculty of Mechanical Engineering, University of "Hasan Prishtina", Kosovo  
**Tatiana Pischina**, PhD - Academy of Economic Studies, Moldova  
**Thanapauge Chamaratana**, PhD - Khon Kaen University, Thailand  
**Sophia Moralishvili**, PhD - Georgian Technical University, Tbilis, Georgia  
**Irina Golitsyna**, PhD - Kazan (Volga) Federal University, Russia  
**Michelle Nave Valadão**, PhD - Federal University of Viçosa, Brazil  
**Ekaterine Gulua**, PhD - Ivane Javakhishvili Tbilisi State University, Georgia  
**Mariam Gersamia**, PhD - Ivane Javakhishvili Tbilisi State University, Georgia  
**José Jesús Alvarado Cabral**, PhD - Centro de Actualización Del Magisterio, Durango, México  
**Jean d'Amour** - Åbo Akademi University, Finland  
**Ornela Bilali**, PhD - "Aleksander Xhuvani" University, Albania  
**Niyazi Berk**, PhD - Bahcesehir University, Istanbul, Turkey  
**Suo Yan Ju**, PhD - University Science Islam, Malaysia  
**Jesus Francisco Gutierrez Ocampo**, PhD - Tecnológico Nacional de Mexico  
**Goran Sučić**, PhD - Filozofski fakultet, sveučilišta u Splitu, Hrvatska  
**Ewa Jurczyk-Romanowska**, PhD - University of Wrocław, Poland  
**Siavash Bakhtiar**, PhD - School of Linguistics, Queen Mary University of London, UK  
**Chandrasekaran Nagarajan**, PhD - IFMR Graduate School of Business, India

**Carmen Cecilia Espinoza Melo**, PhD - Universidad Católica de la Santísima Concepción in Chile

**Felice Corona**, PhD - University of Salerno, Italy

**Lulzim Murtezani**, PhD - State University of Tetovo, FYROM

**Ebrahim Roumina**, PhD - Tarbiat Modares University, Iran

**Gazment Koduzi**, PhD - University "Aleksander Xhuvani", Elbasan, Albania

**Sindorela Doli-Kryeziu** - University of Gjakova "Fehmi Agani", Kosovo

**Nicos Rodosthenous**, PhD - Aristotle University of Thessaloniki, Greece

**Irene Salmaso**, PhD - University of Florence, Italy

**Non Naprathansuk**, PhD - Maejo University, Chiang Mai, Thailand

**Sassi Boudemagh Souad**, PhD - Université Constantine 3 Salah Boubnider, Algérie

**Nino Orjonikidze**, PhD - Gori State Teaching University, Georgia

**M. Edward Kenneth Lebaka**, PhD - University of South Africa (UNISA)

**Sohail Amjad** - University of Engineering and Technology, Mardan

## TABLE OF CONTENTS

<b>ONLINE CUSTOMER REVIEWS ON RESTAURANTS AND EXPERT OPINIONS: AN INTEGRATED APPROACH .....</b>	<b>8</b>
ASST. PROF. DR. RAMAZAN GÖRAL .....	8
RES. ASSIST. SIMGE TOKAY .....	8
<b>AGGRESION OF TEENAGERS IN ALBANIA .....</b>	<b>19</b>
IDA KRUTI .....	19
<b>POLITICAL BATTLE OF MASS MEDIA CRITICAL DISCOURSE ANALYSIS: <i>SUARA PARTAI MASJUMI</i> MAGAZINE AND <i>BINTANG MERAH</i> MAGAZINE IN 1951.....</b>	<b>26</b>
RHOMA DWI ARIA YULIANTRI M. PD .....	26
ANGGIT DARMATADARA .....	26
<b>DOCUMENTATION OF THE CRIME SCENE .....</b>	<b>31</b>
MR.SC.BESIM ARIFI, PHD CAND. ....	31
<b>AN OVERVIEW ON DIFFERENT LEGAL SYSTEMS AND THE REFLECTION IN KOSOVO .....</b>	<b>38</b>
M. SC. SAMEDIN MEHMETI, PHD CAND.....	38
<b>PRISHTINA-BELGRADE TECHNICAL AGREEMENT PROMOTES POLITICAL DIALOGUE BUT WITH DELAY OF ITS IMPLEMENTATION IT SHARPENS ETHNIC DIVISIONS .....</b>	<b>44</b>
URTAK HAMITI .....	44
<b>CHOSEN MODEL OF PRIVATIZATION OF SOCIALLY OWNED ENTERPRISE IN KOSOVO OVER KOSOVO TRUST AGENCY .....</b>	<b>48</b>
DR. BAJRAM FEJZULLAHU .....	48
<b>EMPERICAL DATA ON THE CORRELATION BETWEEN CEO DUALITY AND THE PERFORMANCE OF A CORPORATE .....</b>	<b>54</b>
EMIRA SPAHAJ .....	54
<b>EVALUATION OF SECURITY ISSUE. NEW THREATS TWOARDS NATIONAL AND INTERNATIONAL SECURITY.....</b>	<b>61</b>
VILMA SPAHIU, PHD.CAND. ....	61
<b>APPLICATION OF THE COVERT MEASURES WITH THE FOCUS ON KOSOVO LEGISLATION .....</b>	<b>67</b>
KADRI ARIFI .....	67

---

<b>THE RIGHT OF PROPERTY AND ITS JURIDICAL PROTECTION - ALBANIA CASE .....</b>	<b>72</b>
SOFIANA VELIU .....	72
<b>FIGHT AGAINST ORGANIZED CRIME AS ONE OF THE FUNDAMENTAL CONDITIONS FOR THE INTEGRATION IN THE EUROPEAN UNION. ALBANIAN CASE .....</b>	<b>79</b>
VILMA SPAHIU, PHD.CAND. ....	79
<b>ANALYZING ENERGY SECURITY AND SUSTAINABLE DEVELOPMENT IN SOUTHEAST EUROPE FROM A MULTIDIMENSIONAL APPROACH .....</b>	<b>82</b>
FATRI MORINA, PHDC.....	82
<b>GRAPH COLORING PROBLEMS IN MODERN COMPUTER SCIENCE .....</b>	<b>86</b>
BESJANA TOSUNI .....	86
<b>THE ROLE OF SCHOOLS CO-OPERATIVE IN CULTIVATING ENTREPRENEURSHIP CULTURE AND MIND AMONG CHINESE STUDENTS .....</b>	<b>95</b>
OSMAN JUSOH .....	95
<b>REALITY AND IMAGINATION, THE POTRAIT OF SOLITUDE, SUFFERING, DESPERATION AND EXCLUSION, THROUGH THE EXISTENTIAL CONSCIOUSNES IN THE MAN'S CHARACTER .....</b>	<b>105</b>
ASSOC. PROF. DR. ELDA TALKA.....	105
<b>PSYCHOLOGICAL CAPITAL AND ENTREPRENEURIAL SUCCESS: A MULTIPLE-MEDIATED RELATIONSHIP .....</b>	<b>109</b>
HASNI N. JUHDI AND ROSHAYATI ABDUL HAMID .....	109
ADRIANA MOHD RIZAL .....	109
NURITA JUHDI .....	109
<b>TOWARD EUROPEAN INTEGRATION IN PUBLIC ADMINISTRATION AND PUBLIC SERVICES .....</b>	<b>133</b>
DR. GENTIANA KRAJA .....	133
<b>WHAT IS THE STAGE OF DEVELOPMENT OF ALBANIA IN THE INFORMATION SOCIETY? .....</b>	<b>140</b>
FATOS SALLIU, PHD CAND.....	140
<b>THE UPPER KARABAKH PREDICAMENT FROM THE UN RESOLUTIONS TO THE MEDIATED NEGOTIATIONS: RESOLUTION OR HIBERNATION? .....</b>	<b>153</b>
ALI ASKEROV, PHD.....	153
THOMAS MATYOK PHD.....	153
<b>CITIZEN JOURNALISM - CHALLENGES FOR ALBANIAN MEDIA .....</b>	<b>163</b>

ERLIS ÇELA, PHD. CAND. ....	163
<b>LONG MEMORY VOLATILITY MODELS IN R: APPLICATION TO A REGIONAL BLUE CHIPS INDEX</b>	<b>169</b>
VISAR MALAJ (PHD) .....	169
ARBEN MALAJ (PROF. ASOC.) .....	169

## Online Customer Reviews on Restaurants and Expert Opinions: An Integrated Approach

Asst. Prof. Dr. Ramazan GÖRAL

Selcuk University/Konya

[trgoral@selcuk.edu.tr](mailto:trgoral@selcuk.edu.tr)

Res. Assist. Simge TOKAY

Selcuk University/Konya

[simge\\_tokay@hotmail.com](mailto:simge_tokay@hotmail.com)

### Abstract

*In recent years, online customer reviews have been widespread and it has been taken into account in the point of the decision by the people. Resources which create a virtual environment interaction are developing with the user reviews and ratings and it is increasingly gaining importance for both customers and tourism businesses. Customers, who are evaluating food and beverage consumption as an experience and looking at true life experiences when deciding which experience to live, are more increasingly using online resources serving sector. These platforms provide the customers the opportunity of dialoguing among them and provide information while they provide feedback for the improvements for the service providers they need to do. Because of these properties, researchers argue online customer reviews and they express that services restaurant could offer and the quality of them could be compared better by using customer feedback. However, customer review system has been criticized. The point critics pointed is the difficulty of verification reviews and deficiencies in impartiality point. An integrated approach is proposed in this study. Online customer judgments assessing the food and beverage business and expert opinions underlie the integrated approach. For this purpose, the data obtained from TripAdvisor website and expert reviews will be integrated with Analytical Hierarch Process (AHP) method. In the study, restaurants which take place in Turkey's biggest tourist areas in four provinces and locating in the top 10 according to customer reviews on TripAdvisor website are evaluated. Then, arithmetical average of the aggregated customer ratings relating to these restaurants and the integration of assessment of experts providing training in food and beverage area are ensured. Consequently, these four provinces' rank is determined by an integrated approach in terms of restaurants.*

**Keywords:** e-WOM, Analitik Hiyerarşi Proses.

### 1. Introduction

In many studies it was found that potential consumers were influenced by comments of other consumers in the decision-making phase and they see each of the this review as a reference source (Bilim et al., 2013; p.388). For example, according to a survey done by TripAdvisor in 2012 and took place with more than 1700 participants, 64% of the respondents act in their vacation plans according to the review of the website (Civelek, 2013; p.273). According to the reports based on e-transactions, the hundreds of millions of potential tourism customers each year see comment pages as their guide. Studies on consumer e-reviews emphasize that consumer reviews are an important factor on the hotel selection and decision-making (Bilim et al., 2013; p.392-393). Before booking a hotel, customers are visiting 14 different travel sites on condition that looking at least 3 average per site visitors' opinions and they are conducting 9 research related to their travel in search engines (UNWTO, 2014, p.10).

The abstract quality of the food and beverage services, consequently, the high risk perception of the consumer and inadequency of the points providing information to be contacted personally or to reduce the risk perception direct consumers to reviews as e-information sources. Potential consumer perceive online reviews as an expert opinion. On behalf of making inference and evaluation, online reviews are an important reference. In this regard online reviews as a source of information look more convincing than the information in advertising and other marketing tools by consumers. The sites that publish customer reviews direct consumers as a source of information for this purpose. For example, Tripadvisor, which is an international platform germane to tourism and travel, independently gives consumers information they can use in the



selection of restaurants, it also offers orderings on the basis of businesses in the sector. Being in the top positions in the comment pages concerning international arena like these and similar, as well as being a source of prestige, direct consumer preferences at the same time.

However one of the problems with the customer reviews is their credibility. Studies show that businesses provide incentives for being written imaginary (fictional) positive comments about them and being written negative comments for opponent businesses (UNWTO, 2014, p.14).

The purpose of this study is to evaluate online customer judgments evaluating food and beverage businesses and expert opinions in a combination of integrated approach. For that purpose, restaurants which take place in Turkey's biggest tourist areas in four provinces and locating in the top 10 according to customer reviews on TripAdvisor website are evaluated. At the same time, with the survey, expert opinions related to criterias used in evaluating the service and quality of the restaurant in TripAdvisor website were received. Afterwards, the data obtained from TripAdvisor website and expert reviews were integrated with Analytical Hierarchy Process (AHP) method.

The study consists of five chapters, including the introduction. After the introductory section, eWOM (electronic consumer reviews) and its relationship with the food and beverage business is assessed under the relevant literature in the second part. In the third part, AHP method by which the data were evaluated and application steps were dealt. In the fourth section, method, analysis and findings are included. In the last section, the results are discussed.

## **2. eWOM (Electronic Consumer Reviews) and Food and Beverage Businesses**

In the past, consumers would refer to the views of other people around them in order to find out his thoughts on a certain brand, product, or business and this case would be known as Word of Mouth in marketing literature. In parallel with the development of computer and Internet technology, personal comments and opinions are being shared in a virtual environment (Pollach, 2006: p.1). This communication which means consumers do not recognize each other over the Internet, they share their comments via consumers is called eWOM (electronic publicity) (Bilim et al., 2013; p.390). In this context, eWOM is; "significant remarks, or product viewed, by prospective, current, or former consumers". eWOM involves comments about product performance, service quality, and trustworthiness passed on from one person to another using an electronic medium (Arroyo and Pandey, 2010; p. 1230).

Today, thanks to the idea of web-based sharing platforms' popularity and proliferation, it plays an important role in online product evaluations and purchase decisions of consumers. These online platforms allow individuals to share their experiences with other people. These communities which are constantly increasing not only provide customers to spread their ideas but also assist the businesses to give their marketing messages by electronic word of mouth communication (eWOM). Online customer reviews for the food and beverage business are very effective. Because there is no possibility of testing of the product before being consumed in the restaurant. An information obtained from an experienced source with an eWOM will also help the customer's decision making (Zhang et al, 2010).

The reasons such as economic developments in our day, globalization, the impact of media on life style, workload, the active women in working life, a request of spending enjoyable time albeit two-hours at the end of a tiring and stressful day, fashion, pleasure and desire to socialize, the development of travel cases, the request of getting food and drinks available which can not be obtained or can not be produced in the home environment (Sarışik and Hatipoğlu, 2009; p.186) have changed people's eating habits and continue to change. Individuals who meet these needs in a home environment with household before, also meet the needs of eating and drinking outside with the influence of the above reasons today. When consumers consider in terms of the cost they endured and the value they gained, value presentations that consumers expect from the food and beverage business vary from the value presentations which they expected from other product groups. This is because consumers who save time and money to buy the food and beverage of business services want to live the experience without any surprise in negative sense. To avoid any negative experiences, they collect information from various information resources about products and / or services. While this information resources were limited with the information obtained from traditional media and social environment (the reference group) in the past, today sufficient information is presented to consumers in the online environment (Özaslan and Uygur, 2014; p.70).

According to a study conducted by Jeong Janq (2011), restaurants' food quality provide positive eWOM between customers. Service employees are also among the factors that create a positive eWOM. A good atmosphere in the restaurant is another factor contributing to the positive eWOM. The reasonable prices in the restaurants are not contributing to customers on eWOM.

Zhang et al (2010) analyzed customer reviews about food, atmosphere and service quality of restaurants in their research. They have tried to identify the impact of eWOM on the popularity of restaurants in virtual environment. As a result, the density of online customer reviews is directly associated with the virtual popularity of the restaurant (Sarışık and Özbay, 2012; p.14).

Boulding et al. (1993) draw attention that service quality in restaurants has positive effect on customer behaviors such as loyalty and positive eWOM.

These studies clearly demonstrate the importance of online reviews in the food and beverage sector. As the importance of online reviews increases in terms of customer, the interest, assessments and strategies of food and beverage business are evolving in this direction. Food and beverage businesses, except for the comments for them, can be created important source of information in determination of market developments and the development of competitive strategy by taking into account the company reviews of other competitors in the industry.

### 3. Analytic Hierarchy Process (AHP) Method

AHP has been developed for the solution of complex multi-criteria decision-making problems by Saaty in the 1970s. AHP is multi-criteria decision-making technique which can take into account both objective and subjective evaluation criteria and is widely used (Özen ve Oranlı, 2013). It is a technique which needs the views of decision-makers in determination of the relative degree of importance on all criteria. Decision-makers compare criteria and sub-criteria using Saaty's 1-9 scale (Table 1). By evaluating all criteria, priority of decision alternatives is obtained (Önder and Önder, 2014; p.21-22).

**Table 1: Saaty AHP Paired Comparison Scale**

Significance values	Value Description
1	Status of both factors' equal importance
3	Status of Factor 1 is <b>more important</b> than Factor 2
5	Status of Factor 1 is <b>far more important</b> than Factor 2
7	Status of Factor 1 is <b>highly significant</b> compared to Factor 2
9	Status of Factor 1 is <b>very highly significant</b> compared to Factor 2
2,4,6,8	Intermediate values of degrees in the above description in the choice between two factors

**Reference:** (Saaty,2008;86)

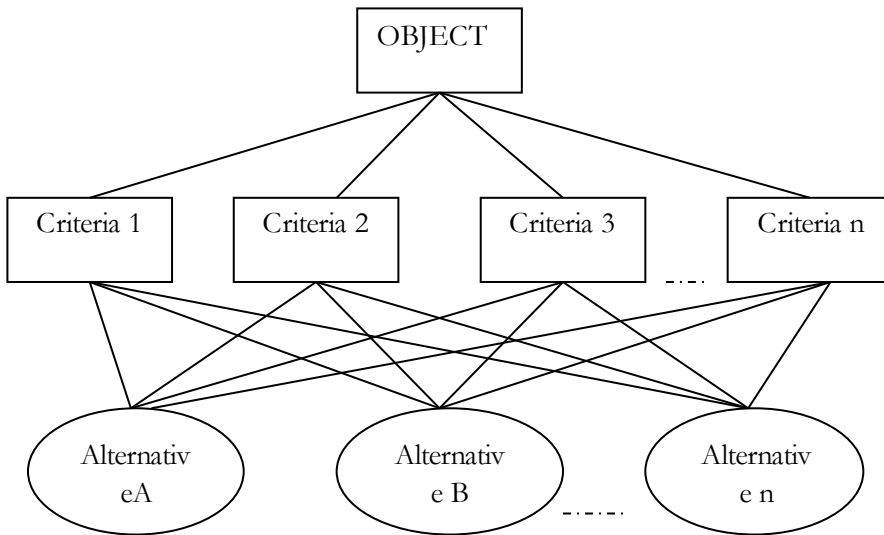
In problem solving with AHP, object (problem) is determined first, then AHP solution steps are implemented starting from the object. Solution phase with AHP operates in the following way (Timor 2011;18, Önder and Önder 2014;23-24);

Step 1: Decision problem is defined and purpose is determined.

Step 2: Necessary decision criteria are set to achieve the objective.

Step 3: Possible decision alternatives are determined.

Step 4: The hierarchical structure of decision problems are created.



**Figure 1: AHP's Hierarchical Structure**

Step 5: Paired comparison of the criteria for each level of the hierarchy and the degree of importance of criteria is determined by taking advantage of eigenvectors.

At this stage, inter-criteria comparison matrix is a  $n \times n$  dimensional square matrix. Matrix components on the diagonal of this matrix takes the value 1. Comparison matrix is shown below:

$$A = \begin{bmatrix} a_{11} & a_{12} & \dots & a_{1n} \\ a_{21} & a_{22} & \dots & a_{2n} \\ \cdot & & & \cdot \\ \cdot & & & \cdot \\ \cdot & & & \cdot \\ a_{n1} & a_{n2} & \dots & a_{nn} \end{bmatrix}$$

Comparison of criteria is done one-to-one and mutual according to importance values that they have relative to each other. In comparison of criteria mutually AHP comparison scale in Table 1 is used. In order to determine the weight of these criteria in integrate, in other words their percent importance distributions, it is utilized from column vectors forming the comparisons matrix and B column vector with **n number** and **n component** is generated. This vector is shown below:

$$B_i = \begin{bmatrix} b_{11} \\ b_{21} \\ \cdot \\ \cdot \\ b_{n1} \end{bmatrix}$$

In the calculation of B column vector, it is utilized from  $b_{ij} = \frac{a_{ij}}{\sum_{i=1}^n a_{ij}}$  formula.

When the steps described above is repeated for the other evaluation criteria, B column vector will be obtained about the number of criteria. When n number B column vector is combined in a matrix format, C matrix will be formed as shown below:

$$C = \begin{bmatrix} c_{11} & c_{12} & \dots & c_{1n} \\ c_{21} & c_{22} & \dots & c_{2n} \\ \cdot & & & \cdot \\ \cdot & & & \cdot \\ \cdot & & & \cdot \\ c_{n1} & c_{n2} & \dots & c_{nn} \end{bmatrix}$$

Benefitting from the C matrix, percent importance distributions which indicate importance values of the criteria relative to each other can be obtained. For this, as shown in the Formula (1), arithmetic average of the line components composing C matrix is taken and W column vector, called **Priority Vector**, is obtained. W vector is shown below:

$$w_i = \frac{\sum_{j=1}^n c_{ij}}{n} \tag{1}$$

$$W = \begin{bmatrix} w_1 \\ w_2 \\ \cdot \\ \cdot \\ w_n \end{bmatrix}$$

Step 6: The consistency of the comparison matrix obtained in the previous step is determined.

AHP, with **Consistency Rate (CR)** obtained, provides the opportunity to test the priority vector which was obtained and hence the consistency of one-to-one comparisons which were made between the criterias. AHP attributes the essence of CR calculation to the number of criteria and the comparison of a factor ( $\lambda$ ) which is called **Basic Value**. For calculating  $\lambda$ , first, D column vector is obtained from matrix multiplication of A comparison matrix with W priority vector.

$$D = \begin{bmatrix} a_{11} & a_{12} & \dots & a_{1n} \\ a_{21} & a_{22} & \dots & a_{2n} \\ \cdot & & & \cdot \\ \cdot & & & \cdot \\ \cdot & & & \cdot \\ a_{n1} & a_{n2} & \dots & a_{nn} \end{bmatrix} \times \begin{bmatrix} w_1 \\ w_2 \\ \cdot \\ \cdot \\ \cdot \\ w_n \end{bmatrix}$$

Dividing the corresponding elements of D column vector that was found and W column vector, the value for each evaluation criterion (E) is obtained. The arithmetic average of these values (2) gives the basic value ( $\lambda$ ) related to the comparison. After calculating ( $\lambda$ ), **Consistency Index (CI)** can be calculated by utilizing the formula (3). At the final stage CR is obtained by dividing CI into standard correction value (4) called **Random Index (RI)** shown at Table 2.

$$\lambda = \frac{\sum_{i=1}^n E_i}{n} \quad (2)$$

$$CI = \frac{\lambda - n}{n - 1} \quad (3)$$

$$CR = \frac{CI}{RI} \quad (4)$$

If the calculated value of CR is smaller than 0.10, this indicates that decision maker made consistent comparison. If CR value is greater than 0.10, this shows there is a calculation error in AHP or inconsistency in decision making's comparisons.

**Table 2: Random Index (RI) Values**

N	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
RI	0	0	0,58	0,90	1,12	1,24	1,32	1,41	1,45	1,49	1,51	1,48	1,56	1,57	1,59

Reference: (Saaty and Özdemir,2003; 241)

Step 7: Severity of the alternatives and criteria (weights) are determined. Alternative having the highest weight is the best alternative, criteria having the highest weight is the best criteria.

#### 4. Method of the Research

One of the fundamental principles of AHP is the decomposition. Decomposition states hierarchical configuration of the problem (Saaty, 1986:p.841). The objective, criteria and alternatives are three basic levels of hierarchical configuration. The object of Hierarchical Configuration is identified as the sequencing of the four provinces having most tourist areas in terms of food and beverage businesses with an integrated approach. As the criteria, four criteria used in scoring on TripAdvisor website are used exactly in the study. In importance weighting of these criteria, the views of lecturers, who work at food and beverage section at Beyşehir Tourism Faculty, have been consulted. The views related to criteria of five

lecturers were taken through a questionnaire prepared according to Saaty 1-9 scale. Then, by converting the personal jurisdictions of each decision makers to group joint decision by the geometric mean, weights were calculated in Super Decision program. Customer ratings on TripAdvisor website are included into the calculation as the values taken by the alternative.

The following sequence was followed in the analysis of the study:

1. Defining the decision problem, objectives, criteria and the creation of hierarchical model by identifying the alternatives clearly,
2. Calculation of the average criteria of the Top 10 restaurants according to customer review on TripAdvisor site in the provinces which are determined alternatively,
3. Calculation of the degree of importance (weight) of the criteria by making the paired comparison of the criteria for each level of the hierarchy,
4. Determination of the ranking of the alternatives.

The portion for the analysis of the study is detailed below in accordance with this order.

### 1.1. Defining the Problem Resolution with AHP Method, Objective, Criteria and Creating the Hierarchical Model by Specifying of Alternatives

Decision problems and objectives of the application are "the comparison of the first four provinces having most tourist areas in Turkey in terms of food and beverage services" in the scope of expert assessments and the scores given by the customer. As criteria for analysis, restaurant customer reviews criteria are selected on TripAdvisor site which is an international platform related to tourism and travel. In this context, there are 4 criteria in the decision problem including service, food, atmosphere and value.

In the study, a full round is accepted as awful= 1 point, two full round as bad= 2 points, three full round as mean= 3 points, four full rounds as alpha plus= 4 points, five full rounds as perfect= 5 points which take place under the title of TripAdvisor site score summary. Rounds ,which are half full, are evaluated as  $\frac{1}{2}$ .

As the alternatives, Antalya, İstanbul, Muğla, İzmir provinces are determined as the most tourist areas in Turkey (TUROFED, 2014). Therefore, there are four alternatives in problem resolution. In light of this information, Hierarchical Model of problem Decision was created. Model for the problem is combined with the arrows from top to bottom (Figure 2).

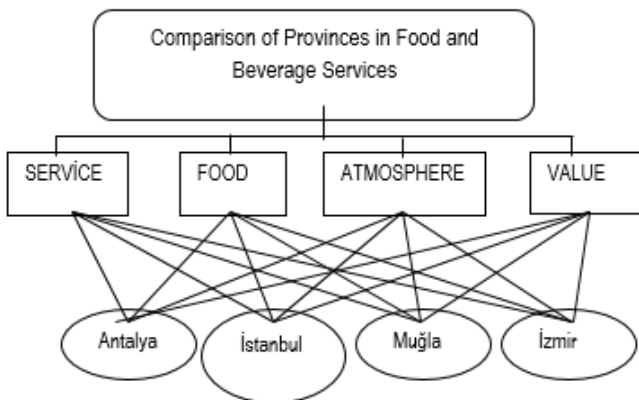


Figure 2: Decision Problem Hierarchical Model

## 1.2. Calculation of Criteria Average in Alternative Cities

According to customer ratings on TripAdvisor website in four provinces having most tourist areas in Turkey, the values in Table 3 were obtained by calculating the arithmetic average of the scores of the restaurants which take place in top ten, according to Service, Food, Atmosphere and Value criteria.

**Table 3: Average of Customer Satisfaction Criteria of Four Provinces**

	İSTANBUL	ANTALYA	İZMİR	MUĞLA
<b>Service</b>	4,87	4,31	4,61	5,00
<b>Food</b>	4,63	4,38	4,77	4,92
<b>Atmosphere</b>	4,42	4,31	4,29	4,69
<b>Value</b>	4,40	4,36	4,69	4,77
<b>General Average</b>	<b>4,58</b>	<b>4,34</b>	<b>4,59</b>	<b>4,85</b>

## 1.3. Determination of Degree of Importance (the weight) of Criteria by Paired Comparison of Criteria for Each Level of the Hierarchy with AHP Method

After criteria averages calculated in alternative provinces, paired comparisons of the criteria (service, food, atmosphere, value) were started. The data used in the paired comparison were obtained by the questionnaire which was prepared by using 1-9 scale of Saaty (Table 1). The questionnaire was filled to 5 lecturers at Tourism Faculty in Beyşehir. Then, the geometric mean of the personal judgment obtained from the survey was calculated (Table 4). Thus, expert review group decision was obtained before paired comparison.

**Table 4: Expert Review Group Decision on Paired Comparison**

Criteria	K.V.1	K.V.2	K.V.3	K.V.4	K.V.5	Geo.Mean.	Common Review	Criteria
<b>Atmosphere</b>	1/5	1/6	1/5	1/3	1/5	<b>0,21</b>	<b>1/5</b>	<b>Value</b>
<b>Atmosphere</b>	1/3	1/8	1/7	1/6	1/8	<b>0,17</b>	<b>1/6</b>	<b>Service</b>
<b>Atmosphere</b>	1/3	1/9	1/9	5	1/5	<b>0,33</b>	<b>1/3</b>	<b>Food</b>
<b>Value</b>	3	1/8	5	1/5	1/6	<b>0,57</b>	<b>1/2</b>	<b>Service</b>
<b>Value</b>	3	1/7	2	1	1/7	<b>0,70</b>	<b>1/2</b>	<b>Food</b>
<b>Service</b>	1/2	1/9	1/9	4	5	<b>0,66</b>	<b>1/2</b>	<b>Food</b>

AHP can be applied in individual and group decision. If the decision is taken by participation of not only one person but a group, the name of AHP with the group deciding is given to this case (Girner and Cevdar, pp.104-105). One of the commonly used methods when group decision given in AHP is combination of individual judgment which is located in the pairwise comparison matrix. In cases where decision-makers have equal importance in combining of the judgment of a group, geometric mean is the most appropriate method Forman and Peniwati, 1998; p.169, Asma and Bahurmoz, 2006; p.10, Timor, 2011; p.38, Ömürbek and Tunca, 2013; pp. 56-57, Önder and Önder, 2014; pp.35-37, Çelik, 2007; p.74).

If the calculated geometric mean value was between 1-9, compare results were entered into the left side of the questionnaire Super Decision program without making any changes. If the geometric mean was a decimal number, nearest integer value was taken. If the geometric mean value which was calculated for decision makers is in the range of 0-1, "1" value is divided into this value (like 1 / 0,60). If the value is decimal number on account of dividing, it is calculated as "1 / the obtained value" by taking into account the closer integer value. In Table 4, fractional numbers which take place in common review

column field were determined in this way and Super Decision program was included in the calculation in the manner of locating on the right side of the questionnaire form (Ömürbek and Tunca 2013; pp.58-59). After data input, matrix concerning the criteria was created.

Inconsistencies in comparison may result in inconsistency of priority values of the ordering preferences of alternatives. If the inconsistency rate is "0", it shows that decision-maker is completely consistent in his jurisdiction. If this rate is 10% or lower, it is generally acceptable (Hafeez et al., 2002; p.39, Forman and Selly, 2001; p.49). As the discrepancy value (0,09914 < 0,10) of pairwise comparisons of individual judgment of decision makers is within acceptable limits which was calculated by taking the geometric mean in the study, the value related to the priority vector was adopted as interpreted. In this context, weight values of criteria as a result of comparisons are as follows: Service (32%), Food (39%), Atmosphere (7%), Value (22%). based on the results, the most important criteria in the selection of restaurant is food for decision-makers, the most trivial criteria is atmosphere.

#### 1.4. Determining of Precedence of the Alternatives

As a result, according to evaluation scores given by the customer in the restaurants which were taken into consideration in four provinces and judgment of experts in weighting of the criteria orderings are as shown in Table 5.

**Table 5: Comparison of the Restaurants of Four Provinces in terms of Customer Satisfaction**

	ORDERING IN TERMS OF CUSTOMER REVIEWS	INTEGRATED ORDERING	
MUĞLA	4,83	MUĞLA	0,264
İZMİR	4,59	İZMİR	0,252
İSTANBUL	4,58	İSTANBUL	0,250
ANTALYA	4,34	ANTALYA	0,234

As can be seen from Table-5, general ordering in our study which assesses of judgment of experts with the ordering in terms of the customer reviews on the restaurants which take place in four provinces having most tourist areas in Turkey hasn't changed.

## 5. Conclusion

In recent years, with technology providing opportunity of sharing unlimited information and comments in the virtual environment and increase in people's willingness to get information have attracted attention to this environment. Word of mouth communication which is an important marketing tool has begun to give place to word of mouth communication in virtual environment, reviews of customers and ratings. In tourism industry, the importance of experience consumption rather than product has triggered consumers' to share positive or negative experiences, which they lived, with potential consumers in virtual environments. Research results show that a large number of potential tourists decide to buy or not to buy by evaluating the views of those who has experience in the virtual environment.

As well as being many internet environment where restaurant customers share their experience, TripAdvisor website, which is an international platform where restaurant customers share their experience, is recognized as an important source in academic works. In this context, in four provinces having most tourist areas in Turkey and restaurants which take place in top 10 according to customer scoring in these provinces on TripAdvisor website were evaluated in the study. The criteria used in scoring which was made in TripAdvisor website were used exactly in the study. To determine the weight of these criteria, the weight was calculated in Super Decision program by taking evaluations of lecturers working at Bevsheir Tourism Faculty according to Saaty 1-9 scale. Thus, expert opinion was integrated with customer reviews in the study. Alternative four provincial orderings were obtained by combining weight of the criteria and TripAdvisor website customer score values in AHP technique. It is seen that provinces ordering hasn't changed even when integrated with the judgments of experts in



terms of customer reviews before study. In this context, it can be said that the criticism about the reliability of customer reviews is not valid at least within this study.

This study matters in terms of the use of an approach which integrates eWOM applications in multi-criteria decision-making techniques and expert reviews together. Besides, it will be able to set an example for other works about common review to be determined by geometric mean when there are multiple decision makers in AHP method and how it is to be placed in comparison matrix. Another importance of this study is that restaurant management will be able to get a feedback about the current state of the business by taking advantage of this and similar studies.

## References

- [1] Asma, M., Bahurmoz, A. (2006). "The Analytic Hierarchy Process: a Methodology for Win-Win Management", JKAU: Econ&Adm. Vol.20 No.1, 3-16.
- [2] Arrayo, M. M and Pandey, T. (2010). "Identification Of Critical Ewom Dimensions For Music Albums", Proceedings of the 2010 IEEE ICMIT, 1230-1235.
- [3] Bilim, Y., Başoda, A. and Özer, Ö. (2013). "Elektronik Tüketici yorumlarının Nitel Çözümlemesi ve Pazarlama Bilgi Aracı Olarak Kullanımı: Tatil Otellerine Yönelik Bir Uygulama", 14. Ulusal Turizm Kongresi, 387-407.
- [4] Boulding, W., Kaire A., Stealin, R. and Zeitham, V.A. (1993), A Dynamic Process Model Of Service Quality: From Expectations To Behavioral Intentions, Journal Of Behavioral Science, Vol.9. 1., p.8-17
- [5] Civelek, M and Dalgın, T., (2013). "Turizm Pazarlamasında Sosyal Medya, Turizm İşletmeleri Üzerine Bir Araştırma: Muğla Örneği", 14. Ulusal Turizm Kongresi, 266-282.
- [6] Çelik, N. (2007). "Bartın İli'nde Faaliyet Gösteren Turizm İşletme Belgeli Üç Yıldızlı Otel İşletmelerinin Hizmet Kalitesi Açısından Analitik Hiyerarşi Süreci Yöntemi ile Karşılaştırılması", Yayınlanmamış Yüksek Lisans Tezi, Zonguldak Karaelmas Üniversitesi SBE.
- [7] Forman, E. H., Peniwati, K. (1998). "Aggregating Individual Judgments and Priorities With The Analytic Hierarchy Process", European Journal of Operational Research, 108, 15-169.
- [8] Forman, E. H., Selly, M. A. (2001) Decision By Objectives (How To Convince Others That You Are Right), World Scientific Pub. Co., Petersburg, USA, 2001.
- [9] Giriner, N., Çevdar, Z. (2007). "En uygun Fiyatlandırma Stratejsinin Grup Karar Vermeli Analitik Hiyerarşi Süreci ile Değerlendirilmesi: Türkiye Otomotiv Sektörü İçin bir Uygulama", 22.Yıl Ağustos 2007 İktisat İşletme ve Finans İnceleme-Araştırma Dergisi, 101-127.
- [10] Hafeez, K., Zhang, Y. B. and Malak, N. (2002). "Deremining Key Capabilities of A Firm Using Analytic Hierarchy Process", Int.J. Production Economics, 76, 39-51.
- [11] Jeong, E. & Jang, S. (2011). Restaurant experiences triggering positive electronic word-of-mouth (eWOM) motivations. International Journal of Hospitality Management, 30, 356-366.
- [12] Ömürbek, N., and Tunca, M. Z., (2013). "Analitik Hiyerarşi Süreci ve Analitik Ağ Süreci Yöntemlerinde Grup kararı Verilmesi Aşamasına İlişkin Bir Örnek Uygulama", Süleyman Demirel Üniversitesi İ.İ.B.F. Dergisi, C.18, S.3: 47-70.
- [13] Önder, G., and Önder, E. (2014). Çok Kriterli Karar Verme. içinde Yıldırım, B. F. ve Önder, E., *Çok Kriterli Karar Verme Yöntemleri*, (ss.21-64) Bursa, Dora Yayınları.
- [14] Özasan, Yasin; Uygur, Selma Meydan. (2014 ). Negatif Ağızdan Ağıza İletişim (Wom) Ve Elektronik Ağızdan Ağıza İletişim (E-Wom): Yiyecek-İçecek İşletmelerine Yönelik Bir Araştırma. Atatürk University Journal of Economics & Administrative Sciences, 28.3.
- [15] Özen, Ü. and Orçanlı, K. (2013). "Çok Kriterli Karar Verme Yöntemlerinden AHP ve TOPSIS'in E-Kitap Okuyucu Seçiminde Uygulanması" [http://sosyaldergi.usak.edu.tr/Makaleler/1128425974\\_MAKALE\\_14.pdf](http://sosyaldergi.usak.edu.tr/Makaleler/1128425974_MAKALE_14.pdf). (Erişim Tarihi: 02/02/2015)
- [16] Pollach, I. (2006). "Electronic Word Of Mouth: A Genre Analysis Of Product Reviews On Consumer Opinion Web Sites", Proceedings of the 39th Hawaii International Conference on System Sciences, 1-10.
- [17] Saaty, T. L. (1986). "Axiomatic Foundation of the Analytic Hierarchy Process", Management Science, Cilt 32, Sayı 7, 841-855.
- [18] Saaty, T. L. (2008). "Decision Making with the Analytic Hierarchy Process", International Journal of Services Sciences, Cilt 1, Sayı 1, 83-98.
- [19] Saaty, T. L. and Özdemir, M. S. (2003). "Why the Magic Number Seven Plus or Minus Two", Mathematical and Computer Modelling, Cilt 38, 233-244.

- [20] Sarıışık, M. and Hatipođlu, A. (2009). Türkiye'de Yiyecek İecek Sektörünün Gelişimi. Editörler, avuş v.d., Türk Turizm Tarihi Yapısal ve Sektörel Gelişim, Detay Yayıncılık, Ankara.
- [21] Sarıışık, Mehmet, Özbay, Gülin. (2012). Elektronik ağızdan ağıza iletişim ve turizm endüstrisindeki uygulamalara ilişkin bir yazın incelemesi. Uluslararası Yönetim İktisat ve İşletme Dergisi, 8.16: 1-22.
- [22] Timor, M. (2011). Analitik Hiyerarşi Prosesi, İstanbul, Türkmen Kitabevi.
- [23] TUOFED (2014), "Turizmin Genel Değerlendirilmesi".
- [24] World Tourism Organization (2014), Online Guest Reviews and Hotel Classification Systems - An Integrated Approach, UNWTO, Madrid.
- [25] Zhang, Z., Ye, Q., Law, R. and Li, Y. (2010). The Impact of E-Word-of-Mouth on the Online Popularity of Restaurants: A Comparison of Consumer Reviews and Editor Reviews. International Journal of Hospitality Management, 29: 694-700.

## Agresion of Teenagers in Albania

Ida Kruti

European University of Tirana

Faculty of Social Sciences and Communication, PhD Programs

Tel.00355(0)69 25 22 984

ida\_t2002@yahoo.de

### Abstract

*In general terms, this study examined the "Agresion of teenagers in Albania". These are the first result of one empirical national research. The reason that I chose this subject expresses my interests toward the deeper recognition of the teenager as well as some of the main phenomena that accompany individual development. We will analyzing teenagers as humans in the context of Bio-Psycho-Social capacity, which can be performed only by the science of psychology. The individual development associated with biological changes, vital functions, the teenagers' relationship between society and family remain an important area of study for many sciences. Numerous adolescents stay in this phase, the more difficulties have to be overcome due to with rapid adjustments of the body changes, the longer will continue the family conflicts or their efforts to position themselves in the society. Adolescence itself is a painful process, where teenagers leaves behind the childhood period and move towards a new path where the individual creates the new identity in the family and society. In this paper we will deal with teenagers' behaviour as the principal focus of research: The main issues to be addressed in this work are as follows: 1. The concept of aggression an attempt to study it, according to biological, cognitive-behavioural, psychoanalytic theories, etc. 2. Antisocial behaviour and its characteristics. The most risky age groups. 3. The causes of aggression and antisocial behaviour during the adolescence period. 4. Explanation of the concept of adolescence, when it starts in terms of gender comparison, its characteristics, problems and difficulties that occur to selected specific ages. Description and types of interpersonal relations established with the family and social groups. 5. Information about the spread of both phenomena by specifying which of the stages of adolescence is more risked in terms of gender division (girls or boys). Significant statistic about aggression of adolescents girls in our society is problematic. Recognizing the difficulties of inclusion in some specific aspects of this age period and associated phenomena such as aggression the goal of my work is to analyze these phenomena and their social impact. One of the goals my research is to present and describe trends that are noticed currently in the lives of young people in the Albanian society. Special attention is paid to the theoretical analysis and the statistical data in order to identify the tendency of adolescents, with regard to the expression of aggression in the Albanian society. The full study includes 816 girls and boys and I want to present the first results, that involved 250 students, 17 year old. Participants 108 males and 142 females. This study reported a high level of aggression among female and male adolescents. The used test is the Buss-Durkee Hostility Inventory (BDHI, 1957). Castrogiovanni P, Andreani M.F. et al. (1982); Castrogiovanni P., Maremmanni (1993)" reworked again "Buss and Perry and updated by Buss and Warren (2000)". This test is the most widely used self-report assessment of aggression, was used in different populations and cultures, with a purpose to show the level of aggression and to understand how gender influences to different kinds of aggression( Yudofsky, S & Hales, R., 2008 ).*

**Keywords:** Aggression, Albania, Adolescence, Boys and Girls.

### 1. Introduction

Task of psychology is to analyze conflicts that arise during adolescence this age stage. It is generally agreed that these important developments affecting the bio-psycho-social status, and consequently reflected in their psyches. Adolescent sexual developed and established is in a state of transition to create his personality, cognitive and intellectual changes. This dramatic change and teens social status are in crisis he lives between being a child and adult. Biological differences lie in the focus of psychology because they are often the cause of phenomena that are social interest (Wohlman, B. B. 1998). To the attention of psychology remain perceptions, emotions, motivations, social behaviour, and mental development trials that come as a result of physiological development during adolescence. To understand the psychology of adolescence is like to see it as a process variable of learning, intellectual organization, personal judgment, age trend, its status as sexual as well as social and economic (Ausubel P. David, 2002).

The focus of the study of adolescence in psychological plan, the remains in fact to understanding adolescents and their problems (Myers, G.D., 1999 "Socialpsikologija"). All the phenomena observed from the age of 13 -19 years, ranging from sexual relations with or without prejudice, drug abuse or dependence and its social consequences in the context of crime. As one of the key tasks to the attention of psychologists remains sensitize the population. By this mean not only those who are in direct relationship with the teenagers whether they are teachers, parents and counselors, but all of society should be able to understand and explain these behaviours. Whenever it comes to adolescence or want to remember this period of life everyone of us conjure up a vital period in charge not only emotions but also in conflict. Someone says "earthquake" someone "not me", "was not the time that it is today", "beautiful", "full of emotion" did not understand why I cried and argued so much ", "with no one seemed to understand" Although adolescence is perceived with such comments from all adults they soon are not afraid to say that their behavior have been less aggressive compared with that of today's generation. How true is this? It is difficult to say because there is no data for the period of communism, as youth education consisted in the preparation of revolutionary individual. If will refer to the human being that owns aggressiveness at birth. Early childhood aggression displayed in verbal form, this condition manifests itself more or less the same levels as boys and girls, these are forms of open aggression, and later is generally hidden. (Delfos 2004;Gemeli,1996). In the first two years of life, when aggression first emerges in the human repertoire, sex differences are not pronounced(Hay, 2005). In the school age males are more aggressive than females (Kim -Cohen, 2005). Different studies have shown that girls would display and receive more relational aggression(kinf of nonverbal aggression) compared to boys, especially during interactions with females (Ostrov & Keating, 2004).

In a study in USA (2002) for physical, verbal and indirect aggression of adolescents, resulted that one in five children bullied others, and more than one in three high school students were involved in some form of physical attack. About 30-40% of males adolescents and 16-32% of females were involved in criminal, violent acts by the age of 17. (National Youth Violence Prevention Ressource Center, 2002). According to another empiric study in USA which included 73,498 adolescents which referred to the difference between genders. This study showed that the difference between the physical aggression of boys was higher than the girls and the verbal aggression of girls was higher than boys (Card, A.N., Sawalani, M. G., Stucky, D. B. & Little 2008). The same results for physical and verbal aggression of males and females were shown in another study of the University of California(Juvonen, J. & Wang, Y. & Espinoza, 2012).

A study in Germany reported that 43,7% of male adolescents and 23,6% of the females, interviewed, were involvrf in antisocial behaviours; 20,2% of males and 6,4% of females were involved in violent acts; 17,8% of males and 15,5% of females have caused physical violence; 29,9% of males and 7,1% of females were involved in acts of vandalism and 14,2% of males and 12,4% of females were involved in shop-lifting (Baier, etal 2009, Marc Allroggen, München, 2013). The following empirod studies for american adolescents from 15-18 old, showed important statistic datas where 32,8% of them showed physical aggression outside school, 40,7% of them were males and 24,4% females. While in school physical aggression showed 12% of them, in which 16% were males and 7,8% females( National Center for Injury Prevention and Control. Division of Violence Prevention 2012). While the studies show and the negativ relation between aggression and emotional intelligence of adolescents (Parker et al, 2001, Brejard et al, 2006, Kimiaei et al, 2011, Masoumeh, Bte Mansor, Yaacob, Abu Talib & Sara, 2014).

In a study in another culture, in Iran where dominates life insecurity and the living with danger, is showed clearly that it has not emphased differences between the aggression of females and athlet males (Kharkan, Andam & Mehdizadeh, Iran 2013).

It is very important for my study to be present and atent to understand the similarities and differences between boys and girls in their aggressive nature during development. Displaying aggressive behavior is supported by the personal social relations and social interaction. Still much discussed issue remains whether this aggressiveness is born or learned?

According to psychoanalyst Sigmund Freud and ethologist Konrad Lorenz, a supporter of the theory of instincts, all human beings possess aggressiveness in their birth, which together with sexuality are key elements in the development of the individual, finding their expression in behaviour individual performs. While many scholars treat aggressiveness as the primary force which may come as a reaction to aggression or frustration of primary needs.

Thus, according to John Dollard in 1930, known as one of the developers of hypothesis "Frustration - Aggression, aggression or bring frustrated conditions as inevitable response aggression (Conner, D. F, (2004)"Aggression and Antisocial Behavior in Children and Adolescents". Research and Treatment. The Guilford Press; 1 edition pg. 15). Albert Bandura famed Canadian psychologist focused his study of adolescent aggression to learning theory. Bandura theory

insists on the fact that aggression is a learned behaviour. Albert Banduras scheme under which promote aggression is: "Model-Observation - Memorizing - Reinforcement – Behaviour".

### **Actual context of Teenagers in Albania**

Not only for the purpose of study, but also to know more teenagers and their problems I went at many educational institutions, not wanting to dwell only on statistical data that represents of education ministry, as there students who are expelled from school for violent acts or serious breaches regulations, presented simply as away.

To analyze the phenomenon of aggression and antisocial behaviour had to retain specific details that have school directories. In some of the major cities high schools noted that many male students lose academic year at the age of 16 - 17 years for the following reasons, placed according to the degree of action: drop from classes, violence against peers or school facilities as well as consumer and distribution of drugs within the school premises or alcohol.

Relying on the age of criminal behavior criminal literature ranges from 14 - 17 years. Peak age of adolescence is the most important period for the full decision in forming opinion to prepare for life is when a teenager reaches 17 years (Lösel, F & Bliesener, 2003). At this age, he apparently did not feel no more need for the parent to the fact that larger conflicts parent-child occur at this age.

These were some of the reasons for the selection of the sample exactly my age of 17 years (plus, minus three months).

By contrast is less important cities where the number of students who lose the school year for these reasons it is very small and not significantly in rural areas where the reasons for leaving school when teenager leave towards one another residential center.

Initially focus precisely my study both women and men and to some of the key variables analysis of aggression, but of course I will not deny the fact that my interest was added to the study of female category due to data provided school leaders. For the first time only in 1999 jumped an important step in addressing girls and their aggression. Decades ago did not work in studying the phenomenon of girls, and finally social scientists, clinicians, educators and analysts directed their studies on this phenomenon to girls. It was the 1988 symposium "Development of Childhood" where he launched the idea of treating girls as neither in 1988 nor in publications Symposium 1991 world listing not girls, as their aggressiveness by excluding them. So and interference was unknown.

In schools there is no less problematic to female adolescents, as well as measures that schools have taken against them, the result was more relaxed and when they pose the same problems as boys.

For example, in cases not a few beatings within the school premises, girls, according to the degrees of normative provisions were given to three days measures expulsion from school and not the exception, as happened to the boys final. Many school leaders say the measures against girls may seem scarce, but in fact is not so, because their behaviours are not repeated as they boys or the fact that the girls try to within the school environment to behave more regular.

A smaller proportion of girls leave school due of truancy, the fact is that in our society, parents are more stringent and compelling to girls than to boys, even whenever they show their parents problematic cooperate more with the school.

## **METHOD**

### **Participans**

Student tested for these behaviors are both females and males (250,142/108 only quantitative study), 17 years old considered as the peak age of adolescence. They were in schools of metropolis, a large big city with heterogeneous populations, in a town with a population of homogenous, who live in different economical level, as well as in poor rural area.

### **Procedure**

To test the students was used "*Buss-Durkee Hostility Inventory*" It contains 8 subscales.

The test contains 75 statements and the students must choose if you agree or disagree with the statement. One of the reasons for the selection of this test was the analysis of the responses in detail the eight variables, each response assessed respectively by a point:

1. Assault, 2. Indirect hostility, 3. Irritability, 4. Negativism, 5. Resentment, 6. Suspicion,
7. Verbal hostility, 8. Guilt.

Teenagers were tested for the period January - April. They made sure that the questions were clear for each student. Of course I would like to thank the school administrators who created the possibility of testing adolescents, staff collaboration to discuss and get information on the social composition and phenomena with which they face daily in their work, as well as contact with school psychologist where the service function .

To measure the tendency of aggression in boys and girls found it logical to make this study not only in big cities increasingly on the move, in a city less important, but in rural areas, to make so possible to draw out some of the more specific elements of this phenomenon among adolescents in our society.

So are tested a total of 250 students aged 17 years, where 200 students were tested respectively in cities (in the graphic are marked with the name Urban Zone 1 and Urban Zone 2) and 50 students in a Rural Area RA.

It's too simple to say and express in keeping with general statistics, saying that young people are either non-aggressive or wanting to generalize, often can be made mistakes after this test clearly shows access or time trends indifferent areas, but never be diverted to their interpretation of the factors mentioned above, such as: genetic, social (here we can mention the effects arising from conflicting societies or in a very short period has undergone transformations powerful naturally could not reflected in the social plan), individual, family factors, or in relationship.

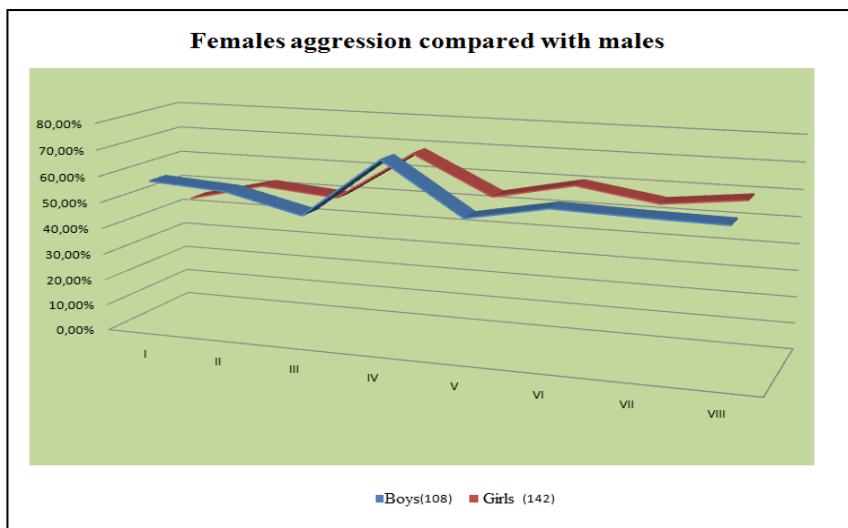
I realize my research in a big city (ZU 1) that changing rapidly, a mobile cities, with a population more heterogee; in a city less important ( ZU 2) with a population more homogeneous composition of the population and not over populated, more conservative and less open to rapid change with a society less dynamic developments or commit professional individual throughout the day. Enabling not losing the constant contact with the child and in the mountainous rural area (RA) where life moves at a slower pace, where a significant number of people spend most of the day without any commitment, where adolescents are involved in farming and a agriculture work together with their parents

## Results

**Table 1: Result of test aggression in girls**

Dimensions		Urban Zone 1	Urban Zone 2	Rural Area
<b>Direct Assault</b>	Girl	44	44	49
<b>Indirect Assault</b>	Girl	54	55	59
<b>Irritability</b>	Girl	49	50	48
<b>Negativism</b>	Girl	68	69	68
<b>Resentment</b>	Girl	55	54	53
<b>Suspicion</b>	Girl	60	60	63
<b>Verbal Assault</b>	Girl	57	57	50
<b>Guilt</b>	Girl	56	61	60

**Females aggression compared with males (Figure 1)**



Of course seeing the test results can not prevailed a high tendency of aggressive girls compared with boys aggression. Will refer to the values of the graphic and see the results in accordance with each of the eight categories flaring category.

Physical aggression or direct where the difference between the tested boys from the girls reaches 13%, and this value is quite acceptable considering developing muscles visible body of men, which is accompanied by physical force of boys at this age, but also the level the outcome of the girls considered high. If will see a test assertions "People who constantly bore deserve a punch to the face" boys are in favor of 75% and 80% of girls and even with such comments that not enough a punch, but maybe some.

The same can seeing on the 2. category "Indirect aggression against objects", where the difference between tested girls and boys is 4% higher in boys than in girls, but it is evident that the results are more than 50% of it in a way consistent to what we claimed leaders and teachers school. What catches the eye are the 3. Scale, Nervousness and 7. Scale, Verbal aggressiveness Scales where both sexes are almost at the same level with a difference of 1%.

In 3. Scale with higher level girls, while in 7. Scale boys, but despite that if we were to take one category 7 claims. "If someone raises his voice, I lift more than it" girls who were tested were 84% in favor, even commenting until I heard only while the boys were 74.8% tested pro.

If refer to 4. Scale "Negativism" both sexes result in a high level with a margin of 3% ranging from 68% to girls which is the highest value in 71% of boys.

If we observe carefully the category "Resentment" and "Guilt", resulting girls by a margin of 3% more than boys, and both categories with 50%.

6. Scale "Suspicion" girls dominate over guys with a difference of 2% of the boys, but reaching a level 60% of all girls pro tested.

As can be observed in the graphic everybody girls and boys are dominant each other in four categories, girls respectively in the "Irritability", "Resentment", "Suspicion" and "Guilt" scale, while the boys in the "Assault", "Indirect hostility", "Negativism" and "Verbal hostility" scale.

Obvious approach to boys and girls have an aggressive growth trend in total result in an overall aggressiveness girls 56%, boys 57%, a figure the more disturbing, which should attract the attention of the family, peer educators and all society and of course, considering the biological role of woman as wife and mother of future generations that will follow.

## 1. Conclusion and Recommendations

According to Baillargen 2007 aggression and the its level both at males and females is not only close with adolescence, an age that is evident the individual **vulnerability**, the different interests and social, but also with the development of society where they live. The behaviours and their emotions are close with their family, society that are decisionable at their life.

Albanian society and family is having a long period of transition and with the democratic changes in 1991. Unfortunately there are not real studies for the level of aggressiveness, consume of alcohol, acts of violence in the family in the whole country, yet. According to the datas of this study and the high level of aggressiveness at teenagers oth males and females, in which each of them is owener to four different categories, is better that these studies to lay in a bigger population compaired this with the whole number of the population, environment and society in general and also compaired with the aspects of the development of teenagers in physical or emotional aspect.

Step by step is necesery to start with programms to teduc the level of aggressiveness. The government colaborating with the educational institutions has to create more centres for the free time or sports centres for teenagers. These environments can be the places where they can leave their negative energies, aggressiveness and to own the ability to be part of social and human activities of showing their hobbies and passions, by feeling in this way with values. An important role has the educational institutions, which not only have to evident and punish the teenager, but with the parents has to find the solution for reducing, minimizing and stopping the aggressiveness or unsocial behaviours, by giving teenagers the oportunity to face this period of transition with less difficulties. Naturally the society by sensibilating has to be part of the creation of conditions of accepting the individ with this new status and to accept the role that wants to have in the society.

## References

- [1] Adams. Gerald R. (February 21, 2000) "Adolescent development" The Essential Readings, Wiley -Blackwell; 1 edition.
- [2] Ausübel. David P(November, 2002) "Theory and Problems of Adolescent Development" Third Edition iUniverse; 3 edition.
- [3] Bandura Albert, 1980 "Principles of Behavior Modification" Journal of Marketing.
- [4] Berk. Laura E. (Dezember 2004) „Entwicklungspsychologie (Pearson Studium – Psychologie“ Addison-Wesley Verlag; Auflage: 3., aktualisierte Auflage.
- [5] Berkowitz L : On the difference between intenal and extenal reactions to legitimate and illegitimate frustrations: A demonstration. *Aggressive Behavior* 7/ 83-96,1981.
- [6] Berkowitz L : Frustrations, appraisals, and aversively stimulated aggression. *Aggressive Behavior* 14/ 3-11, 1988.
- [7] Berkowitz, L. (1989). The frustration-aggression hypothesis: An examination and reformulation. *Psychological Bulletin*, 106(1), 59-73.
- [8] Berkowitz, L. (2001) Affect, aggression, and antisocial behavior. In C. A. Anderson & B. J.
- [9] Bushman, (2002). Human aggression. *Annual Review Psychology*, 53, 27-51.
- [10] Björkovist, K. (1994). Sex differences in physical, verbal, and indirect aggression: A review of recent research. *Sex Roles*, 30(3-4), 177-188.
- [11] Breiling, J., Stoff. D. M. & Maser Jack D. (October , 1997) "Handbook of Antisocial Behavior" Wiley ; 1 edition.
- [12] Buss-Durkee Hostility Inventory (2004) Guida ragionata agli strumenti diagnostici e terapeutici nel Disturbo ' di gioco d'azzardo Patologico" Hans Dubois.
- [13] Clarke David, September , 2003 "Pro-social and Anti-social Behaviour Taylor & Francis".
- [14] Connor MD. Daniel F. "Aggression and Antisocial Behavior in Children and Adolescents"
- [15] Research and Treatment. The Guilford Press; 1 edition (July 12, 2004)
- [16] Delfos. Martine F., London, 2004 "Children and Behavioural Problems" Anxiety, Aggression,



- [17] Depression and ADHD – A Biopsychological Model with Guidelines for Diagnostics and Treatment.
- [18] Duncan B. Clark, M.D., Michael Vanyukov, & Jack Cornelius, M.D., M.P.H. (November 2002)
- [19] Childhood "Antisocial Behavior and Adolescent Alcohol Use Disorders Childhood" NIAAA Gimelli Ralph J. Normal Child and Adolescent Development. Amer Psychiatric Pub; 1 edition (May 1996)
- [20] Fend Helmut, 1990 "Vom Kind zum Jugendlichen. Der Übergang und seine Risiken" Entwicklungspsychologie der Adoleszenz in der Moderne. Huber vgl.
- [21] Flexner William "Adolescence" Sarup & Son (June 2004)
- [22] Geen Russell G. "Human Aggression" Open University 2001
- [23] Heuves Willem, Frankfurt am Main 2010 "Pubertät „Entwicklungen und Probleme „ Hilfen für Erwachsene „. Brandes und Apsel.
- [24] Kaza Ndue, 2004, "Psikologji " – Zhvillimi i personalitetit Albania.
- [25] Kaza Ndue, 2006 "Adoleshenca Stina e Shpërthimeve", Albania.
- [26] Kazdin Alan E., 2005 "Parent Management Training. Treatment for Oppositional, Aggressive and Antisocial Behavior in Children and Adolescents" Oxford University Press. New York.
- [27] Lösel, F & Bliesener, Th. "Aggression und Delinquenz unter Jugendlichen", Germany, 2003.
- [28] Myers, G.D., 1999 "Socialpsikologjia" development of adolescence" Scholarly Research Paper.
- [29] Pepler Debra J. Kirsten C. Madsen, Christopher Webster, Kathryn S. Levene, 2004 "The Development and Treatment of Girlhood Aggression" Psychology Press.
- [30] Reid John B. 2005, "Aggression, Antisocial Behavior, and Violence Among Girls: A Developmental Perspective
- [31] Richardson "Human Aggression(1991). The Columbia Encyclopedia, Sixth Edition 2004, Columbia University Press.
- [32] Rutter Michael Henri Giller & Ann Hagell "Antisocial Behavior by Young People" Cambridge University Press; 1 edition (October, 1998) Greenwood Press Westport.
- [33] Zahn Margaret A. "The Delinquent Girl". Temple University Press (2009)

## Political Battle of Mass Media Critical Discourse Analysis: *Suara Partai Masjumi* Magazine and *Bintang Merah* Magazine in 1951

**Rhoma Dwi Aria Yuliantri M. Pd**

A lecturer of History Education Program, UNY Yogyakarta)

Dosen Pendidikan Sejarah, FIS UNY

[rhoma\\_baq@yahoo.com](mailto:rhoma_baq@yahoo.com)

**Anggit Darmatadara**

Student of Master of Linguistics Program, Faculty of Cultural Sciences,

Universitas Gadjah Mada (UGM) -

Mahasiswa S2 Linguistik UGM

[anggitdarmatadara@gmail.com](mailto:anggitdarmatadara@gmail.com)

### Abstract

*This research finds that the language used by Suara Partai Masjumi and Bintang Merah using direct and clear statement in delivering their own ideology. Both also have contrast differences in the vocabulary choices. Suara Partai Masjumi presents Islamic party using the vocabulary influenced by Islam for instance the use of Arabic language for example Mukhtamar, Dihad, etc. This magazine also cites holy Al-Qu'ran ayat and brings Islamic leaders inside the articles. In the other hand, Bintang Merah magazine as its party ideology intentionally uses marxist term like revisionism, trotskism, materialism, etc. This magazine cites communism and the communist leader. The intention of their publication is to campaign their ideologies and political party's ideas, they are Partai Masjumi and Partai Komunis. Besides, as the informative magazine, it is also as a material source of their members only to educate their members however in society education it does not give any contributions.*

**Keywords:** Media, History, Critical Discourse Analysis, Political Battle

### INTRODUCTION

Indonesian presidential campaign, on July 9th, 2014 has been written as the political history of Indonesia. Apparently, it was the first time for Indonesia faced two president candidates, Prabowo-Hatta and Jokowi-Jusuf Kalla. In pra election, Indonesian people were slightly divided into two blocks on the two candidates. Social media, printed media, electronic media, and mass media took a part and contributed on the important role of the process since they were being a part to support their president candidate. In pra-election, media competed each other to report and somehow overthrew the other block. This depiction shows how important the role of media to influence people's point of view.

The media role in presidential campaign and politic in Indonesia as Indonesia Presidential election in 2014 is not a new issue. This culture had ever ensured in Indonesia when it was first presidential election in 1955. Political party used printed media as the propaganda. Absolutely, each party prepared the media as the propaganda instrument for the campaign. For example are from *Suluh Indonesia* belonged to PNI (Partai Nasional Indonesia), Partai Sosialis Indonesia (PSI) had *Pedoman*, Masyumi published *Suara Partai Masjumi* and *Harian Abadi*, Partai Komunis Indonesia published *Harian Rakyat* and *Bintang Merah*.

Media published by Partai Komunis Indonesia and Partai Masjumi is interested to be studied due to both parties represented from communis-social group and Islamic group. Masjumi is a party which is commanded to dissolve by Soekarno in old order whereas PKI was banned in new order.

This research is to study about the media role in history and language study to answer questions “how media is used by political party to make propaganda?” It examines *Suara Partai Masjumi*, a media published by Masjumi Party and *Bintang Merah* published by PKI. It is important to study through language used by both magazine in order to identify how ideology is purposely reconstructed.

## METHODOLOGY

This research uses Critical Discourse Analysis which connects social practice and language. In micro analysis, there is a lexical choice used in *Bintang Merah* magazine and *Suara Partai Masjumi*. In meso analysis, it uses a text formed by intuition, history, and relation. These show ideology which is referred in the form of text. Besides, social practice explains the power and practices which own ideology and power. The analysis formula uses lexical choice - the choice of words used and naming choice to construct the identity (Udasmoro, 2003: 52-56).

## FINDING AND DISCUSSION

### A. The Existence of Educational Magazine for Party Members

After Indonesian independence proclaimed, precisely on November 3<sup>rd</sup>, 1945, government declared the edict known as Edict number X, 1945. Based on The Edict number X, on November 3<sup>rd</sup>, 1945 Political party was officially recognized as a representative of democracy. It was a sign of the existence of democratic country in Indonesia.

Thus at that time, there were establishment of 10 political parties, which are Majelis Syuro Indonesia/Masyumi (7 November 1945), Partai Komunis Indonesia/PKI (7 November 1945), Partai Buruh Indonesia/PBI (8 November 1945), Partai Rakjat Jelata (8 November 1945), Partai Sosialis Indonesia/PSI (10 November 1945), Partai Rakjat Sosialis/PRS (Desember 1945), Partai Katholik Republik Indonesia/PKRI (8 Desember 1945), Persatuan Rakjat Marhein Indonesia/Permai (17 Desember 1945), dan Partai Nasional Indonesia/PNI (29 Januari 1946). Besides, it was overtaken an establishment of other political party towards election ten years ahead.

In 1946, the condition of Republic Indonesia was really in unfortune. The competition of political party was really thight. In 1948-1949, then Soekarno pointed Hatta to lead Emergency Presidential Cabinet which was not responsible to KNIP however to Soekarno as president.

Before first election in 1955, parties began to prepare themselves for the election. Many ways held to attract people using media. Among others which used media as educational instrument for their members are Masjumi published *Suara Partai Masjumi* and *Harian Abadi*, and PKI published *Harian Rakjat* and *Bintang Merah*. *Suara Partai Masjumi* and *Bintang Merah* were published to educate their leaders and members in order to unite vission and mission. Masjumi and PKI are in battle towards election in 1955. Both parties are in battle in the election of 1955 in politic of Indoensia.

### A.1 “*Suara Partai Masjumi*” Voice of Masjumi

Majelis Syuro Indonesia/Masjumi established on November 7<sup>th</sup>, 1945 was not giving benefit for Islam ideology since the nationalist was positioned marginally. Thus, one of the intention the establishment of the party is to organize the strength and power of islamic people as the media of politic (Delier Noer, 2000: 51). Four Islam organizations included to Masjumi are Muhammadiyah, Nadhatul Ulama, Perserikatan Ummat Islam, and Persatuan Ummat Islam.

Masjumi is political organization which has members spreaded over Indonesia. It was driven that the importance of moslem scholar's role at that time. The members of Masjumi are among from merchants, farmers, industry, etc.

One of the educational and communicative instruments of the party and its members are *Suara Partai Masjumi* magazine which was established in 1945. This magazine was published by the information department of management board of Partai Masjumi. Initially, this magazine was printed limited and in 1951 the magazine was initially managed the editorial staff and tried to add the number of opinion.

*Suara Partai Masjumi* had a logo of a half moon facing upward and the picture of Indonesian island in the hollow of the moon as well as a star on the top. Under Sjarif Usman management, with the editorial staff; Tamar Djaja and Anwar Rasjid helped by the other twelve authors, one of them is Natsir (the leader of Masjumi 1952), Dr. Sukiman, Mr. Jusuf Wibisono, and etc.

As the educational facility of the party member, this magazine greet the member once a month. There was a late publication also on March and April 1951 and the edition of August – September 1951, only published once in two months.

The writer of the magazine are the party members and the party management. It shows that the domination seen from the contribution of the writers. The article written by Sjarif Usman (S.J.U), Natsir, Sukiman, N.J. Sonario (the member of the writers) frequently were listed in the magazine. The other contributors who had different political ideas or took apart outside the party could not participate in the magazine. The whole pages were evenly consisted 30 pages, written by the member of the party, and left one page for advertisement.

The rubric of the magazine is contained of “Islamic country element”, “party matters”, “point of consideration”, “from management board” and other political news. The news, presented by the magazine are political news related to the party. Political theme usually presented is about Irian Jaya news. Infrequently, the magazine editorial board presented news from Islamic countries news and issues; from Pakistan, Turkey and Marocco.

## A.2 “Bintang Merah” the Voice of Partai Komunis Indonesia

In spite of Masjumi, the establishment of PKI which had experienced unfortune conditions in 1950. “New PKI”, it was how people called its party in early 1950's since it needed to rid incident of Madiun in 1948.

The incident of Madiun in 1948 happened as the political polarization getting flagrant of opposition group (FDR), the left side was under Amir Syarifuddin of Hatta government manifested in the incident of Delaggu strike (May-July 1948), the convulsing of Sala raise up to in the incident of Madiun. So, the incident of Madiun occurred in 1948. The incident ended up by the decision of eradication of communist by Hatta cabinet. Nine of twenty members of CC PKI were killed. The young communist; Sudisman, Aidit, Lukman and Nyoto succeed escaping from the incident. Then they built PKI in new formation.

They considered the former situation were not beneficial so they used media like magazine as the effective communication as well as educational instrument for the members.

“Bintang Merah kita memberikan sinar tjemerlang menerangi djalan jang harus ditempuh oleh setiap anggota Partai dan kaum Buruh jang sadar akan klasnja.” (English Version: “Bintang Merah needs to enlight the way of each member and mad who consider their position”) (Latiff, 2014)

*Bintang Merah* was published bimonthly. It was started to publish on 15 August 1950 with putting logo of hammer and sickle and a star in the center. It was printed in 3000 copies, raised 5000 to 7500 to 10000 copies in the end 1951. It was intended only for PKI members.

The editorial comment was written by PKI leaders; P.Pardede, M.H. Lukman, D.N. Aidit and Njoto. Its office was in Kernolong street 4 –Gambir 4525 Djakarta, published by Sekretariat Agitasi-Propaganda CC PKI. The writers were from the members; Wikana, M.h. Lukma, Aidit, Njoto, Pardede.

It as contained of editorial page, Culture column, with the term Marxis of political news. News were related to political issue, party announcement, news from another country which had same ideology, and communist. The countries written are news as “Berita Partai Komunis Yugoslavia”, “Kemenangan2 Rakjat Viet-Nam dan tentaranja”, “Masalah2 Strategi dari Peperangan Revoluioner di Tongkok”. They were article about communist leaders like Lenin, Mark, Musso, and Stalin. The political theme was pointed in KMB issue. The average of the publication are 50 pages. However somehow there were late publication in two series for example in January only once published.

## B. “Depiction” through Educational Magazine for Party Members

Both magazine, *Suara Partai Masjumi* and *Bintang Merah*, are party magazine which present the issue, deliver point of view, and use political symbols to present its ideology.

The way to represent both ideology can be identified from the use of lexical choice in editorial article. Besides, it is interesting to recognize that each editorial article in *Bintang Merah* containing the special diction "Rakjat" with R in capital letter to greet the people and the readers. However, compared to *Suara Masjumi*, it prefers to use diction "saudara-saudara" and sometimes "umat Islam" to greet the readers.

The diction "Rakjat" with "R" as the first letter of the word is never used by magazine owned by Islamic Party or Nationalist Party since they prefer use the diction "rakjat". Generally, they like to use the word "saudara-saudara" or "umat Islam". "Saudara-saudara" is the referent to mention people or another person. The word "saudara-saudara" is also used in Soekarno speech (the first president of Republic Indonesia) and by general people at that era. In the other hand, the word "umat Islam" is a referent of specific people pointed moslem.

In addition, *Suara Partai Masjumi* also uses the word "rakjat" with lowercase rarely. The capital letter of R in the word "Rakjat" is one of the specific symbol. "Rakjat" is written to rebuild the party with people support. It depicts that PKI is a people party and the use of capital letter in the letter "R" in "Rakjat" indicates for a communication strategy. Furthermore, PKI like to represent itself to be egalitarian party.

The word "Rakjat" which is frequently used by PKI is also found in Arab language. In Arabic, "ar-ra'iyah, means pasture and the shepherd is named ra'in. In Al-Qur'an, the word "ar-ra'iyah" is none, as it uses "ra'a" in Al-Qur'an (QS. Thaha: 54).

The word "saudara-saudara" used by *Suara Partai Masjumi* is more local and egalitarian. Egalitarian language is chosen by *Suara Partai Masjumi* is like "sama rasa sama rata" (English: equal one and another is a jargon used to represent egalitarian for PKI). It shows that both parties pretend to be an egalitarian party which can be for every one by lexical choices in the magazine article.

*Suara Partai Masjumi* uses Arabic diction to name itself that refers to Islamic ideology. To show its ideology that is owned Islamic ideology, it labels itself by choosing diction from Islam term for instance "Muktamar" to explain the word "meeting with many people" in Indonesian, "Djihad" means struggling. *Bintang Merah* refers to communist ideology also labels itself by choosing diction of : marxis" like "klas" and "proletar".

Through *Suara Partai Masjumi*, news and information presented to the readers clearly, which is the party is managed and how is the ideology. Readers clearly states that the articles is considered as the opponent. The oponent of the country are islamic countries.

Ideology mapping is seen from several news like "Tata Negara Diktatur (communist)". This article contains two pages or more and explains how communist party works, such as:

"...dijika seorang Kominis [sic] dipilih untuk duduk disidang Perwakilan Rakjat, maka orang itu dengan pura2 sadja berdjandji hendak setia pada Undang2 Dasar, sedangkan dalam hatinya hendak menjalankan perintah Moskow saja..." (*Suara Partai Masjumi*, Mei 1951, No. 5: 23)

(English: "...if a communist is chosen to occupy in people representative trial, so he/she pretends to promise on Undang-Undang Dasar however in the deep heart they need to do Moscow's command" (*Suara Partai Masjumi*, May 1951, No. 5: 23).

Masjumi and PKI are contrast in politic. The provocative language in language style of contemptive produced to dominate the opponent politic that communist party is a bad and dangerous party.

Moreover in the article presented in *Bintang Merah* dominate the discourse for instance mentioning Masjumi as party which is anti-democracy since it supports the agreement of KMB (Konferensi Meja Bundar), "Jang mempertahankan peraturan ati-demokrasi itu hanjalah Masjumi ber-sama2 dengan Fraksi Demokrat..." (English: those who retain the rules of anti-democracy is Masjumi which go together with Demokrat..." (*Bintang Merah*, no. 3, Februray 1951; 55)

Partai Masjumi tries to counter the news reported by *Bintang Merah*. Then *Suara Partai Masjumi* presented it to support KMB by stating "Pembatalan KMB djika terjadi tentu akan memberikan pukulan berat terhadap Bangsa Indonesia dalam perekonomian" (English: "the cancellation of KMB happened precisely would give big effect to Indonesian in accordance with the economy" (*Suara Partai Masjumi*, January 1951: 3)

Masjumi and PKI in the context of politic are always in contrast both in politic and ideology. Even when Indonesian mass media joined in Barisan Pamela Soekarno (BPS) – an organization to support Soekarno, Masjumi and its mass media was

not involved in. In 1960, Masjumi stepped out based on Soekarno mandatory (President of Republic Indonesia). Without any pleadings from other Islamic organizations, Masjumi needed to stop. Five years after, in 1965 PKI also stopped as it was not beneficial, which is well known as 30 September 65. This incident was a sign of a change from old order government to new order government in Indonesia.

### C. CONCLUSION

Forming of public opinion in both magazines are clearly seen one way and both does not give platform from the others whose ideology is different. All the media advocacy has clear position and do not hesitate in using language style to dominate its ideology.

Besides, seen from the educational function, both magazines have function for its party of its intention. They drive people not to consider something positive but they drive them into provocation. Finally, they succeed in depicting its own ideology. However, both media succeed to form images of egalitarian ideology by lexical choices and naming. Both media refers to the pioneer and country which have same ideology they have.

### BIBLIOGRAPHY

- [1] (Magazine Compilation). n.d. (1951, Januari-June). Bintang Merah.
- [2] (Magazine Compilation). n.d. (1951, January–October). Suara Partai Masjumi.
- [3] Ibnu Hamad, *Konstruksi Realita Politik dalam Media Massa: Sebuah Studi Discourse Analysis terhadap Berita-berita Politik*, Jakarta: Granit, 2001.
- [4] Latif, Busjarie. 2014. *Manuskrip Sejarah 45 Tahun PKI 1920-1965*. Bandung: Ulimus.
- [5] Udasmoro, Wening. 2014. *Konstruksi Identitas Remaja dalam Karya Sastra*. Yogyakarta: Universitas Gadjah Mada Fakultas Ilmu Sosial, Sastra Perancis.

## Documentation of the Crime Scene

Mr.Sc.Besim Arifi, PhD Cand.

European University of Tirana

besiarifi@hotmail.com

### Abstract

*Documentation of the scene is one of the most important actions of the investigative group, which performs the examination of the scene. Documentation in itself includes: Taking notes, drawing and photographic team of the site inspection to the crime scene during phase taking notes must pay special attention to this stage, because it includes very important information for the investigation of the crime scene. Based on these information becomes final report on the case, so we can say that taking notes is of particular importance. Another important action is also the sketch. Mapping shows the drawing of the scene and all evidence was found there. Compiler of the sketch doesn't minds to be definitely professional any painter or designer. It should be a good compiler which presents in detail all the information necessary to include net. This information will be used for testimony in court and to clarify the situation in the scene in case of reconstructions. Photographs of the crime scene investigation is a very important move which reflects the real image of the scene or any part of his and any evidence which has been inserted into focus photography.*

**Keywords:** Documentation, taking notes, drawings, blueprints, photographs, scene

### Documentin Crime Scene

For a case to have success and the right result, both in terms of quality, which will be displayed after a working professional investigation group, both in terms of understanding how best by those who will have the opportunity see, have become a professional documentation, clear, understandable and all sufficient data.

To achieve the result satisfactory and demanding, it is necessary to have a record fair and professional, in order that all work performed and the procedures followed by the investigation team, reflected very clearly and be accessible to all those who consider the case at a later stage.

Documentation of the scene includes:

- Taking Notes
- Sketch
- Photography
- Taking Notes

One of the main actions and more important investigators of the scene is taking notes. Taking notes is done for many reasons. One of the main reasons, why should it be asked, is that they should be available to all case and then, when the investigator or the court requires something, entries must be ready and similar actions were taken at the scene and with all other data, such as the scene, as well as traces and physical evidence found there.

Taking notes begins upon receipt of the call for the given case noted: time, date, source of the information was, instructions are provided for storing the scene.

Further extended the composition of the investigation team, responsible officials find there and the time of arrival at the scene. It should also be noticed and all actions of the inquiry regarding the examination of the scene until its conclusion.

The focus is on objects, to track and to the material evidence, distinguishing it traces or evidence that is relevant materials, related to the event, from what can be found randomly on the scene.

Here's how the notes should be a crime scene investigator:

1. Notes must be accurate and sorted chronologically;
2. The entries should describe step by step all the action;
3. The entries must be completed and harmonized;
4. Notes should be well written and understandable;
5. It must be noted the unusual things such as blood, a light that has been raging, etc .;Hetuesi takes notes should be, as much as possible, specific mark even the most "fine" as 20 cm below stairs of the house, on the ground floor is found .... etc.
6. Other records such as case number, camcorder, film negatives, etc., should never be left without mark. They may be listed in any other country but here it is worth noted;
7. Determination and location of the route or test materials done in conjunction with a stationary object such as wall, pillar electricity, etc.<sup>1</sup>

The investigator had come on the scene; the officer should initially contact the first on the scene and has secured his victim, witnesses. In this way, he will be informed of certain data of the scene which will probably be needed later. All these should be noted carefully.

In the notes of the scene investigators must be included:

- The date and time when the case is reported to the police;
- Type of crime;
- Location of the scene and its description;
- Name of the person who ordered / requested location-viewing;
- The names of all persons, police officers, witnesses, investigators, specialized personnel to the scene.
- Names of officers photograph, shooting with the camera, make sketch, take fingerprints, seek and obtain clues and material evidence;
- atmospheric and lighting conditions at the time of inspection;
- The first description of the scene, including the condition of the victim at the time the investigation team has arrived;
- The location of any trace or evidence material that is found and by whom is found, the search results of fingerprints and other trace evidence;
- Description of the exact location of the scene, surrounding houses or buildings;
- Description of the correct entry and exit of the scene, a description of the house, number of rooms, windows;
- Description of the external scene: land, planted field, the ground muddy, ground paved with asphalt, tiles, etc .;
- The time of completion of the examination of the scene;
- In the notes given no conclusions, but what can be seen in it

---

<sup>1</sup>prof. dr. Luan VELIQOTI,(interview)Tiranë, maj 2011.



Whether through photography "write by the light" in the record write only what look. Conclusions belonging to other investigative actions as: expertise, knowledge, experiment etc.

### **Mapping**

Just picture is not enough to fix the scene. Since scene appear better and more accurately, he should have the sketch. So, sketches and picture complement each other and both represent scene correctly and adequately. Outline clarifies scene appearance and makes it easy to understand. It is therefore important that the crime scene investigator to do a good outline and easily understandable.

Compiler sketch should not be necessarily a good painter or designer, but everything that represents the outline should be clear even to those who were not at the scene and did not see it. So I have a drawing simple, understandable that presented the appearance of the scene.

In pictures look even objects that "do not want" to see, because they cannot share or remove without interfering in it, while at present only drawing objects that we need and we want to present.

Well sketches, it helps investigators, courts and others to recall things. Also it serves quite well, compared to photography, even when we have the opportunity to see cars or any other view of the scene. This can be used by investigators during the questioning of witnesses or victims.

There are two types of drawings: the general and detailed generalized sketches done on the spot, it is a simple drawing, freehand and all the other features that accompany it, while detailed sketches done in the office with technical means or computer. Both sketches enter in the case file and stored there.

Always sketches done in the angle 90 degrees and is called two-dimensional sketch, unlike it three dimensional made at different angles and in other cases (of mass graves, sketches wells etc.).

Completes sketches and notes very well pictures of the scene.

### **The information included in sketch**

In the sketch should be presented with all the information that identifies the case. They are: the case number, the name of the victim, the name of the suspect, the date and time when the event occurred, the date and time when sketches, location, name of the person who made the sketch, the degree of proportionality, whether it is used or no, (a legend would help its reader), spatial orientation, fixed points where measurements were made, the numbers of evidence etc<sup>1</sup>.

### **Equipment**

Equipment used in the preparation of the outline is simple including: white paper, pencils technique or simple tools geometric, ruler, compass, triangle, rectangle, etc., and if sketches done with computers then used different software for drawing drawings.

### **Types of sketches**

Depending on the scene, we have several types' sketches and methods by which they are made. Types of drawings are: Two-dimensional and three-dimensional sketches.

---

<sup>1</sup> Criminal Investigations, Charles R. SWANSON, Neil C. CHAMELIN, Leonard TERRITO, 7th, ed. 2000, fq. 57.

Dimensional drawings used in almost all cases when dealing with surfaces that appear only the width and length of the terrain scene. These include countries in the event of open, closed, in cars etc.

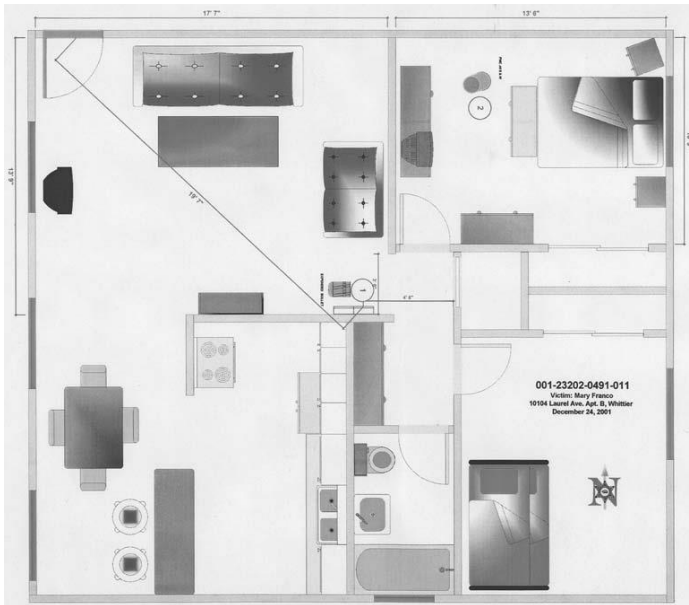


Fig.1 Two-dimensional sketch (foto nga: [http://crimescene\\_pictures.jpg](http://crimescene_pictures.jpg))

A three-dimensional drawings used in all cases, when the field of the scene is the width, length and depth. These cases have in mass graves, different wells, cars etc. In these cases different templates performed during the reconstruction of the crime scene or during the presentation to the court.

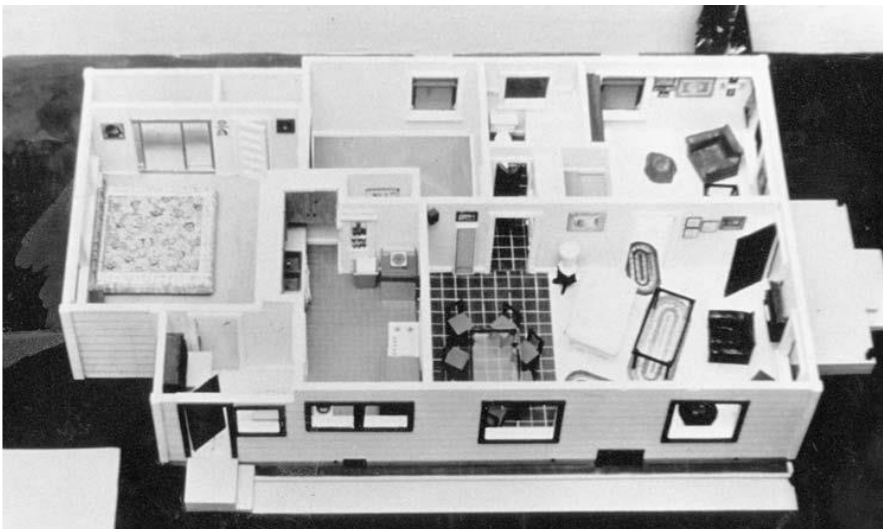


Fig.2 Three-dimensional mock-up of one of the crime scenes from the infamous Hillside Strangler Case in Los Angeles, California.)

## Methods of drawing

To realize charts used three methods:

- The Method coordination;
- The Method triangular;
- The Method cruise.

**Coordination method** has at least two fixed points of which measured all traces and physical evidence found at the scene. This method can also be used basic line, this line which imagined between the scenes and starting from that line, measure all the evidence on both sides. This method is suitable outdoors.

**Triangular method** has at least two fixed points of which track and measure all material evidence at the scene. This method is used outdoors and in those places where we encounter difficulties finding a fixed point in the field, away from the road, in cases of traffic accidents etc.

**Cruise Method** - This method is used in confined spaces. Here, the walls of the rooms appear to spread. The rooms have expansive roof along with one of its walls

## SCENE PHOTOGRAPHY

The word: "a picture is worth a thousand words" applies especially to photograph the scene. Capture or "recording" permanent crime scene is a very important action of the investigative group in the processing and examination of the scene. It is very important that before any other action, including: touch, movement, screening etc, It is photographing everything they found at the scene, which is estimated to trace or proof material.

No subject should not move, before he is photographed from all angles necessary. For all of this to have its effect during the trial should be made as many pictures as possible. We must not forget that pictures can help the prosecutor at the court hearings, the judge, police experts etc.

It is the duty of every crime scene investigator who, once they get there after receiving initial information, start with general or orientation picture of the scene. The investigator then must continue to focus in the important points of the country example: center of the scene, to connect the tracks or exhibits through photography, etc. sequential pictures.

A special focus should be placed, given the nature of the crime, in order to present the elements of the offense. Particular attention should be paid:

Exteriors of the house, the car;

- Communications them among each other;
- Route, access points outside and inside;
- Point exit inside and outside;
- Conditions of the scene;
- Things that are left at the scene;
- Evidence as hair, synthetic fibers, remnants (butts) cigarette, fingerprints, tool marks, shoe tracks, tire tracks, etc..

Special importance should be given the restrictive photos of the scene. They should be made so that, when seen, are listed in a logical manner making a real orientation of the country. Photos restrictive are:

#### **a. Photography with remote shooting (indicative)**

This picture is done by including in it, all the space of the scene (if possible), so that when this photograph shows, the impression that you are

seeing the scene nearby. This picture shows the position of the scene compared to other surrounding objects such as buildings, objects or objects<sup>1</sup>. This picture is made in the eye distance, six meters away

#### **b. Photography to shooting medium (general)**

This picture is made so that in the related areas of the scene to the photographed areas. It also enables the connection of trails and exhibits between each other. This picture becomes distance from three to six meters, in order to have a clear view and its reading.

#### **c. Picture by shooting near (the object close)**

This pictures are made in order to be introduced in all the sights, which could not be introduced in the middle photography shooting and remote. This photo is taken at a distance of one or two meters. Since this picture done by a small distance, they can be seen in great detail which does not appear in the previous pictures.

#### **d. Picture scalable**

This pictures is done when, close to the tracks and physical evidence found at the scene, set the unit of measurement such as rulers, meter etc. So, taking pictures scalable, show how many times has increased or decreased the object photographed<sup>2</sup>.

### **WHAT WHE NEED TO SEE IN THE FIELD OF SIGHTING MARK**

During photographing the traces and material evidence at the scene, placed close to their units, in order to show the real size. Setting the measuring unit as a meter tape, ruler, etc. It allows the photographer to determine the real size and scale of its reduction. Care should be taken when displaying measurement units, not damaged track or exhibits.

In order to eliminate the objection that sometimes made pictures yardstick, then the photos should be made once without a measure of another time with the measure.

---

<sup>1</sup> Prof.dr. Skënder Begeja, Kriminalistika, Vëllimi i I. 2001, Tiranë, fq. 80

<sup>2</sup> Prof.ass. dr. Luan VELIQOTI, Fotografia Kriminalistike, Tiranë, 2001, fq. 138

To comply with general standards used for review of the reliability and credibility of photography, be aware that:

- representation to be accurate;
- to no distortions;
- materials and connectivity;
- impartiality or fairness.

Also, during the shooting of the scene, one that photographs should be caution, control the movements you do, in order not to damage the picture. So a near static, allows a small movement or eliminate it all and, thus, will have a clear picture of which would have a good view. You should know that even breathing, heart and work of uncontrolled movements, caused by improper maintenance of the camera, have an impact on its stability and the quality of photography.

If photographed details, trace and material evidence, then, camera and tripod fixed to shutter button is propelled by spring wire. This is to avoid any vibration thereof, and to ensure maximum focus and clarity.

#### Literature

- [1] Criminal Investigations, Charles R. SWANSON, Neil C. CHAMELIN, Leonard TERRITO
- [2] Hillside Strangler Case in Los Angeles, California.)
- [3] [http://crimescene\\_pictures.jpg](http://crimescene_pictures.jpg)
- [4] prof. dr. Luan VELIQOTI, (interview) Tiranë, maj 2011.
- [5] Prof. ass. dr. Luan VELIQOTI, Fotografia Kriminalistike
- [6] Prof. dr. Skënder Begeja, Kriminalistika, Vëllimi i I

## An Overview on Different Legal Systems and the Reflection in Kosovo

M. Sc. Samedin Mehmeti, PhD Cand.

European University of Tirana, Albania

samedinmehmeti@yahoo.com

### Abstract

*The state apparatus represents one of the fundamental elements of the development of contemporary society. While the right and law represents a basic understanding of the existence of the state power that performs in order to preserve a balance between the action which is accepted by society and other behaviors that by law are prohibited. The state actions principally are based on the rule of law, namely the legal system accepted or elected by people. Studying different legal systems, it shows that there are similarities more than the differences between them. Despite very different legal cultures, processing methods and institutions, different legal systems exhibit convergence in the treatment of different legal issues. As a result of these processes, many of the differences between common law and civil law now look more like nuances rather than as major differences. The differences are mostly pronounced in the styles of using legal argument, methodology, content and legal norms etc. Various legal systems, using different tools, aimed at the same purpose, and similar results are often taken from different justifications. Often it happens in practice that, despite the use of diverse tools and methods, they arrive at the same solutions or similar ones and it certainly that should not be surprising. So it can rightly be concluded that despite many changes, legal systems aim at achieving the same objective. While generally the target of the state is always and in any system the implementation of norms and rules set in advance, what the contemporary world tends to be considered as respect for the rule of law. In general, the objective of the state authorities in every system is the implementation of the norms and rules set in advance, that concept in the contemporary world tends to be considered as respect for the rule of law. Since Kosovo was part of the former Yugoslav federation and practically until the end of the war of 1999, in the absence of state sovereignty and subjectivity, people of Kosovo were not in a position to choose, like other sovereign nations which legal system will be applied on their lives. Without the will of the citizens, in Kosovo was applied a type of Continental legal system, with certain specific elements that were mostly common in other countries of former Eastern European Communist bloc. In the first years after liberation, until new legislation was passed through the legislative system, it was continued with the older system, through some minor changes. While at a later stage after the adoption of the new legislation, was introduced a large scale reform to the existing system through the application of the combination of elements of Anglo-Saxon system, this reform which is to this day is in process as well.*

**Keywords:** System, Legal, State, Sovereignty, Continental, Anglo-Saxon, Communist

### Introduction

State as such, represents one of the basic elements for the development of contemporary society. While the legal system, to a basic understanding of the existence, represents the apparatus that takes care to preserve the balance between the actions accepted and those behaviors that are prohibited by the legal norms set out by the society. Any operation or action should be based on the principles of the rule of law. If a society is faced with violation of the rule of law, in most of the cases people act individually and while some of the members of the society suffer this condition in the form of victims without any compensation, others in many cases may take the law enforcement in their hands or other forms of self-judgment.

The rule of law means a legal system that works regardless the functioning methodology of that system. In this case important is the existence of the legal system which provides direction on the basic rules that determine the functioning of society and legal system is helping to put them into practice.

Public confidence in the legal system is necessary for overall economic development, since it creates an environment where citizens feel secure. Banks and financial institutions can carry out their transactions, unpaid debts will be returned, people pay their taxes and obligations. And in return they will receive proper public services, improvements in infrastructure and so on. The legal system should also ensure development of: culture, media, educational system etc. With a dysfunctional legal system, in general, people feel insecure. The basic element for the creation of public confidence is the

belief that the rules, laws and the whole normative spectrum, and other legal elements for what the legal system is exciting. As an agreement in a democratic society and should be implemented by the entire society and state structures.

A very important component of the legal system regardless of any judicial system, it is the transparency. A transparent legal system should be a tool to eliminate corrupt elements within the system. It should be noted that corruption is a phenomenon in which people are not necessarily voluntarily included. For this reason, it is very important for the legal system to protect its participants from the corruption of voluntary or involuntary involvement in corruption.

Review different legal systems show that there are more similarities than differences between legal systems, despite very different legal cultures, processing and institutions. Although different legal systems, exhibit convergence in the treatment of different legal issues. Under pressure from globalization contemporary legal systems show some signs of convergence. Many of the differences that exist between legal systems are much less visible because of the changes which have passed through these legal systems. Already it is clear that the role of the courts in addition to the implementation is more present in the creation of the law even this role is greatly increased.

As a result of these processes many of the differences between common law and civil law now look more like nuances rather than major differences. The differences that exist between the continental and the Anglo-Saxon law should not be exaggerated. It is also important to note that there are differences on many issues. The differences are mostly pronounced in the styles of argument, the methodology and the content of legal norms. Using various tools, aimed at the same purpose, and similar results are often taken from different justifications. Often it happens in practice that despite the use of different tools and methods, the result arrives at the same solution or similar and it certainly should not be surprising. So it can rightly be concluded that despite many changes the legal systems are more or less the same. While a certain rapprochement between the continental system and common law system is obvious and this trend is likely to continue, there are still important differences and they will continue to exist for an indefinite period. Recognition of these differences is necessary for any professional who deals with the legal matters.

Nevertheless, the differences in some areas are substantial in relation to the parties as well as procedures. Every legal system may have some advantages and some disadvantages. If a foreign legal system has several advantages, why we would not incorporate them into the domestic legal system? In this way, the resulting convergence of two legal systems can only contribute to the common purpose of which should be to create a fair system, convenient and accepted legal system that can provide legal certainty and protection for all citizens.

## CONTINENTAL LEGAL SYSTEM

Continental legal system can also be described as a legal tradition which has its origins in the Roman law that was codified in "Justinian's Corpus Juris Civilis" or as we know it from practice "The Justinian Code". This legal tradition was practiced and is developed during history mainly in the continental part of Europe<sup>1</sup>. Today, continental legal system or Romano-Germanic, is present in all continents of the world. This system is based on concepts, categories and rules derived from Roman law, with some influence of the legal traditions, sometimes greatly supplemented or modified by local custom or culture. The tradition of civil rights, although secularized over the centuries and decided to focus more on individual freedom, promotes cooperation between human beings.<sup>2</sup> This tradition itself, it could be divided further into impacts that have had Roman norms, rules influenced by French law and the Germanic family of legal norms, or dominated by German jurisprudence. In particular the Roman legal norms were modeled on the French Civil Code approved in 1804 otherwise known as "The Code Napoleon". Napoléon Bonaparte was the French very successful leader, who managed to straddle large parts of Europe. This invasion which had not only meaning in occupying territories, but also the classic invasion of ideas and culture. French Civil Code was also a short collection of clear legal principles based on common sense and experience and theory in the country.<sup>3</sup>

<sup>1</sup> Ismajli O. 2011.

<sup>2</sup> <http://www1.law.lsu.edu/civil-law-online/what-is-the-civil-law/>

<sup>3</sup> [http://www.mu.ac.in/myweb\\_test/M.A.%28Part%20-I%29%20History%20Paper%20-%20III%20-%20History%20of%20Europe%20%281789-1919%29%20-%20%28Eng%29.pdf](http://www.mu.ac.in/myweb_test/M.A.%28Part%20-I%29%20History%20Paper%20-%20III%20-%20History%20of%20Europe%20%281789-1919%29%20-%20%28Eng%29.pdf)

The German Civil Code that was adopted in 1896 and entered into force since 1900, this code was also a consequence of movements and ideas from codified legal norms initiated by the French code<sup>1</sup>. This is typical for almost all countries of continental legal system or as is known in international legal practice "Civil Law System". The main characteristic of these norms is that the law is almost entirely codified, very much arranged and structured, broadly based in general principles, where not necessarily are determined the details.

The main element of the continental legal system lies in the fact that the right is written in laws or codes which are described as a guide, authoritative and systematic, with general coverage in legal life. Among the legal codes of different countries of the continental system, despite the fact that there are many common issues, there are still some important differences, and they are often grouped into those that address issues under the Roman tradition and the tradition of Germanic legal family. Although these legal codes of different countries are not homogeneous, there are certain characteristics of all legal codes which bind them together and determine what is practiced differently in every system.

Basically continental legislation is classified, structured and mainly contains a large number of rules and general principles, but often is described as legal norms with lack of detailed data's. One of the basic characteristics of continental legislation is that the main task of the court is to apply and interpret the legal norms written/included in the code. The assumption is that the code regulates all cases that may occur in practice, and when specific cases are not regulated by the code, the courts must apply general principles to fill the gaps.

After the end of World War II, Kosovo as an autonomous province within the former Yugoslav Federation, as well as other republics of the Federation, had a continental legal system. This system was applied not for the fact that this was the will of the people of Kosovo, neither because of any tradition. In fact people of Kosovo, were not even able to choose because this type of legal system was applied to all 6 Socialist Republics and 2 Autonomous Provinces in the ex-Yugoslav Federation. Mainly his system with some small changes was applied almost in most European countries of the former socialist bloc.

After the changes made in the Kosovar legislation especially after 2004, when it was approved the Interim criminal Code and the Code Criminal Procedure, we find changes that lead towards a combination of continental system with elements of Anglo-Saxon legal system<sup>2</sup>. This tradition continued even further with the adoption of other normative legal acts and today Kosovo can be described as a functioning state based mainly in continental system of law, who apply techniques and methods of common law system such as judicial precedent<sup>3</sup>.

## ANGLO-SAXON LEGAL SYSTEM

Anglo-Saxon legal system means the body of legal principles that prevailed England since the 6th century until the Norman Conquest in 1066. In light of the Scandinavian rules and the so-called barbarian laws (*Leges barbarorum*) of continental Europe, was constituted a body of rules called Germanic law. Anglo-Saxon law was written in the vernacular format and was relatively far from the Roman influence, which had great influence on mainland and laws from that period of time were mainly written in Latin language. Roman influence in Anglo-Saxon law was indirectly and exercised mainly through churches<sup>4</sup>.

Anglo-Saxon legal system or "Common Law" is a legal tradition, which in most cases was developed in England and is present today as well. This legal tradition is the basis of the law, not only for England, as the country of origin, but also for Wales, Ireland, almost all the states of USA (with the exception of Louisiana), most of Canada (except Quebec) and in most countries that have adopted this system. Here in the first place make part former British colonies which are generally independent members of the Association of Commonwealth states, but in large parts are connected to related rules and religious as well as local customs laws like India, Pakistan, Malaysia or Jamaica.

<sup>1</sup> <http://faculty.cua.edu/pennington/Law508/GermanLegalHistory.htm>

<sup>2</sup> Kodi i Perkohshem i Prodedures Penale, 2004

<sup>3</sup> Morina V. (2013)

<sup>4</sup> <http://global.britannica.com/EBchecked/topic/25121/Anglo-Saxon-law>



Principles of Anglo-Saxon legal system appear to most trials reported, usually given by the higher courts, in connection with specific situations arising from disputes, which the courts have already judged. In general all the common rules of the Anglo-Saxon legal system appears to be as specific procedures detailed in comparison with the rules and procedures of the continental legal system. The most obvious difference between this system and the continental system is that the continental system is a codified system, while the Anglo-Saxon legal system is not created entirely through written legislation, but rather is based on judicial jurisprudence.

One of the fundamental principles of this system is that judicial decisions, which are often taken by the higher courts, issued on a similar case, followed in subsequent cases, ie. That case law precedent must be respected. This principle is known as "staredecisis" (namely the principle of the court is based on the principles set by decisions in previous similar cases from another higher court) and has never been legalized, but is considered as binding by the courts, which can be modified.

The claim that Anglo-Saxon legal system is created based on written law, but separate in cases adjudicated or judicial precedent is only partially true, as the continental legal system is based in large part on codes, laws, statutes that judges are obliged to apply and interpreted in approximately the same way act judge in the Anglo-Saxon legal system.

### **MIXEC OR "HYBRID" LEGAL SYSTEM**

In addition to the mentioned systems, which in reality is difficult to find a pure but in most cases there are different combinations and mixed legal systems or "Hybrid", which cannot be tied so completely clear or have elements of Anglo-Saxon legal system and even the continental legal system and therefore it is so called hybrid legal systems. The term "mixed", which we have chosen over other terms such as "hybrid", "mixed" or "composed" should not be interpreted restrictively. This category includes cases of countries where two or more systems apply cumulatively or interactively, but also when there is a confrontation of systems, as a result of the field more or less clearly defined application.<sup>1</sup> In those legal systems, the right to force stems from more than one of these legal traditions, for example, in Scotland or Quebec, where the traditions of the law are common.

### **THE LEGAL SYSTEM OF FORMER COMUNUNIST COUNTRIES**

Another group set up somewhere so special that can be discerned, in any case until around 1990, was the legal system of the countries with communist or socialist legal systems. Even after the collapse of the political system almost completely and the implementation of another system or market economy and democracy in most of these countries, it is still useful to treat. This is because many of the similarities in the system, characteristic of these countries can only be understood as the result of 50 years of communist rule. This, especially if one wants that, at all events, to distinguish specific subgroups within the continental legal system which is used with certain changes in most of these countries.

Within the former communist states were more or less three subgroups that can be distinguished:

- Soviet law, also called socialist law, took place mainly in Russia after the arrival of the communists in power in 1917. This system was imposed in all parts of the Soviet Union in 1920.<sup>2</sup> In Russia and other countries of the former Soviet Union, provisions are almost identical in content and generally were applied in succession law and international private law in these sometimes still used or issued other but based on provisions dating from this time.
- Other countries of Eastern Europe (including the Baltic States) had differed legal system from other communist countries, in particular from countries of former Soviet Union, especially in terms of international private law. Generally this is seen as a result of the permanent tendency towards greater freedom, for example of the legal agreement and marital or succession law. After the fall of the communist system and release from tutelage of the former Soviet Union, the reform of the legal system in most of these countries returned to their laws from the time of before the Second World War.
- The third subgroup consists of countries of East, South East Asian countries. In particular, here comes the People's Republic of China, which has always exposed

<sup>1</sup> <http://www.juriglobe.ca/eng/sys-juri/class-poli/sys-mixtes.php>

<sup>2</sup> <http://global.britannica.com/EBchecked/topic/557116/Soviet-law>

considerable differences in the legislation of the Soviet Union countries. But some differences in the legal system were to be seen also in the countries like Mongolia or Vietnam. These countries followed the so-called Soviet model closely. A more typical system that represents a special case in terms of the legal system is Cuba. This is the only Latin American country who is still in the legal system that can be called communist. The legal system of this country, especially in terms of civil relations with bigotry still maintains continuity or is very close to the previous system of the former Soviet Union, while in terms of private international law is a legal tradition influenced by Latin American countries.

## **DIFFERENCE AND COMMON ELEMENTS THAT CHARACTERIZE THE MAIN SYSTEMS OF LAW**

If we want to make comparisons and examinations more closely, character or details that permeate existing main legal systems, then it also becomes clear that they have their uniqueness but also the similarities. To find certain distinguishing characteristics between the Anglo-Saxon legal system and Continental legal system, accordingly assigned to the application in different countries of course differ from one another in both time as well as in space. In this case we will only examine some distinctive features, which in fact do different and distinguish these systems from each other.

## **SOURCES OF LAW**

Continental system bases the law as the main source of legislation, judicial system is typically inquiry, unlimited by precedent, and composed of judicial officials. The rule of law is to build a bridge to the available collection and writing of laws relating to all citizens and that judges should follow that practice<sup>1</sup>. One of the most important and widely known is undoubtedly distinguishing different sources of law in which support is these legal systems. It cannot be taken as just perfect widespread view that these two systems differ from each other by the fact that the Anglo-Saxon legal system is based on the judge that creates cases the only source of the right, while the in the Continental legal system the right is the source. It is a law adopted as the only source of that right. Freely can be found with such absolutism this distinction has never been correct or not correct. On the one hand the law is not codified as such exists only in the Anglo-Saxon legal system, but no matter what form it is presented is still a certain importance. Even for some issue certain legal solutions are offered traditionally in constitutive format. Countries that apply the Anglo-Saxon legal system in most of the cases have codified laws. Which is stem from a long legislative process that means they are approved by parliament and the courts must take into account in their decisions even in cases where existing precedents apply court.

As another feature distinguishing element between legal systems, is the principle of the application of "judicial precedent" that could be considered as a work methodology that is used in Anglo-Saxon legal system. Analyzing court decisions on cases that have similarities, to find a general solution or that is used more and that has given better results. Solution used in most of these cases then be used in the actual dispute resolution. When we refer to judicial precedent we are alluding to what is known as judicial practice or a law created by judges.<sup>2</sup> While the judges in the continental legal system may be obliged to apply the laws or codes written, judges apply the Anglo-Saxon legal system doctrine called "stare decisis" which is a legal principle that dictates that courts can not violate the precedent that applies to first degree. This is a general principle that when a matter is settled by judicial decision, it sets a precedent that is later to be respected.<sup>3</sup> A court decision is a precedent if that decision will be applied in future cases. But, for such application, the court's decision should contain a guide, to achieve by the use of reason rationally and that this reasoning can be found by other courts. A judicial precedent is binding until the moment is broken by the decision of a higher court or declared invalid by the approval of any legal act. The high court also may review and revoke its previous decision.

---

<sup>1</sup> <http://www.lawteacher.net/free-law-essays/constitutional-law/contrast-between-common-and-continental-legal-systems-constitutional-law-essay.php>

<sup>2</sup> <http://www.ukessays.com/essays/law/judicial-precedent-and-doctrine-of-stare-decisis-law-essay.php>

<sup>3</sup> <http://legal-dictionary.thefreedictionary.com/stare-decisis>

## REFERENCES

- [1] Ency copedia Britanica-Anglosax son Law , accessed 03/03/ 2015
- [2] Ency copedia Britanica-Soviet Law , accessed 13/03/ 2015
- [3] Free Dictionary – Stare Decisis, accessed 19/02/ 2015
- [4] German Legal history , accessed 11/02/ 2015 <http://faculty.cua.edu/pennington/Law508/GermanLegalHistory.htm>
- [5] History of Europe- “French Rev olution”, accessed 10/02/ 2015
- [6] <http://global.britannica.com/EBchecked/topic/25121/Anglo-Saxon-law>
- [7] <http://global.britannica.com/EBchecked/topic/557116/Soviet-law>
- [8] <http://legal-dictionary.thefreedictionary.com/stare+decisis>
- [9] <http://www.lawteacher.net/free-law-essays/constitutional-law/contrast-between-common-and-continental-legal-systems-constitutional-law-essay.php>
- [10] [http://www.mu.ac.in/myweb\\_test/M.A.%20Part%20-I%29%20History%20Paper%20-%20II%20-%20History%20of%20Europe%20%281789-1919%29%20-%20%28Eng%29.pdf](http://www.mu.ac.in/myweb_test/M.A.%20Part%20-I%29%20History%20Paper%20-%20II%20-%20History%20of%20Europe%20%281789-1919%29%20-%20%28Eng%29.pdf)
- [11] <http://www1.law.lsu.edu/clo/civil-law-online/what-is-the-civil-law/>
- [12] Ismajli O. (2011), “Fillet e se drejtes”, Universiteti i Prishtine, Kosov e.
- [13] Kodi i përkohshëm i procedurës penale, Kuvendi i Kosovës, Prishtine, 2004.
- [14] Law Teacher- “Continental Legal System”, accessed 23/02/ 2015
- [15] LSU-Law centre – “What is the Civil Law”, accessed 10/02/ 2015
- [16] Morina V, (2013) -“Aktgjy kimet dhe vendimet e Gjy katës Kushtetuese të Kosovës – roli i precedentit dhe fushëv eprimi i nenit 116.1 të Kushtetutës së Kosovës”, botuar ne Rev isten shkencore “E drjta” numer 1/2013. Prishtine.
- [17] UKESSAYS- “Judicial Precedent And Doctrine Of Stare Decisis Law Essay”, accessed 09/03/ 2015 <http://www.ukessays.com/essays/law/judicial-precedent-and-doctrine-of-stare-decisis-law-essay.php>
- [18] Univ ersity of Otava- “Mixed legal systems”, accessed 05/02/ 2015 <http://www.juriglobe.ca/eng/sys-juri/class-poli/sys-mix tes.php>

## Prishtina-Belgrade Technical Agreement Promotes Political Dialogue but with Delay of its Implementation It Sharpens Ethnic Divisions

Urtak Hamiti

Professor at "Illyria College"

Prishtina Kosovo and PhD Candidate at the University of Tirana, Albania

urtaku@gmail.com

### Abstract

*The Technical Agreement between Prishtina and Belgrade, brokered by European Union in April 2013, was hailed as a milestone in the process of normalization of relations between the two countries as well as unblocking the path of both Kosovo and Serbia towards European Union. The dialogue held a promise as a vehicle which, in conjunction with bilateral pressure on both sides by EU and a tailored enlargement process, could finally lead to normalization of relations between Kosovo and Serbia. However, most of the deadlines set up in the implementation plan of the Agreement have been stepped over. This delay in implementation combined with the victory of "Serbian List", Kosovo Serb political party backed heavily by Belgrade Government, in the last general elections in Kosovo, have brought into jeopardy two of the main targets of the Technical agreement as a vehicle to a broader and more important political dialogue between Kosovo and Serbia as well as integration of local Kosovo Serbs into institutions of the state of Kosovo. This paper argues that Germany, United Kingdom and USA need to be more directly engaged in the process to pressure both sides to fulfill what was agreed in April 2013. It is a prevailing belief among many analysts that the only peaceful acceptable outcome depends on full integration of Kosovo Serbs in Kosovo's state institutions, full normalization of relations between Prishtina and Belgrade, mutual recognition, and rewarding Kosovo by suspending the visa regime for EU countries for citizens of Kosovo. Delay in implementation, loss of pace and interest of EU in this process, is leading to sharpening of ethnic divisions in Kosovo and increasing the numbers of those who oppose dialogue on both sides.*

**Keywords:** Kosovo, Prishtina-Belgrade dialogue, EU Foreign Policy, Western Balkans, Albanian-Serb divisions

### CHRONOLOGY OF EVENTS

Following the Declaration of the Independence of the Republic of Kosovo, February 17<sup>th</sup> 2008, European Union, especially the countries that have recognized Kosovo's independence have tried to find a way to open a dialogue between Prishtina and Belgrade authorities to try to bridge the political divide that exists between Kosovo and Serbia even today. This initiative coming from EU officials was further strengthened by the fact that Kosovo has been recognized, in a very brief period by more than 100 UN Member States in all of the continents of the Globe. Since spring 2011, EU has supported a technical dialogue between the governments of Kosovo and Serbia, firstly aiming to improve the living conditions of the Serbs living in Kosovo, and secondly aiming to increase the dialogue to other political options and discussions that would cover matters such as recognition of each other countries documents, freedom of movement, with the final prize of reaching a political sustainable settlement between Kosovo and Serbia in their path toward EU integration processes.

Technical dialogue between Prishtina and Belgrade authorities began on March 8<sup>th</sup> 2011 via mediation of EU in Brussels with full support of United States of America. First four rounds of dialogue resulted in no credible outcomes but they set the principles and the framework for future negotiations. In the fifth round of dialogue, on July 2<sup>nd</sup> 2011, an agreement was reached on freedom of movement of citizens across territories of Kosovo and Serbia with the use of ID cards, rather than passports.<sup>1</sup> This decision was not in collision with the current Constitution of the Republic of Serbia, which still in its preamble states that "Province of Kosovo and Metohija is part of the territory of Serbia, holds a position of substantial autonomy as part of sovereign state of Serbia therefore it is obliged to represent and protect the interest of Serbia in Kosovo

<sup>1</sup> Brussels, July 2<sup>nd</sup> 2011, "Report on political and technical dialogue with Provisional institutions in Prishtina", Government of Serbia, full text provided on 24<sup>th</sup> of April 2013

and Metohija in all of its internal and external decisions".<sup>1</sup> Kosovo's authorities viewed this decision in a more pragmatic way, since their interest was the freedom of movement of Kosovo's citizens through the territory of the Republic of Serbia without any kind of hindrance.

After this initial agreement there were several other agreements on the technical level regarding cadastral records and other individual documents, customs duties, mutual recognition of university degrees. The most important technical agreement was reached on border issues, more precisely on Integrated Border Management-IBM, reached on December 2<sup>nd</sup> 2011. According to this agreement both sides have agreed to have their representatives in all borders crossings between Kosovo and Serbia including representatives of EULEX Mission. Regarding this decision a special Technical Protocol was established and signed between the parties in Prishtina on February 23<sup>rd</sup> 2013.

In the ninth round of negotiations an agreement has been reached, on February 24<sup>th</sup> 2012 following persistent insistence of the EU, on allowing Kosovo to take part in regional integration processes. This came not without a price for the authorities of Kosovo which had to accept that their representation in regional forums will be "Republic of Kosovo" followed by a footnote stating that "the status in the nomination does not prejudice final status and is in accordance with the Resolution 1244 of UN Security Council and the Decision of the International Court of Justice regarding Kosovo's Declaration of Independence". Serbian side considered that it had protected their Constitution while Kosovo side was more interested in taking part and being integrated as much as possible in the regional cooperation institutions, barring in mind that these are necessary steps to reaching EU cooperation institutions.

Perhaps the largest achievement of the technical dialogue between Prishtina and Belgrade was that it has step by step lowered the burden of Albanian and Serb conflicts from previous century that was resting on the shoulders of political representatives of both Prishtina and Belgrade. Moreover, this process has helped citizens of Kosovo and Serbia, both individual and businesswise, to have no obstacles in their intentions to travel or invest in Kosovo or Serbia.

Following Parliamentary elections in Serbia in May 2012 a new Government was formed, and for the first time since the end of Kosovo war the issue of Kosovo was not the predominant matter in the campaign; it was the economy. Therefore, the technical dialogue was moved to a more political starting from 19<sup>th</sup> October 2012, which resulted in an agreement of appointing "Liaison Officials" of Kosovo and Serbia in Prishtina and Belgrade, on 7<sup>th</sup> of November 2012. For Serbian side this was just another political decision, while Kosovar side considered this decision another step forward to Serbian formal recognition of Kosovo as an independent state. Kosovar side also showed a very pragmatically decision to put the official offices of the Representative of Kosovo to Belgrade in the building of EU official representation in Serbia.

Following further high level political dialogue between Kosovo's PM Hashim Thaci and Serbian PM Ivica Dacic, facilitated by EU's representative for Foreign and Security Policies Catherine Ashton, on 19<sup>th</sup> of April 2013 a formal agreement has been reached between the sides outlining the steps of "normalizing the relations between Prishtina and Belgrade". The agreement came just in time as on Monday, 22<sup>th</sup> of April, was the meeting of EU's General Affairs Council and Foreign Affairs Council. In both meetings Catherine Ashton briefed Foreign Ministers of EU's 27 countries on the current status and future steps in negotiations between Kosovo and Serbia. At stake was whether to open negotiations on Serbia becoming a possible EU member and a possible Stabilization and Association Agreement (SAA) between Kosovo and EU. As it happens, General Affairs Council of the European Commission formally recommended to EU Member States that EU accession negotiations with Serbia and negotiations on an SAA with Kosovo be opened.

Messages of congratulations by a number of very important world politicians followed the Agreement in the EU facilitated dialogue on the normalization of relations between Kosovo and Serbia. Among others they included President of European Council Herman Van Rompuy, President of European Commission Jose Manuel Barroso, Commissioner for Enlargement and Neighborhood Policy Stefan Fule, US Secretary of State John Kerry, UN Secretary General Ban Ki-Moon, NATO's Secretary General Anders Fogh Rasmussen.

The 15 Points Plan signed between PM Thaci and PM Dacic witnessed by Catherine Ashton include several very important items. In accordance with the Plan all Serb Police officers, including those of northern Kosovo, are to be integrated into the Republic of Kosovo Police Force, while all other security structures are to be dissolved. A regional police commissioner, who will belong to Serb minority in Kosovo, is to be appointed for the four predominantly Serb ethnic group municipalities in "northern Kosovo". All legal institutions of the Serbs are to be integrated into the legal system of Kosovo. The court of

---

<sup>1</sup> Current Constitution of the Republic of Serbia

appeal in Prishtina is to establish a branch court in Northern Mitrovica to deal with cases of the communities with a Serb majority. The judges in district courts will be predominantly made up of Serbs. Elections in Serb predominant areas, local and general, are to be supported by OSCE, conform to the legislation of Kosovo and international standards. In addition, neither Belgrade nor Prishtina are to block each other on their path toward EU.<sup>1</sup>

After the agreement reached between Kosovo and Serbia came the talks for the Implementation Plan of the Agreement. From 19<sup>th</sup> of April 2013 until 24<sup>th</sup> of July 2013 thirteen rounds of talks were held on this subject alone.<sup>2</sup> Implementation of the Agreement was not able to be achieved yet for several issues mainly related to the status of Kosovo and the manner that Serbia views Kosovo. For authorities in Belgrade the implementation had to be in accordance with "status neutral" policy while authorities in Prishtina considered that implementation is not possible without establishment of full sovereignty in all of Kosovo's territory.

Belgrade authorities particularly remain persistent in the creation of the Association of Serbian Municipalities in Kosovo, as foreseen in the Brussels Agreement, a body which will have its Assembly, Executive Committee, aid funds (meaning from Serbia). Kosovo's authorities have agreed that Serbian Municipalities in Kosovo can create their Association which will be in full compliance with the Laws of the Republic of Kosovo.

Authorities in Belgrade were instrumental in convincing local Kosovo Serbs to take part in local and governmental elections in 2014. Authorities in Belgrade insisted on appointing new local Serb politicians at local and governmental level that would be loyal to Belgrade. In that attempt they have achieved success and now part of Kosovo's Government is local Serb political entity "Srpska Lista" (Serbian List). The aim of authorities in Belgrade was to have influence in highest levels of decision making policies in Kosovo through a political entity that answers to Belgrade at all times. Authorities in Prishtina were not bothered by this fact since by the Constitution of Kosovo Serbian Minority has a guaranteed participation in the Government. But the implementation of Brussels Agreement needs more.

## CONCLUSIONS

In the following processes and relations between Prishtina and Belgrade the most significant role remains the one of United States and Germany, as leaders of Western Countries, NATO, EU influence, and future OSCE chairmanship. European perspective and dynamics of the process of integrations will remain on the willing of EU's institutions of resolving opened questions sooner rather than later. EU cannot afford another frozen conflict like Cyprus/Northern Cyprus or Armenia/Azerbaijan Nagorno Karabakh situation to be present in volatile Balkans. In case of Nagorno-Karabakh the situation remains explosive. In the summer of 2014, while the international community was focused on the crisis in Ukraine, hostilities escalated in this region yet again. Over the years Azerbaijan has used its energy revenues to improve its military capabilities spending 3 billion USD per year, or 5% of GDP for military purposes. To match Azerbaijani capabilities, Armenia equipped itself with drones.<sup>3</sup> So, the seeming comfort of status quo in frozen conflicts should not be taken for granted.

One often suggested possibility is that even Slobodan Milosevic hoped to partition Kosovo on terms favorable to the Serb minority, and favorable to the Serb control of historical and religious sites and mineral wealth. There is no evidence, however, that Serb officials suggested this possibility-not at Rambouillet Talks and not during the war of 1998-1999. However, there is evidence that Milosevic had pushed the plan for the partitioning of Kosovo during negotiations before the war.<sup>4</sup> Many observers before and during the war speculated that partitioning might be the "last stand" objective.<sup>5</sup> Serbian military employed a greater pattern of physical destruction to Kosovar Albanian property in certain areas in northern part of

<sup>1</sup> Predrag Jurekovic, Austrian National Defence Academy Vienna, "Kosovo Agreement-Implementation as Litmus test", IFK Monitor International July 2013, pg 2

<sup>2</sup> Dragan Djukanovic, Odnosi izmedju Beograda I Prishtine, Izvorni Naucni Rad Jul 2013, Beograd, BiBlid Vol. LXV, br 3, pg 377

<sup>3</sup> Elena Pokalova, "Conflict Resolution in Frozen Conflicts: Timing in Nagorno-Karabakh", Journal of Balkan and Near Eastern Studies, 20 December 2014, pg 82

<sup>4</sup> Carlotta Gall, "Serbs Fear Puts Segregation back on the table in Kosovo", New York Times, 26<sup>th</sup> of August 1999, p A1

<sup>5</sup> Jonathan Steele, "Kosovo Crisis: Province at Stake as Milosevic considers spoils of war", 9<sup>th</sup> of June 1998 Guardian, pg11; Vladimir Kuznechevskiy "Primakov may have suggested Kosovo Partition to Milosevic", Moscow Rossiyskaya Gazeta, 31<sup>st</sup> of March 1999, and also Barry R. Posen "The War for Kosovo", International Security, Vol 24, No.4 (Spring 2000)pg 45-46

Kosovo, hence some observers noted an apparent pattern of expulsion of Albanians concentrated in these same areas and inferred a partition motive.<sup>1</sup>

Authorities of Kosovo have shown capacity in building a society with multiethnic and multicultural elements in all parts of Kosovo and there is no doubt that that can be achieved in the northern part as well. They have also shown a great what one might call, generosity in providing additional rights for all minorities in Kosovo, although last census has shown that Kosovo is 92% Albanian populated country.

On the other hand Serbian side has taken steps similar to the policies of the 90s in the last century by which Belgrade is the political, intellectual, spiritual, capitol of all Serbs as well as protector of their rights in all of the countries that Serbs live, but comprise no more than a national minority.

Delay of implementing Brussels Agreement will prove a severe mistake for all sides. Having in mind the relations between Kosovo and Serbia, open issues between two countries and nations; it is hard to believe that progress can be done without firm involvement of United States and EU headed by Germany to insure that all sides deliver on their promises.

EU integration policy towards Kosovo and Serbia must continue entailing clear conditions with regard to Kosovo-Serbia dialogue. United States and EU should make Belgrade responsible for implementing Brussels Agreement in northern Kosovo as they did in the case of Erdut Agreement in Croatia in 1998.

Kosovo's authorities should make sure to fulfill all obligations and provide more favors to northern Kosovo Serbs than those that southern Kosovo Serbs already have.

Any other scenario could bring out in the open ethnic divisions in Kosovo and the Balkans which is in no one's interest.

## REFERENCES

- [1] Brussels , July 2<sup>nd</sup> 2011, "Report on political and technical dialogue with Provisional institutions in Pristina", Government of Serbia, full text provided on 24<sup>th</sup> of April 2013
- [2] Current Constitution of the Republic of Serbia
- [3] Predrag Jurekovic, Austrian National Defence Academy Vienna, "Kosovo Agreement-Implementation as Litmus test", IFK Monitor International July 2013, pg 2
- [4] Dragan Djukanovic, Odnosi izmedju Beograda i Prishtine, Izvorni Naucni Rad Jul 2013, Beograd, BiBlid Vol. LXV, br 3, pg 377
- [5] Elena Pokalova, "Conflict Resolution in Frozen Conflicts: Timing in Nagorno-Karabakh", Journal of Balkan and Near Eastern Studies, 20 December 2014, pg 82
- [6] Carlotta Gall, "Serbs Fear Puts Segregation back on the table in Kosovo", New York Times, 26<sup>th</sup> of August 1999, p A1
- [7] Jonathan Steele, "Kosovo Crisis: Province at Stake as Milosevic considers spoils of war", 9<sup>th</sup> of June 1998 Guardian, pg11; Vladimir Kuznechevskiy "Primakov may have suggested Kosovo Partition to Milosevic", Moscow Rossiyskaya Gazeta, 31<sup>st</sup> of March 1999, and also Barry R. Posen "The War for Kosovo", International Security, Vol 24, No.4 (Spring 2000) pg 45-46
- [8] Charles Bremmer, "NATO expects Serb Partitioning Gambit", Times, London, 9<sup>th</sup> of April 1999

---

<sup>1</sup> Charles Bremmer, "NATO expects Serb Partitioning Gambit", Times, London, 9<sup>th</sup> of April 1999

## Chosen Model of Privatization of Socially Owned Enterprise in Kosovo Over Kosovo Trust Agency

Dr. Bajram Fejzullahu

Republic of Kosovo, bajram\_fejzullahu@hotmail.com

### Abstract

*Unlike in the countries of Central and South-East Europe, where the transformation of property and political transition were smooth and peaceful, in the countries of former Yugoslavia (except Montenegro and Macedonia) these processes were accompanied by war; the effects are present even nowadays. After 1999, it was Kosovo's turn to be part of these changes. Normally, in these processes, the political transition occurs prior to the transformation of property. This was not the case in Kosovo, where the order was reversed. It cannot be said that the privatisation method chosen by UNMIK was not the best. As of now, this method has failed to fulfil its duties of economic recovery and solve the unemployment problem. UNMIK has chosen the method of transforming the social property of Kosovo as a set up for the total transition of the political system, which later on would be one of the main elements and will serve to proclaim independence of Republic of Kosovo. It will remain an unanswered question whether the method that used is actually better, whether it is more productive economically, or not. As Kosovo's case for many things is *sui generis*, and as far as the process of privatisation of the social property is concerned, it is a process which tried to adjust to the existing circumstances in Kosovo, circumstances which were earlier unknown in the other countries.*

**Keywords:** Kosovo, privatization, process, agency, models, property, transformation

### Chosen model of privatization of Socially Owned Enterprises (SOE) in Kosovo over Kosovo Trust Agency

#### Models

Temporary civilian United Nations Mission in Kosovo (UNMIK), Department over for Trade and Industry as part IV of the stairs, at the beginning started to investigate the privatization model. After four years of delay, efforts have been unsuccessful. The previous models that were applied in the states of former Yugoslavia were unacceptable; the models that had been used in Eastern Europe were also incompatible. The voucher model, for example, could not be implemented for many reasons and above all due to lack of basic legal status of Kosovo. For these reasons, UNMIK had to come up with a special process of privatization that had not been used anywhere else before. The novelty of this process was that it had in mind the following:

1. Sell the main assets of the company through tender, while the remaining assets would be sold separately through liquidation.
2. Land assets were subleased for 99 years, because a lot of the cadastral information had been lost during the war (they had been taken elsewhere, mainly in Serbia).
3. Led by the experience that others have crossed the country in the process transformation and privatization of property, UNMIK through the Kosovo Trust Agency, privatization of SOEs joined by her model was included in the three forms of privatization:
4. Regular Spin-off
5. Special spin-off
6. Liquidation

**Regular spin-off ("amputation")** - Rules of Tender for the spin-off privatization (the circular closure, which involves only the sale of assets of enterprises, namely, within the existing company formed a new company that includes only the assets of the company, and shall remain in old company, which will later apply the process of liquidation, the funds from the sale go into a special fund under the control of the KPA and will be used to settle liabilities to creditors, owners and workers). The model of an old company can develop more new enterprises, while funds raised during the sale of share in a way that



20% goes to workers while 80% goes to fund the trust that will serve to cover obligations made during the operation of the old company.

A part from a small number of obligations (property taxes for the past 12 months, payment of public services for the last 3 months), the new owner of the company being acquitted of all other obligations that the company had previously.

**Special spin-off** - apart from the rules that are worth for a regular spin-off, special spin-off added to the model are still some limitations for the new owner of the company. In fact this model, the owner must complete and obligations that were in the process of tendering and to have:

1. highest price offered in the tender,
2. investments that will be the time period,
3. retain workers previously employed and increase the number of workers over a given period of time.

Although it was sold this model, we cannot boast of having succeeded. Enterprises privatized in this model are mostly continued the previous activity.

**Liquidation** - Although proposed as a model for privatization of parts of companies or enterprises as a whole, during the existence of the KTA has partially implemented and as far as the liquidation process, it is not implemented. As a model could be implemented in a small number of firms that were small-scale or those that have already been plenty of earlier stopped working and who have been in bankruptcy proceedings.

### **Few final findings and notices about privatization in Republic of Kosovo**

Few findings and notices about privatization process of Socially Owned Enterprise in Republic of Kosovo are as follows;

- a) Some evaluations about flow and results of privatization program;
- b) Opinion and some attitudes of the citizens about the process.
- c) Few valuations and notices about results of privatization in Republic of Kosovo

Results of privatization reached up to now are under those expected in public. This is specially related to:

- (1) delaying of the process;
- (2) slowness of tender sale;
- (3) braking contract in previously privatized companies.

The question that is set whether gap between real results and expected results of privatization is consequence of low realization or exceeded high expectations from privatization? According to my opinion, the size of gap is under influence of both determinants.

Beside all problems (political instability, war, bombing) larger determination of Government for privatization at the practical level (specially state bodies) would, even in that conditions, gave better results. From the other side, it was too much pointed that privatization will solve many problems. In the mind of ordinary man, privatization is usually understood as form of renewal, i.e., if someone who buys the company brings the money, salaries and debts are paid and all remains the same: management, number of employees, production program ... That understanding is result of many renewal programs that were conducted in previous system in Serbia and Yugoslavia.

A non-doubtful result of the process is increased participation of private sector in GDP and growth of employment in that sector. In the same way, privatization has encouraged creation of new enterprises and development of those enterprises. Privatization and generally development of private business in Republic of Kosovo had influenced the understanding of major part of population (especially young) that it should expect only from the state to solve the problems, but that each individual should seek solution for itself!

As result of change of property structure the change of attitude toward foreigners and foreign investors can be stated. The fear of foreign investors is smaller and smaller, however it still exists in some state and political groups and is motivated by their fear that foreigners could put in danger their interest sphere, then they really think that presence of foreigners is bad by itself. Existence, respectively acceptance of Privatization Plan and providing that everything can be private (there is no priority enterprises that cannot be privatized), and that foreigners have national treatment, as well as determination that property and contracts can be protected at first step international courts, are also important result whose consequences can be important for next phase of privatization.

Established basic institutional framework of privatization, as well as expert basis is without doubt important result that will influence further reforms in Republic of Kosovo.

There are few indicators of economy effects that are showing at insufficient results in this process:

- Even there are changes in the property structure; still participation of state sector in total economy is large.
- Participation of foreign investments in Republic of Kosovo up to now is very low, much lower than in Croatia and Slovenia, and not to speak about Hungary, Poland, and Check Republic.
- Privatization incomes are modest.
- Recent level of privatization didn't have influence on the development of efficient capital market.
- Corporate governance is much more showing as problem even in private companies.
- Insider privatization model of privatization in Republic of Kosovo hasn't up to now gave results in new investments, restructuring enterprises and improving corporate finance.
- Problem of restitution remains open and unsolved, what creates unpleasant climate for complete privatization process.
- The number of companies at bankruptcy or entering zone of bankruptcy is increasingly larger.
- 

### **Some social – psychological attitudes of citizens as indicators of their readiness for privatization**

We are stating few results of research that was conducted for purposes of this thesis. The research about social and psychological attitudes of citizens was done at sample of 611 participants, where 200 participants were from Republic of Kosovo.

**Interest for privatization.** More than 60% of citizens in Republic of Kosovo are highly interested for privatization. Only 10% of people are not interested for privatization, and manly these participants are belonging to the age group below 20 years.

**Information and sources of information.** Each third participant from Republic of Kosovo estimates that hadn't information about privatization. Still, answer like this is indicating uncertainty of citizens concerning privatization, and not only weak information.

**How much citizen knows about privatization?** The certain number of questions has been set in order to test knowledge of citizens about privatization. The percentage of correct answers about privatization was 34,3%.

**Attitude toward privatization.** This dimension has been measured with range of attitudes with score from 5 to 30. Valuation was done so that higher score represents more positive attitude toward private property positive attitude is higher in Republic of Kosovo.

Relation between individualism and collectivism. It was measured with the same range as attitude toward private property. Tendency toward individualism is higher in Pristina (25.1 %) then in other cities, where is below 20%.

Almost 63% participants have positive attitude toward privatization with relatively small participation of those with negative attitude.

**Expected effects of privatization.** About 65,8% participants expect increase of unemployment because of privatization; to solve problems of old foreign saving thinks 42,1% ; fear that by fraud in privatization small number of favored people will become rich thinks 78 % , that privatization will results with membership in the international community 51,4% ; all that is worth will buy foreigners 68,3% ; employees will finally be paid for their work thinks 23,6% ; honest people won't get anything from privatization 55,4% .

Generally, nothing better predicts the readiness of people for changes that is privatization bringing than readiness to change property relations. From the other side, from all social demography indicators, education and working place are in certain measure connected with acceptance of privatization. What is level of education higher, the readiness of people to *accept changes that is privatization bringing higher, as well as level of information they have is higher.*

Concerning working place, for privatization is most interested, best informed, have largest knowledge and most positive attitude those who have already entered privatization process.

This research has shown that information needs, respectively needs for higher education of public in area of privatization in Republic of Kosovo are large need.

All previous comments and findings point to fact that transition to the new, more economically, institutionally and legally based model of privatization, required by itself a large amount of work at creation the institutional assumptions and introduction of stronger order in the privatization process compared to earlier period. Besides that, in the same period different oversights and deficiencies from former period have come up to the surface.

Individuals that took part in the privatization, in majority of privatization in first years, are starting to intensively include in the critic of privatization process, mainly directly and who had because of "conceptual reasons" of new organization of privatization been excluded, as well as part of coalition at power that has "broken". To many, critic of privatization has served for covering some personal activities in the privatization process.

Some decision of the Privatization council provoked gall discussions that were motivated by introduction of larger order and procedures in area of privatization.

However, Privatization Council and all others participants in privatization, step by step built and raise confidence in privatization process, and gradually changed opinion of the public about privatization. So, two periods can be distinguished in the privatization in Republic of Kosovo: prior to 1999 and after 2005.

Privatization in Republic of Kosovo was conducted as a project, not as a job of certain ministry. Privatization project was and still is managed by PAK. Technical work for privatization was done by Agency.

The example of Republic of Kosovo is showing that managing economy and the method of decision-making is important international resource of efficiency and transparency of the process. Through, it has shown also that this model is very vulnerable from aspect of political parties in coalition that depending on the problem, tried to impose domination of their interest. However, in the struggle of political parties to "make profit" from privatization by making distance from any contestable case in privatization and approach that concrete result with strict respect of the rules is the only argument concerning successful privatization: what was a saying of PAK.

We may conclude the analysis with the following observations:

**First**, privatization has substantial macro impacts in countries with low incomes, large population, considerable unemployment, wide income disparities, and regional differences in development. Limited market sizes often aggravate the problems.

**Second**, implicit in the analysis of the impacts—both micro and macro—is the problem of measurement. This is the more complex; the more difficult it is to identify the impacts definitely attributable to privatization.

**Third**, the processes of privatization warrant monitoring, in order to establish how effectively the objectives of privatization attached to individual cases or categories of cases are being realized, how transparent the processes of privatization

happen to be in practice, and what basic changes in the structure of the national economy are being brought about by the processes of privatization.

**Fourth**, the impacts of privatization constitute such a wide range that they do not all produce a uniform result. The concept of trade-offs deserves attention. Certain direct and immediate results need to be considered alongside certain others which might be less direct and immediate, before the net benefit or cost to the economy is established. Of course, one has to decide on how far to go in identifying the results beyond the first-round effects.

**Fifth**, privatization calls for preparedness in the area of regulation aimed at exorcizing the unwelcome impacts.

**Sixth**, in many developing countries and centrally planned economies in transition the role of the state in steering economic development will not cease to be important—though it has to be different from what it has been - or else the impacts of privatization can be too anarchic to sustain distributional equity and social stability.

It would be desirable for analysts, policy makers and practitioners to focus attention on establishing the impacts of privatization, on monitoring privatization, on regulation post-privatization, and on redefining the precise role of the government in the development strategy specific to a country. These items should have high priority in work program relating to privatization.

In the Kosovo's macro-economic policy and programming great attention is given to privatization as a key element in the transition to a market economy system and including in European and World economic trends. Yet, there is need for further measures to improve the macro-economic situation and to remove the constraints which have been impinging on privatization actions. In doing so, greater attention should be given to the policy harmonization of the requirements of privatization, new private entrepreneurship (the creation of private firms) and restructuring of firms earmarked for long-term state ownership.

Although Kosovo's privatization process is not so quick in comparison with that in other countries, it is somewhat lagging behind the desired and potential speed. In order to speed up further privatization, beyond the removal of constraints discussed above, there is need for a flexible use of various privatization methods of both divestiture and non-divestiture types.

In Hungary's privatization process too much emphasis was put on the so-called 'active' privatization programs, the aim of which was, with the active participation of the state (PAK), the acceleration of privatization by attracting new circles of investors into the Kosovo's economy.

However, the speeding up of privatization in last few years could be attributed not to this program but rather to a new, investor initiated privatization method and to the so-called self-privatization method extending the range of participants.

The latter makes possible the transformation and sale of companies without direct involvement from the state, but with one of by the PAK through competition. Furthermore, greater attention should be given to methods like the breaking up of monopolies, leasing, management contracts and worker and management buy-outs, as well.

Foreign capital can also play an important role in speeding up the privatization process given the shortage of domestic capital. Its role is also crucial in the transfer of technical and managerial knowhow. From among the impacts of privatization the large labor redundancies resulting from the restructuring of firms deserve special attention and call for active employment and social policies.

There is need for intensive future activities in estimating likely impacts, both favorable and unfavorable, *ex ante*. Without such activities a 'culture' of privatization in the widest sense can hardly be built up.

## References and consulted literature

- [1] Aghion, P., Blanchard, O. and Burgess, R. (1994a), "The behaviour of state firms in EasternEurope, pre-privatisation", *European Economic Review*, Vol. 38, pp.
- [2] Aghion, P., Blanchard, O. and Carlin, W. (1994b), "The economics of enterprise restructuring in Central and Eastern Europe", CEPR Discussion Paper No. 1058, CEPR, London

- [3] Aleksandar Štulhofer, 'povratak u budućnost?: proces privatizacije i hrvatska javnost 1996. – 1998, Objavljeno 1999. godine u zborniku Privatizacija i javnost/ur. D. Čengić i I. Rogić/. Zagreb: Institut društvenih znanosti I. Pilar
- [4] Alexis, M. (1982), "The applied theory of regulation: political economy at the Interstate Commerce Commission", Public Choice, Vol. 39,
- [5] Bothwell, J.L. (1980) 'Profitability, Risk, and the Separation of Ownership from Control'. Journal of Industrial Economics 28(3) (March): 303–11. Bowen, S. (1997) 'Bolivian Watchdog Proud of its Teeth'. Financial Times, 27 July: 7.
- [6] Boycko, M., A. Shleifer, and R.W. Vishny (1994) 'Voucher Privatization'. Journal of Financial Economics 35:
- [7] Hoti, Avdullah, 2004: 'Human Capital and Unemployment in Transition: The Case of Kosovo', RIINVEST, Prishtinë.
- [8] Human Rights Centre of the University of Prishtinë, 2008: 'Economic and Social Rights', Prishtinë.
- [9] Iraj Hashi: Privatization Strategy for Kosovo: What can we learn from other transition countries?, Stanford University, . January 2001.
- [10] Selman Selmanaj – Sistem ekonomike bashkëkohore, Prishtina 1996
- [11] UNMIK Regulations 1999/01
- [12] UNMIK Regulations. 2001/9,
- [13] UNMIK Regulations. 2002/12 clan 17
- [14] UNMIK Regulations 2002/13
- [15] UNMIK Regulations 2005/18
- [16] Law for Kosovo Trust Agency

## Empirical Data on the Correlation between CEO Duality and the Performance of a Corporate

Emira Spahaj

PhD Candidate

Faculty of Economy in Tirana, Albania

emiraspahaj@yahoo.com

### Abstract

*An independent CEO's discipline is greatly influenced by the way a corporate is managed, hence improving the firm's value in those corporate that are developing and the ones that have already developed. Additionally, the shareholders' interest can as well be safeguarded by the CEO and the board through creation of more safeguard guidelines. Macro-economic and micro-economic level corporate experiences significant implication from the governance, whereby corporate governance that is poor may lead to corporations' failure, for instance Worldcom and Enron experienced this type of failure. This paper scrutinizes the connection between dual and separated Chairs-CEOs structures and implications in the performance of corporate. The interest of CEO Duality emanates from the idea that CEO duality would make a difference to the performance of a firm and corporate governance. There exists controversy in the manner which the company is affected by the CEO duality. The most commonly used instruments in the implementation of corporate governance include independent directors, board size, board directors, chief executive officer, political administration, judiciary, regulatory authority and the government itself. Corporate governance also gives a specific structure via which objectives of the firm are set. Corporate governance also provides the means of accomplishing these objectives and also how to monitor the firm's performance. Corporate success and board performance does not solely depend on the chief executive's position or the position held by the chief. It does matter whether these two positions are held by one or two people. This Lack of adequate evidence in the scientific research in order to support the argument concerning separate or combined roles of a CEO, result in management dilemma. A theory supporting joint positions, is that integrating the positions of CEO and Chair minimizes the cost of transferring information which should take place if different persons hold the position of CEO and Chair. Since the transfer of information might be expensive, imperfect or untimely, having essential information reside in one joint CEO and Chair might enhance the individual's ability to carry out the responsibilities of management. In the otherside a theory that supporting of split CEO and Chair positions propose that the board also carry out its supervisory duty better when the Chair is a non-executive individual. The paper aims at introducing and giving a panoramic analysis of the relevant perceptions of management and corporate governance like the CEO Duality and the implications it has in the performance of corporate. Should a CEO take action simultaneously as the Corporate Board Chairman? Would the CEO Duality hamper or improve the performance of a corporate?*

**Keywords:** CEO, CEO duality, performance, implication on governance, Board of Directors

### 1.0 PURPOSE OF THE STUDY

Over the past couple of years, the manner in which corporate are governed has been debated by public and government especially in developed countries, and the same debate is also gaining attention in the countries that are less developed. Some of this attention includes media coverage of those employees whose allowances have been affected badly by the company officers misinforming process and those company officeholders who mislead the board of directors. The agencies concerned with regulating accounting techniques and corporate financial have improved their participation, to address these transgressions which are mostly based on public complaints.

Conflict between corporations and shareholders has been there for long. The independence or lack of corporate board of governors has been a major corporate governance topic of the past days. This independence is usually evaluated by the number of foreigner board members compared to the number of insider members with the supposition that the firm will be governed in a better manner when there are more foreign (outside members).

Nevertheless, this supposition is not supported in the research; the research arrives at diverse conclusions (5, 6, and 7).

Also, another significant concern of corporate governance is the Chief Executive Officer (CEO) compensation, which is also known as the performance incentives. Generally, greater analysis is employed by the boards in determining the

compensation of the CEO, which include incentives, for instance the consultants' hiring compensation. In addition to greater validation of CEO compensation, a mounting group of creditors, corporate boards, investors and regulators are appealing that in case the CEOs misleads, they should return their compensation. Not only the level of board independence and the compensation of the corporate official has been regarded as important, but also extra corporate governance factors have been studied and discussed in order to enhance corporate governance. Other factors that can be included are board members age limit, interconnecting board members, the size of the board, board terms that have staggered, maximum number of boards a director may serve, directors' attendance in the board meeting, evaluations of the director, whether the CEO is a board committee's member.

## 1.1 Statement of the Problem

### ***CEO duality as a resolution to corporate governance***

CEO duality is a topic also focused by this paper. A more current presumed remedy to poor corporate governance has been the CEO duality. Chief Executive (CEO) Duality refers to the structure of an organization whereby the CEO also serves as the chairman of the same company's board of directors. Most of the firms are shifting from this structure to a separated Chair and CEO structure. This paper scrutinizes the connection between dual and separated Chairs-CEOs structures and implications in the performance of corporate.

## 2.0 OBJECTIVES

While the word "governance" is progressively more being used to draw awareness to a number of issues that influence the quality, efficiency and reach of social services, no accord has materialized on descriptions, frameworks and, in specific, how it applies in U.S., developed systems models (5). The paper aims at introducing and giving a panoramic analysis (basing on existing work from the literature of public sector and broader governance and management) of the relevant perceptions of management and corporate governance as applied to determinants of performance, Private or public sector, Board self-rule, CEO duality, Stewardship theory, Agency theory etc.

Instead of asking if a particular system has the appropriate inputs or it is producing the appropriate outputs, the questions about governance seeks at identifying the various factors that affect the behaviour of the system, such as the projected rules or procedures, sequentially to be linked with improved performance and results. The research main question reads; ***is there any evidence that the CEO duality hampers or improves the performance of a corporate?*** In this initial paper we will focus on some preliminary meanings of the term governance and exclusively converse about the CEO Board size, CEO duality and the implications on governance. (Principally applied in corporate models in the USA)

## 2.1 Novelty and importance to the state of the art

Lack of adequate evidence in the scientific research in order to support the argument concerning separate or combined roles of a CEO, result in management dilemma. Subsequently, decision-makers in an organization also lack adequate evidence to propose either structure. This paper discloses other arguments, even though they are usually unproven, general, feel good theories, supported by separatist and duality promoters by giving more objective measures of performance that emanates from duality or separated roles of a CEO.

Key shareholders and the advocates of shareholders are relentlessly pressuring corporations to separate the joint CEO/Chair roles and other firms are compelling. However, only little evidence remains to support the change of this organizational structure. Furthermore, this kind of change may create perplexity or false hopes the constituencies of corporations such as the shareholders, employees, customers and stock analyst. In the past few years, corporate governance has been scrutinized and tried but unproved improvements have been put in practice.

## 2.2 Framework of Investigation

### ***Theoretical and Empirical Framework***

Up to date, the inadequate research on duality takes two dissimilar analytical approaches: the theoretical foundation of duality or the empirical result of duality on distinct variables of performance. Legal research centres principally on theoretical ideas (such as conflicts of interests, entrenchment, and the costs of agency) to estimate the diverse structures of leadership for corporate entities. Literature in the field of financial economics, management and business, by contrast centres on the outcomes from empirical tests of distinct measures (such as compensation of the executive, stock returns and management turnover) to assess the diverse structures of corporate leadership.

Research on corporate governance comprises different variables which include the compensation of CEO, Equity ownership, performance of firm stock, board size, independence, and composition. There is comparatively less study on the correlation between CEO duality and corporate *financial performance*, like the return on equity, contrasted to the study that has been done on subsequent performance of company stock (1, 2).

The occurrence of duality in corporate calls for the significance of understanding the structure of leadership and the impact it has on the performance of a corporate. This paper evaluates the impact of duality on the performance of a corporate via an integrated framework, by making use of legal scholarship concepts on top of data from financial, business, and management literature. This paper investigates whether combining or separating the roles of top leadership better supports the initial concept of corporate governance, by making use of these empirical results and theoretical concepts: to achieve corporate financial success, the directors are in charge for managing business operations and supervising management (3-4).

### 3.0 INTRODUCTION

There are important implications which come with corporate governance which pose on the macro and micro-economic level. Poor corporate governance can lead to the failure of many operations, as it so happened in the case of Enron and Worldcom. The most commonly used instruments in the implementation of corporate governance include independent directors, board size, board directors, chief executive officer, political administration, judiciary, regulatory authority and the government itself.

The value of an organization can be improved by the merged effort of the independent directors, the board of directors, CEO and the managers via the good performance of the fiduciaries. The regulatory authority's together with the judiciary and government is very significant the bid to improve the value of the organisation since these three organisations can very well protect the rights of the shareholders and also put into place the corporate governance in both the developed and the developing financial markets. Corporate governance has a very important impact in terms of disciplining an independent and powerful chief executive officer. Likewise, the board, in conjunction with the CEO can safeguard the interests of the firm's shareholders through creation of more value for them.

### 3.1 Governance- Definition of Private and Public Sector

Analysis of governance can be analyzed in the widest level in terms of political actors who take part in contesting and collaboration in order to establish specific policies for the public in each and every society in the secondary level, governance can be analyzed in terms of the different categories of these particular public policies. These public policies include institutions, laws, the resultant rules and enforcement mechanisms. It can also be analyzed in terms of the level of specific firms for instance the governance of the district of social security institute. According to the literature of the private corporations, it initially focused on governance in terms of the existing relationship between the managers and the shareholders. This literature tried to find out what governs the actions of the managers in the corporate organizations that showed increasing autonomy from the owners of their firms since the 19<sup>th</sup> and 20<sup>th</sup> century. As depicted from the OECD, corporate governance is a set of links between the firm's management and the board, stakeholders and shareholders. Corporate governance also gives a specific structure via which objectives of the firm are set. Corporate governance also provides the means of accomplishing these objectives and also how to monitor the firm's performance. The governing of the public sector literature also mirrors the private corporation literature. These studies herein also focus on governance as a set of links, structures of incentives and goal-setting procedures. However, the public agencies also face a number of problems since they respond to a bigger number of interest groups. This is so because when a firm answers to multiple



groups, there is a likelihood that the ability of one group to attain its set target can be watered down and the result of the firm's performance can hence be influenced by competing principals (7, 8).

### 3.2 Governance and CEO duality

When the CEO operates concurrently as the chairman of the board, the corporate is said to have a dual CEO. In the literature of company strategy and corporate governance, CEO duality has received great interest (18). Much of this interest emanates from the idea that CEO duality would make a difference to the performance of a firm and corporate governance (mostly, this applies to private sectors). There exists controversy in the manner which the company is affected by the CEO duality. Interest parties that resist about CEO duality like the watchdogs of corporate governance and shareholders advocate groups proposes that CEO duality might negatively affect the performance of a firm since the structure of duality might reduce the ability of the board to govern, which is its main function.

From this argument, the following question arises; what is the role of the CEO if the board of directors is representing the stockholders' interest? Does he have a variance of interest? He is the skilled manager. He cannot fairly sit in judgement and represent the shareholders. It becomes more complex to hold the CEO of a company answerable for his/her actions if the CEO and the chairman of the board is the same person and consequently the performance of a corporate may suffer. Academics propose that CEO duality indicates the absence of division of decision control and decision management that might cause the firm to suffer in the struggle for survival. Companies like Westinghouse, IBM, Sears and General Motors has experienced poor performance due to CEO duality. While defending CEO duality, Anthony and Anderson (15) dispute that it offers "a central focal point for corporate management" with a possible lucid corporate mission and strategy. According to this point of view CEO duality provides firmness and stability to the corporate which in turn would result to superior performance of a corporate.

## 4.0 METHODS

For this paper, we have explored the grey literature which includes contacted professionals and websites and peer-reviewed journals on the field of corporate governance. In this study, only 30 participants had adequate information concerning their activities and impact in the grey literature and peer-reviewed from and primary sample of 70.

In addition, we tried to contact the other twenty companies, and we received seven replies. Structured, open-ended surveys were dispatched to ten companies and staff associates were interviewed where feasible to match accessible information. We used purposive selection to eradicate the companies with very the business strategies from the same geographical areas and/or disease areas so as to capitalize on variation and to stress a broad range of activities, after evaluating the accumulated information on their business models.

## 5.0 RESULTS

### 5.1 Arguments on Duality

Some analysts have proposed that the pervasiveness of duality implies that a joint CEO and Chair role is the best leadership structure for large public corporate. Advocates of duality maintains that if duality is not an effective and efficient structure of governance, most public firms cannot maintain duality and carry on in the marketplace which is very competitive. Regardless of duality pervasiveness in corporate governance, not all of firms in America consider that duality is the best structure of leadership.

### 5.2 Arguments Supporting Joint Positions

A combining theme of the different arguments that support duality is that integrating the CEO and Chair positions improves the performance of the board management. The responsibilities of the board management call for major decisions that affect the firm. Advocates of duality argue that integrating the CEO and Chair position improves the role of the board management. They argues that a joint CEO and Chair position provides the board with a more absolute and well-timed

information concerning the corporate, creates joint and collegial environment for board decision making and a reliable leadership direction, and provides the corporate with integrated structure of command.

Considering these arguments independently, the first speculation is that the board of directors will gain from having a Chair with deep personal knowledge of the corporate. Advocates argue that a board Chair who also functions as the Chief Executive Officer is expected to spend more time at the firm, in order to have more comprehensive information concerning the weakness and strength of the firm, and to have a deeper insight on the financial and operational health of the firm.

Most probably, the Chief Executive Officer might use the awareness and knowledge that he/she gets from operating as the top executive of a firm (18). A similar theory is that integrating the positions of CEO and Chair minimizes the cost of transferring information which should take place if different persons hold the position of CEO and Chair.

Since the transfer of information might be expensive, imperfect or untimely, having essential information reside in one joint CEO and Chair might enhance the individual's ability to carry out the responsibilities of management.

The other wide argument that supports duality is that joint position provides a unified structure of command and minimizes the cost of making decision in a company. An individual with a CEO and Chair position can apply authority and speed up the process of making and put into practice decisions for the corporate. Therefore decisions formulated by an individual who has the CEO-Chair position might be lucid, timely and more reliable than decisions made by a CEO who has to discuss and confer with a board that is led by a different Chair. Additionally, having one person occupying the position of both CEO and Chair minimizes public perplexity concerning who is in control of the firm, and makes it clear who is accountable for the performance of the firm.

Research which support of duality primarily spotlight on the probable enhancement in the role of board's management, without considering other major role of the board especially supervising the behaviour of the executive. While other advocates propose that an individual who holds the position of a CEO and Chair has an in-depth knowledge concerning the firm which is essential to successfully observe management transgression, this individual who has an intense understanding of the weaknesses and strengths of the firm might be the person who is engaging in managerial transgression.

### 5.3 Arguments Supporting Split Positions

The board's decision-making process might experience fresh insight and knowledge when a firm has a board Chair who is not an executive. A Chair who is a non-executive might provide an exclusive viewpoint which improves the performance of the board since he/she has got experiences outside the firm and hence make strategic and essential business decisions. A Chair who is a non-executive might as well make the function of board's management easy by enhancing the board to swiftly make decisions and acquire new tactics to meet the business environment that is fast changing. Advocates of a split top leadership positions usually link Compaq Computers as an example of a corporate where adopting the structure of split Chair helped the business over the tough opposition of the Company's Chief Executive Officer to implement a product that is lower-priced in order to remain competitive in the industry (18). Advocates of split CEO and Chair positions propose that the board also carry out its supervisory duty better when the Chair is a non-executive individual. The role of monitoring obliges directors to exercise oversight role over corporate managers so as identify and control managerial ineffectiveness and transgression. Therefore, duality might cause disappointment to the board when effectively monitoring and controlling executive management. When a corporate has separate individuals serving in the positions of CEO and Chair, this minimizes the agency cost since a board led by a Chair who is a non-executive is more expected to assess independently if the performance of the management as well as that of a CEO improves the interest of the shareholders.

When one person is assigned the role of a CEO and Board Chair, the directors get themselves in an uncomfortable position of assessing a person who is, at the same time, their principal on the board and the person they rely on for committee assignments and board appointments. An additional agency dispute supporting splitting of the CEO and Chair positions is that non-executive Chairs receives more incentives than CEO-Chairs perform their functions in ways that further the interests shareholder.

#### 5.4 CEO Duality and Correlation to Firm Performance

Research on CEO duality's performance outcome has chiefly relied on two different theories: stewardship theory and agency theory. The nature of CEO duality structure together with the contrasting and strong forecast that every theory makes, seems to let the researchers to discard one theory and advocate the other with one important finding. The section that follows review the broad literature which focuses on the correlation between the performance of a firm and the CEO duality, normally integrating one or both of these primary theories.

#### 6.0 DISCUSSION

Empirical proof and theoretical arguments, as replicated in the metrics of non-financial and financial aspects, favours the leadership structure that splits the position of CEO and Chair of the board. Having an individual who is a non-executive, rather than an individual with both Chair and CEO position, provides a framework of governance that is better suited to the achievement of board's primary responsibilities, to oversee the operations of a business and supervise the behaviour of management for the intention of improving the shareholder's value. In addition, empirical evidence points out not only that duality relates with poor board performance and shareholder value, but as well duality's negative impact cannot be eradicated by putting more outside directors on the board or through setting a principal director.

Corporate success and board performance does not solely depend on the chief executive's position or the position held by the chief. It does matter whether these two positions are held by one or two people. Either way, large organizations are increasingly choosing an independent and separate chairperson. This transition has gained so much praise from the institutional investors and the governance advisors but it has also introduced a number of problems. Some of these problems include disagreement by the public on the issue of the chief executive officer and the independent chairperson at AIG insurer.

That disagreement ends with the resignation of the chairperson hence raising questions about the chief executive officer's integrity. Policy makers on the other hand weigh whether it is suitable to authorize an independent and separate chairman in all United States organizations. In the CEO duality literature it is stated that the separation of the chief executive officer and the chairpersons of the board does not improve a firm's performance independently. It has also been proven that implications of the performance of the CEO duality are party to an array of certain factors. Therefore, boards should be granted the freedom to choose the type of structure which they consider to be the most beneficial to their firms. The conclusion from this discussion is that the structure of the non-executive chair is much better compared to the CEO-chair duality structure in terms of fulfilling responsibilities of the directors and improving the value of the shareholders.

Lack of assurance that splitting the two roles will provide financial and governance benefits to all firms proposes that may be this structure of leadership should not be obliged on all firms. In private companies that are smaller and where the Chairs and CEO is the majority shareholder, or they are in charge of directing the shareholders, there is effectively no division of ownership and control, there is minimal agency cost. Splitting the leadership roles of the executive and board in such firms is expected to improve performance of the board or improve the interest of the shareholder. Therefore, for larger and public companies, we make the conclusion that firms should split the positions of CEO and Chair of the board.

#### 7.0 CONCLUSION

Much financial and non-financials' empirical facts on both the impact of duality supports the separation of the CEO and Chair positions. Even though the research uses diverse measures of corporate performance other researches focusing only on large firms or specific industries, and some studies using no control for other variables of governance, when observed jointly, they offer a realistic case that splitting the positions of CEO and Chair has a helpful impact on the performance of a corporate from the perspectives of financial and nonfinancial metrics.

#### 8.0 IMPLICATIONS AND FUTURE RESEARCH ON THE FIELD

SEE nations should understand the USA models carefully spotlighting on the multi-dimensions of a corporate success. Using an independent evaluation must be obligatory for any material issuance of shares for assets, squeeze-outs, major

transactions and associated party operations so as to warrant a more just treatment of every shareholder. Qualified experts who are independent should be hired to carry out such evaluations.

## References

- [1] Richard Harrison, David L. Torres & Sal Kukulis, The Changing of the Guard: Turnover and Structural Change in the Top-Management Positions, 33 *ADMIN. SCI. Q.* 211, 211, 221-23 (1988)
- [2] Baliga B., Charles R. & Ramesh S., CEO Duality and the performance of a corporate: What's the argument?, 17 *STRATEGIC Management. J.* 41, 42 (1996)
- [3] See Joel Seligman, No One Can Serve Two Masters: Corporate and Securities Law After Enron, 80 *WASH. U. L. Q.* 449, 457-62 (2002)
- [4] Sanjai Bhagat & Bernard Black, The Uncertain Relationship Between Board Composition and Firm Performance, 54 *BUS. LAW.* 921, 924, 942 (1999);
- [5] James P. Walsh & James K. Seward, On the Efficiency of Internal and External Corporate Control Mechanisms, 15 *ACAD. MGMT. REV.* 421, 433 (1990);
- [6] Dan R. Dalton & Idalene F. Kesner, Composition and CEO Duality in Boards of Directors: An International Perspective, 18 *J. INTL BUS. STUD.* 33, 39 (1987)
- [7] Christopher Caggiano, Call Grows for Separation of CEO and Chairman Roles, 231 *N. Y. L. J.* 5, 5 (2004);
- [8] Dawn Harris & Helfat E., CEO Duality, Succession, abilities and Agency Theory: Remarks and Study Agenda, 19 *STRATEGIC MGMT. J.* 901, 903 (1998).
- [9] Dalton, D.R., and I.F. Kesner, 1987, Composition and CEO duality in boards of directors: an international perspective, *Journal of International Business*, 18, 3, 33-42.
- [10] Vance, S.C., 1978, corporate governance: assessing corporate performance by boardroom attributes, *Journal of Business Research*, 6, 203-220.
- [11] Zahra, S. and J.A. Pearce, II, 1989, Boards of directors and corporate financial performance: a review and integrative model, *Journal of Management*, 15, 2, 291-334. Vol.
- [12] Rechner, P.L. and D.R. Dalton, 1988, Board composition and organizational performance: a longitudinal assessment, Paper presented to the *Academy of Management*, Anaheim, 1988.
- [13] Barney, J.B., 1990, The debate between traditional management theory and organizational economics: substantive differences or intergroup conflict? *Academy of Management Review*, 15, 382-393.
- [14] Young, G., Y. Stedham, and R. Beekun (2000) "Boards of Directors and the Adoption of a CEO Performance Evaluation Process: Agency and Institutional Theory Perspectives," *Journal of Management Studies*, 37:2, pages 277-295
- [15] Anderson, C.A. and R. N. Anthony, *The New Corporate Directors*, New York: *John Wiley and Sons*, 1986.).
- [16] Fama, E.F. and M. C. Jensen, "Agency Problems and Residual Claims," *Journal of Law and Economics*, 1983, Vol. XXV1, pp. 327-349.)
- [17] White, J.W. and P. Ingrassia, "Board Ousts Managers at GM; Takes Control of Crucial Committee," *The Wall Street Journal*, April 7, pp. A1, A8.
- [18] Balsam & Upadhyay, supra note 25, at 39 Identifying the distribution of leadership structure. *Leadership*

## Evaluation of Security Issue. New Threats Towards National and International Security.

VILMA SPAHIU, PhD.Cand.

Faculty of Social Sciences & Education, European University of Tirana

vspahiu@uet.edu.al

### Abstract

*The national and international security of states, nowadays, is threatened by many elements or factors, like environmental issues, the spread of mass destruction weapons, wars or ethnic conflicts in developing countries, organized crime, illegal trafficking and the corruption as a side effect of globalization. All these issues are considered as challenges that all the countries must cope with through the drafting of applicable and effective national and global security policies. The aim of this paper is the evaluation of security environment, setting forth various views over new threats or risks. An important part of this study will be the analysing the viewpoints from many different authors in terms of future wars, the possibility of a threat that derives from the collision of great civilizations and also the thread from organized crime and terrorism. Facing all these possible threats, states and governments have to struggle more for finding alternatives that avoid war. This can be reached through their maximal efforts to strengthen their national law and the development of common security policies. Moreover, it is very important for these countries to put to put big efforts for international conflict resolutions, via peaceful instruments and negotiations or the use of diplomacy.*

**Keywords:** Security, future wars, collision of civilisation, organised crime and terrorism.

### INTRODUCTION

The word 'Security' occupies a very important place in the fields of International Relations.

The complexity, but also the inability to define it with a single phrase, makes it possible to explain the word with a series of definitions, which become usable depending on the context in which they are used for. This difficulty comes due to fact that has not been accepted a final definition for this term, and moreover the concept of security has been extended more, with the passing years. During the Cold War, security and defence policies dominated national security agendas.

War and peace issues, nuclear intimidation and crisis management, conference diplomacy, weapons control and alliances policies have concerned academics, militaries and researchers, with a professional or personal interest in global politics or in military strategy.

On the contrary, economic, social, human and environmental policies, the management of human resources or the efforts to put boundaries to the population growth, were mostly perceived as sources for concerns, but rarely as threats for national securities. Occasionally, economic policies issues managed to be part of national securities agendas. But in general, security issues and risks or threats related to economical, social, environmental and human matter, were treated as issues that did not belong to the agendas of national or international security.

The post Cold War period has led to big changes in the global geo-strategic environmental, by bringing significant improvements in the relation between states. All this made it to reduce the number of conflicts in the world. The international cooperation between states or other important actors; the positive or negative experiences of some countries; are good lessons that need to be taken under consideration during the drafting of a new effective national security strategy, nowadays. In a world that we are trying to make it as peaceful as possible; in a world where the western democratic premises are being spread increasingly, relatively is believed that the wars will come to an end.

Anyhow, we cannot forget the fact that nothing can be reached without designing a clear strategy, on how we are going to solve this. Thus, the old Latin saying "Si vis Pacis para Bellum" is still valid.

### **Different views over new risks**

The international security depends on many elements and factors. The great changes in the international arena during the 90s brought new risks for local and global security of the world.

International terrorism, organized crime, illegal traffics and corruption, as side effects of globalization, together with the arsenals of weapons left over from the Cold War, have been identified as key risks that threaten the national security. The new geopolitical environment, after the Cold War, was characterised by "security issues, closely related to each-other" (Lleshi, 2009: 181). International security depends not only from what we have mentioned above, but also from environmental and cultural issues. Another major problem are the so called weak countries, which are characterised by political instabilities, coups, weak democracy, non-efficient institutions, fragile economy, etc. But how does this implicate international security? Well, as a consequence of not isolating their internal conflicts, because of being weak, because of incapacity, neighbour countries get involved inevitably. This kind of instability that derives from their weakness it tends to be exported in the entire region. (Holsti, 2008: 135). All of above can appear as threats for national security in a near future.

In the decades that will follow, environmental and security issues are projected to have an important weight. "Stopping the climate changes, the conservation of biodiversity, the struggle against transmittable diseases, the ensuring of clean water, the decrease of poverty, the war against bad nutrition and hunger, the preservation of forests, waters (seas, rivers etc) and other renewable sources that have been overexploited, are just some of the environmental challenges that human nature will have to deal with." (Charles and Kegley, 2009: 517). Other important challenges that will follow the next decades, are not a surprise for the now a day's world, like the eradication of terrorism, states stabilization, stopping the genocide, the prevention of weapons of mass destruction distribution, etc. As we can see, there are many global issues that need to be resolved, but the financial resources are limited. Thus, the world has to put priorities. We cannot solve everything, at the same time. The world has to choose between what is more urgent to be solved.

Even for some time, the media will continue reflecting revolts and violent riots of the "outside world", mainly as ethnic and religious conflicts. Nevertheless, when these conflicts will multiply, it will become more visible that there is another factor, at bottom, something that is the main cause for making countries like Nigeria, India, Western Africa and Brazil ungovernable. Western Africa has turned into the symbol of global demographic, environmental and social tensions, where the real "strategic" risk is the criminal anarchy. "Diseases, overpopulation, crime, the lack of resources, immigration movements, the increasing erosion of nation-states and international borders, and also the empowerment of private armies, security firms and national files of narcotics" are all illustrated through the prism of Western Africa. (Kaplan, 2008: 23).

We can mention here Sierra Leone, which according to the map is a nation-state with well-defined borders and with a government that controls the territory of the country. But, within the territory of the government there is a national army that cannot be controlled, that normally threatens travellers and drivers at the check point of national roads. On the other side of the country have been placed two different military units, because of the last war with Liberia and also two rebel groups of Sierra Leone.

Sierra Leone is a micro-cosmos of what is happening, maybe, gradually in all the Western Africa, as well as in the rest of the undeveloped world: the weakness of central governments, the growth of regional and tribal holdings, the uncontrolled spread of different diseases and the growing presence of wars and conflicts. Hereupon, all these countries represent a kind of fragility.

Africa, may be a relevant factor related to the nature of future world politics, as Balkan was 100 years ago, before the two Balkan wars and the First World War. By the time, the risk laid in the dismantlement of empires and in the buildings of nations based on tribes, only. Now the risk is more essential "uncontrolled nature". (Kaplan, 2008: 35).

Africa helps us to understand or to forecast what the borders, the wars, the ethnic policies will be like after some decades, given the fact that the biggest part of Africa is on the verge of disaster.

### **Future wars**

A viewpoint of international conflicts is to firstly understand that all the countries are looking for power, or better say gaining more power than the other countries. Considering this, the conflict it becomes a general condition that exists between

countries, leading them to fight for power, better conditions and alliances in the international system. "The power gives states some special benefits, or gives them the ability to draw better conclusions from efforts to agreements on specific issues, which have great importance on their wellness.". (Goldstein, 2003: 195). Much of international conflicts, including those that stand behind dozens of actual wars, are strife for worries and concrete requirements. They are strife for territorial boundaries, ethnic hatred and revolutionary issue. Thus, we can say that the conflicts between countries are not unusual circumstances, but ordinary ones. Conflict can be defined "as a change in the reached preferable conclusions of a circumstance of effort for an agreement." (Po aty, 197).

Meanwhile, in terms of war, it is very difficult to define it, explicitly, therefore it is not how many wars are going on around the world. No matter this, we can distinguish some types of wars, like: Hegemonic war (to establish control over the entire world); total war (for defeating and invading another country); limited war (to achieve some objectives, without having to invade the enemy); civil war (between fractions inside a country) guerrilla war (war without front line). (Po aty, 229-230).

As a conclusion, we can say that the war and other means of international violence are used as impact tools in an attempt to improve the conditions of conflict resolution.

When in International relations are used violent means for influencing, then due to it a variety of types of war may arise, which widely vary on the goals, objectives, shapes, etc.

There are many opinions and analysis for future wars. Wars have been the main focus in the study of International Relations. Wars continue to be the main theme and to this theme are given special attention to the program of the United Nations and regional organizations. Our understanding of contemporary wars is not well served by older analytical approaches. War today is not the same phenomenon as it was in the XIX century or in the '30 of the XX century. It has causes and many different features. According to different authors future wars will be caused by various factors. Some authors argue that future wars will not use conventional forces; military forces will be used more for prestige. Beside diplomacy practices, the prestige policy uses also military demonstrations as a mean to achieve its goal.

Because, "military strength is the obvious measure of a nation's power, its demonstration serves to impress others." (Morgenthau, 2008: 99). Prestige is used as a deterrent to war and preparation for war. It is hoped that the prestige of a country will be so great as to prevent the other country to go to war. At the same time it is hoped that if this prestige policy fails, the mobilization of the armed forces before the war blasts, will put the country in a more favorable military position. At the moment, "political and military objectives tend to merge and become two different aspects of the same policy." (Po aty, 102). Authors who defend this thesis see the fight or confrontation of states with their armed forces as unlikely.

There is also a different approach on the conception of future wars. This is otherwise known as the democratic peace. This theory rests on the idea that democratic countries almost never confront each-other in wars. Distribution of democratic governance throughout the world will reduce the probability of wars. History shows that there are multiple reasons to accept this liberal proposal. Many academic quantitative studies of modern international history have shown convincingly that "well established democracies have never gone to wars against each other and only Republics have had a tendency to form unions with lasting peace." (Charles and Kegley, 2009: 513). This liberal principle states that democracy produces more moral values, including freedom, human rights, civil rights, prosperity and especially a capacity to discourage wars between members of these democratic states. Future wars would be curtailed, if more effort were to be done to set as many democratic systems in the world, because these systems share the same values.

The major problems of today's wars are the relations within the country rather than the relations between countries. New and weak states are the main location of today and future wars. We can very well manage to understand contemporary wars by studying the birth of states and how they are governed. Among the fundamental problems is that "of legitimacy, the principle of religion belief and the principle of natural community". (Holst, 2008: 4). Fights break out mainly in the states based on these last two principles, because they are exclusive. Contradictions between exclusive principles of legitimacy and that of social and demographic composition in many post-colonial and post-Soviet societies create weak states and eventually the raising of wars.

"Wars are not made for the sake of foreign policy, security or status, but for the sake of statehood, governance, and the role and status of the nations and communities that are within the states". (Stoessinge, 2007: 19). Weak states are characterized by a "lack of proper order, represent institutional weaknesses for the implementation of a national policy and are characterized by political instability, centralization of power and unconsolidated democracy." (Fawcett, 2009: 145)

.Weak or failed states have returned to the most important problem of international order. Weak or failed states "abuse human rights, provoke humanitarian disasters and attack their neighbors." (Fukuyama, 2008: 139).

There is also another important factor, such as the proliferation of weapons of mass destruction, which could affect future wars. According to some researchers, the risk that threatened humanity by the use of weapons of mass destruction would come to an end with the end of the Cold War, but today these weapons continue to pose a threat to the entire world. Despite the constantly efforts that have been done to prevent the proliferation of weapons of mass destruction, it has been observed that some states and non-state actors see these weapons as an alluring asset to their arsenal. The world in which we live today, where there exist the possibility of proliferation of weapons of mass destruction; the risks with which we are faced are very disturbing.

"Chemical, biological, nuclear and radioactive weapons are not only becoming part of sustainable arsenals of states, but they can also fall into terrorist hands." (Collins, 2009: 340). This actually makes the situation very alarming. Because, for example, an attack with chemical weapons on a major sport event, can kill thousands of people. International terrorist networks, have all the resources and materials to build and to use chemical, biological and radioactive weapons. The existence of these weapons of mass destruction constantly increases the possibility of national and international insecurity of states.

Future wars may be caused by a possible clash of civilizations, i.e. a clash of cultures. Civilizations, however big they are, both great and common, can always be located on a map. An essential part of their reality depends on the limitations or advantages of their geographical setting. Civilization means "space, land, relief, climate, vegetation, animal species; priority given in advance or acquired". (Braudel, 1987: 45). Each civilization exports and imports cultural goods. Today the spread of cultural goods has accelerated dramatically. We can also say that there is "no civilizations without society", the two notions belong to the same reality. (Ibid, 51). So basically, every civilization explains the vision of the world it represents.

Civilization is only a whole of technical and practical knowledge, a collection of means to act on nature, while cultures are normative principles, values, ideals; therefore are mentalities which are less sensitive to passing of time, they change slowly. As the civilizations are different, even their actions are justified by religion and not by reasoning. This shows that religion plays the most powerful role in the civilizations. Almost always, civilizations are enfolded or strangled by religion, the supernatural or the magical aspect.

In the second half of the XX century we have a revival of various religions such as Christianity, Islam, Judaism, Hinduism, Buddhism, Orthodoxy, etc. It was precisely this kind of resurrection that gave a new meaning to these traditional religions. In a more general view, this religious revival in the whole world is a reaction against the secularization and moral relativism. We can't help without mentioning the events of 11 September, which in a way were cultural clashes between the East and the West. However, to understand this clash, we must understand the context of a new international system that has emerged. This new system is called globalization.

"Globalization can be defined as the irreversible integration of markets, transportation and communication systems to unprecedented proportions, enabling corporations, individuals and states to stretch further (Friedman, 2003: 6). The essential feature of globalization is the integration. The world has become more intertwined, and today the success or failure of a company or a state depends more and more on the person or thing that you are connected with. This system is characterized by a single word: "web", i.e. worldwide Internet network. So, in a broader sense, we have passed from an international system based on the separation and walls, (Cold War) to a system based more and more on integration and the web. The globalization system is built on the basis of three aspects, which interfere and influence each other. The first is the traditional balance of power between nations and states. In the system of globalization, the United States remains the only superpower, while all other nations depend on it to some extent or another.

The second important aspect in the system of globalization is that between nation-states and global markets. These global markets are composed of millions of investors from all around the world that move their money with one touch of a button. These are called "Electronic Bundles", which have as their headquarter, important global financial centers such as Wall Street, Hong Kong, London and Frankfurt, which are Supermarkets". (Friedman, 2003: 9). The actions taken by these "Electronic Bundles" and by the SuperMarkets" may have tremendous impact on nation-states, even bring the downfall of governments. The third aspect, which is unquestionably the most important in terms of the events of 11 September, was between individuals and nations-state.



Globalization, tearing down the numerous walls that restricted contacts between peoples, and also connecting the world by means of networks, give individuals more power than ever in history to affect markets and nations-state alike, the opportunity to use the Internet to communicate instantly even from great distances, enabling the use of the web to transfer money or to find weapons projects that normally should have been under the control of the states. Globalization represents a tremendous mean, through which individuals can amplify their strength and ability to act directly on the world stage, without the mediation of any state. "In every field of activity, immediate opportunity to get and give information and the opportunity to put that in use increases the number of actors that matter and reduces the number of those who exercise great authority" (Matthews, 1997: 51). As a result, today we don't have only superpowers, "SuperMarkets", but we also have super-empowered individuals who are fully able to act strongly on the world stage and become a danger to international security.

Those who defend the argument that the war will come as a result of the clash of civilizations argue that, in this new world, "the most important conflicts will not be between social classes (rich and poor) or between other groups determined by the economic aspect, but between peoples belonging to different cultural complexes". "Intertribal wars and ethnic conflicts will occur within civilizations". (Huntington, 2004: 28-29). Future conflicts will arise from cultural factors and not by economic or ideological factors.

However, I think such a clash of civilizations is impossible, so the attention of the state should be focused more on other issues that threaten more international security such as, organized crime, transnational crime, terrorism etc.

### **Organized crime and terrorism**

Organized crime and terrorism are not new phenomena or occurrences. Countries such as Italy, Japan, China and the United States of America, faced organized crime during most part of the 20th century. Also, the history of humanity has known individuals, groups, organizations and even whole countries as terrorists.

Terrorist activities have flourished mainly in periods of crisis, anarchy, chaos, wars, or smuggling and due to the lack of security conditions, law and order. Terrorism was sheltered, supported or implemented by totalitarian, dictatorial and authoritarian countries, which, through acts and terrorist activities have and continue to achieve their domestic and international goals. Individuals, organizations and terrorist regimes constitute a joint network against peace, security, stability and democracy. The definition of terrorism has sparked long and complicated debates in the theoretical and international practice. There are many definitions regarding this term, more than 150.

For some terrorism is violence for political purposes, others see it as a psychologically violence. But, generally, the theoretical idea is aligned around this definition: "Terrorist activities are called those criminal, inhuman activities undertaken by individuals, groups or criminal organizations against individuals or groups of innocent citizens, in private or public environments that, through crime, murder, massacres cause panic in public life for certain political and economic purposes and benefits". (Bashkurti, 2008: 179).

Terrorism and organized crime are increasingly being transformed into more serious threats to national and international security. The growth of organized and transnational crime has come as a result of globalization. The process of globalization, has served as a mitigating factor for the operation of criminal and terrorist activities. Globalization has acted as a facilitator for all kinds of illegal activities such as drug and arms trafficking, as well as the use of violence against innocent civilians. So globalization has created favorable conditions to organized crime and terrorism in achieving greater benefits and opportunities.

Organized crime and terrorism are composed by people who behave as rational actors. According Clausewitz, "organized crime is essentially a continuation of business by criminal means." While, "terrorism is the continuation of given policy by using violence" (Hoxha, 2010: 3). Terrorists may be political individuals, groups or movements which have as their main goal the changes. They use violence on a wider scale to achieve this change. Today, organized crimes as well as terrorism constitute a serious threat to national and international security of states, as both these violent criminal activities, use violence and the corruption of state officials to achieve greater financial benefits. However, one of the biggest concerns for governments is a possible collaboration between organized crime and terrorism. This feared collaboration would make it even more difficult the governments' war against those. Because, through this cooperation, both criminal activities could obtain even bigger benefits, they could regenerate their resources and would increase their effectiveness, causing a greater

risk for the national security of states and their global system as a whole. As such phenomena, as organized crime and terrorism, increasingly threaten global security; countries are trying to develop policies to combat them. But designed policies, are not minimizing as should, criminal activities, because organized crime has taken international dimensions. Today, crime lives in a world without borders. Also, another factor that is affecting the proper implementation of these policies relates to the large number of targets and goals that have different states, while criminal and terrorist organizations have only one main goal.

However, countries should try harder and should have more patience to combat and prevent the spread of various criminal activities, because they really pose a serious threat to the national and international security of states.

### Conclusions & Recommendations

Now a days, national and international security are threatens by many factors, which play an important role in preventing the accomplishment of national security objectives. Regardless the different opinions or analysis over the possibility of future wars, possible threats, whom of course might turn into elements that increase the global insecurity and hinder the establishment of peace, we can say that the operation organized/transactional crime brings more implications, than any other issue, on global security. This is due to the fact that the organised/transactional crime affects the weakening of democratic institutions, the weakening of the economy and of the society in general. States must be aware and must understand that all the elements of their power have to be used in order to design effective strategies in the struggle against organized and transactional crime, starting with their roots. Certainly, this struggle cannot end in a short period, it will need time. They have to be patient in order to affront this big security challenge. In case they put maximal efforts to minimise, step by step, the activity of criminal groups, there are many chances to arise as winners from this challenge, creating like this a safer world for all its citizens.

### REFERENCE

- [1] Bashkurti, Lisen: "Krizat ndërkombëtare", Mirgeeralb, Tiranë 2008.
- [2] Braudel, Fernard: "Gramatikë e qy tetërimeve", Shtëpia e Librit dhe Komunikimit, Tiranë 1987.
- [3] Collins, Alan: "Studime bashkëkohore të sigurisë", UET Press, Tiranë 2009.
- [4] Charlss W. Kegley, Jr: "Politikat Botërore", UFO Press, Tiranë 2009.
- [5] Friedman, Thomas: "Bota në kohën e terrorizmit", IDK, Tiranë 2003.
- [6] Fukuyama, Francis: "Ndërtimi i shtetit", AIIIS, Tiranë 2008.
- [7] Goldstein, Joshua S: "Marrëdhëniet Ndërkombëtare", Dituria, Tiranë 2003.
- [8] Hoxha, Luan: "Çështjet bashkëkohore të Strategjisë ndërkombëtare", Leksioni Nr. 6, UET, Tiranë 2010.
- [9] Huntington, Samuel P: "Përplasja e qy tetërimeve", Logos-A, Shkup, Prishtinë, Tiranë 2004.
- [10] Kalevi J. Holsti: "Shteti, lufta dhe gjëndja e luftës", ISN, Tiranë 2008.
- [11] Kaplan, Robert D: "Anarkia që po troket", AIIIS, Tiranë 2008.
- [12] Louise, Faw cett: "Marrëdhëniet Ndërkombëtare", UET Press, Tiranë 2009.
- [13] Lleshi, Abaz: "Gjeopolitika e Ballkanit dhe Perspektivat në Rajon", Geer, Tiranë 2009.
- [14] Matthews, Jessica: "Power shift", Foreign Affairs 76:1 (January -February), 1997.
- [15] Morgenthau, Hans J: "Politika ndërmjet kombëve", AIIIS, Tiranë 2008.
- [16] Stoessing John G: "Përse kombet shkojnë në luftë", AIIIS, Tiranë 2007.

## Application of the Covert Measures with the Focus on Kosovo Legislation

Kadri ARIFI

AAB University, Kosovo

[kadri.arifi@gmail.com](mailto:kadri.arifi@gmail.com)

### Abstract

*The sophisticated forms of the organized crime, the high level of risk, complexity and threatening potential of the terrorism, impose the need (among other measures) for the application of covert investigative measures, among other the interception of telecommunications in order to prevent and combat these threats. Measures and traditional methods used by security institutions and law enforcement agencies do not provide adequate results and this raises the need and necessity for application of covert measures. In particular, the application of covert investigative measures for the security services as a measure, is necessary and essential for early detection and prevention of activities that affect the national security, while for the law enforcement agencies, the covert measures are used as a prevention and investigation measure of serious criminal acts and terrorism, but also as a measure to provide evidence for investigative processes. There is no doubt about the high sensitivity that the application of covert measures has in relation to human rights and freedom, respect and protection of which is the duty of the state and represents not an easy challenge for several reasons. In this regard, the application of covert measures should be limited by the law and their application in accordance with the law is a precondition for respecting human rights and freedom.*

**Keywords:** Covert measures, Kosovo, law enforcement, legislation, human rights.

### INTRODUCTION

Contemporary security challenges such as terrorism, organized crime, cybercrime, trafficking with narcotics, trafficking with human being, economic crimes and corruption challenges each country regardless their economic, political and military power or geographic position. Combating, investigation and prevention of these threats is becoming more and more complex because of a simple fact that the criminal and terrorist groups are using as an advantage the possibilities offered by development of science and technology, development of transport and communication tools, process of globalization and integration, free movement of goods, services and people as well. At the same time it is very clear that individuals, terrorist or criminal groups, or combination of both (narcoterrorism i.e.) perform their activities in total secrecy and it is very difficult for national security services and for law enforcement bodies to detect and prevent such dangerous activities.

Conventional policing methods which are mainly of a reacting nature are not sufficient to face these challenges, therefore applying covert measures necessary in the field of combating organized crime, terrorism, corruption and law enforcement in general as well as in the aspect of national security. At the same time, in order to use these measures only for legitimate purposes and prevention of any abuse, establishing a legal infrastructure and supervision mechanisms and democratic control is required. Because "to secret agencies for security and information are often given extraordinary competencies, such as approval of surveillance and security, that if used incorrectly or improperly, carry the risk of serious injustice against individuals"<sup>1</sup>

### LEGAL FRAMEWORK

The creation of legal framework has been and remains one of the main priorities of Kosovo's Institutions during the transition period and process of integration in euro atlantic structures. The very first step towards this direction is the approval of

---

<sup>1</sup> Born, Hans. & Leigh, Ian. Standardet ligjore dhe praktika më e mirë për mbikëqyrjen e agjencive të fshehta të informacionit, TOENA, Tiranë, 2005 pg. 111

constitution by the Kosovo Parliament which meets all international requirements and standards for the functioning of a democratic state. "The Constitution of Kosovo is in line with European standards, which require stability of institutions, guaranteeing democracy, the rule of law, human rights and respect and protection of minorities"<sup>1</sup>

The Kosovo constitution on Chapter XI Security Sector, Article 125 General Policy, defines priorities in the field of security, the role of state security institutions, international cooperation, international conventions and democratic oversight. However "The parliament approval for establishing, mandating and competencies for security agencies is necessary but not a sufficient condition for providing a state of rule of law. The legal bases increases the legitimacy of the existence of these agencies as well as the competencies (frequently special ones) they have."<sup>2</sup>

The Kosovo constitution, on Chapter Chapter II Fundamental Rights and Freedoms, Article 22 Direct Applicability of International Agreements and Instruments, defines that human rights and fundamental freedoms guaranteed by the following international agreements and instruments are guaranteed by this Constitution, are directly applicable in the Republic of Kosovo and, in the case of conflict, have priority over provisions of laws and other acts of public institutions:

- (1) Universal Declaration of Human Rights;
- (2) European Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols;
- (3) International Covenant on Civil and Political Rights and its Protocols;
- (4) Council of Europe Framework Convention for the Protection of National Minorities;
- (5) Convention on the Elimination of All Forms of Racial Discrimination;
- (6) Convention on the Elimination of All Forms of Discrimination Against Women;
- (7) Convention on the Rights of the Child;
- (8) Convention against Torture and Other Cruel, Inhumane or Degrading Treatment or Punishment.

The direct application of the above mentioned international conventions is in the benefit of respect of human rights and freedoms, among those, the European Convention for human rights which in article 8 Right to respect for private and family life, defines;

1. Everyone has the right to respect for his private and family life, his home and his correspondence.
2. There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic wellbeing of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others. In addition in the Constitution of Kosovo in article 36 Right to Privacy, also guarantees that:
  1. Everyone enjoys the right to have her/his private and family life respected, the inviolability of residence, and the confidentiality of correspondence, telecommunication and other communication.
  3. Secrecy of correspondence, telephony and other communication is an inviolable right. This right may only be limited temporarily by court decision if it is necessary for criminal proceedings or defense of the country as defined by law.

Kosovo Criminal Procedure Code, defines covert measures that can be authorized based on this law, defined in Article 87 Definition of Covert and Technical Measures of Surveillance and Investigation, During Preliminary Investigation

1. A covert or technical measure of surveillance or investigation ("a measure under the present Chapter") means any of the following measures:

---

<sup>1</sup> European Commission, Kosovo Progress Report 2009

<sup>2</sup> Born, Hans. & Leigh, Ian. Standardet ligjore dhe praktika më e mirë për mbikëqyrjen e agjencive të fshehta të informacionit, TOENA, Tiranë, 2005, pg 18

- 1.1. covert photographic or video surveillance;
- 1.2. covert monitoring of conversations;
- 1.3. search of postal items;
- 1.4. interception of telecommunications and use of an International Mobile Service Identification "IMSI" Catcher;
- 1.5. interception of communications by a computer network;
- 1.6. controlled delivery of postal items;
- 1.7. use of tracking or positioning devices;
- 1.8. a simulated purchase of an item;
- 1.9. a simulation of a corruption offence;
- 1.10. an undercover investigation;
- 1.11. metering of telephone-calls; and
- 1.12. disclosure of financial data. As regards competencies for authorization of covert measures in a criminal procedure article 84 Criminal Procedure Code defines "If the state prosecutor has grounded suspicion that a criminal offence listed in Article 90 of this Code has been committed, is being committed or will soon be committed, the state prosecutor may authorize or request the pretrial judge to authorize covert or technical investigative measures in accordance with Articles 86-100 of this Code."<sup>1</sup>

Except the Criminal Procedure Code, Kosovo Institutions have approved other laws as well related to applications of the covert measures, such as; Law on the Kosovo Intelligence Agency, Law on Police, Law on Classification of Information and Security Clearances, Law on Police Inspectorate, Data Protection Law, Law no. 03/I-196 on the Prevention of Money Laundering and Terrorist Financing, etc.

Also, for the purpose of international cooperation in criminal issues, according to the article 99 Covert investigations, Law No. 04/L-213 on international legal cooperation in criminal matters, "the authorities of the Republic of Kosovo, upon request, can offer assistance to another state in order to conduct investigations by officers acting under covert or false identity, in accordance with national law."<sup>2</sup>

Generally, Kosovo institutions have approved a modern legal framework the application of which provides sufficient legal bases to security institutions but it also guarantees the respect of human rights in the procedures of covert measures.

## CHALLENGES AND RESPONSIBILITIES

Among the importance and necessity for applying covert measures, undoubtedly, there are challenges and responsibilities that arise for responsible bodies as a result of the sensitivity that the application of these covert measures has in relation with human rights and freedoms, respect and protection of which is a state's obligation and as it seems not an easy challenge for several reasons. "Certain aspects of covert operations may raise ethical questions and therefore they must respect these conditions: proportionality and approval by the competent judiciary authority."<sup>3</sup> Initially, a completed legal infrastructure is required, it doesn't mean only the approval of one law but the importance lies on the quality and implementation of that law and adapting it to the political, economic and cultural features of the country, also drafting other acts and procedures for specific matters regarding the justification and necessity of use of covert measures as well as procedures of implementation and use of data and their storage. "Undercover techniques include long term infiltration, body microphones, surveillance (audio and video), wiretaps, all kinds of telecommunication interception (e.g. internet and e-mail) and disguised situations. These very intrusive means should be deployed only if there is a proper legal basis (generally contained in a criminal procedure act). If this legal foundation is lacking (e.g. a warrant issued by a judge), the results of

<sup>1</sup> Kosovo Criminal Procedure Code, no. 04/I-123

<sup>2</sup> Law No. 04/L-213 on international legal cooperation in criminal matters

<sup>3</sup> The Geneva Centre for the Democratic Control of Armed Forces (DCAF), Toolkit on Police Integrity, DCAF, Geneva, 2012, pg 236.

the undercover techniques, which often infringe upon human rights and privacy regulations, might not (and should not) be considered by the court and could lead to acquittal or discharge from further prosecution.”<sup>1</sup>

Second issue is about the integrity of authorized personnel for approving and implementing covert measures and access in information, documentation or even interception of communications. Procedures and criteria for personnel recruitment and selection is a first step in providing qualified personnel, with high moral and ethical values in order to properly implement legal norms and guarantee protection of human rights and freedoms. At the same time, personnel abilities and skills in use of contemporary technology utilized by law enforcement and national security institutions should be considered as well. In countries where selection of personnel is done based on corrupted criteria such as nepotism, political belief or other forms of discrimination, the risk or chances of abusing covert measures disturbs citizens.

Third challenging issue has to do with the importance that the information carries today, in political, economic as well as in the security sphere, “who has the information, has the power”. This is why individuals or groups will constantly attempt, in various forms including corruption, blackmail, subversion, sabotage etc. to get close to this type of information. Therefore, use and storage of collected information as a result of applying covert measures should be accompanied with rigorous security measures in order to prevent any leak or unauthorized disclosure. The entire process should be conducted only by legal procedures, it should be properly administrated and documented and only for legal purposes. This is the only way to keep the public trust towards the system of justice, otherwise “the public’s trust and respect are precious commodities and can be quickly lost with improper behavior by criminal justice employees”<sup>2</sup>

The fourth one is the issue of security. This implies the physical safety and safety of personnel, security of information, documents and communications. There are series of measures and procedures to be undertaken in order to provide physical security for working environments on implementation of covert measures and protection of sensitive materials. It starts from the installation of technological tools, surveillance and alarming equipment up to the strict rules for implementation of instructions for storing and protection of information, access and presence in working environment etc.

Personnel recruitment and selection procedures, training, education, verification and background investigation, monitoring and implementation of principles and procedures as well as the skills to investigate irregularities are just some of the necessary actions in the field of personnel security. The classification of sensitive materials be it electronic or hard copy, authorizations for access in information, procedures for safe protection from unauthorized hacking in to the system, inventorying and regular maintenance of technical equipment, empowered audit procedures as well as the implementation of best practices for the right and responsibility of the safety of information and communication is very important as well. Law on classification of information and security clearances, Article 19 Physical Security and Information Security, stipulates that “all public authorities shall ensure physical security and information security related to classified information in accordance with standards and procedures established by secondary legislation, which shall be in compliance with relevant standards established by the North Atlantic Treaty Organization and European Union security regulations.”<sup>3</sup>

No less important remains the issue of budget. Except other organizational expenses such as infrastructure and physical assets, personnel, goods and services, contemporary technology necessary to implement covert measures, technical maintenance of equipment and its technology has quite a great cost. Considering the rapid development and advance of technology, it is imposed a need for permanent investment in technology, equipment maintenance and upgrade.

For the same reason, responsibility and obligations of public or private operators which provide telecommunication services should be precisely defined by law for the legally responsible part they play in the investment on installation and technical maintenance of necessary equipment.

## CONCLUSIONS AND RECOMENDATIONS

Contemporary security threats, cybercrime, terrorism as well as the challenges in prevention and combating complex forms of organized crime and corruption impose the necessity that except conventional policing measures and methods, covert

<sup>1</sup> The Geneva Centre for the Democratic Control of Armed Forces (DCAF), Toolkit on Police Integrity, DCAF, Geneva, 2012, pg 226.

<sup>2</sup> Peak, Kenneth J. JUSTICE ADMINISTRATION, Police, Courts and Corrections Management, 4th ed, Pearson Prentice Hall, New Jersey, 2004, pg. 358.

<sup>3</sup> Law nr. 03/1-178 on Classification of Information and Security Clearances

measures in investigation procedures be applied as well. The application of covert measures as necessary ones and determined by law in which circumstances their application is necessary, are important and proven techniques for the efficacy of state bodies in protection of order and safety. However, the application of covert measures should be limited by law and legal procedures for protecting privacy, human rights and freedom in general. In this regard Kosovo established a legal infrastructure harmonized with European Union and International Conventions on protecting human rights and freedoms.

We are witnessing that despite the endeavors for supervision and controlling the institutions authorized for applying covert measures, there are several cases and affairs published in media that prove the chances and potential for abuse and exceed the authorizations. Reactive investigations of cases or scandals of abuse of information cannot undo damages created to individuals or institutions done by publishing of these communications or private behavior.

Therefore, it is a responsibility of competent state institutions to undertake all necessary measures for completing legal infrastructure, recruiting and employing personnel with high integrity, verified, with professional moral, to provide equipment and modern technology, approve and implement standard action procedure and democratic supervision of institution mandated in implementing these covert measures. Protection of citizens and institutions from blackmail, coercion, insult or compulsion that may come as a consequence of abuse of various information and documents provided by the application of covert investigative measures is a state's responsibility.

## REFERENCE

- [1] Born, Hans & Leigh, Ian. Standardet ligjore dhe praktika më e mirë për mbikëqyrjen e agjencive të fshehta të informacionit, TOENA, Tiranë, 2005.
- [2] European Commission, Progress Report, Kosovo, Brussels 2009
- [3] Born, Hans & Leigh, Ian. Standardet ligjore dhe praktika më e mirë për mbikëqyrjen e agjencive të fshehta të informacionit, TOENA, Tiranë, 2005.
- [4] Kosovo Criminal Procedure Code, no. 04/I-123
- [5] Law No. 04/L-213 on International Legal Cooperation in Criminal Matters
- [6] The Geneva Centre for the Democratic Control of Armed Forces (DCAF), Toolkit on Police Integrity, DCAF, Geneva, 2012.
- [7] Ibid.
- [8] Peak, Kenneth J. JUSTICE ADMINISTRATION, Police, Courts and Corrections Management, 4<sup>th</sup> ed, Pearson Prentice Hall, New Jersey, 2004.
- [9] Law nr. 03/I-178 on Classification of Information and Security Clearances

## The Right of Property and its Juridical Protection - Albania Case

Sofiana VELIU

[sofiana.veliu@uet.edu.al](mailto:sofiana.veliu@uet.edu.al)

Koordinatorë, Departamenti i edukimit, komunikimit, dhe mërdhenieve me publikun

### Abstract

*Selected theme, aims to highlight some of the current issues concerning the right of property as one of the fundamental human rights. Although the Albanian Constitution provides and guarantees the right of ownership, there are a lot of problems regarding the practical effectiveness of these arrangements, the executive titles of ownership and prior compensation in the case of the removal of this right. Consequently, the current situation clearly shows that, there is still superposition of these ownership titles and very little legal protection, because the transactions remain informal action apparently by law. According to the analysis of ECHR decisions and EC's recommendations, in some cases, there is a "gap" between law and practice of the Albanian courts and international directions, causing crash between European standards and Albanian legal culture. In the context of respect and guarantee of the fundamental human rights, it's necessary a great commitment to complete and consolidate the system of property in general and essentially not violated these rights. The consolidation and guarantee of ownership it's closely related to the consolidation of the democratic state.*

**Keywords:** private property rights, European integration, expropriation and restrictions of private property rights, the decisions of the Strasbourg court, liberal democracy

### Introduction

Today, property rights issues are still a major concern in Albania... Property rights issues are still considered today a major concern regarding the general development of the Albanian economy. Real estate market is constantly facing various challenges that in a considerable number originate from the lack of a clear functioning administration system of immovable property rights. On the other side, many unresolved cases of land property ownership are waiting to be processed from the Albanian judicial authorities, while the number of cases addressed to the European Court of Human Rights is increasing. Turning back to 1990-s, the change of political system that country experienced in the early 1991 paved the way to a wide national range of privatization process of the state owned and common properties, as those were considered before '90. The new transformation process required the creation of private ownership and subordinate rights on its initial phase, taking as a basic reference the four main categories of land and property use, such as housing properties, agricultural fields, industrial or service buildings and lands, as well as properties being claimed for restitution by their legally documented owners before 1945. In addition to these categories, properties under state and municipal ownership were also at issue of newly amended laws on privatization and land property rights. However, despite the institutional and legal action taken by the authorities to implement land and property rights reform during '90-s, political, economic and demographic changes that took place vitally in these years, created confusion and difficulties in implementing laws and controlling the land. Property rights issues in Albania: Challenges and perspective 9 Internal migration resulting in unauthorized and unregistered properties...

### *Internal migration resulting in unauthorized and unregistered properties...*

Along the first years of transition, Albania witnessed a fast internal migration, from mountainous and rural areas towards urban and peri-urban ones, a demographic shift in search of better living conditions and economic opportunities; phenomenon which resulted in numerous buildings without permit and land occupation without legal authorization, mainly situated in periphery of capital or other cities located in western country's lowland. Consequences of these continuous demographic movements are now the peripheral "informal" urban areas of large cities or occupied seaside territories. A considerable share of today's total of Albanian immovable properties consists in such unauthorized and unregistered land plots and illegal buildings.



In 1994, was adapted the Law on the Registration of Immovable Property where a new property registration system based on land parcels was introduced. In this light, was established also the Immovable Property Registration Office (IPRO), as the managing authority in charge to administer the process. Facing numerous challenges because of a missing nationwide commitment towards systemic initial registration, until 2010 IPRO estimated that it has records for some 60–70 percent of all properties<sup>1</sup>, having completed initial registration for 83 percent of rural cadastral zones, but only 25 percent of urban cadastral zones.

### ***The three main factors of system's weaknesses...***

In the World Bank Report of 2006, "Status of land reform and property rights in Albania", it is concluded that the system's weaknesses appear to be result of three main factors.

**The first** of these factors is considered absence of the agreement on what would be the best method to achieve the reform's aims despite the wide accepted goals that land and property reform should have, and because of this several fundamental policy decisions remain unimplemented.

**Second**, the reforms have been applied in a categorical manner—that is, with different legal definitions for agricultural, forest, pasture, urban housing, commercial, industrial and other lands or properties, creating so a highly complex system with many gaps and overlaps.

**And the third** factor is evaluated to be the fragmentation of property units and land parcels requiring in this way the engagement of each owner in multiple subsidiary arrangements to accomplish routine property use. Taken together, these factors have made it difficult to adapt the models of European civil law and market relations within Albanian environment, slowing the progress of reform and letting the system vulnerable to the growth of informal and corrupt practices.

## **2. Developments in immovable property rights reforms**

*Constructions classified as illegal nationwide are more than 350,000 buildings...*

As a result of rapid internal migration in years and absence of an official mechanism to allocate land for a large number of newcomers, a considerable number of individuals simply occupied the land and built without permits. But, in addition also lack of effective urban planning and construction controls, eased additions and expansions of existing constructions that are now also considered illegal. Thus, today, constructions classified as illegal nationwide reach an estimated number of more than 350,000 buildings which over the years have been subject to numerous informal transactions on selling and acquiring them. These transactions occurred without the proper documentation of property ownership and because of this, the ownership rights are not legally known to the new owner; so, no legal protection adheres fully owners whose properties are informal, from the legal point of view.

### ***A national centralized professional agency to manage the legalization process...***

Aiming to solve this major issue of the real estate sector, legalization process was treated by the authorities as an effective response to the increasing number of urban and economic problematic rising from mass illegal land occupation and settlements. Through this process, Albania's legalization policy tends to formalize illegal constructions, legally transfer ownership of the land on which they were built, and expand urban planning towards informal settlements. For this purpose, a national centralized professional agency was created to manage the legalization process. The Agency for the Legalization, Urban Planning, and Integration of Informal Areas/Constructions (ALUIZNI) was established by the amended Law on Legalization. As a large organization with operating costs covered by the state budget, ALUIZNI is mandated to process legalization applications and coordinate the legalization process in a nationwide level. Basing on aerial photographs taken in 2006, the agency has completed administrative procedures for almost 80% of these buildings which were erected prior to 2006. Legalization permits have been granted for 52 000 properties, Property rights issues in Albania: Challenges and perspective 13 which have also been included into the system of immovable properties registration. Around 100 000 informal properties are in the process of preparing the legal-technical documentation. 127 informal zones and dwellings

have been approved by the National Territory Regulation Council, including 120 000 properties<sup>1</sup>. Around 80 000 informal buildings have been approved by the local council of territorial regulation, included as blocks of informal residences or treated as separate buildings and extensions to the legally constructed buildings. The Law on Legalization applies only to buildings constructed before May 2006 and for which legalization applications were submitted by November 15, 2006. The ongoing legalization process leaves out a large number of informally constructed buildings, therefore, in order to prevent construction of other illegal buildings at the present situation, a new legalization campaign focused on illegal buildings after 2006 will need to take place.

### ***On Restitution and Compensation of properties to former owners...***

Another related issue which cannot be viewed isolated from legalization and privatization process is the restitution and compensation of land to former owners. Law number 7698 of April 15, 1993, On Restitution and Compensation to Former Property Owners was the first law to be adapted focusing on restitution and compensation of land. After its adoption, identified as the first phase, many properties were restituted to former owners or their descendants basing on legal documents proving ownership while in the case of agricultural land, the ownership was known to those who worked it. In the second phase of the process, the main issue was compensation of properties, for which the restitution was not possible. In the policy content angle of view, the Law On Restitution and Compensation of Property adopted in 2004 takes a similar approach to that adopted by other countries in Central and Southeastern Europe. However, the requirement to compensate expropriated owners at current market value is difficult to implement due to high fiscal costs.

### ***Property Restitution and Compensation Agency...***

From 2006, Property Restitution and Compensation Agency (AKKP) is the responsible authority for managing the restitution and compensation process in Albania. The restitution and compensation process was delayed initially, as the legal framework contained uncertainties, including on the valuation methodology and role of various government bodies. In 2006, amendments to the Law on Restitution and Compensation of Properties established the AKKP and transferred to it the functions of restitution and compensation previously held by the central government and local committees. These amendments aimed to increase the effectiveness and pace of the process, but these expectations have not been met<sup>3</sup>. AKKP manages also the Physical Compensation Fund and verifies regularly its juridical situation. Until today, are taken more than 25 200 compensation decisions, from which 16 000 giving only the right of compensation for the land known. In total, are known around 55 283 hectares of land, from which 7 333 hectares construction land, 43 100 hectares of agricultural land, 4 000 hectares of forest land, and 850 hectares of combined cases for compensation<sup>2</sup>.

### ***Difficulties in the precise identification of immovable properties...***

Authorities often face difficulties in the precise identification of immovable properties depending on some further processes, such as the process of initial registration, legalization, transfer of state owned property to local government units, completion of the territorial plans, including regulatory plans in coastal zones, as well as digitalization. Consequently, the compensation in kind of expropriated persons has not started yet massively and this is due to the absence of a solid compensation scheme. One of the main challenges the authorities are facing is the poor data quality that depends mainly on the results of the ongoing digitalization process. Improving data quality will significantly facilitate the precise identification of properties and establish the credibility on land registries. Amendments made to the Law on Restitution and Compensation of Property, set new criteria for land evaluation and extend the deadline for property restitution and compensation to 2014.

### ***Judgment statistics of Strasbourg Court on Albanian cases...***

<sup>1</sup> "Crosscutting Strategy Reform in the Field of Property Rights 2012 – 2020", Ministry of Justice, Republic of Albania, June 2012

<sup>2</sup> Governance in the Protection of Immovable Property Rights in Albania: A Continuing Challenge", World Bank Report No:62519-AL, June 2011

Referring to the judgment statistics of ECtHR until 2010<sup>1</sup>, the Albanian cases judged by the Court that have as a judgment matter the "Protection of property", constitute 22% of the total while "Right to a fair trial" reach the level of 44% of the total number of judged cases. The Court found violations in 85% of the decisions given, and only 4% of them with no violation.

### ***Some progress was achieved in the area of property rights...***

According to the same EC Report some progress was achieved in the area of property rights, notably through the adaption of a new law on registration of immovable property and through the adaption of a cross-cutting strategy and action plan, but still it is considered that a lot remains to be done in the fields of land registration and of restitution of property to former owners. The process of initial registration of immovable property has not yet been completed. Lack of secure property rights and the weak institutions remain causes for concern and further efforts are required to address these issues. Weaknesses remain in the rule of law, particularly in contract enforcement and property rights, while the executive has yet to communicate a clear timetable for enforcement of ECtHR judgments regarding property rights.

### ***Scenarios on improving property rights administration system***

Property administration is a crucial issue for the general development of a country. This process, based on the fundamental human right of ownership, is tightly related with the economic welfare, market well-functioning, employment and investment potential that a country represents. Titled properties and specified property rights help to project and improve urban planning as well as to develop infrastructure, providing ground to implement state reforms. In order to be efficient, the system of property administration should guarantee property ownership and tenure security, serving to the enhancement of a stable real estate sector, reducing land disputes, facilitating immovable property transactions and supporting good governance.

Aiming to increase efficiency of state authorities dealing with immovable property rights issues, Albanian government has gone through many reforms. A lot of progress is achieved but what is concluded in different country reports on property rights issues is that there are still many challenges ahead and room for faster progress in solving property rights issues. Related studies and success stories from economies with similar concerns, evidence that effective implementation of reforms is possible, relying on the continuity of a transformation process oriented by the efficiency of state agencies serving to build and consolidate the property administration system<sup>2</sup>. Some potential scenarios on improving the performance of property rights administration system could be as following:

**First view:** More effective and efficient property rights institutions. Single Agency Model The country's chaotic immovable property market and the stakeholder's concerns about property rights have raised the attention on the importance of effectiveness of state agencies responsible on these issues. Regardless an adopted and improved legal framework for private ownership during the years, a responsive and accountable system of land administration is needed to support property market developments. In Albania as in other countries of the region, insecure and uncertain property rights continue to be a barrier to a long-term solution of the property issues and as a result, a barrier to investment and a constraint on economic development. State agencies such as IPRO, AKKP and ALUIZNI should enhance their coordination to ensure a fast, well-operating and incontestable property rights administration system. In the same length of wave should be the cooperation between central and local government. Unification of immovable properties database applying the same technical standards and requirements, basing on commonly accepted ownership documents compatible to cartographic data is an important process conditioning further developments on property market. More effective land administration system means primarily customer service oriented agencies with the objective of supporting land and property market development. More efficient property registration procedures would reduce transaction costs and enhance the security of property rights. These improvements on the system would benefit to all stakeholders related to property rights issues, building and consolidating trust in authorities.

<sup>1</sup> [http://www.echr.coe.int/NR/rdonlyres/E6B7605E-6D3C-4E85-A84D-6DD59C69F212/0/Graphique\\_vidation\\_en.pdf](http://www.echr.coe.int/NR/rdonlyres/E6B7605E-6D3C-4E85-A84D-6DD59C69F212/0/Graphique_vidation_en.pdf)

<sup>2</sup> Stanley and Adlington (2007) "World Bank Experience in Land Administration in the Transition Economies of Eastern Europe and Central Asia"

### ***The alternative of a single agency...***

An alternative solution on achieving an efficient and effective property rights administration system is the creation of a single agency dealing with all kinds of property issues. The UNECE guidelines for land administration<sup>9</sup> recommend that a single agency to be responsible for land administration. Single agency models have certain advantages: they can operate more efficiently and cheaply than multiple agency models; the cadaster and legal data are naturally linked and harmonized; automation is simpler and less costly; and it is easier to be financially self-sustainable. Success stories on solving property rights issues through reforming the system and building a single efficient as well as effective agency dealing with property issues could be found in countries with similar specifics.<sup>1</sup>

In case of Albania, depending on successful finalization of the digitalization process of all cadastral registrars, potential steps towards the creation of a single agency could begin with simplification and combination of procedures basing on same standards, easing the access to land registrars and to conclude in restructuring, linking as unifying different agencies involved in immovable property issues into a single one. A merger of key agencies involved in the regulation of immovable property rights under a combined mandate would improve coordination of procedures, service quality and reduce operating costs relying on a smaller but more professional and better qualified personnel organic. The aim that citizen is central to the work of land administration agencies requires a change in orientation and service organization. In this light, dedicated service sections could be attributed to citizens, organizations and investors, responding requests linked to immovable property issues in order to facilitate procedures.

### **Second view: A different approach on monitoring reforms implementation...**

The right pace of reforms implementation determines the level of impact on improving property rights administration system. Many projects funded by government and donor institutions aiming to improve the property rights reality still didn't solve the major concerns on these issues. Progress is slow and the outcome of reforms not as expected. A wider inclusion of stakeholders and civil groups in reforms implementation would raise effectiveness of the initiatives taken. Important part of this process could be joint committees of government officials, international experts on immovable property reforms and civil society professionals that will monitor in continuous basis the implementation of reforms and evaluate step by step the contribution of reforming process in the sustainable development of this sector.

### **Third view: Building confidence through transparency and easy access to data**

In order to accomplish agencies mission on property rights and develop a sustainable functioning system, along with the harmonization of property rights legislation and consolidation of institutions, a special attention from the authorities should be dedicated to building public confidence in property administration system.

**Public debate fostering institutional consolidation...** Creating a public discussion platform on property rights issues to exchange information, share experience and co-ordinate among institutional actors, public, academics and civil society will be important to include all stakeholders in the process of reforming property rights system. This platform would serve as a unified source of all agencies to inform and discuss with citizens on the latest decisions, and in the same time to get feedback on potential improvements for faster progress. Public debate would support the development and improvement of co-ordination in the process of solving property rights crucial issues, contributing to further build public confidence in institutions and generate the needed wide inclusion of stakeholders for faster implementing reforms by guaranteeing long-term security of property rights. On the same path, this would enable and strengthen the communication among a wide range of geo data users and producers such as citizens, public authorities and private sector bridging over the present gap between them

### **Online services as a medium of transparency and easy access...**

Still remains a challenge for the country, the development of an efficient and secure property administration system that will guarantee legal security to all stakeholders referring to legal properties historic. As a fundamental requisition to achieve this, can be considered the compatibility and consistency of data maintained and provided from different agencies especially

---

<sup>1</sup> Georgia and Czech Republic are successful cases of reforms on immovable property administration systems.

land registry offices, cadaster offices and urban planning authorities. Once the digitalization of all data related to land registrars is properly accomplished, an online based services system could offer an easy access to digital property records for the public and facilitate procedures of property registration. Expanding access to information in the property registry would increase transparency, help owners to be clearly identified, and secure potential buyers for the legal status of the property, reducing thus transaction costs to determine who owns what and whittle down the time consumption for due diligence. Providing legal property information open for the public and investors potentially would diminish property rights pretending paving the way for faster and easier procedures in changing the ownership. For obtaining added benefit from the real estate sector, the role of registrars, notaries, solicitors and agents who participate in the transfer of land rights may positively change and the processes of land transfer may need to be modified to take advantage of information technologies. Forth view: Property tax as an instrument to induce efficient use of land For an economy, immovable property represents a fundamental asset which plays a determinant role in country's market functioning. Due to this reason, secure immovable property legal titling is important for improving territorial planning and related strategic decision making. But, in parallel, property rights should be strictly followed by owners' responsibilities for an efficient use of property in compliance also with the territorial regulatory plan. There have been cases when an investor was unable to find available land to invest because of ownership conflicts or neglectful owners. In contradiction, the wasteland extension is still in considerable levels. To arrange an organized use of the Property rights issues in Albania: Challenges and perspective 25 land resources nationwide, authorities could consider a properties mapping not underestimating the effectiveness of property tax as an instrument to induce efficient utilization of the land. A property system of taxation should be put into service to clearly defined social objectives and provide a stable, predictable source of revenue that is transparent in the way that it is calculated and collected. These measures, mainly under the supervision of local authorities would encourage efficient use of land and property, discouraging land speculation which results in misused resources for Albanian economy. A well-designed tax would recognize public claims on private property while allowing private property development and use optimization. Achieving these goals require strategic planning and analysis that is often a foreign concept but quite possible to traditionally state funded, output based organizations such as cadaster agencies. Under the scope of inducing efficient use of property use, improving the image and building confidence in property administration system through transparent public information on taxes is essential for an operational framework. Property owners need to be informed and understand the importance of property responsibilities.

## CONCLUSIONS

The legal situation governing immovable property in Albania is very complex. The provisions of the applicable compensation laws and administrative procedures proved unsatisfactory so far. The rights of former owners remain unsettled to a significant extent. Albania acted with inefficacy regarding the creation of the necessary administrative infrastructure foreseen in the respective legal national acts. The Property Restitution and Compensation Law of 1993 provided for various forms of compensation when the original property could not be allocated to the former owners. The Council of Ministers which was supposed to define the detailed rules and methods for such compensation did not act efficiently. The bodies competent to deal with the compensation issues that emerged had not been set up and the situation had not changed with the entry into force of the Property Restitution and Compensation Law of 2004. Even after the adoption by the Parliament (28/4/2005) of the Law determining the methodology for the valuation of the property for compensation, the situation did not change.

A stable legal framework, which creates legal security, is legitimate only if it is perceived as "just" by the population; in the case of property restitution, naturally, the population will be divided into the groups of the pre-1945 owners, the post-1991 owners and the illegal occupants. While the first two groups acquired the land legally and therefore are entitled to protection by the State, the latter may have claims based on falsified or false documents and/or threats to use force. The resolution of historical injustice must be the first step; therefore, any law and its implementation should be accepted by the majority of the pre-1945 owners, who ought to be consulted directly and involved seriously in the legislative drafting process.

However, remedying historical injustices should be kept out of the day-to-day politics and should not create new injustice; nobody who is entitled to protection by the State, because he or she has a valid legal title to property (as opposed to the illegal occupants), should be put in disadvantage or be disappointed in his or her trust in the law. Therefore, the post-1991 owners with proof of valid documents should be compensated and/or adequate new housing rights should be provided to them by the State.

## References

- [1] Albania Progress Report", European Commission Staff Working Report, October 2012
- [2] Doing Business 2013, World Bank Report 2013
- [3] "Land policies for growth and poverty reduction: Key issues and challenges ahead", OECD Paper, Klaus Deininger (2005)
- [4] "BEEPS At-A-Glance 2008" Albania report, The World Bank Group, January 2010
- [5] "Governance in the Protection of Immovable Property Rights in Albania: A Continuing Challenge", World Bank Report No:62519-AL , June 2011
- [6] "Land Administration in the UNECE Region. Development trends and main principles ", United Nations Economic Commission for Europe Guidelines (2005)
- [7] Stanley and Adlington (2007)"World Bank Experience in Land Administration in the Transition Economies of Eastern Europe and Central Asia"
- [8] "Crosscutting Strategy Reform in the Field of Property Rights 2012 – 2020", Ministry of Justice, Republic of Albania, June 2012
- [9] Schargrodsy and Galiani (2006)"Property Rights for the Poor:Effects of Land Titling"
- [10] Swinnen, Johan (1999)"An Explanation Of Land Reform Choices

## Fight against Organized Crime as One of the Fundamental Conditions for the Integration in the European Union. Albanian Case

Vilma Spahiu, PhD.Cand.

Faculty of Social Sciences & Education, European University of Tirana

vspahiu@uet.edu.al

### Abstract

*The Integration of Albania in the European Union Structures remains one of the most important challenges of the Albanian government, since the post-communist period. To become a member of these structures with full rights, the Albanian government must fulfil some conditions and criteria. The main purpose of this paper relates to the analysis of the war against organized crime, as one of the fundamental conditions for the European Integration. The war against organized crime has been chosen as the most important focus because the defined criteria in this matter, regardless the efforts to improve the situation, have not yet given the desired results. Furthermore, it is important to emphasize the fact that lately the representatives of European Union increasingly are underlying in their statements that Albanian governments must document reliable data, regarding the war against organized crime, and they must document sustainability in this direction and give concrete results, because still in the security sector the proper objectives have not been reached. The real issue is not related with the missing of a national strategy in the war against the organized crime, but with the effective implementation and application of this strategy.*

**Keywords:** Organized Crime, Security, European Integration

### INTRODUCTION

The world we are living in is facing many challenges these days, challenges that require a maximal engagement from all the countries in the world, in order that they can fulfil their primary target, the security and the wellness of their citizens. The threat and the challenges that we are facing relate with environmental issues, spread of mass destruction weapons, wars and ethnic conflicts in developing countries, organised crime (including all its dimensions), terrorism etc.

In the point of view of European Union, the enlargement through the membership of other countries, from one side it has been viewed as an opportunity to increase the common security and the cope with these challenges or threats, but on the other side, the acceptance and the integration of these countries brings the European Union closer to these problematic areas. Due to listed reasons the European Union has been showed willing to help the countries that aspire the solidifying of their institutions, economic development and the implementation of European Common Protection strategies in the field of Security.

Regardless the achievements and improvements made in many respects or certain areas, the Albanian society and politics still has much work to do.

Concerning the national Security, it can be defined as "the ability to face with external aggression and to resist against it" (Lucian, 1989: 5). "Security and insecurity relate to internal and external threats, which weaken state structures (such as the territorial ones as well as those institutional) and governmental regimes". (Ayooob, 1995: 9).

One of its threats relates to one of the most widespread phenomena or occurrence of today's world, organized crime. According to the Council of Europe, with organized crime we understand "Hidden activities made by organized groups of three or more individuals, for a long-term period with the aim to commit serious crimes, through joint action by using intimidation, violence, corruption or other means in order to directly or indirectly assure financial profit or any other kind of profit". (Council of Europe: 6).

This paper addresses two fundamental issues. The first one concerns with the importance of regional cooperation. The second ones relates to the identification of the elements and factors that prevent the achievement of concrete results in the fight against organized crime. Repeatedly from the senior executives and EU forums has been emphasized that "Albania seriously risks the membership at the European Union structures, not because of the lack of a comprehensive national strategy against organized crime, but from the lack of effective feasibility and applicability of this strategy".

In theoretical terms the paper is based on the Copenhagen School, security process. In order to reach the security process, two important stages need to be passed. The first stage concerns the identification of the issue as an existential threat, while the second stage relates to the use of a discourse of political elite with the aim to convince the audience about the importance of taking immediate precautions. In our case, the fight against organized crime is not being considered as a problem and priority that concerns only the Albanian elite, for reaching the objectives related to the membership of Albania at the European Union, either as the increase of national security level as a fundamental obligation of the state towards their citizens. The fight against organized crime is now a problem that concerns also the Albanian society. Increasingly, the Albanian society is becoming aware for the high level of their insecurity, both in individual and community extent, which arises from the different criminal activities. Although, it is still early to talk about a full-scale awareness of our society, we have to mention that there is an increasing pressure against the government, compared to past years.

### **Security in Western Balkan Countries**

Western Balkan countries have been seen from European Union members as very problematic, mostly related to the lack of strong institutions, fragile economic, the inability to control their borders from the penetration of criminal activities and the malfunction of the democracy. These countries, because of the frailty that they represent, are more vulnerable to different criminal activities. As to European Continent, we can say that over the years has suffered an increase of the organized crime, especially after the 90s. Many of the ex-communist countries, after the 90s, faced with the criminality in a large scale. They had to confront with criminal groups whom conducted activities like the trafficking in narcotic drugs, the trafficking of human being (for sexual exploitation, illegal emigration, etc) the trafficking of weapons, by converting them in leading furnisher of these traffics for Western European countries. As a consequence it has been created an internal insecurity for these countries that also has affected the European Union and its countries, turning it into a very problematic issue. The regional collaboration, in matters that concerns the borders security and their management, it has been seen as necessary preliminary condition in the road to integration of these countries in the European Union, minding the fact that EU was build under the principle of collaboration. Anyhow, the main responsibility belongs to the Western Balkan countries, because EU is responsible only for counseling, their assistance and their help by providing them the European model of Borders Management and Protection.

### **Albania in the fight against organized crime**

The fight against organized crime constitutes one of the main priorities of the Albanian state's security agenda. Nowadays, Albania is faced with internal and external threats. As far as it concerns domestic policy, Albania faces challenges related to organized crime, illegal trafficking (drugs, weapons as well as human trafficking), natural disasters and terrorism. As far as it concerns foreign policy, Albania is faced with threats related to transnational crime and terrorism, proliferation of weapons of mass destruction, regional conflicts, etc. However, it should be emphasized that Albania shares all the responsibility with regard to all these concerns with its close allies: the European Union, the United States of America, its neighbouring countries as well as other democratic countries with whom Albania shares the same democratic values.

A retrospective on Albania's policy is necessary in order to understand how different Albanian governments in the past years have operated in order to fight organized crime and thus maintain and enhance the state's security. Great emphasis has been placed on regional-cooperation, since this has been seen as an effective way of preventing criminal activities and, thus, as a necessity for enhancing Albania's security policies. Regional co-operation took place in two forms: There were cases of 1) bilateral co-operation and there were cases of 2) multilateral co-operation as well.

To date, the basic document on fight against organized crime has been the "Intersectoral strategy on Fight against Organized Crime, Trafficking and Terrorism" approved by the Council of Ministers of the Republic of Albania in August 2008. It is worth noting that the objectives set in this document as well as the commitments undertaken so far have been in accordance with the obligations deriving from the Stabilization and Association Agreement between the European Union and the Republic of Albania. The strategy documented in this basic agreement concludes that the duties and responsibilities are to be divided between different institutions in Albania, while simultaneously serving the same goal, i.e. achieving positive results in the fight against criminal activities (Intersectoral Strategy on Fight against Organized Crime, Trafficking and Terrorism, 2008: 12-13).



Yet, despite the division of the responsibilities and duties between the different institutions, and even though the main tasks have already been clearly determined, the required necessary level of cooperation and coordination between the relevant institutions charged with the fight against criminal activities has not been achieved. The current Albanian legal framework on the fight against organized crime is not of concern. It rather seems that Albania in fact does have a strong legal framework. However, the main problem remains the rather law and poor level of law enforcement, which has evoked a "climate of distrust" that affects the attitudes of the citizens towards the state and its institutions. In order to understand the reason why a large number of representatives of the European Union in their statements have described Albania's current situation with regard to organized crime as a non-tolerable one, while simultaneously demanding concrete and reliable data on the struggles of the Albanian government against organized crime, it is necessary to understand which objectives have so far been achieved based on this Intersectoral Strategy and which have not been achieved yet. A strategy includes short-term, medium-term as well as long-term goals. An analysis of the strategy shows that while some of the short-term and medium-term objectives have already been achieved, the long-term ones have not been achieved yet. The long-term goal of the strategy consists in "developing a society without threats from organized crime, a society at peace and working to continuously improve the quality of life of its citizens, thus projecting an image of a peaceful country with high security standards" (Intersectoral Strategy on Fight against Organized Crime, Trafficking and Terrorism, 2008: 22). The main goal of the Strategy was that by the end of 2013, the criminal groups operating in Albania would be identified and destroyed. Thus, criminal activity would be minimized to such a point that organized crime would not give reason for concern in the community anymore. Moreover, there would be high levels of security and law enforcement as well as a high level of respect for human rights. Albania's failure with regard to this long-term goal, which is the backbone of the Intersectoral Strategy, questions the country's right to full membership in the European Union.

## Conclusions & Recommendations

The fight against Organized Crime represents one of the most key conditions for the integration of Albania in the European Union. The issue with Albania is not about the lack of a concrete strategy against the Organized Crime, but with the lack of reliable documents that can prove the achieved results so far. The cause for this is not the dearth of a strong legal base, neither the lack of definition of the objectives and responsibilities of respective institutions, rather than the non-realization of the objectives of the responsible institutions and authorities for this process, and continuing with a low level of collaboration and coordination between them. Although the strategy does exist, in order to make it work and fulfil all its aims and objectives, we would need strong institutions, the functioning of the rule of law, a stable economical development, and all these can be reached by a good governance and the common political will.

In these conditions it becomes necessary not only the maximal commitment of all the state institutions but also the full awareness of Albanian society. In order to fight the high level of corruption and criminality in Albania all the society must be involved, because we find ourselves in front of a critical moment, that not only threatens our integration to the European Union, but the most important, it threatens our lives and the well functioning of our state, because it questions the security and the wellbeing of Albanian citizens. To reduce this high level of insecurity it will be necessary to have perseverance and common political will, society pressure, new reforms built by individuals that have the great will and the right motivation to no stop in front of anything, with the only aim of implementing these reforms and the creation of a high level of security.

## Bibliography

- [1] Ayooob, Muhammed. (1995). *The third world Security Predicament*. Boulder: Lynne Rienner.
- [2] Bashkurti, Lisen. (2008). *Krizat Ndërkombëtare*. Mirgeeralb:Tiranë.
- [3] Bashkëpunimi Rajonal për Zhvillimin dhe Integrimin Europian. (2007). *Me mbështetjen e fondacionit Soros, East Program- Partnership Beyond Borders*. A.I.S. Beograd, Podgoricë, Prishtinë Sarajevë, Shkup, Tiranë, Zagreb.
- [4] Poda, Zamir. *Krimi i organizuar transnacional*. Morava: Tiranë.
- [5] *Strategjia Ndërsektoriale e Luftës kundër Krimit të Organizuar, Trafiqeve dhe Terrorizmit* (August 2008).  
[www.google.com/search?q=strategjia+ndersektoriale+e+lufte+kunder+krimit+te+organizuar&rlz=1C1CHMOenAL483AL483&oq=strategjia+ndersektoriale&aqs=chrome.69i59j69i57j0l4.74](http://www.google.com/search?q=strategjia+ndersektoriale+e+lufte+kunder+krimit+te+organizuar&rlz=1C1CHMOenAL483AL483&oq=strategjia+ndersektoriale&aqs=chrome.69i59j69i57j0l4.74) (Accessed on 10 April 2014).

## Analyzing Energy Security and Sustainable Development in Southeast Europe from a Multidimensional Approach

Fatri Morina, PhDc

Assistant Professor / European University of Tirana

fmorina@uet.edu.al

### Abstract

*Energy plays a vital role in the sustainable development of a nation and regions as well, thus affordable and reliable energy supplies are crucial for this development. South East Europe countries are characterized from high energy dependence and face several difficulties in guaranteeing a sustainable development. Only an integrated approach, which combines all the dimensions of energy security, can be a successful way for nations to guarantee their energy security and sustainable development. The scope of this paper is to analyze energy sector and sustainable development in Southeast Europe, with a focus on economic, social, environmental and geopolitical dimension of energy security. The methodology used for this paper combines energy security approach and Regional Security Complex Theory, with a focus in Regional Energy Security Complexes. Energy sector in this region is characterized by a problematic energy infrastructure, low system reliability and low efficiency, energy dependence and lack of diversification of energy sources, all elements with a direct impact on energy security. The data used for this paper are based upon the data of World Bank, International Energy Agency, International Monetary Fund and United Nations.*

**Keywords:** Energy Security, Sustainable development, Southeast Europe

### Introduction

Sustainable development and energy security are two of the most important topics nowadays. Many efforts are being put to develop a society which ensures harmony between environment, society and economic growth. In this aspect, energy plays a vital role in the sustainable development of a nation and regions as well, thus affordable and reliable energy supplies are crucial for this development. South East Europe countries are characterized from high energy dependence and face several difficulties in guaranteeing a sustainable development. The linkage between energy security and sustainable development is a matter of great importance, thus the scope of this paper is to analyze energy security and sustainable development in Southeast Europe from a multidimensional approach. This paper focuses in the SEE6 countries, which includes Albania, Bosnia and Herzegovina, Kosovo, F.Y.R Macedonia, Montenegro and Serbia. This area is composed from states that have different problems and opportunities as well, but energy security and sustainable development are two key issues with a direct impact on every state in particular as well as the entire region in general. As mentioned in the South East Europe Transnational Cooperation Program, "*The South-East Europe area is the most diverse, heterogeneous and complex transnational cooperation area in Europe, made up of a broad mix of countries. The emergence of new countries and with it the establishment of new frontiers has changed the patterns of political, economic, social and cultural relationships*".

In this situation, the paper raises some questions: Which is the energy security situation in SEE6 countries? What are some of the problems faced by these countries in terms of sustainable development? What measures and policies must be taken to ensure energy security and sustainable development in SEE6 countries? Before answering these questions, is necessary to explain the key concepts of the paper, energy security and sustainable development, and the used methodology. These issues will be elaborated in the next section of the paper.

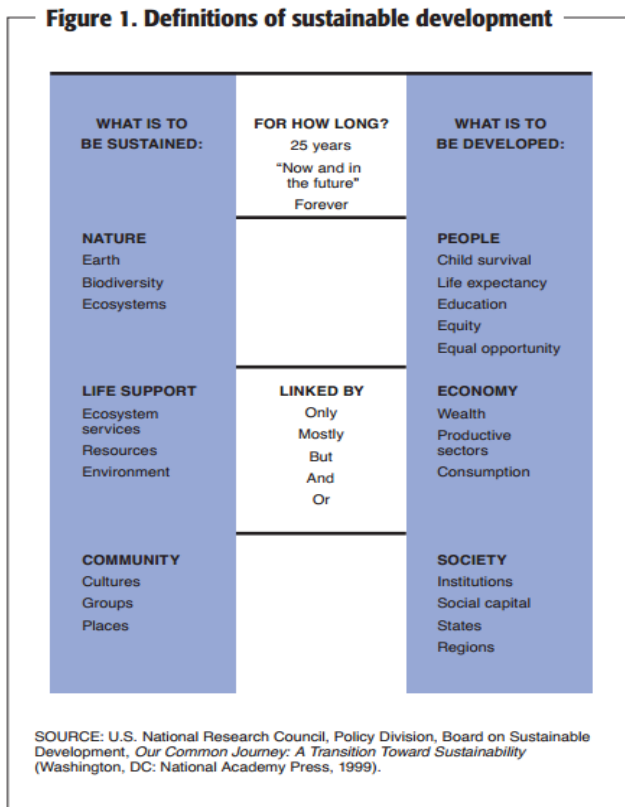
### Literature Review and Work Methodology

The literature review process showed that despite previous works focused on energy security and sustainable development, there is no a general consensus for the definition of the terms. Definitions of 'energy security' range from narrow issues of physical supply disruption to broader ones involving the economic, environmental, and political consequences of changes

to energy markets (Dreyer & Stang, 2013: 1). This is due to the positions and interests of each actor. The International Energy Agency refers to energy security as “the uninterrupted availability of energy sources at an affordable price” (IEA, 2011). Scheepers (2006) and Kirchner (2007), share the idea that secure energy means that the risks of interruption to energy supply are low. Daniel Yergin (2011) argues that “Energy security also means the ability to access resources and develop them, ensuring sufficient investment for future supplies, and establishing the governmental-private sector arrangements to respond to crises and ensure international cooperation”. Regarding the definition of sustainable development, the most frequently quoted definition is: “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- The concept of **needs**, in particular the essential needs of the world's poor, to which overriding priority should be given; and
- The idea of **limitations** imposed by the state of technology and social organization on the environment's ability to meet present and future needs.” (WECD, 1987: 43).

Another way to define of sustainable development is the one of U.S. National Research Council (1999), shown in the figure below.



The methodology used in this paper combines energy security approach and Regional Security Complex Theory, with a focus in Regional Energy Security Complexes. Regional Security Complex Theory suggests “an analytical scheme for structuring analysis of how security concerns tie together in a regional formation...it’s a set of units whose major processes of securitization, de-securitization or both are so interlinked that their security problems cannot reasonably be analyzed or

resolved apart from one another” (Waever, 2004). In a region where the constituent states share closely interdependent security conditions and understandings of energy, Regional Energy Security Complexes are formed (Sharples, 2012).

### Analysis of the findings

**Table 1: Economic and energetic indicators of SEE6 countries (2012)**

SEE6 Countries	Population (in million)	GDP (in billion USD, 2005)	Energy Production (in Mtoe)	Energy Consumption	Energy Dependence (%)	Human Development Index (HDI) Rank/Value	Human Sustainable Development Rank/index (HSDI)
Albania	3.16	11.22	1.49	1.93	36.8	64 / 0.719	52 / 0.776
Bosnia & Herzegovina	3.83	12.88	4.62	3.34	48.8	68 / 0.71	64 / 0.75
Kosovo	1.81	5.13	1.8	1.32	40.2	n/a	n/a
FYR Macedonia	2.2	7.32	1.78	1.97	72.6	71 / 0.701	65 / 0.749
Montenegro	0.62	2.88	0.79	0.82	48.8	49 / 0.769	n/a
Serbia	7.22	27.85	11.17	9.78	49.8	60 / 0.735	n/a

Source: World Bank ([www.worldbank.org](http://www.worldbank.org)) & IEA ([www.iea.org](http://www.iea.org))

The data of Economic and Energetic indicators of SEE6 countries demonstrates the differences between countries. Serbia has the largest population (7.22 million) and Montenegro has the smallest one (0.62 million). The same situation is even regarding the GDP data. Serbia is the largest producer of energy in the SEE6, an energy production estimated in 11.17 Mtoe, followed by Bosnia & Herzegovina (4.62 Mtoe). Montenegro produces 0.79 Mtoe and Albania, 1.49 Mtoe. Serbia and Bosnia & Herzegovina are the top consumers of energy in SEE6 countries, meanwhile Montenegro and Kosovo consume only 0.82 and 1.32 Mtoe. Regarding energy dependence indicator, FYR Macedonia is estimated to have the highest level of dependence, with a value of 72.6 % and Albania has the lowest, with a value of 36.8%. The data shows the need for immediate reforms and the need for the intensification of collaboration between SEE6 countries. This is the only way for these countries to guarantee their energy security and sustainable development. Regarding the Human Development Index, SEE6 countries shares different positions. In a better position are countries like Montenegro (49) and Serbia (60). FYR Macedonia and Bosnia & Herzegovina ranks in 71<sup>th</sup> and 68<sup>th</sup> position. There are no data available for Kosovo. Regarding Human Sustainable Development index, Albania is ranked in 52<sup>th</sup> position, with an estimated value of 0.776; Bosnia & Herzegovina is ranked in 64<sup>th</sup> position and an estimated value of 0.75; and FYR Macedonia is ranked in the 65<sup>th</sup> position with an estimated value of 0.749. This data shows that SEE6 countries have a lot to do regarding Human Sustainable Development. There is no data on HSDI for the other SEE6 countries like Kosovo, Montenegro and Serbia.

Sustainable development and energy security in SEE6 countries is challenged from:

- Degradation of water resources – vital for development and energy production;

- High levels of air pollution;
- Underdevelopment of infrastructure;
- Natural and human threats to biodiversity;
- High energy dependence from imports;
- Low rates of diversification of energy sources;
- Lack of regional and global collaboration.

## Conclusions

South East Europe countries are characterized from high energy dependence and face several difficulties in guaranteeing a sustainable development. These difficulties vary from air and water pollution and degradation to high energy dependence, lack of diversification and regional collaboration. In order to enhance energy security and sustainable development, SEE6 countries have to increase the level of regional and global collaboration. Countries, state and non-states actors must develop short and long term strategies in order to achieve two of the most important goals; energy security and sustainable development.

## References

- [1] Dreyer, I., & Stang, G. (2013). What energy security for the EU. European Institute for Security Studies, Brief Issue, 39, November.
- [2] International Energy Agency ([www.iea.org](http://www.iea.org))
- [3] International Energy Agency Home Page ([www.iea.org](http://www.iea.org)).
- [4] Scheepers, M.J.J., A.J. Seebregts, J.J. de Jong, J.M. Maters (2006): EU Standards for Energy Security of Supply, ECN-C-06-039, ECN/CIEP, Petten/The Hague, the Netherlands, June 2006. Available at <http://www.ecn.nl/docs/library/report/2006/c06039.pdf>
- [5] Sharples, J. (2012). Russo-Polish Energy Security Relations: A Case of Threatening Dependency, Supply Guarantee, or Regional Energy Security Dynamics? Political Perspectives 6.
- [6] South East Europe Transnational Cooperation Program (<http://www.southeast-europe.net/>)
- [7] Waever, O. (2004). Aberystwyth, Paris, Copenhagen – New Schools in Security Theory and their origins between core and periphery. International Studies Association, Paper Series.
- [8] World Bank ([www.worldbank.org](http://www.worldbank.org))
- [9] World Commission on Environment and Development (WCED). (1987). Our common future. Oxford: Oxford University Press.
- [10] Yergin, D. (2011). Energy Security in an Age of Shifting Geopolitical Balance. Available at <http://danielyergin.com/energy-security/>.

## Graph Coloring Problems in Modern Computer Science

Besjana Tosuni

European University of Tirana , Tirana, Albania

e-mail.b.tosuni@hotmail.com

### Abstract

*Graph coloring is one of the most important concepts in graph theory and is used in many real time applications in computer science. The main aim of this paper is to present the importance of graph coloring ideas in various areas of computer applications for researchers that they can use graph coloring concepts for the research. Graph coloring used in various research areas of computer science such as data mining, image segmentation, clustering, image capturing, networking etc. This paper mainly focused on important applications such as Guarding an Art Gallery, Physical layout segmentation, Round-Robin Sports Scheduling, Aircraft scheduling, Biprocessor tasks, Frequency assignment, Final Exam Timetabling as a Grouping Problem, Map coloring and GSM mobile phone networks, and Student Time Table. In this paper we review several variants of graph coloring, such as precolouring extension, list coloring, multicolouring, minimum sum colouring, and discuss their applications in scheduling. A very important graph parameter is the chromatic number. Presently, graph coloring plays an important role in several real-world applications and still engages exciting research.*

**Keywords:** Graph theory, graph coloring, map coloring, scheduling problems, multicolouring.

### 1. INTRODUCTION

Nowadays the studies about the behavior of several graph parameters in product graphs have become into an interesting topic of research in graph theory. For instance, it is well known the Hedetniemi's coloring conjecture [16, 20] for the categorical product (or direct product), which states that the chromatic number of categorical product graphs is equal to the minimum value between the chromatic numbers of its factors. Also, one of the oldest open problems in domination in graphs is related with product graphs. The problem was presented first by Vizing [25] in 1963. After that he pointed out as a conjecture in [26]. The conjecture states that the domination number of Cartesian product graphs is greater than or equal to the product of the domination numbers of its factors.

Graph coloring especially used various in research areas of science such as data mining, image segmentation, clustering, image capturing, networking etc., For example a data structure can be designed in the form of tree which in turn utilized vertices and edges.

Similarly modeling of network topologies can be done using graph concepts. In the same way the most important concept of graph coloring is utilized in resource allocation, scheduling. Also, paths, walks and circuits in graph theory are used in tremendous applications say traveling salesman problem, database design concepts, resource networking. This leads to the development of new algorithms and new theorems that can be used in tremendous applications. Graph coloring is one of the most important concepts in graph theory and is used in many real time applications in computer science. Various coloring methods are available and can be used on requirement basis. The proper coloring of a graph is the coloring of the vertices and edges with minimal number of colors such that no two vertices should have the same color. The minimum number of colors is called as the chromatic number and the graph is called properly colored graph .

## 2. GUARDING AN ART GALLERY

### 2.1 The Sunflower Art Gallery

Figure 2.1 shows the unusual floor plan of the Sunflower Art Gallery and the locations of four guards. Each guard is stationary but can rotate in place to scan the surroundings in all directions. Guards cannot see through walls or around corners. Every point in the gallery is visible to at least one guard, and theft of the artwork is prevented. Of course, it would be more economical to protect the gallery with fewer guards, if possible.

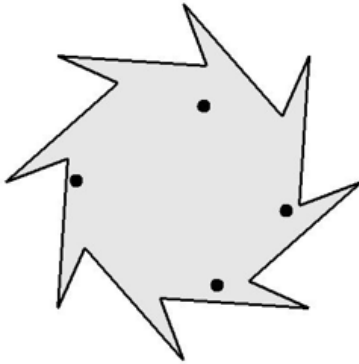


Figure 2.1: The Sunflower Art Gallery

### 2.2 Art Gallery Problems

Let us define our terms carefully. For our purposes, an art gallery is a polygon in the plane.<sup>2</sup> The polygon need not serve as the floor plan of any real-world art gallery. An art gallery includes the interior region as well as the boundary segments—the walls. We let  $G$  denote an arbitrary art gallery and write  $G_w$  for an art gallery with  $w$  walls.

Let  $p$  be any point in an art gallery. The point  $q$  is visible to  $p$  provided the line segment joining  $p$  and  $q$  does not exit the gallery. (We also assume that every point is visible to itself.) The segment represents the sight line of a guard. A set of guards protects an art gallery provided every point in the gallery is visible to at least one guard. Note that a guard at a corner protects the two adjacent walls.

Example 1. (a) The four guards in Figure 2.1 protect the Sunflower Art Gallery.

(b) The Sunflower Art Gallery is not protected by guards at the eight outer corners (Figure 2.2). Even though all of the walls are protected, a region in the center of the gallery remains invisible to all the guards.

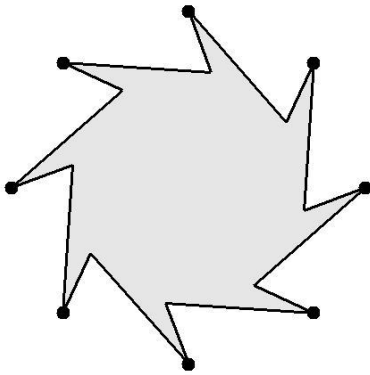


Figure 2.2: The eight guards protect the walls, but not the interior

(c) Each gallery in Figure 2.3 is protected by one or two guards, as shown.

An art gallery is convex provided every point in it is visible to every other point. A convex gallery is easy to guard; a guard can be posted anywhere in the gallery. Every triangle is convex, as are the first two galleries in the top row of Figure 2.3. The other galleries in the figure are nonconvex.

### Galleries in Particular

Our desire to post as few guards as possible raises two general problems about art galleries.

The first problem deals with specific galleries, and the second deals with all galleries with a fixed number of walls.

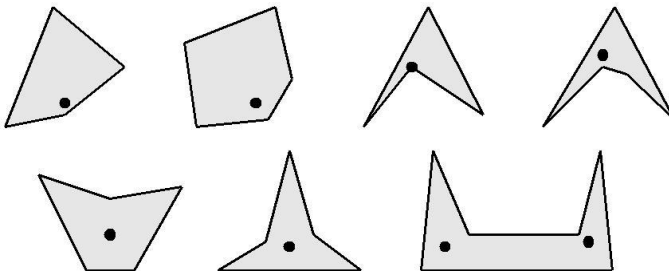


Figure 2.3: The first two galleries in the top row are convex

These are generalizations of the two questions we posed earlier. Let  $\text{guard}(G)$  = the minimum number of guards needed to protect the art gallery  $G$ .

**Gallery problem 1.** Find the value of  $\text{guard}(G)$  for every art gallery  $G$ . In other words, find the minimum number of guards needed to protect every art gallery.

**Example 2.** (a) A convex gallery  $G$  satisfies  $\text{guard}(G) = 1$ .



(b) We have seen that the Sunflower Art Gallery  $G_{16}$  satisfies  $\text{guard}(G_{16}) = 3$ .

To show that  $\text{guard}(G) = g$ , we must demonstrate two facts:

- The gallery  $G$  can be protected by  $g$  guards.
- The gallery  $G$  cannot be protected by fewer than  $g$  guards.

The first fact implies that  $\text{guard}(G) \leq g$ , while the second gives  $\text{guard}(G) \geq g$ . The second fact becomes increasingly difficult to demonstrate as the number of walls increases and the shape of the gallery becomes more complicated.

Ideally, we would have an efficient algorithm that takes an arbitrary gallery  $G$  as its input and produces the value of  $\text{guard}(G)$  as its output. Such an algorithm could be carried out by a computer (or a patient, careful person) to determine the minimum number of guards needed to protect any given gallery. Researchers in computational complexity, an advanced area of discrete mathematics, have strong evidence that we will never find an efficient algorithm of the desired type. The crux of the matter is that the number of essentially different guard configurations to examine increases exponentially as a function of the number of walls. Any proposed general algorithm becomes effectively worthless, even with the fastest computers available. In this sense, gallery problem 1 remains unsolved.

### Galleries in General

Now suppose we know an art gallery has  $w$  walls, but we do not know its exact shape. Let  $g(w)$  = the maximum number of guards required among all art galleries with  $w$  walls. In other words,  $g(w)$  is the maximum value of  $\text{guard}(G_w)$  among all  $w$ -walled galleries  $G_w$ .

**Example 3.** (a) Any triangular art gallery can be protected with one guard. Therefore,  $g(3) = 1$ .

(b) The Sunflower Art Gallery has 16 walls and requires three guards. Therefore,  $g(16) \geq 3$ . We cannot conclude that  $g(16) = 3$  since there could be a 16-walled gallery that requires more than three guards. In fact, we will soon see a 16-walled gallery requiring five guards.

### 3. Physical Layout Segmentation

Automatic mail sorting machines of most recent systems process about 17 mail pieces per second. That requires a fast and precise OCR based recognition of the block-address. This recognition is mainly conditioned by a correct address lines organization. Once the envelope image has been acquired by a linear CCD camera, three principal

modules contribute to the task of the address-block localization: physical layout segmentation of envelope image, feature extraction and address-block identification. Every-day, the postal sorting systems diffuse several tons of mails. It is noted that the principal origin of mail rejection is related to the failure of address-block localization task, particularly, of the physical layout segmentation stage. The bottom-up and top-down segmentation methods bring different knowledge that should not be ignored when we need to increase the robustness. Hybrid methods combine the two strategies in order to take advantages of one strategy to the detriment of other. Starting from these remarks, our proposal makes use of a hybrid segmentation strategy more adapted to the postal mails. The high level stages are based on the hierarchical graphs coloring. Today, no other work in this context has make use of the powerfulness of this tool. The performance evaluation of our approach was tested on a corpus of 10000 envelope images. The processing times and the rejection rate were considerably reduced.

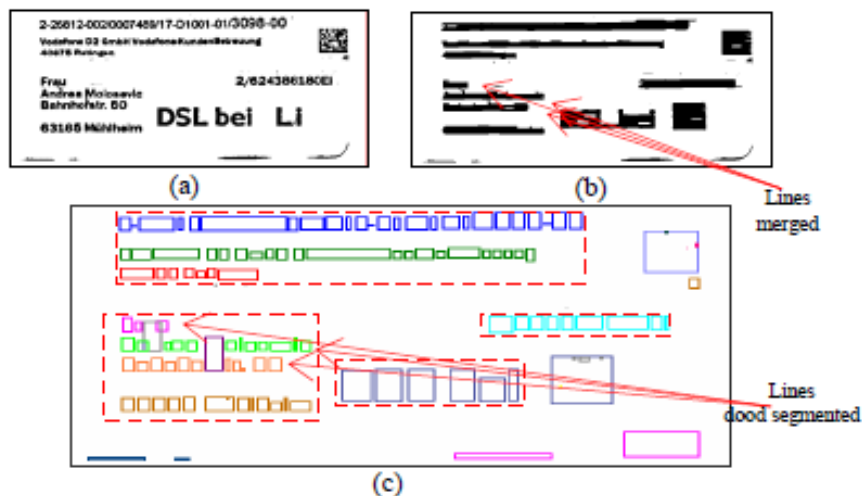


Figure 3.1 Noisy block address (a), emergence of the text lines

by the RLSA method (b), Perception of the text lines by hierarchical graph coloring (c).

The segmentation technique objective is based on its decision strategy which defines a best block extraction manner in order to recognize it by the block address recognition module. The segmentation techniques cannot systematically produce uniform and good located blocks in complex environments (difficult envelopes). Consequently, the knowledge delivered by the descriptors of non-homogeneous blocks (containing parasitic elements) is less discriminating.

In order to improve the robustness and exactness of segmentation, it has been necessary to choose an even more advanced tool. The idea is to use a hybrid strategy of segmentation using the richness of pyramidal structure. Our method is mainly based on the powerfulness of graph coloring to regroup correctly the connected components into text lines then the lines into blocks.

#### 4. Time table scheduling

Allocation of classes and subjects to the Teachers is one of the major issues if the constraints are complex. Graph theory plays an important role in this problem. For „t“ Teachers with „n“ subjects the available number of „p“ periods timetable has to be prepared. This is done as follows. A bipartite graph (or bigraph is a graph whose vertices can be divided into two disjoint sets  $U$  and  $V$  such that every edge connects a vertex in  $U$  to one in  $V$ ; that is,  $U$  and  $V$  are independent sets)  $G$  where the vertices are the number of Faculty say  $t_1, t_2, t_3, t_4, \dots, t_k$  and  $n$  number of subjects say  $n_1, n_2, n_3, n_4, \dots, n_m$  such that the vertices are connected by „pi“ edges. It is presumed that at any one period each Teacher can teach at most one subject and that each subject can be taught by maximum one Teacher. Consider the first period. The timetable for this single period corresponds to a matching in the graph and conversely, each matching corresponds to a possible assignment of Teacher to subjects taught during that period. So, the solution for the timetabling problem will be obtained by partitioning the edges of graph  $G$  into minimum number of matching. Also the edges have to be colored with minimum number of colors. This problem can also be solved by vertex coloring algorithm. “The line graph  $L(G)$  of  $G$  has equal number of vertices and edges of  $G$  and two vertices in  $L(G)$  are connected by an edge iff the corresponding edges of  $G$  have a vertex in common. The line graph  $L(G)$  is a simple graph and a proper vertex coloring of  $L(G)$  gives a proper edge coloring of  $G$  by the same number of colors. So, the problem can be solved by finding minimum proper vertex coloring of  $L(G)$ .” For example, Consider there are 4 Teachers namely  $t_1, t_2, t_3, t_4$ , and 5 subjects say  $n_1, n_2, n_3, n_4, n_5$  to be taught. The teaching requirement matrix  $p = [p_{ij}]$  is given as.

<b>P</b>	$n_1$	$n_2$	$n_3$	$n_4$	$n_5$
$t_1$	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>
$t_2$	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>
$t_3$	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
$t_4$	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>

Figure 4.1: The teaching requirement matrix for four Teachers and five subjects

The bipartite graph is constructed as follows.

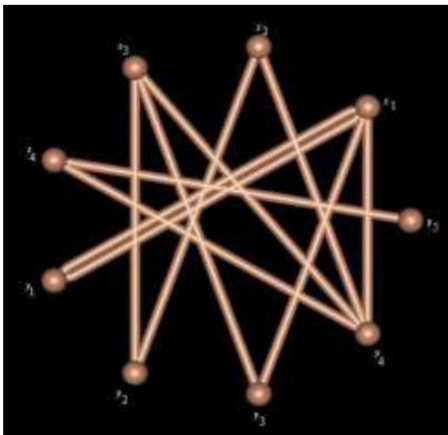


Figure 4.2. The bipartite multigraph G

Finally, the authors found that proper coloring of the above mentioned graph can be done by 4 colors using the vertex coloring algorithm which leads to the edge coloring of the bipartite multigraph G. Four colors are interpreted to four periods.

$\dots$	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
$t_1$	$n_1$	$n_2$	$n_3$	$n_4$

Figure 4.3: The schedule for the four subjects

## 5. GSM Mobile Phone Networks

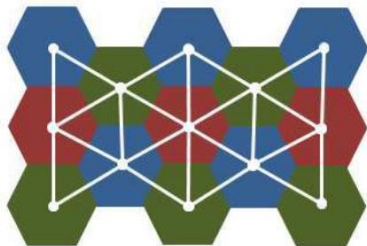


Figure 5 The cells of a GSM mobile phone network

The Groupe Spécial Mobile (GSM) was created in 1982 to provide a standard for a mobile telephone system. The first GSM network was launched in 1991 by Radiolinja in Finland with joint technical infrastructure maintenance from Ericsson. Today, GSM is the most popular standard for mobile phones in the world, used by over 2 billion people across more than 212 countries. GSM is a cellular network with its entire geographical range divided into hexagonal cells. Each cell has a communication tower which connects with mobile phones within the cell. All mobile phones connect to the GSM network by searching for cells in the immediate vicinity. GSM networks operate in only four different frequency ranges. The reason why only four different frequencies suffice is clear: the map of the cellular regions can be properly colored by using only four different colors! So, the vertex coloring algorithm may be used for assigning at most four different frequencies for any GSM mobile phone network, see figure 7 below.

## 6. Precoloring extension

In certain scheduling problems we do not have full control over the schedule, the assignments of certain jobs are already decided. In this case some of the vertices of the conflict graph has a preassigned color, and we have to solve the *precoloring extension* problem: extended the coloring of these vertices to the whole graph, using the minimum number of colors. Bir'o, Hujter and Tuza [7, 8, 9] started a systematic study of precoloring extension. In [7], the aircraft scheduling problem discussed in Section I. is extended. There is a maintenance period for each aircraft, during which it cannot fly. We can model these maintenance periods by adding a "dummy" flight for the maintenance period of each aircraft, and requiring that the maintenance period of the  $i$ th aircraft is assigned to the  $i$ th aircraft. Therefore we have to solve the precoloring extension problem on the conflict graph, which is an interval graph. It is shown in [7] that the precoloring extension problem is **NP**-complete for interval graphs, but it can be solved in polynomial time if every color is used only once in the precoloring, that is, if every aircraft has only one maintenance interval (the later result is generalized to chordal graphs in [10]).

## 7. List coloring

In the list coloring problem each vertex  $v$  has a list of available colors, and we have to find a coloring where the color of each vertex is taken from its list of available colors. List coloring can be used to model situations where a job can be processed only in certain time slots, or if it can be processed only by certain machines. Using standard dynamic programming techniques, list coloring can be solved in polynomial time on trees and partial  $k$ -trees [11]. By combining dynamic programming with a clever use matching, list coloring can be solved on the edges of trees as well [12]. The multicoloring concept introduced in Section II. can be applied for list colorings as well: each vertex has an integer demand  $x(v)$ , and vertex  $v$  has to receive a set of  $x(v)$  colors from its list of colors. The algorithm for list coloring trees and partial  $k$ -trees does not generalize for the multicoloring case, as the problem is **NP**-complete already for binary trees [13]. On the other hand, list edge multicoloring can be solved in polynomial time on trees: using standard techniques, the good characterization theorem of Marcotte and Seymour [14] can be turned into a polynomial time algorithm. This result is

generalized in [15] to a slightly more general class of graphs, that includes odd cycles. Moreover, a randomized algorithm is given for an even more general class of graphs, including even cycles.

## 8. Minimum sum coloring

Besides minimizing the makespan, another well-studied goal in scheduling theory is to minimize the sum of completion times of the jobs, which is the same as minimizing the average completion time. The corresponding coloring problem is *minimum sum coloring*, introduced in [16]: we are looking for a coloring of the conflict graph such that the sum of the colors assigned to the vertices is minimal. Apart from trees, partial  $k$ -trees, and edges of trees, minimum sum coloring is **NP**-hard on most classes of graphs. On the other hand, it turns out that the sum of the coloring is easier to approximate than the makespan (see e.g. [17, 18] for approximation results). The reason for this is that the sum of the coloring and the makespan of the coloring behaves very differently when a small part of the graph is recolored. If we recolor a small part of the graph, then this change has only a small effect on the sum of the coloring, but it can change the makespan significantly. The multicoloring version of the problem can be used to model arbitrary length jobs. Since we want to minimize the sum of the completion times, the objective function of the coloring problem has to be defined as follows. The *finish time* of a vertex is the largest color assigned to it, and the sum of a coloring is the sum of the finish times of the vertices. It is clear that the sum of the finish times in a multicoloring is equal to the sum of completion times in the corresponding schedule. This variant of multicoloring was introduced in [19], where approximation algorithms are given for various classes of graphs. The preemptive and non-preemptive versions of the problem can have very different complexity: while the non-preemptive version can be solved in polynomial time for trees [20], the preemptive version is **NP**-hard for binary trees [13], but has a polynomial time approximation scheme [20]. In [21] polynomial time approximation schemes are given for partial  $k$ -trees and planar graphs as

well. Unlike minimum sum coloring, the multicoloring version of the problem is **NP**-hard on the edges of trees. However, in this case the problem admits a polynomial time approximation scheme [22].

## REFERENCES

- a. Bar-Noy, M. Bellare, M. M. Halldórsson, H. Shachnai, and T. Tamir, "On chromatic sums and distributed resource allocation," *Inform. and Comput.*, 14 (2):183–202, 1998.
- [2] Bar-Noy, M. M. Halldórsson, G. Kortsarz, R. Salman, and H. Shachnai, "Sum multicoloring of graphs," *J. Algorithms*, 37(2):422–450, 2000.
- [3] C Viard-Gaudin, D Barba, A multi-resolution approach to extract the address block on flat mail pieces, ICASSP-91, International Conference, vol.4, Pages: 2701 - 2704 .
- [4] D. Marx, "Listedge multicoloring in graphs with few cycles," *Inform. Process. Lett.*, 89(2):85–90, 2004.
- [5] D. Marx, "Minimum sum multicoloring on the edges of trees," 2003, To appear in 1st Workshop on Approximation and Online Algorithms, Budapest, 2003.
- [6] D. Marx, "Precoloring extension on chordal graphs," 2003, submitted.
- [7] D. Marx, "The complexity of tree multicolorings," in *Mathematical Foundations of Computer Science 2002 (Warsaw - Otwock)*, pp. 532–542. Springer, Berlin, 2002.
- [8] E. Kubicka and A. J. Schwenk, "An introduction to chromatic sums," in *Proceedings of the ACM Computer Science Conf.*, pp. 15–21. Springer, Berlin, 1989.
- [9] K. Giaro and M. Kubale, "Edge-chromatic sum of trees and bounded cyclicity graphs," *Inform. Process. Lett.*, 75(1-2):65–69, 2000.
- [10] K. Giaro, R. Janczewski, M. Kubale, and M. Małafiejski, "A 27=26-approximation algorithm for the chromatic sum coloring of bipartite graphs," in *Proceedings of APPROX 2002*, pp. 135–145, 2002.
- [11] K. Jansen and P. Scheffler, "Generalized coloring for tree-like graphs," *Discrete Appl. Math.*, 75(2):135–155, 1997.

- [12] L. F., Paquete, and C. M., Fonseca (2001) "A Study of Examination Timetabling with Multiobjective Evolutionary Algorithms", Proc. of the 4th Metaheuristics International Conference (MIC 2001), pp. 149-154, Porto. F.T., Leighton, (1979) "A Graph Coloring Algorithm for large Scheduling Problems", Journal of Research of the National Bureau Standard, 84 pp 79-100.
- [13] M. Bir'ó, M. Hujter, and Zs. Tuza, "Precoloring extension. I. Interval graphs," Discrete Math., 100 (1-3):267-279, 1992.
- [14] M. Hujter and Zs. Tuza, "Precoloring extension. II. Graph classes related to bipartite graphs," Acta Mathematica Universitatis Comenianae, 62(1):1-11, 1993.
- [15] M. Hujter and Zs. Tuza, "Precoloring extension. III. Classes of perfect graphs," Combin. Probab. Comput., 5(1):35-56, 1996.
- [16] M. M. Halldórsson and G. Kortsarz, "Tools for multicoloring with applications to planar graphs and partial k-trees," J. Algorithms, 42(2):334-366, 2002.
- [17] M. M. Halldórsson, G. Kortsarz, A. Proskurowski, R. Salman, H. Shachnai, and J. A. Telle, "Multicoloring trees," Inform. and Comput., 180(2):113-129, 2003.
- [18] Narasingh Deo, "Graph theory with applications to engineering and computer science", Prentice Hall of India, 1990.
- [19] O. Marcotte and P. D. Seymour, "Extending an edge-coloring," J. Graph Theory, 14(5):565-573, 1990.
- [20] Shamim Ahmed, Applications of Graph Coloring in Modern Computer Science.
- [21] Wang Ching-Huei, P.W. Palumbo, S.N. Srihari, Object recognition in visually complex environments: an architecture for locating address blocks on mail pieces, Pattern Recognition, 1988., 9th International Conference, IEEE, 1988, vol.1, Pages: 365 - 367.

## The Role of Schools Co-Operative in Cultivating Entrepreneurship Culture and Mind among Chinese Students

Osman jusoh

Senior Lecturer, Department of Business Management /Entrepreneurships

Faculty of Business and Economic, Education University of Sultan Idris

35900 TanjongMalim, Perak, Malaysia

[osman@fpe.upsi.edu.my](mailto:osman@fpe.upsi.edu.my)

### Abstract

*Entrepreneurship is very important in the development of human capital and the development of the country. The objective of this study is to explore the role played by the Co-operative activities in school in cultivating entrepreneurship culture among Chinese students. Eight dimensions of entrepreneurial tendencies were selected and divided into external and internal factors. The external factors included future orientation, social network and the external environment. The internal factors are motivation, creativity and innovation, self-esteem, locus of control and lastly risk-taking. According to McClelland's Theory of Motivation Achievement, individuals with high potential energy and how this energy is released and developed depend on the individuals' strength or motivation and also the opportunities available. A total of one hundred students from a Chinese national type secondary schools in the District of Manjung, Perak were randomly selected for this study. They were studying in Form 4 and Form 5 who might or might not involve in the school co-operative activities. The questionnaire used was tested with the Cronbach Alpha and the reliability valued was 0.931. The results showed that the school co-operative activities did not play a significant role in instilling entrepreneurship among Chinese students ( $r = -0.029$ ,  $p = 0.771$ )  $p < 0.05$ . Despite coming from a business family, the students did not show any tendency to engage in entrepreneurship which was shown by the  $t$ -test result ( $98$ ,  $p = 0.511$ ) =  $-0.660$  and therefore  $p > 0.05$ . Besides, the studies also showed that there are no correlation between the family sizes and the hierarchy of students in the family with entrepreneurship. As a suggestion, the school co-operatives society should develop students internal locus of control through activities that could strengthen and enrich them in order to build the personality of a good entrepreneur. Entrepreneurial Policy Development in Higher Education Institutions of Malaysia should also consider its implementation at the school level. With the continuity between school and higher education institutions, it is hoped that the number of successful entrepreneurs among students are enhanced.*

**Keywords:** Entrepreneur, external factors, internal factors, culture Chinese students

### INTRODUCTION

Entrepreneurship is important to the world today. It is a catalyst for change and growth in a country's economy. This is in line with the opinion of Vinten et al., (2004); Aini Hayati et al., (2005), who stated the field of entrepreneurship is very important in the economic development of a country. Kamarulzaman Ismail and Ab Amaludin. Rahman (2009), said that individual entrepreneurship culture can be nurtured and educated. Yusof Boon and Sapiah Bohari (2010), had the opinion that school is the most appropriate starting point for students to take the opportunity to nurture their interest in entrepreneurship. This is in line with the personality of the students who show interest operating in the co-operative work in school.

Various attempts have been made by the government to develop the objectives of the school co-operative. SKM is always making sure that the school co-operatives can achieve the objectives listed. Among the objectives are to;

- Develop the practice of thrift and self-reliance among the students.
- Sowing the attributes and elements of democracy among the younger generation.
- Encourage an attitude of cooperation and mutual help among each other.
- Produce generation leaders of the intellectual caliber and vision.
- Provide supplies and services needed by the student.

## PROBLEM STATEMENT

In the olden days, when mentioned only entrepreneurship, many would associate it with the Chinese community. No doubt at that time, Chinese people had been involved in the business world and they were marked as leader in this field whereby the locals were still working as fishermen, farmers and rubber tappers. According to Noor Zalika (2013), such conditions caused a notable economic gap between the races at that time due to the British policy of 'divide and rule'. However, this scenario is no longer applicable today.

In this modern era, the Malays and other races are more advanced and competitive in the field of entrepreneurship. The question that arises is whether the Chinese children are no longer interested or they lack support and encouragement from their parents to start their own business. Through the observation done these days, Chinese parents with business background had given less encouragement to their children to venture into business.

Chin Yee Whah (2003), explains the influence of family background as a contribution in influencing the success of an entrepreneur. Continuing their parents' business have a positive impact on an entrepreneur because parents can help to influence patron suppliers and buyers. According to Hisrich (2000), entrepreneurial career is influenced by the parental occupational background of an entrepreneur and the family plays a role in promoting entrepreneurship as a career. This is supported by Nor Aishah (2002) who found that there is a fairly strong correlation between family career and career choices of their children.

## RESEARCH OBJECTIVES

Specifically, this research is conducted to achieve the following objectives:

- i. To identify if Chinese student participation in co-operative activities enhances entrepreneurship.
- ii. To identify the differences in family background towards influencing entrepreneurship.
- iii. To identify the differences in attitude towards entrepreneurship among Chinese students pertaining to gender.
- iv. To identify the relationship of family size with entrepreneurship involvement.
- v. To identify the student hierarchy in the family with entrepreneurship indulgence.

## RESEARCH QUESTIONS

This research is conducted to answer the following questions:

- i. Are Chinese students' participation in co-operative activities a factor that enhances entrepreneurship?
- ii. Are there any relationship between Chinese students' background with entrepreneurship?
- iii. Are there any differences towards entrepreneurship based on gender of students?
- iv. Are there any relationship between the family size with entrepreneurship?
- v. Are there any relationship between the student hierarchy in the family with their entrepreneurship?

## RESEARCH HYPOTHESES

The null hypotheses were formed to answer the research questions. Among them are:

H01: There is no significant relationship between Chinese hierarchy student participation in co-operative activities with entrepreneurship.

H02: There is no significant differences between family background among Chinese students with entrepreneurship.

H03: There is no significant differences of interest in entrepreneurship among Chinese students by gender.

H04: There is no significant relationship between family size among Chinese students with entrepreneurship.

H05: There is no significant relationship between the students hierarchy in the family with entrepreneurship.



## LITERATURE REVIEW

History has shown that countries with many entrepreneurs are forging ahead in their economic development. A country that is progressing or regressing is highly dependent on the dynamics of the entrepreneurs and their vision to achieve. According to Nabi & Holden (2008) and Norasmah & Halimah (2007), a career in the field of entrepreneurship is one of the best jobs that can be pursued by individuals. This is supported in Norash & Salmah (2011) research which stated that an individual should think as the creator of a job instead of finding a job. In this regard, the government has initiated the establishment of the Ministry of Entrepreneur Development in 1995 as a body that managed the development of entrepreneurs. Through this ministry, the government has established various programmes to improve the skills of entrepreneurship for entrepreneurs in order to compete in this era of globalization.

McClelland (1978); Abdul Rahman (1997), says that individual motivation will increase if, first and foremost, one is motivated. Secondly, he understands the elements of motivation. Thirdly, he is actively involved in the effort. Motivation is a set of processes that provide energy to the person's behavior and behavioral goals that lead to achieving the goal. A motivated person will make a positive choice to do something, because he knows what this action means to him, therefore can also satisfy his needs. In addition, McClelland (1978) also stressed that the motivated individuals have high achievement. This is because these individuals have a desire to overcome obstacles and hassles in order to achieve something worthy. Thus, The Theory of Motivation Achievement is giving hope for success and fear of failure is embedded in the psyche of the individual.

Entrepreneurial culture is positive properties owned by an individual such as courage, determination and enthusiasm. The properties can also be capital and assets for trading and convincing others. Entrepreneurial culture should be nurtured starting from primary school through entrepreneurship programmes conducted by students and supervised by experienced teachers. This culture also needs to be nurtured at a higher level of education by offering courses, programmes, seminars or activities that encourage them to venture into entrepreneurship. Culture is important and needs to be nurtured continuously so that interests and solid foundation can be achieved.

## RESEARCH METHODOLOGY

In this study, the researcher chose the survey method of using questionnaires. This questionnaire has been redesigned and adapted from a study conducted by Khalid (2013). The questionnaire contains 55 items and is divided into two parts. Part A consists of 10 items related to student demographic. Part B consists of 45 items related to motivation, creativity and innovation, self-esteem, locus of control, the willingness to take risks, future orientation, social networking, the environment and involvement in co-operative society in school.

There are two main types of data used in this study. Primary data is obtained from respondents through questionnaire while secondary data is obtained through literature review. Quantitative method was chosen because it was more convenient and easier to obtain data and besides it facilitates researcher to analyze data.

## RESULTS

Table 1 shows the mean and standard deviations for the variables which influence entrepreneurship. Of the eight variables studied, the mean for the creativity and innovation is 3.94, the mean for future orientation is 3.97 and for risk taking is 3.74. All three of these variables showed a high level of mean. Moderate mean levels are shown by motivation with mean 3.62, social networking 3.58, the external environment 3.59, self confident 3.48 and locus of control 3.37.

Table 1 Mean And Standard Deviation For Variables Which Influence Entrepreneur

Item	Mean	SD	N
Motivation	3.62	0.59	100

Creativity and innovation	3.94	0.55	100
Self confident	3.48	0.49	100
Locus of control	3.37	0.5	100
Risk taking	3.74	0.54	100
Future orientation	3.97	0.57	100
Social networking	3.58	0.62	100
External environment	3.59	0.56	100

Note: low level at 1-2.33, moderate level at 2.34-3.67 High level at, 3.68-5.00

Table 2 shows the correlation between student participation in co-operative with entrepreneurship.

		Co-operative activities	Entrepreneurship	Working in school co-op
Co-operative activities	Pearson Correlation	1.0	.506**	-0.233*
	Sig. (2-tailed)		0	0.02
	N	100.0	100	100
Entrepreneurship	Pearson Correlation	.506**	1	0.029
	Sig. (2-tailed)	0.0		0.771
	N	100.0	100	100
Working in school co-operative	Pearson Correlation	-0.233*	0.029	1
	Sig. (2-tailed)	0.2	0.771	
	N	100.0	100	100

Nota : \* correlation significant at 0.05 ( 2 tailed)

\*\* correlation significant at 0.01 ( 2 tailed)

In the first research question, the study examined whether the participation of Chinese students in school co-operative can influence their tendency in entrepreneurship. Here the null hypothesis has been formed to examine the relationship between the two variables. The result is shown in Table 2. Pearson correlation tests conducted showed no significant relationships between the Chinese students who were involved in the school co-operative and entrepreneurship. The test results recorded ( $r = -0.029$ ,  $p = 0.771$ )  $p < 0.05$ . This has indicated that the school co-operatives as a platform for the students to familiarize with the entrepreneurship world has not play an effective role among Chinese students. This is because they can get experience in entrepreneurship either by their family background or working with others. Most Chinese students gain experience in entrepreneurship through retail shops, food stalls and supermarket stores that are abundant in this area. In addition, the activities carried out by the school co-operative in the study are limited to the stationary only. This has limited their exposure to entrepreneurship. Students are not involved in the transaction to buy stock, setting the selling price of goods and management experience like accounting. These alone showed that the experiences received by students is rather inadequate.

Table 3 T-Test between Family Background and Inclination toward Entrepreneurship

variable	t	df	Sig ( 2 tailed)
Entrepreneurship	-0.66	98	0.511

The second question is whether the family background influence entrepreneurial among Chinese students . Here, the researcher divided the parents occupation into two categories: business and non-business. The results show that only 30% of respondents had business background and 70 % of the parents work for the government , private sector and others. The t tests results showed  $t(98, p = 0.511) = -0.660$  and the value of  $p > 0.05$  . So it may be concluded that there is no significant influence on entrepreneurship in terms of differences in the parental occupational. The results are shown in Table 3. This also implies that parents are not necessarily encouraging the children to follow in their footsteps. The findings are consistent with the problems posed by the researcher studies in which researcher found that the Chinese parents nowadays do not encourage their children to be active in the business. The reason given include the high risks involved and the benefits derived are not so lucrative. Working as an entrepreneur also requires high resilience and self-confidence in order to continue to be active in this field. Although the study also found that Chinese students dare to take risks, but they do not want to venture into entrepreneurship because they want to live in comfort without working for long hours. In Manjung District, small businesses have to compete with large supermarkets such as AEON , Giant , Tesco , Billion , The Store , Econ Save and Rapid Supermarket . Their existence has resulted in small businesses gain decreases and difficult to continue their business.

Table 4 T-Test For Entrepreneurship Tendency Based on Gender

variable	t	df	Sig ( 2 tailed)
Entrepreneurship	0.633	98	0.528

Next to answer the question of whether the Chinese students' gender has a significant relationship with the entrepreneurial tendencies, researchers randomly selected Chinese students in terms of gender distribution. Researchers found that 51% of respondents were female students and 49% of them are male students. Thus, the distribution of respondents are considered fair to test the question above. The researcher also conducted a t-test on the dependent variable, entrepreneurship and independent variables of gender and the findings are listed in Table 4.

T-tests conducted showed differences in gender among Chinese students do not play a significant role in entrepreneurship. The results of the t-test  $t(98, p = 0.528) = 0.633$  where  $p < 0.05$ . Thus gender is not a determining factor for entrepreneurship among Chinese students. The finding is consistent with the research conducted by Rosli (2013) who found no significant differences between mean scores of entrepreneurial tendencies based on gender. This study is also consistent with Davidson (1995) who found that gender has little or no influence on entrepreneurship.

Table 5 Correlation Between Family Size And Entrepreneurship Tendency

		Family sizes	Entrepreneurship
Family sizes	Pearson Correlation	1	.152
	Sig. (2-tailed)		.131
	N	100	100
Entrepreneurship	Pearson Correlation	.152	1
	Sig. (2-tailed)	.131	

N 100 100

Table 6 Correlation Between Student Hierarchy In The Family With Entrepreneurial Tendencies

		Student hierarchy in the family	
		Entrepreneurship	
Entrepreneurship	Pearson Correlation	1	-.034
	Sig. (2-tailed)		.740
	N	100	100
Student hierarchy in the family	Pearson Correlation	-.034	1
	Sig. (2-tailed)	.740	
	N	100	100

To answer the fourth question, the researcher has used Pearson correlation. Here the question is whether the size of the family played a significant role in entrepreneurship. The null hypothesis was rejected because the results show that ( $r = 0.15$ ,  $p = 0.13$ ),  $p > 0.05$ . From the findings of this study, it can be concluded that the size of Chinese families has no significant correlation with entrepreneurship. In ancient times, the size of the family is important as parents need help from their children to keep the business going. But now the situation does not exist anymore because many traders are hiring foreigners from Pakistan, Bangladesh, Vietnam and others.

This study differs from Hisan (2007) that indicates the size of the family influence entrepreneurial among Malay students in LamborKiri. The same opinion is also given by Sodri (2002) which stated family environment influence the children attitude.

Finally, the question presented is whether there is a relationship between the students hierarchy in the families with entrepreneurship. Does the eldest more interested in doing business compared with the other children. Referring to the findings in Table 6, Pearson correlation  $r = -0.34$ ,  $p = 0.74$  showed that the two variables have no significant relationship because the value of  $p > 0.05$ . The results also show that many Chinese families have fewer children and they are less likely to distinguish affection for their children, teach them to be more independent and cultivate positive attitude to all their children regardless of their hierarchy in the family. This finding is in line with Chin Yee Wah (2003) who stated that the role of parents in bringing up and educating their children is important for the children character building. A study conducted by Hisan (2007) on the Malay students in LamborKiri, Perak reported that the eldest son showed greater devotion to duty, initiative and confident in a job compared with the middle and youngest child.

## SUGGESTION AND CONCLUSION

The study was an effort to improve the school's co-operative role in fostering entrepreneurship culture among Chinese students. The study is based on Chinese students, co-operative teachers, the schools involved and the Co-operative Commission of Malaysia. Several suggestions have been proposed to improve the co-operative role and also as a guide for future studies.

Based on the results, the variables with the lowest mean value is the locus of control. Therefore it is proposed that locus of control should be cultivated and strengthened among Chinese students. This is also true, based on the report submitted by academicians with entrepreneurial mastery like McClelland, Littunen, Rotter, and Schumpeter. In their research, they found that locus of control is a major factor of personality formation of a good entrepreneur. Rosli (2013) has argued that individuals within term locus of control, self-reliance, risk-taking, self-confidence, self-control have the ability and desire to materialize their ideas. Thus the Chinese students have to be exposed to activities that could strengthen and enrich their experiences in order to become good entrepreneurs.

School Co-operatives are more focused on business activities such as selling stationery items, exercise books, sports t-shirt, and other small items. This function can actually be expanded to the sale of daily necessities such as rice, soap powder, cooking oil, dry stuffs such as dry noodle, beans and others. By selling grocery items, it will not only increase its income but also provide services to the surrounding community. In addition, school co-operatives are also encouraged to host the Co-operative Tourism to enable the members of the society to gain knowledge pertaining to tourism. Datuk Hajj Abdul Fattah (2014) from ANGKASA has called on the students and teachers to venture into tourism activities. This could give the students a chance to learn the management entailed in tour packages besides helping the school co-operatives to generate profits.

In line with the government's goal to produce quality human capital who are innovative and creative, to transform the nation's economy, education and other programmes and activities of entrepreneurial culture among university students should also be extended to students in school. A more organized and integrated step should be taken by the Ministry of Education in providing programmes to enhance entrepreneurship and infrastructure and a conducive environment to the students who really have a passion and desire to become an entrepreneur. Entrepreneurial Development Policy in Higher Education Institutions should also consider its implementation at the school level. With the continuity between school and higher education institutions, it is hoped that the number of successful entrepreneurs would increase.

The process of entrepreneurial culture is a long-term process and requires continuous effort. In our country the process of entrepreneurial culture has become a major focus, therefore it has to start early when the students are still in primary and secondary schools. Consequently it should be expanded to students in higher education irrelevant whether they belong to the private or public institutions. Given the importance of establishing entrepreneurial culture, the school co-operative has taken the initiative to expose the students to the business world as early as possible.

From this research, more efforts should be taken to strengthen the school co-operatives so that it can function properly. School co-operatives should take more initiatives and grab the opportunities provided by the Co-operative Commission of Malaysia to conduct appropriate programmes for its members. Co-operative activities should no longer be limited to retail sales only. It should take up creative and innovative steps to participate as hosts in the Tourism Co-operative Young Entrepreneur Programme and other projects to open the eyes and minds of the students.

Finally, all students should seize the opportunity to gain the competitive and entrepreneurial knowledge provided at the school through co-operative or through the subjects taught. In doing so, they will be better prepared to face the future with hope to become a successful entrepreneur.

## REFERENCES

- [1] Ab. Aziz Yusof (2013). *Strategi Usahawan Cemerlang*. Kuala Lumpur: Utusan Publication & Distributor Sdn Bhd.
- [2] Ab. Aziz Yusof (2003). *Prinsip Keusahawanan*. Kuala Lumpur, Prentice Hall.
- [3] Ab. Aziz Yusof (2010). *Usahawan & Keusahawanan*. Kuala Lumpur: Scholarmind Publishing.
- [4] Aini Hayati Mohamad, Abu Bakar Hamed, Norsiah Mat (1999). Wanita Menujukkan Era Keusahawanan: Memahami Aktiviti Jaringan Usahawani, *Jurnal Pengurusan*, Vol 18: 109-129 UKM.
- [5] Aion Mohd dan Abdullah Hassan (1996). *Seni Berfikir Kreatif*. Kuala Lumpur: Utusan Publication & Distributor Sdn Bhd.
- [6] Alias Baba (1992). *Statistik Penyelidikan dalam Pendidikan Sains*. Bangi: Penerbit UKM.
- [7] Armibth Hj Zainuddin (1997). *Prestasi Koperasi Sekolah Dalam Gerakan Koperasi*. Kertas Seminar Koperasi Sekolah: Cabaran & Arahan Akan Datang.
- [8] Asmawati binti Hashim (2002). "Persepsi Pelajar Terhadap Peranan Koperasi Sekolah Dalam Membentuk Sifat Keusahawanan: Satu Tinjauan di Tiga Buah Sekolah di Pekan Merlimau, Melaka" *Projek Sarjana Muda*. Tidak diterbitkan.
- [9] Atkinson JW and Birch D (1978) *Introduction to Motivation 2<sup>nd</sup> edn*. Van Nostrand, New York.
- [10] Azizi Yahaya, Shahrin Hashim, Jamaludin Ramli, Yusof Boon dan Abdul Rahim Hamdan (2006). *Menguasai Penyelidikan dalam Pendidikan*. Kuala Lumpur: PTS Professional Publishing Sdn Bhd.

- [11] Baharu bin Kemat (1994). Orientasi Sikap Keusahawanan di Kalangan Pelajar Politeknik di Malaysia, Tesis Sarjana Sains Pengurusan, Universiti Utara Malaysia.
- [12] Bird J.B. (1989). *Entrepreneurial Behavior*. London, Scott, Foresman & Company .
- [13] Bird, Barbara & Mariann Jelinek (1988). *The Operation of Entrepreneur Intentions, Entrepreneurship Theory and Practice*.
- [14] Borjoi Bardai (2000). *Keusahawanan dan Perniagaan*. Kuala Lumpur: Dewan Bahasa dan Pustaka.
- [15] Borland, C. (1974) *Lokus of Control, Need for Achievement, and Entrepreneurship*. Unpublished doctoral dissertation, University of Texas at Austin. Boston: PWS-Kent
- [16] Carsud, A.L. & Olm, K.W. (1996). *The Success Of Male And Female Entrepreneurs: A Comparative Analysis In Managing Take Off In Fast Growth Firms*. New York: Praeger Publisher.
- [17] Chek Pit Chow (2002). Ciri-ciri Keusahawanan di Kalangan Pelajar Sekolah Menengah di Wilayah Persekutuan. Tesis Sarjana Pendidikan, Bangi: Universiti Kebangsaan Malaysia.
- [18] Choo, S & Wong, M. (2006). *Entrepreneurial Intention: Triggers and Barriers to New Venture Creations In Singapore*. Singapore Management Review .
- [19] Chua, Y.P. (2006). *Kaedah dan Statistik Penyelidikan Buku 1*. Kuala Lumpur: McGraw -Hill Education.
- [20] Craint, J.M (1996). *The Proactive Personality Scales As A Predictor Of Entrepreneurial Intentions*, Journal Of Small Business Management
- [21] Cunningham, J.B. & Lischeron, J (1991). *Definition Entrepreneurship*. Journal of Small Business Management.
- [22] De Bono (1975) *Pemikiran Lateral*. Terjemahan. Kuala Lumpur. Golden Books Center Sdn Bhd.
- [23] Dollinger, M.J. (1995) *Entrepreneurship; Strategies and Resources*. Illinois: Irwin.
- [24] Douglas, E.J., & Shepherd, D. A. (2002). *Self -Employment as a Career Choice: Attitudes, Entrepreneurial Intentions, and Utility Maximization*. Entrepreneurship Theory and Practice.
- [25] Drucker, P.F. (1985). "The Practice Of Entrepreneurship", *Innovation and Entrepreneurship Practice and Principles*, Harper & Row, New York.
- [26] Hayati Md. Salleh, Asha'ari Arshad, Ahmad Faizal Shaarani, Norbila Kasmuri. (2008). *Gerakan Koperasi Di Malaysia*. Maktab Kerjasama Malaysia. Petaling Jaya.
- [27] Hisan Mohd. Sudin (2007). *Orientasi Keusahawanan Di Kalangan Pelajar Sekolah Menengah Lambor Kiri Perak*. Disertasi Sarjana Pendidikan, Universiti Pendidikan Sultan Idris.
- [28] Hisrich, R.D. & M.P. Peters (2002). *Entrepreneurship (fifth edition)*. New York, NY: McGraw a- Hill/ Irwin
- [29] Hisrich, R.D. & M.P. Peters (2008). *Entrepreneurship (7<sup>th</sup> edition)*. New York, NY: McGraw a- Hill/ Irwin
- [30] Howell, D. C (1992). *Statistical Methods For Psychology (3rd Ed.)*. Boston: PWS-Kent
- [31] Humam Bin Haji Mohamed. (1988). *Entrepreneurial Development In Malaysia With Specific Reference To Training And Development Initiatives*. Doctor Of Philosophy . University Of Stirling, London.
- [32] Jain, S. (1993). *Marketing planning & strategy (4th Ed.)*. Cincinnati, Ohio: South Western Publishing Company .
- [33] Kamus Dewan Edisi Baru. (2003). *Dewan Bahasa dan Pustaka*. Kementerian Pendidikan Malaysia: Kuala Lumpur.
- [34] Khairuddin Khalil (2003). *Keusahawanan Sebagai Kerjaya*. Edisi Kedua Kuala Lumpur : Dewan Bahasa dan Pustaka.
- [35] Khalina Khalid (2004). *Peranan Koperasi Sekolah Dalam Memupuk Budaya Keusahawanan Di Kalangan Anggota-Anggotanya*. Kertas Projek Sarjana. Universiti Kebangsaan Malaysia.
- [36] Kirzner, I (1979). *Perception, Opportunity And Profit: Studies on Theory Of Entrepreneurs*. Chicago: The University Of Chicago Press.
- [37] Krueger, N.F. & Carsrud, A.L. (1993). *Entrepreneurial Intentions: Applying The Theory Of Planned Behavior*. Entrepreneurship & Regional Development.
- [38] Kuratko, D.F. & Hodgetts, R.M. (1992). *Entrepreneurship, A Contemporary Approach*. London: Dryden Press.

- [39] Mastor bin Hemdi (2003). Satu Kajian Terhadap Gerakan Koperasi Sekolah Di Daerah Kuala Kangsar, Perak. Tesis Sarjana Pendidikan dan. UKM.
- [40] Mazlan bin Kamis (1997). Koperasi Sekolah Sebagai Pemupuk Keusahawanan, Latihan Ilmiah, Universiti Utara Malaysia.
- [41] Mc Burney, D. H. (2001). Research Methods (5th ed). California. Wadsworth.
- [42] McClelland, D.C. (1965). NH Achievement and Entrepreneurship: A Longitudinal Study. Journal of Personality and Social Psychology.
- [43] McClelland, D.C. (1961). The Achieving Society. New York: Irvington Publisher Inc.
- [44] Mery Coulter (2000). Entrepreneurship Involves Changing, Revolutionizing, Transforming, Introducing New Approach: Prentice Hall.
- [45] Mohd. Majid Konting. (2000). Kaedah Penyelidikan Pendidikan (5th Ed.). Kuala Lumpur.
- [46] Mohd. Najib Abdul Ghafar (2003). Reka Bentuk Tinjauan Soal Selidik Pendidikan. Skudai: Universiti Teknologi Malaysia.
- [47] Moorman, J.W. and Halloran, J.W. (1993). Entrepreneurship. Colorado: South Western Publishing Co.
- [48] Natifah Abu Khairi. (2006). Kecenderungan Keusahawanan Di Kalangan Pelajar Jurusan Perakaunan Kolej Metrikulasi Pulau Pinang. Seminar Penyelidikan Pendidikan Program Matrikulasi, KPM 2006.
- [49] Nawawi Mohd Jan (1992). Kompetensi keusahawanan. Asas Keusahawanan. Pusat Pembangunan Usahawan Malaysia (MEDEC). Shah Alam. Institut Teknologi Mara.
- [50] Nor Aishah Buang (2002). Asas keusahawanan. Kuala Lumpur, Fajar Bakti.
- [51] Nor Azizah Ismail (2000). Aspirasi Keusahawanan Di Kalangan Pelajar-Pelajar Perempuan Di Sekolah Menengah Tok Janggut, Pasir Puteh, Kelantan. Satu Tinjauan. Tesis Sarjana Muda Yang Tidak Diterbitkan, Skudai: Universiti Teknologi Malaysia.
- [52] Nor Fadila Mohd Amin & Dzulfiszuralspaw (2011). Faktor-Faktor Yang Mempengaruhi Pemilihan Bidang Keusahawanan Sebagai Kerjaya Dalam Kalangan Pelajar Pendidikan Teknikal Dan Vokasional. Fakulti Pendidikan, Universiti Teknologi Malaysia.
- [53] Norhatta Mohamad (2003). Pengetahuan, Kemahiran Dan Sikap Dalam Perniagaan Dan Keusahawanan Di Kalangan Pelajar-Pelajar Sekolah Menengah Di Sekitar Lembah Kelang. Tesis Sarjana Yang Tidak Diterbitkan, Bangi: University Kebangsaan Malaysia.
- [54] Noor Zalika (2013). Cabaran Dan Halangan Membangunkan Usahawan Bumiputera Berjaya <http://azlanusof.blogspot.com/2013/03/cabaran-dan-halangan-membangunkan.html>
- [55] Pallant, J. (2011). SPSS survival manual: A step-by-step guide to data analysis using SPSS. New South Wales: Allen & Unwin.
- [56] Ramayah, T. & Harun, Z. (2005). Entrepreneurial Intention Among The Students Of University Sains Malaysia (USM). International Journal Of Management And Entrepreneurship.
- [57] Ramlee Ismail, Jamal @ Nordin Yunus & Hariri Kamis (2011). Analisis Data Dan Pentafsiran Dengan Menggunakan SPSS. Kuala Lumpur: Titisanihham.
- [58] Ramziah Shamsuddin (2000). Amalan Pendidikan Keusahawanan Di Kalangan Pelajar Semasa Menjalani Aktiviti Keusahawanan Di Sekolah Menengah Vokasional. Tesis Sarjana Muda Yang Tidak Diterbitkan, Skudai: University Teknologi Malaysia.
- [59] Rancangan Malaysia ke-sembilan, (2006-2010). Economic planning unit, Prime Minister's Department, Malaysia. Kuala Lumpur: Percetakan Nasional Berhad
- [60] Roslan Ali. (2010, September 21) Minda Usahawan. Jurnal Usahawan.
- [61] Roslan Hussin (2003). Kecenderungan Keusahawanan Di Kalangan Pelajar-Pelajar Sekolah Menengah Agama Rakyat Di Negeri Perak. Tesis Fakulti Pendidikan, Universiti Kebangsaan Malaysia.
- [62] Rosli Khalid (2013). Kecenderungan Keusahawanan Dalam Kalangan Guru-Guru Koperasi Sekolah Menengah Di Daerah Klang. Kertas Projek Sarjana. Universiti Pendidikan Sultan Idris.

- [63] SabriHj. Hussin (2002). *PengenalanKepadaPerniagaan: MengurusPerniagaanDalamPerspektif* Malaysia. Singapore: Thomson Learning
- [64] Segal, G., Borgia, D., &Schoenfeld, J. (2005). The motivation to become an entrepreneur. *International Journal of Entrepreneurial behavior& research*, 11 (1).
- [65] Sekaran, U. (2003). *Research Methods For Business* (4<sup>th</sup> ed.) Hoboken, New York: John Wiley & Sons.
- [66] Sekaran, U. 1992. *Research Methods For Business: A Skill-Building Approach*. (2<sup>nd</sup>ed.).New York: John Wiley & Sons.
- [67] ShahrinHashim 1 &Noraini Radio (2011). Ciri Personality Keusahawanan. *Journal Of Educational Management*, Volume 4 December 2011, Pages 11/ ISSN: 2231-7341. FakultiPendidikan, Univ ersitiTeknologi Malay sia. [http://eprints.utm.my/20951/1/Abstract\\_EPRINT96.pdf](http://eprints.utm.my/20951/1/Abstract_EPRINT96.pdf).
- [68] ShamsuddinJusoh (2002). Persepsi Guru Dan PelajarSekolahMenengah Di Kelantan TerhadapPenerapanCiri-CiriKeusahawanan. *KertasProjekSarjana*, Univ erisitiKebangsaan Malay sia.
- [69] Shapero,A&Sokol,L (1982). *The Social Dimensions Of Entrepreneurship*.InC.A.Kent (Eds),*Encyclopedia Of Entrepreneurship*.Englewood Cliffs, New Jersey:Prentice-Hall,Inc.
- [70] SharifahKamariahbt Syed Sofian (1996). *The Identification Entrepreneurship Characteristic Among Secondary School Students In The District Of Hulu Langat, Selangor*. TesisSarjana. University Putra Malay sia.
- [71] SitiHawabinti Mohamed Idris (2009). *KecenderunganKeusahawanan Di KalanganPelajarBidangKejuruteraan Di InstitusiPengajianTinggiAwam Di Kawasan Utara Semenanjung Malay sia*. DesertasiSarjana. University Utara Malay sia.
- [72] Stephens, P. R., Fry, F., Van Auken, H. (2006). *The Influence Of Role Models On Entrepreneurial Intentions*. *Journal Of Developmental Entrepreneurship*.
- [73] Timmons, T.A., Smollen L.E.S. &Dingee A.L.M. (1977).*New Venture Creation:A Guide To Small Business Development*. Ontario: Richard D. Irwin.
- [74] Timmons, T.A., Smollen L.E.S. &Dingee A.L.M. (1977). *New Venture Creation*:
- [75] *Transforming, IntroducingNew Approach*:Prentice Hall.
- [76] Turner, D. (1997). *Managing personal development*. Petaling Jaya: Pelanduk Publications (M) Sdn. Bhd.
- [77] *UITM Entrepreneurship Study Group* (2004). *Fundamentals of Entrepreneurship* Petaling Jaya: Prentice Hall Pearson Malay sia Sdn Bhd.
- [78] Wan Liz Ozman Wan Omar &Sulzari Mohamed (2002). *MemperkasakanUsahawan: PanduanLengkapPengurusanPerniagaan Dan PenjanaanUsahawan*. Kuala Lumpur: Utusan Publication & Distributors Sdn Bhd.
- [79] Wan Syukri Wan Drani (2004). *PengaruhPersonalitiTerhadapKecenderunganKeusahawanan*. Univ erisiti Utara Malay sia.
- [80] Wu Min Aun Dan Beatrix Vohrah (1990). *Undang-UndangPerdagangan* Malay sia. Petaling Jaya: Longman Malay sia Sdn. Bhd.
- [81] Y.F Lay & C. H. Khoo. (2009). *PengenalanKepadaAnalisisData KomputerDengan SPSS 16.0 For Window s*. Selangor: Venton Publishing (M) Sdn. Bhd.
- [82] Yusof Bin Boon &SapiahBintiBohari (2010). *KesediaanUntukMenceburiBidangKeusahawanan Di KalanganPelajar-PelajarBumiputeraTingkatanEmpat Di TigaBuahSekolahSekitarSkudai, Johor*.
- [83] ZaidatoAkmaliah Lope PihiedanHabibah Elias (1997b). *Keusahawanan DanMotivasiDiri*. Univ ersiti Putra Malay sia.
- [84] ZaharuddinYahya (1995). *MemilihPerniagaan: KeArahPembentukanUsahawan Dan PengujudanPerniagaan Yang Berdayamaju*. Kelantan: Al-Kafilah Enterprise.



## Reality and Imagination, the Portrait of Solitude, Suffering, Desperation and Exclusion, through the Existential Consciousness in the Man's Character

Assoc. Prof. Dr. Elda Talka

"Aleksander Xhuvani" University, Elbasan, Albania

eldatalka@yahoo.it

### Abstract

*Federigo Tozzi is a Classical Modern Italian writer of the Italian Literature in the early XX<sup>th</sup> century. The novel analyzed, The Clocks, is written by him and the central character is Bernardo Lotti a man who lives alone in his existence surrounded by clocks that are hung on the walls around the house. The existential melancholy, ineptitude and loss, painful conception of the character's life are the demonstration of the XX<sup>th</sup> century's crisis in Europe and Italy. The writer tries to be evident with the modern myth of the impossibility of life between consciousness and the reality. The objects in this novel are vitalized and life was given to them. The character is seen through the mechanism of glance and the metaphoric use of the reality, an objective description by the writer and subjective interpretation of the consciousness from Bernardo. In the horizontal plane we have a slow trend and in the vertical plane a fast style, concentrated, with ellipsis of verbs.*

**Keywords:** solitude, suffering, desperation, existential, malaise.

### Introduction

Federigo Tozzi an avantgarde Italian writer of the twentieth century is considered by the Italian criticism a master of narrative expressionism (Luperini, 2001, 184) in the first quarter of the twentieth century. Tozzi a provincial writer from Siena is a representative figure of the cultural crisis that swept Europe in the first years of the 20<sup>th</sup> century. Regarding the topics covered and artistic values, his art as a novelist can be compared, on the European level of the art, to the great European writers such as Kafka, Joyce and Pirandello. According to the Italian critic Baldacci (1993, 105) if all his work is considered a diamond, the novels by Tozzi are the point of this diamond, and in the edition of "Corriere della Sera" newspaper of 25<sup>th</sup> March 1994 where Baldacci expresses that Tozzi is a provincial Kafka. The avantgarde Italian literature till the war period refuses genres such as novels and in fact, the first 25 years of the 20<sup>th</sup> century in Italy are characterized by breaking the previous tradition of literary and an approach of new topics such as the discovery of the unconsciousness, the individual identity crisis and incompetence/ineptitude. In Italy during this period are verified two parallel phenomena; the breakthroughs from the narrative tradition of cultivating the novel and the roman, and the re-establishment of the new novel on new narrative structures.

Tozzi in his early literary writing fragmented voices of writers such as Jahier, Slataper, Boine, associates of the *La Voce* magazine. These writers represent the front line that develops a more destructive action than regenerated the new era that leads to fragmentism, as well as the refusal of novel and the roman. While some other authors of 70s, Svevo and Pirandello propose some alternative solutions to rejuvenate the different genres of the novel, Tozzi, an exponent of the 80s, follows a path that starts from the fragmentism to reach his novel on the establishment of new narrative basis. Tozzi proposes a new way to narrative a novel and a roman. He requires the establishment of a new interrelation with the public, seeking new ways of reading and finding new social interlocutors (Luperini, 2001, 52), taking into consideration the preference of the public and interest in novels as the novels used to be published on the third pages of newspapers as consumer products.

With perseverance and consistence to the public tastes, Pirandello and Tozzi fought together against fragmentisms and traditional writers. They did not abandon traditional narrative genres novel, but targeted to renew these genres from the inside and the modern Italian novelistic begins precisely with these two writers. Pirandello and Tozzi within the novels *Novelle per un anno - Short Story for one year* and *Giovani- Young* managed to write indisputable novelistic masterpieces of modern Italian.

Tozzi is a storyteller who connects the reality and the imagination (Benevento, 1996, 226) the autobiography, and narrative/short story, the spiritual life in function of representing "people" and "things" reaching to the novels such as *Gli Orologi - The Clocks* and *Campagna romana - Roman country*, which are some of the peaks in his art.

The purpose of this paper is to analyze and interpret the novel titled *The Clocks* which was originally published on, October 25, 1919 in *Novella* and later was involved in *Opere*, published by Mondadori in 1987.

*The character's existential shock, melancholy and painful conception of life:* the main character of the novel Bernardo Lotti, is described as a Nobel man in behavior and lonely, who appears as a pathetic and dignified emblem of a provincial bourgeoisie. He has been through some family disasters such as his wife's and children's death, and has almost reached the end of the parabola of his life. He lives alone, and the only ones that keep him company are the clocks, these fragile measurements of the time and a madman who is the other character in the novel and described only physically is named *limonaio* - the lemon man. The clocks in the house and the public clocks in the city with their ticking are the objects with which he shares the space and the moments of the day. He follows the same ritual every day, with the emergence of a walk in the garden house, lunch at the restaurant and returning home charging/clock working the clocks and gazing the clocks. A sufficient rent guarantees him a dignified, calm and without problems life. It is a facade balance which essentially conceals/hides a shocking existential concern of main character, Bernardo Lotti. In a sad background looms a double identity; between what appears in the surface and what is inside is the invisible secret of awareness. Bernardo's loneliness is reflected by his ratio of the objects, the clocks, with which, more than a property ratio, is connected by the simple fact of sharing with these objects, the same space. Bernardo kept in his house seven clocks, one clock for each room; only in the hall there were four. The desire to communicate with someone pushes Bernardo for attributing human characteristics to his own clocks, *un tic-tac come un respiro - a tic - tac like a breath; la voce qualche parola - the voice a few words*. But clocks, the projection of losing the character, take threatening aspects; almost *tagliare e a uccidere - cut and kill* with its black hands of the clock. It is Bernardo's view that distorts reality in a frightening nightmare, thanks to the game of similes used masterfully by Tozzi such as; *si pareva che, parevano; come se; come*.

Dismantling the human condition reflected in a dry style, verbal ellipses, which are used in the function of providing rapid nervousness. According to Baldacci criticisms (1973, LII), Tozzi's characters *are not, do not feel and they sometimes appear*, such as they come back as anti-characters without strong individual features, symbolic emblems of universal human characters. Tozzi characters resemble Svevo and Pirandello's characters. Bernardo, the main character belongs to that category of human beings, but as drawn from life itself, they are unable to afford it, they alienated ending "*at the bottom of a well*" (Ulivi, 1969, 482) unable to emerge from the circle of the loneliness. The existential concern and what tortures Bernardo, is neither linked with the physiological mechanism of aging nor with the disappointment of already hit bourgeoisie. He dies with a family balance bankruptcy without heirs; he is unable to penetrate the mystery of existence and thus proves the identity crisis of modern man.

The observation mechanism: Bernardo's life is built with sequences, on one hand are described the gestures his behavior and on the other as opposed to those given in rituals which mechanically are repeated by the character. It has a casual friendship relation with a pale madman, which represents a human mirror of someone being set aside by society. Even the pale madman is incapacitated, but differently from Bernardo, he is young and has no economic opportunities. He spends two months a year in mental hospital. Two incompetent, ineptitude figures that fulfill their needs are set aside, are excluded, are sufferings, and are desperate and lonely. In contrast to madman, Bernardo has restricted his life in observation mechanism. In this observation mechanism, the eyes are the key element to guarantee the contact with the real, living ratio between the outside world and consciousness. Bernardo's eyes limit the existence of the lonely character and have contemplative and static function. Bernardo's staring eyes focus at the clocks. The clocks become alive, equipped up to a biological structure, with a breathing heart and words, mechanical metaphors of life suffering. As it has been documented the literacy critic Paolo Getrevis (1983) - Tozzi regains the imagination of Poe turning the biggest clock in a killer figure, with clock hands as knife blades/ *lame di coltelli che avessero da tagliare e uccidere*- knife blades to cut and kill. Tozzi uses verbs *sembrare, parere, come se - seems, looks like, if*, to build artistically visible metaphors and to describe a nonsense reality, for example *pareva che avessero paura di quello, pareva che fosse sempre per sfasciarsi, le sue nere lancette parevano lame di coltelli* - it seemed that they were afraid of that, it looked like if it always was falling apart, its black hands looked like knife blades. The clocks are the only daily interlocutor of Bernardo's silence and appear as projections of non-adaptation, but, even as those humans who need to be seen and charged, feel submitters. Human existence is a mechanism that is subject to time and death is the end and, on the other hand, if the clocks unexpectedly lag the time, they cannot function. The unconscious output from the scene of Bernardo's biographical parable is given when suddenly it is

cut off in the middle of the life from death. *Ma la morte prese anche Bernardo prima di dargli tempo di avvedersene - But death took Bernardo without giving the chance to understand it.* Bernardo's death arrives unexpectedly and unmotivated, perhaps accelerated as it can be intuitively understood in connection with the first part of the novel by the absence of love and solidarity with existence. Death is the only event with the real essential of Bernardo's existence and it is not accidentally recorded using present perfect tense, *prese - received*, compared to time described by using imperfect and filled with a repeated passage condition, and constant questions. *Qualche volta, questa solitudine gli dava da vero una disperazione melanconica, La tritezza più grande era quella di non avere né meno un figliolo. Morto lui, anche la famiglia Lotti spariva - Sometimes, this loneliness gave him a true despair of melancholy sadness. The biggest sadness was not having a son. Once he dies, the Lotti family disappears too.*

The reality described by Tozzi spins with a painful kind of conception of living/life, rocked by mystery, it is unable to penetrate the laws and acts to distort the objectivity of things according to the subjective filter of anxiety. The world is appeared to Tozzi as a mystery and must be presented as such in the literature. The vision of Tozzi is subjective and wrenching. Tozzi writes for the only reason because he doesn't know to explain the reality in contrast to the Naturalist who can give interpretations and explanations (G. Debenedetti, 1971, 255).

It can be said that we are dealing with a vision of expressionism and even hyperrealism in a personal fusion of fiction, visionaries and documentation. Tozzi, a provincial from Siena, is worth, according to the opinion that critic Debenedetti, to represent literature as the original exponent of the century XX, as Kafka did for Prague, Svevo for Trieste or Pirandello for Sicily, and reaches through the opening of a local geographical and anthropological microcosms to the macrocosms of the universal human condition. In his novel, Tozzi marks human crisis facing the impossibility of a naturalist mirroring of world. Tozzi through his art has found the existential shock as the man portrayed in the figure of Bernardo and giving the existential consciousness, the psychology that subdues life and things.

The breaking and the metaphorical use of the reality: in constructing the structure of the novel Tozzi does not respect the previous realistic and documentary tradition, but the physiognomy of the story and the novel, a merger between basic narrative structures, Verga model and incorporating an elliptical descriptive method without verbs and with incorporated parts, this was, firstly, as a consequence of the fragmentism given broader vocian expression (Luperini, 1995, 226). He constructed the analyzed short story in this article as human portrait of loneliness, melancholy and sadness and records his daily actions the seized with gestures, behavior and actions. And this is exactly the first innovation from Tozzi as in this way he allows the use of metaphorical reality leading us to a secret, conceptual and sentimental understanding. *Qualche volta ... per loro - Sometimes ... for them:* Tozzi as a narrator abandons right here the documentary cut and describes the inner life of Bernardo. His vision turns into a discovery and witnesses the cause of an existential convulsions, facing a threatening reality that increasingly dominates man *quelli erano i padroni - they were the masters - the clocks* the only solution seems not visual, an implied hint of the desire for death and cancellation.

In the novel, it is neatly conducted with the continuous conjecture between objective description of the character and subjective interpretation. In the first plane of writing, the "horizontal" one which is linked to space-time resolution of Bernardo's life, Tozzi builds the structure of the novel, with a slow and dry gait in the first sequences. In other sequences he uses a fast and focused style, where predominates the ellipsis use of the verb to a greater effect of the realization of synthesis, *dopo mangiato- after have eaten* etc. While in terms of syntax, Tozzi, to divide the effects of the causes, frequently uses comma point, in order to isolate the end of the sentence and to give more importance. In the second plane, the "vertical", those of the meaning, Tozzi uses abstract phrases with multiple meaning; fills the empty spaces of action with lyrical phrases. Also it is noted the lack of causative conjunctives, the syntax regime is paratactic, everything placed in the same plane disappears and to be mentioned is the narrative hierarchy. All is submitted in subjective and troubling optics of the character and can say that we are dealing with an addicted subjectivism (Baldacci, 1993, 11). The scene in the novel follows the look from top to bottom. Tozzi uses indirect free speech; slows down the introduction the story by using of question and exclamation marks. Frequent use of these signs of speech is done in the function of announcing tension and passionate concerns (Tellini, 1972, 53). It is this moment of painful authenticity of the character who opposes to the truth of yarrow/internal stasis toward the external state to its daily movement that is only obvious. Tozzi realizes his deconstruction by destabilizing the logic of the story attire to enable the transmission of values between the possible and existential.

Bernardo's zero degrees existence is hidden in the charging and obsession of the clocks, with the appearance of someone being trembled and excluded from life. Even in physical contact with the outer world during the morning stroll in the garden of the city of Siena, which opens new perspectives for the character on the creation of new relationships, Bernardo sees

himself desperate, humble and excluded, confirming in this way his suffering loneliness and solitude. Bernardo gets affected by the supremacy of conscience: the area of his own shadow; penetrated by the darkness of the unconsciousness - according to Debenedetti - which allows us to interpret human behavior. And thanks to the excavation of the internal state in Tozzi's characters, it is avoided the flavor of fragmentism with vocian inspiration. And with an innovative experiment, Tozzi submits to the reader "more questions than answers", insists for "a narrative" as consumption of a "profane public and for more, hasty" (Tellini, 1972, 21, 35). The reader find himself in front of the necessity to meet in invisible use of elements of the story and the writer's reticence, actively cooperating in reading the text, realizing "an organic request and encouragement in the hermeneutic act of freedom of interpretation (Luperini, 1995, 226)".

In conclusion, it can be said that the novel analysis of Tozzi showed the particular compromises through which the unconscious logic becomes the syntax of the narrative which proves in the Italian art the closeness of the Tozzi's novels with those of Joyce, Kafka and Pirandello, the Italian founder of modern narrative.

## RERERENCES

- [1] Baldacci, L. (1973). *Le illuminazioni di Tozzi*, in F. Tozzi, *I romanzi*, Firenze, Vallecchi.
- [2] Baldacci, L. (1993). *Tozzi moderno*, Torino, Einaudi.
- [3] Benevento, A. (1996). *Il reale e l'immaginario. Saggi su Federico Tozzi*, Napoli, Alfredo Guida editore.
- [4] Debenedetti, G. (1971). *Il romanzo italiano del Novecento*, Milano, Garzanti.
- [5] Getrevi, P. (1983). *Nel prisma di Tozzi*, Napoli, Liguori
- [6] Luperini, R. (1995). *Federico Tozzi. Le immagini, le idee, le opere*, Roma Bari, Laterza.
- [7] Luperini, R., Cataldi, P., Marchiani L., Marchese F. (2001). *La scrittura e l'interpretazione. Dal Naturalismo al Posmoderno*, Vol.3, Tomo II., Palermo, G.B. Palumbo Editore.
- [8] Tellini, G. (1972). *La tela di fumo. Saggio su Tozzi novelliere*, Pisa, Nistri-Lischi.
- [9] Ulivi, F. (1969). *Federico Tozzi*, in *Letteratura Italiana. I Contemporanei*, v ol.1, Milano. Marzorati.

## Psychological Capital and Entrepreneurial Success: a Multiple-Mediated Relationship

Hasni N. Juhdi and Roshayati Abdul Hamid

*Faculty of Economics and Management, Universiti Kebangsaan Malaysia*

Adriana Mohd Rizal

*International Business School, Universiti Teknologi Malaysia*

Nurita Juhdi

*Kulliyah of Economics and Management Science, Islamic International University Malaysia*

### Abstract

*This study examined the relationship between psychological capital and entrepreneurial success and the roles of entrepreneurial work engagement and entrepreneurial learning intensity as multiple-mediators in influencing the relationship. In addition, the effects of service orientation and market orientation on entrepreneurial factors were also tested. Respondents were the owner-managers of small and medium service enterprises (service SMEs) in Malaysia. Simple random sampling was used, given a sampling frame which contained 502 service SMEs. A questionnaire survey involving 125 entrepreneurs with more than five years of entrepreneurial experience in service businesses provided useful data. The data were analyzed using SPSS and SPSS Macro. The results showed that psychological capital had a positive relationship with entrepreneurial success. In fact, through entrepreneurial work engagement and entrepreneurial learning intensity, the multiple-mediators, the relationship was found to be more comprehensive. Application of bootstrapping procedure in SPSS Macro had found that entrepreneurial work engagement and entrepreneurial learning intensity were simultaneously significant multiple-mediators but entrepreneurial work engagement had higher impact than entrepreneurial learning intensity on the relationship between psychological capital and entrepreneurial success. In conclusion, this study supported the theoretical arguments that entrepreneurial success are strongly associated with internal power and strengths, which this study believed as psychological state resources. However, the relationships between firm orientations such as service and market orientations and entrepreneurial factors require further investigation in future studies.*

**Keywords:** psychological capital, entrepreneurial success, multiple-mediators, entrepreneurial work engagement, learning intensity, service orientation, market orientation

### Introduction

Entrepreneurial success of small and medium-sized enterprises (SMEs) sounds exciting to research because the concept is complex. At individual level, many entrepreneurs voluntarily keep faith in their ventures hoping for success, despite the facts that they themselves know, few would get through while the majority march into the death-valley as observed by Lerner (2009). At organizational level, entrepreneurial success is a myth due to conflicting interests between the owner-managers and strategic decision makers regarding problem/opportunity-solution/exploitation nexus (Shane, 2003). Occasionally, there are success stories and they are documented exclusively in books and films but not much examined theoretically as yet. Thus, until now little is understood about the complexity of entrepreneurial success as well as its fundamentals, which involve several different knowledge spectrum (Fisher, Maritz, & Lobo, 2013; Frese & Gielnik, 2014; Sok, O'Cass & Sok, 2013).

Many people are interested in entrepreneurship, awaiting for constructive explanations to these questions: What does entrepreneurial success actually mean, if money is not the issue? What do successful entrepreneurs have so much in common that others do not? How do they do things with limited resources and capability? Previous research define entrepreneurial success from strategic performance perspective and they conclude that personal traits determine the level of business performance (Idar & Mahmood, 2011; Zheng & Yin, 2010). However, from the individual entrepreneurs'

perspectives, their concerns nowadays are much more about the meaningfulness of life rather than growth, financial performance, and wealth creation alone, and this in turn, calls for changes in understanding entrepreneurial success as a concept (Haber & Reichell, 2005; Fisher, Maritz, & Lobo, 2013). Thus, recent research highlight that entrepreneurial success should be given new definitions, and therefore, more comprehensive explanations. From the lens of psychology, a lot more could be understood about entrepreneurial success and the fundamentals of entrepreneurial success (Freshe & Gielnik, 2014), while attaching meaningfulness of life in discussing it. Generally, it is acknowledged that SMEs lack of resources and capability to innovate and succeed in their entrepreneurial ventures (Sok, O'Casey & Sok, 2013) but the success stories of the few cannot simply be overlooked and they call for further research especially within the framework of psychology. Therefore, this study aimed to address those questions by examining the degree of multi-relationships between psychological state factors, firm orientations, and entrepreneurial success in order to broaden entrepreneurship theory.

Taken into consideration in this study were complexity of entrepreneurial success and limitations of cross-sectional study approach. Thus, multiple-mediation hypothesis testing model was used to do the data analysis which was available at SPSS Macro. Methodologically, SPSS Macro has the ability to examine multiple-mediation effects of more than one mediators simultaneously (Preacher & Hayes, 2008). Overall, this study integrated entrepreneurship with the other fields of studies such as psychology, behavioral management, learning, and marketing to understand entrepreneurial success. Specifically, this study examined entrepreneurial success as the theoretical outcome of psychological capital and entrepreneurial work engagement together with entrepreneurial learning intensity as mediators in strengthening the psychological capital – entrepreneurial success relationship. Since explanations of entrepreneurial success is always in conjunction with strategic marketing activities, this study included market orientation and service orientation to verify the descriptions of each mediator in relation to entrepreneurial success accordingly.

## Entrepreneurial success

What does entrepreneurial success mean, if money is not the issue? This study agreed with a view which says that entrepreneurial success is a set of positive outcomes from the utilization of internal human strengths guided by virtue (Seligman & Csikszentmihalyi, 2000). The power and strengths are embedded deep within the psychology of individual entrepreneurs (Hmieleski & Carr, 2007). Entrepreneurs perceive success not only financially but also psychologically (Gorgievski et al., 2011). For entrepreneurs, non-monetary incentive is more fulfilling, while monetary gains do not always bring the greatest satisfaction (Alstete, 2008; Csikszentmihalyi, 2003). Meanwhile, career success literature highlights that people appreciate more subjective success than objective measures of performance, given their full commitment to their work (Poon, 2005). In other words, successful entrepreneurs often feel more satisfied after all hardship and much more satisfied after sharing the abundance of money or wealth with the society in the forms of charity, donations, sponsorship etc. and at the same time, transmitting the feeling of gratitude to the society for being successful (Csikszentmihalyi, 2000). Thus, entrepreneurial success is highlighted to comprise not only financial gains but also psychological measures of success, such as satisfaction, feeling of gratitude, and preparedness (Sisodia et al., 2007; Tang et al., 2010). In regards, reliability of entrepreneurial success with the inclusiveness of psychological measures of success is still under researched.

Entrepreneurial success is dynamic because it depends on the fluctuation of psychological states, which determine behaviors amidst uncertainties, difficulties, changes, and challenges in the environments. In positive psychology theory, satisfaction is a higher level state of being successful relative to what the entrepreneurs have tried to achieve (Cooper & Artz, 1995; Davidsson, 2005). Although satisfaction is relevant, it per se provides an incomplete description of entrepreneurial success (Gorgievski et al., 2011; Judge et al., 2001). Therefore, this study proposed a couple of other psychological aspects such as feeling of gratitude and entrepreneurial preparedness. Feeling of gratitude is a positive emotion as a result of the belief in achievement after hard work (Weiner, 1985). As a mental state, feeling of gratitude is a high level of personal ability which means a very meaningful achievement (Anderson et al., 2007; McCullough et al., 2002; Sisodia et al., 2007). Lastly, entrepreneurial preparedness is an entrepreneurial standard quality in making evaluation and judgment whether to exploit on opportunities based on available information (Judge et al., 2001; Tang et al., 2010). Thus, financial performance, satisfaction, feeling of gratitude, and preparedness together are deemed relevant as four criteria of entrepreneurial success in this study.

## Psychological capital and entrepreneurial success

What do successful entrepreneurs have in common? Psychological states are valuable personal resources critical to small firm success (Runyan, Huddleston & Swinney 2007) and psychological capital is an established state construct (Carr 2011; Luthans, Luthans & Luthans 2004) that is most fundamental at personal level from the perspective of resource-based view. Psychological capital in a way is an expansion of the concept of "economic capital", but it differs from human capital or social capital (Luthans et al. 2004). In other words, psychological capital is the belief that one has all the mental strengths, the capacity, and the capability to do something for the betterment of oneself and others. According to Luthans et al. (2004), economic capital refers to "what people have", human capital refers to "what people know" and social capital refers to "who people know". Psychological capital is concerned with people knowing "who they are". Psychological capital has four dimensions: self-efficacy, optimism, resilience, and hope (Luthans et al. 2004; Luthans, Avolio, Avey & Norman 2007). In extant literature, psychological capital is the key determinant of entrepreneurial success of small and medium businesses (Hall & Chandler 2005; Hmieleski & Carr 2007; Peterson, Luthans, Avolio, Walumbwa & Zhang 2011). Psychological capital drives people to succeed in the pursuance of meaningful life (Seligman & Csikszentmihalyi, 2000). In entrepreneurship literature however, more empirical evidence is required to prove the significance of positive relationship between psychological capital and entrepreneurial success (Hmieleski & Corbett 2008; Newman, Schwarz & Borgia, 2014).

Thus, literature strongly suggest that psychological capital has a direct positive relationship with entrepreneurial success. Other than that, psychological capital relates positively to work performance (Luthans et al. 2004; Peterson et al. 2011; Sweetman et al. 2011); desired psychological outcomes (Avey et al. 2010); and the general well-being of human (Culbertson et al. 2010). The most recent empirical evidence in entrepreneurship study shows a positive relationship specifically between psychological capital and satisfaction among entrepreneurs (Hmieleski & Carr 2007). Based on the above evidences, it is appropriate to posit that there is a significant direct relationship between psychological capital and entrepreneurial success. The following hypothesis was then deduced.

*Hypothesis 1: Psychological capital is positively related to entrepreneurial success.*

## Psychological Capital and Mediators:

### Entrepreneurial Work engagement and Entrepreneurial Learning Intensity)

How successful entrepreneurs work with limited resources and capability? In some extent, it is concluded that entrepreneurs are just being overconfident (Artiger & Powell, 2015). Indeed psychological capital becomes the only critical resource left for the entrepreneurs in deciding whether to face the uncertain, risky, unstable environments locally and globally nowadays. However, those who lack of psychological capital would not dare to exploit opportunities (Newman, Schwarz & Borgia, 2014), cannot endure the challenges of being entrepreneurs (Lerner 2009), and cannot do things greater than ordinary in life (Culbertson et al. 2010). Having high psychological capital means having all four elements of it namely self-efficacy, optimism, resilience, and hope.

In specific, high self-efficacy can affect motivation in completing difficult tasks, the stronger self-efficacy the more likely a person to make extra effort (Lope Pihie & Bagheri 2012). Similarly in the context of entrepreneurship, because conviction to act is highest when entrepreneurs believe that their actions (e.g., exploiting a new opportunity) lead to attainable outcomes, high self-efficacy is an important determinant of required entrepreneurial behaviors. Since self-efficacy positively affects diverse behavioral functions, this study suggests the other elements of psychological capital which also have the same direction on entrepreneurial behaviors. Optimism, for instance, relates to ability to delay gratification and to forgo short-term gains in order to achieve long-term goals (Carr 2011; Peterson et al., 2011). Resilience helps entrepreneurs emerge into positive and progressive transformation despite being exposed to risks, adversity and uncertainty during entrepreneurial venturing (Peterson et al., 2011). Hope on its own is a construct closely related to optimism which acts as therapy to help entrepreneurs formulate clear goals, produce pathways toward the set goals, motivate them to pursue their goals, and reframe adversity and problems as positive challenges to be overcome (Peterson et al., 2011). Therefore, self-efficacy, optimism, resilience, and hope are combined together as psychological capital which was posited to relate positively with entrepreneurial work engagement.

*Hypothesis 2a: Psychological capital is positively related to entrepreneurial work engagement.*

The entrepreneurial journey is full of adversity and critical events which put great challenge to the morale of entrepreneurs (Holcomb et al. 2009) but there is where the good sources of effective learning are situated (Sarasvathy, 2004; Stokes & Blackburn 2002). Most successful entrepreneurs spin out their innovations risking their investments just for good entrepreneurship lessons not found in books (Sarasvathy, 2004; Stokes & Blackburn 2002). Embracing that nature in entrepreneurial venturing, entrepreneurs find it necessary to have high level of self-efficacy, optimism, resilience, and hope (elements of psychological capital) along the way. For the purpose of learning-by-doing, entrepreneurs exploit opportunities based on heuristics, empowered especially by the elements of hope and optimism within psychological capital concept. In other words, entrepreneurs with strong psychological capital have strong drive to learn by doing and to learn from failures regardless the costs (Carr 2011; Politis 2005; Stokes & Blackburn 2002). Thus entrepreneurial learning intensity necessitates entrepreneurs to have strong psychological capital to be capable in allocating, channeling, and combining scarce resources at personal level towards further exploitation and exploration of business opportunities at organizational level.

*Hypothesis 2b: Psychological capital is positively related to entrepreneurial learning intensity.*

### **Entrepreneurial Work Engagement and Entrepreneurial Success**

A successful entrepreneur has the inner strengths developed to allow him/her to devote energy, effort and focus on something benevolent he/she has been aiming for and to lead strategic actions in attaining positive outcomes or success (Seligman & Csikszentmihalyi 2000). By the way, no success is without hard work (Liechti, Loderer & Peyer 2011). Hard work is an abstract concept but according to Cavana et al. (2001), such an abstract behavioral concept can be reduced to measurable ones given the appropriate theoretical justifications. For the purpose of this study, hard work was partly represented by entrepreneurial work engagement. Entrepreneurial work engagement is demonstrated when an entrepreneur performs work activities voluntarily with passion, attentiveness, and absorption. The importance of entrepreneurial work engagement in explaining entrepreneurial success is empirically supported. Breugst et al. (2011) explain that when an entrepreneur shows his passion and hardship for the business development, he actually has influenced the work teams to be more committed to achieve goals and targets, by which eventually resulting in the next entrepreneurial glory.

Similarly, each entrepreneur ought to view his/her ventures as very meaningful in his life and the life of others (family, workers, and customers). In general, people who venture into business and eventually become successful entrepreneurs are pulled by opportunities and desire to have good life and not necessarily pushed by unemployment or life-style requirements (Gorgievski et al. 2011). It is compelling therefore for entrepreneurs to invest all types of resources available and labor all their strengths, dedication, and absorption to accomplish their business goals. Thus, the following hypothesis was sought to examine the relationship between entrepreneurial work and engagement entrepreneurial success.

*Hypothesis 3: Entrepreneurial work engagement is positively related to entrepreneurial success.*

### **Entrepreneurial Learning Intensity and Entrepreneurial Success**

The issue of learning has been discussed by Levitt and March (1988), who emphasize that organizational learning is the underlying process which explains firm success. At the individual level, learning determines the next level of entrepreneurial success (Sarasvathy 2004; Stokes & Blackburn 2002), which can only be achieved through high-level of entrepreneurial learning (Cope 2003). Past researchers describe that entrepreneurs learn from direct experiences and experiences of others and enforce the new knowledge into actions, i.e. learning-by-doing. As an effect, it is found that a high-level entrepreneurial learning can improve business outcome (Cope 2003; Wang 2008). How rough is the entrepreneurial journey and how intense is the learning process, entrepreneurs rely only on limited knowledge and make decisions quickly without doing exhaustive analysis (Cope 2003; Holcomb et al. 2009; Stokes & Blackburn 2002), especially within the context of service SMEs where enter – compete – exit is the dynamic nature. That being said, entrepreneurial success is the outcomes of high intensity of learning, as implied in Frese's concept of entrepreneur-in-action (2009) and by Cope's (2003) concept of high-level learning. Empirical evidence shows a positive link between learning-by-doing and performance (Dutton, Thomas & Butler 1984) as well as between experiential learning and non-financial performance (Spicer & Sadler-Smith



2006). Therefore, it is appropriate to posit in this study that entrepreneurial learning intensity is positively related to entrepreneurial success.

*Hypothesis 4: Entrepreneurial learning intensity is positively related to entrepreneurial success.*

### **Indirect Effects of Psychological Capital on Entrepreneurial Success through Entrepreneurial Work Engagement and Entrepreneurial Learning Intensity**

The study was driven to examine the possibility that the relationship between psychological capital and entrepreneurial success is mediated by two mediators: entrepreneurial work engagement and entrepreneurial learning intensity. Previous research in behavioral literature show that work engagement mediates the relationship between individual resources and desired behavioral outcomes (Salanova, Agut & Peiro 2005). In addition, following the theoretical assumption and testing procedures for multi-mediation mechanisms by Preacher and Hayes (2008), this study had to examine whether the mediators were positively correlated. Entrepreneurial learning intensity and entrepreneurial work engagement need to be correlated because they ought to explain entrepreneurial success mutually and simultaneously (Preacher & Hayes, 2008). To match such theoretical proposition which requires that the multiple mediators to be correlated, the following hypothesis was tested.

*Hypothesis 5a: Entrepreneurial work engagement and entrepreneurial learning intensity are correlated.*

Given both mediators are positively correlated, entrepreneurial learning intensity can now be posited to influence entrepreneurial success because empirically entrepreneurial work engagement (complementing mediator) has been reported to relate to performance positively as well. Based on the explanations and descriptions of *Hypothesis 5a* above about the roles and relationship of entrepreneurial work engagement and entrepreneurial learning intensity as correlated multiple-mediators, the following multiple-mediation hypothesis was finally derived:

*Hypothesis 5b: Psychological capital influences entrepreneurial success through entrepreneurial work engagement and entrepreneurial learning intensity.*

### **Service Orientation and Entrepreneurial Work Engagement**

Service orientation is one of the winning strategies in doing business, especially salient in a services (Oliveira & Roth 2012; Salanova, Agut & Peiro 2005). Service orientation is a strategic differentiator which makes the providers' image as unique and special which in turn ensures survivability of service enterprises (Vargo & Lusch 2008). However, the impact of service orientation on business performance is only realized in long-term (Carragher, Parnell & Spillan 2009). Nevertheless, one important insight from the service orientation literature is that service oriented entrepreneurs are very passionate in presenting excellence to their customers (Juhdi & Salleh, 2009; Breugst et al., 2012). Thus, it is assumed that successful entrepreneurs invest energy, time, and focus (entrepreneurial work engagement) in translating their passion towards satisfying customers' desire, needs and wants. Furthermore, another stream of the literature says that service orientation leads to positive behavioral outcome (Lytle & Timmerman 2006) of which entrepreneurial work engagement is also a positive behavioral outcome (Schaufeli et al. 2006). However, previous research are conducted in Western countries but scarcely in Asian, at least in Malaysia, in which entrepreneurship agenda are very aggressive. Unfortunately, service orientation is relatively new concept in this part of the world (Liu et al. 2003). This is why empirical evidence pertaining to service orientation in business is limited in Asia generally and in Malaysia specifically. Therefore the following hypothesis was tested:

*Hypothesis 6: Service orientation is correlated to entrepreneurial work engagement.*

### **Market orientation and Entrepreneurial Learning Intensity**

Market orientation was incorporated in this study to measure entrepreneurs' personal mental attitude towards upgrading knowledge and information about customers, market, and competitors directed at providing excellence (Despandhe & Farley 1998; Slater & Narver 2000). For years, customers have been a major emphasis in business practices where firms

feel obligated to deliver superior quality products and services to customers (Paladino 2007). However, according to Steinman et al. (2000), the paradox is that the more one knows about one's customers, the more one does not know about them because providers' and customers' perceived needs and wants may not match and keep evolving. The mismatch and evolution of customer needs and expectations over time make market orientation not just another trivial concern but it is the key concern for any successful entrepreneur (Jain & Ali 2013; Slater & Naver 2000). Market orientation becomes even more critical in services businesses (Slater & Naver 2000; Sok, O'Cass & Sok 2013). Thus, the degree of learning intensity about wanting to know what customers need and want and what competition has to offer are expected to depend on the level of market orientation at the personal level of service enterprises.

*Hypothesis 7: Market orientation is related to entrepreneurial learning intensity.*

## Methodology

### Sampling

The population for this research was among the local entrepreneurs of all races namely the Malay, Chinese, and Indian, who need to be the owners, founders, or top managers of established service SMEs in Malaysia. According to the SSM statistics of companies and business 2013, the overall population of the registered business in Malaysia was 5,215,978 as of the first quarter of 2013. In the year alone, there were 244,495 new business registrations and 90% were the small and medium enterprises. There were 645,136 small and medium enterprises still in operation since the year 2011 and 591,883 (91.7%) were the service SMEs (Economic Census: Profile of Small and Medium Enterprise 2011). The target group of service SME entrepreneurs were taken from the SMI SME Business Directory 2010, an official business directory of SMI Association of Malaysia. It served as the sampling frame for this research to do the simple random sampling. There were 502 registered service SMEs in the directory and they became the population for this study. The services section in the directory lists at least 48 categories of services. There are various types of providers including air express services, beauty salons, cleaning services, computer system consultants, corporate secretarial services, database processing, driving institutes, event management, health care, logistics service providers, packaging, restaurants and catering, training centers, travel agents, tuition centers and more (SMI SME Directory 2010). However, banks and financial services were excluded as this study was concerned because their measurement of success was assumed to be purely financial performance and in fact none of them falls under the small and medium company category by definition. Computer software/hardware developers were also excluded because their rules of the game are patents and innovations (Menell 1998), which were not within the scope of this study. 125 samples were drawn randomly as the study respondents.

For the purpose of this research, "entrepreneurs" was understood as high caliber business owners cum managers (Baron & Henry 2011; Stokes & Blackburn 2002) who own and manage any kind of business that is driven by virtue (Mariussen et al. 1997), hold stable financial wealth, and articulate psychological terms of success (Csikzentmihalyi 2003; Haber & Reichel 2005; Sisodia et al. 2007). With that conceptual definition, this research provided strict compliance to qualify as respondents. Therefore, the entrepreneurs should have all of the following criteria:

- a) Formal business registration with the Registration of Companies Malaysia;
- b) More than 5 years of experience in managing service business;
- c) Business and activities which by nature do not display unethical businesses such as prostitution, gambling, gaming etcetera; and
- d) Permanent worker(s) of at least 1.

### Measurements

*Entrepreneurial Success.* It consists of two domains: financial wealth and psychological measures of performance. The *financial wealth* domain was adapted from Haber and Reichel's (2005) perceived profitability of the previous, current, and future years with  $\alpha = 0.92$ . An example of the items from Haber and Reichel (2005) is "I perceived high profitability last year". This item was adjusted as "I perceived sufficient income in the first three years of establishment". The *psychological performance* domain consists of three facets: entrepreneurial satisfaction, feeling of gratitude, and entrepreneurial

preparedness. *Entrepreneurial satisfaction* was adapted from Greenhaus's et al. (1990) career satisfaction ( $\alpha = 0.84$ ) with a sample item such as "I am satisfied with the success I have achieved in my career." *Feeling of gratitude* measures were adopted from McCullough et al. (2002) with  $\alpha = 0.82$ . An example of item is "I have so much in life to be thankful for". *Entrepreneurial preparedness* measures were adapted from Tang's et al., (2010) evaluation and judgment of opportunities with  $\alpha = 0.83$ . An example of an item is "I can distinguish between profitable opportunities and not-so-profitable opportunities". Altogether 18 items were used to measure entrepreneurial success and they were reviewed by three local entrepreneurs for face and content validity.

*Psychological Capital*. It was measured using 24 items, adopted from Luthans, Avolio, Avey, and Norman with  $\alpha = 0.89$  (2007). All four domains were taken together to result in high relationship with outcome as suggested by the literature. An example of an item is "I feel confident analyzing a long-term problem to find a solution".

*Entrepreneurial Work Engagement*. The work engagement construct has been established in the literature and consists of three dimensions: vigor, dedication, and absorption. There are 17 items and this study made some adaptations on all of them to fit within the study context. The work engagement instrument with an alpha range from  $\alpha = 0.80$  to  $\alpha = 0.90$  (Schaufeli et al. 2006) was adapted as entrepreneurial work engagement. An example of an item is "I feel happy when I am working hard enough".

*Entrepreneurial Learning Intensity*. The development of the item instruments was guided by the organizational learning and entrepreneurial learning literature. A 6-item instrument was taken from Holcomb et al. (2009) since they already assimilate all of the major concerns of previous researchers (e.g., Levitt & March 1988; Sarasvathy 2004; Politis 2005). A sample items include "I put a great deal to learn business knowledge from direct experience" and "When in lack of knowledge, I have to make exhaustive analysis" (reverse-coded). Two academic experts were sought to review for face and content validity.

*Service Orientation*. The development of this scale was based on the work of Lytle et al. (1998). From 35 items only 8 items were found to be theoretically applicable to small and medium firms' situation. An example of an item is "I view customers as opportunities to serve rather than as sources of revenue". Two academic experts were sought to review for face and content validity.

*Market Orientation*. 10 items used to measure market orientation with  $\alpha = 0.88$  were adapted from Deshpande and Farley (1998), with suggestions from Slater and Narver (2000). An example of an item is "We monitor customers and competitors to find new ways to improve customer satisfaction".

For parsimony of data analysis, all measures used a 6-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree). Two-category response (agree/not agree) with 6 choice-points was used for the purpose of optimizing psychometric sensitivity of the instruments (Cummin & Gullone 2000). In addition, the 6 choice-points is used because Alwin (1997) and Cummins and Gullone (2000) justify that the greater the number of choice-points, the more reliable, valid, and sensitive the data to capture variance in assessing subjective expressions. The item measurements for entrepreneurial success, psychological capital, entrepreneurial work engagement, entrepreneurial learning intensity, service orientation, and market orientation are presented in APPENDIX A.

## Data collection

Each company's telephone number was contacted to locate the owner-manager, founder, or top manager of the enterprise. An owner-manager means the founder of the enterprise and still manage it until the date of this study. A founder means the original owner who establishes the enterprise. A top manager refers to a trusted employee who is responsible to make routine decisions and to play spoke-person role when necessary in dealing with customers and clients. Through the personal assistance of the enterprise, the researchers set an appointment with the owner-manager, founder, or top manager to meet. In cases where the owner-managers, founders, or top managers did not have any personal assistance, the researchers telephoned them directly to affirm their availability to meet and to inform about the research interests, for the purpose of completing the questionnaire face-to-face. However, in many instances, the respondents requested answering the questionnaire via mobile phone because it was more convenient for most of them. There were occasions

where the respondents requested the researchers to call back at other times. The questionnaire survey with 83 items was completed within 30 minutes in average for face-to-face survey. However, it was prolonged to about one hour and a half via phone.

## Analysis and results

The raw data was entered, cleaned, and transformed based on the six variables. SPSS 20 was employed to do the basic statistical analysis. As a start, the basic quantitative and descriptive statistics were computed to estimate the central tendency of the research sample. Another basic data analysis is scale reliability analysis to evaluate the internal consistency of measurements (Cronbach 1951). After the data was confirmed clean and free from any outlier and missing data, then normality, linearity and homoscedasticity were checked. Grounded in multivariate statistics approach due to the number and types of relationships to be analyzed in this study, all those multivariate assumptions were necessary to be deliberated. The assumptions of normality, linearity and homoscedasticity were addressed following the technical suggestions by Hair, Anderson, Tatham and Black (1998) and Tabachnick and Fidell (2001) and they were met.

A paired sample t-test was then used to check for non-response bias. Non-response bias is always possible in cross-sectional survey where the data come from the same group and yet they somehow could come from two different conditions (more ready respondents and less-ready respondents). The t-value, degree of freedom, and two-tail significance can tell the degree of difference between the groups (Coakes & Steed 2007). If they are found to be no significant difference, there should be no serious issue of non-response bias (Breaugst et al. 2011). With 42 non-respondents out of 125 targeted sample of respondents, this study was concerned about their impacts on the study findings and interpretations especially when it comes to generalizing the findings. According to Armstrong and Overton (1977), the impact of non-responses can be estimated and it can be minimized. A common way is by using time-trend extrapolation (Armstrong & Overton 1977; Breaugst et al. 2011; Idar & Mahmood 2011). The extrapolation is based on the assumption that the samples which are "less ready" are almost like the non-respondents (Armstrong & Overton 1977). Accordingly, the current study identified the "less ready" and "more ready" respondents. In the data base, there were 21 "less ready" respondents (who requested the researcher to call back). Then, the responses of these "less ready" samples were entered as an additional variable in the SPSS data file and compared to that of the first 21 respondents in the same file (whom were assumed to be "more ready"). With these two groups, paired sample t-test was run to examine differences in terms of key constructs such as psychological capital, service orientation, market orientation, entrepreneurial work engagement and entrepreneurial learning intensity as well as of several demographic variables. All of the results were found to be non-significant, indicating that there were no significant difference between the groups. Thus, non-response bias was unlikely to be a concern of this research.

A factor analysis is useful to address issues such as common method variance bias, multicollinearity, and convergent/discriminant validity. Common method variance bias can be assessed by calculating variance proportion (Ramayah, Yan & Sulaiman 2005). If the variance proportion score is less than 0.5, there should be no serious issue of common method variance bias. Multicollinearity could cause statistical problems and weaken statistical analysis but it is not uncommon in behavioral studies. It is when variables are highly correlated (Byrne 2001; Tabachnick & Fidell 2001). In SPSS 20 through collinearity diagnostics, data across variables and in-rows should show no variable has more than one variance proportion greater than .50 (Tabachnick & Fidell 2001, pg 98). A correlation analysis was completed to explore the bivariate relations among the constructs. All variables were positively correlated at significant level of 0.01 or 0.05 (2-tailed). However, certain variables had alarmingly high correlation coefficients (Tabachnick & Fidell 2001) close to 0.80 although not reaching 0.90. In particular, the possibility of multicollinearity between entrepreneurial work engagement and psychological capital seemed to exist as their correlation matrix was 0.799 ( $p < .01$ ). As such, multicollinearity could occur and should be given attention because multicollinearity could cause logical and statistical problems and also it could weaken the statistical analysis (Byrne 2001; Tabachnick & Fidell 2001).

Therefore, a statistical test on collinearity was done to assess the goodness-of-fit analysis on entrepreneurial work engagement and psychological capital. If goodness-of-fit indices ( $\chi^2/df$ ) are less than 5, there is probably no problem of multicollinearity (MacCallum 1998; Byrne 2001). The chi-square tests in SPSS for entrepreneurial work engagement yielded a goodness fit of  $\chi^2 = 32.55$  and  $\chi^2/df = 1.48$ . Similarly, psychological capital yielded a goodness fit of  $\chi^2 = 49.31$  and  $\chi^2/df = 1.49$ . Therefore, both constructs fit the data. In other words, there was no serious problem of multicollinearity and thus both constructs could be used in the subsequent hypothesis testing.

Two important components of construct validity are convergent and discriminant validity which are a concern in this study. Convergent validity is the degree to which measures of a construct that theoretically should be related are related. Discriminant validity is the degree to which measures of a construct that theoretically should be unique are not overlapping. Both can be identified by analyzing the factor loadings and cross loadings in the factor analysis (Fornell & Larcker 1981; Ramayah, Yan & Sulaiman 2005).

Convergent validity can be identified in the loadings and cross loadings of all the 83 item instruments. In the factor analysis, the loadings and cross loadings showed that all six constructs had convergent validity. The highest scores down and across the loadings table belonged to the according variables, except item 10 and 15 of psychological capital of which the highest loading for both fell into entrepreneurial work engagement. The scores of loadings and cross loadings are available in APPENDIX B. To solve this problem, discriminant validity was assessed. As SPSS 20 does not provide the average variance extracted (AVE), the calculation of the AVE data of each six variables was done manually following the procedure proposed by Fornell and Larcker (1981) and Ramayah et al. (2005). The calculation for the AVE is as follow:

$$AVE = \frac{RSL}{RSL + ESL}$$

[RSL: cumulative % rotation sums of squared loadings; ESL: cumulative % extraction sums of squared loadings]

Table 1 presents the AVE (in bold) and the squared correlations of all six variables. According to Fornell and Larcker (1981), the AVE of a variable should be higher than the squared correlations between the variable and all other variables. It was found that psychological capital and entrepreneurial work engagement did not have discriminant validity initially. It could be because of the items 10 and 15 of psychological capital. The researchers decided to delete item 10 about optimism (*Right now I see myself as being pretty successful at work*) which conceptually overlapped with pride in entrepreneurial work engagement; and item 15 about resilience (*I can be on my own, so to speak, at work if I have to*) which overlapped with dedication in entrepreneurial work engagement. After the deletions, the Pearson's Correlation Product Moment was run and the correlation between psychological capital and entrepreneurial work engagement was .754 (down from .799) and thus the squared correlation was .569 (down from .638). After the adjustment, these variables were appropriately to be included in the main analysis and hypotheses testing.

Table 1: Discriminant validity of constructs

Constructs	1	2	3	4	5	6
ENTSS	<b>.673</b>					
EWE	.552	<b>.573</b>				
ELI	.461	.545	<b>.581</b>			
PSYCAP	.590	.569	.469	<b>.627</b>		
SO	.165	.141	.169	.194	<b>.560</b>	
MO	.101	.109	.091	.159	.383	<b>.584</b>

(Diagonals (in bold) represent the AVE and the other scores are the squared correlations.)

(ENTSS – entrepreneurial success; EWE – entrepreneurial work engagement; ELI – entrepreneurial learning intensity; PSYCAP – psychological capital; SO – service orientation; MO – market orientation)

This research was a cross-sectional survey for which the measures of both independent and dependent variables all depended on single-source reporting. Therefore, a common method variance bias is always a possibility (Johnson et al. 2011; Summers 2001). According to Ramayah et al. (2005) almost a similar technique for multicollinearity in Tabachnick and Fidell (2001) can be employed to test for common method variance bias by calculating the variance explained proportion (the ratio between initial eigenvalues cumulative rate and extraction sums of squared loadings cumulative rate). The variance proportion score should be less than 0.50 (Tabachnick & Fidell 2001, pg. 98) to claim that there is no serious issue of common method variance bias (Ramayah et al. 2005). Using factor analysis under dimension reduction in SPSS 20, correlation matrix and promax rotation, all 83 items had eigenvalues greater than 1, and the test score showed that common method variance bias was not a serious problem in this study. The variance proportion was calculated manually following Ramayah et al. (2005) and the result was 0.29. The calculation is as follow:

$$\begin{aligned} \text{Common Method Variance} &= \frac{\text{cumulative \% extraction sums of squared loadings}}{\text{cumulative \% initial eigenvalues}} \\ &= 81.741 \div 23.393 \\ &= 0.29 \quad (\text{less than } 0.50) \end{aligned}$$

### Demographics

Of the 83 respondents, the majority were founders (74.7%) and still being the owners and top managers of their according companies to the date of this study. There were 57 (68.67%) males and 26 (31.32%) females. Among them only 5 (6%) were aged more than 60; 23 (27.7%) aged between 28 and 39 years; and 55 or majority (62.7%) were aged between 40 to 59 years. 50 out of 83 (60.2%) respondents had obtained entrepreneurial experience of more than 10 years in entrepreneurial service ventures. 20 (24%) of them had 5 to 9 years of experience, while the rest 13 (15.7%) had about 5 years of experience. In average, service SME entrepreneurs in Malaysia had 22 employees.

### Descriptive statistics

Table 2 presents the descriptive statistics. The findings indicated that the data points tend to be close to the data means, which in turn indicated that the constructs being tested were theoretically and appropriately measuring what they were supposed to measure. Most of the respondents perceived that they were successful (mean = 5.07). Similarly, based on the descriptive statistics, the entrepreneurs perceived that they had moderately high level of entrepreneurial work engagement (mean = 5.50), psychological capital (mean = 5.18), and entrepreneurial learning intensity (mean = 4.98). They also perceived that they had considerable concern about the customers, market, and competitors. The mean were 4.79 for market orientation and 4.77 for service orientation.

Table 2: Variables, Means and Standard Deviations

	Min.	Max.	Mean	Std. Deviation
Entrepreneurial Success	4.11	5.89	5.073	.393
Entrepreneurial Work Engagement	4.65	6.00	5.498	.375
Entrepreneurial Learning Intensity	3.83	6.00	4.975	.549
Psychological capital	3.79	6.00	5.180	.391
Market Orientation	3.00	6.00	4.792	.642
Service Orientation	3.00	6.00	4.768	.618

*Reliability*

Reliability test was run to check the internal consistency of the constructs (Cronbach 1951) and to check that all measurements were free of unstable errors (Cooper & Emory 1995). The results showed that each construct scored an acceptable standard reliability coefficient alpha (Cronbach 1951; Peterson 1994). The reliability and validity results are presented in Table 3. Even though entrepreneurial learning intensity had a Cronbach alpha of 0.694, which is less than the average of 0.77 in psychology research (Peterson 1994), it does not necessarily imply a problem of internal consistency (Yang & Green 2011). The relatively low score could be due to the scale length (Yang & Green 2011) which was only 6 items in the case of entrepreneurial learning intensity in this study. The alpha of 0.694 is still very close to 0.7 to remain within the acceptable range for further analysis (Nunnally, 1978; Peterson 2004).

Table 3: Reliability of constructs

Constructs (domains)			Number of items	Cronbach's alpha (in earlier pretesting)
Entrepreneurial success	-	Financial wealth	3	.680 (.691)
	-	Psychological performance	15	.855 (.872)
				overall .855 (.857)
Entrepreneurial work engagement	-		17	.915 (.933)
Entrepreneurial learning intensity	-		6	.694 (.601)
Psychological capital	-		24	.894 (.913)
Service orientation	-		8	.840 (.830)
Market orientation	-		10	.865 (.840)

*Multiple-Mediation Hypothesis Model Testing*

SPSS Macro was used to test the multiple-mediation hypotheses. The results are shown in Figure 1.

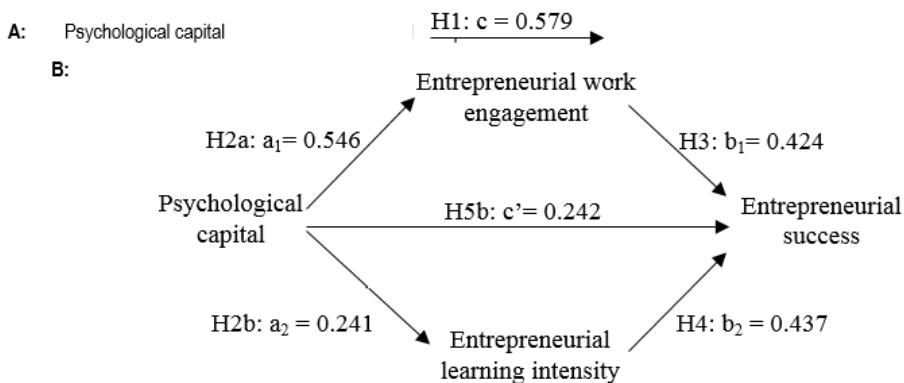


Figure 1: Illustrations of Multiple Mediation Effects

The procedures in SPSS Macro involved testing mediation effects by entrepreneurial work engagement and entrepreneurial learning intensity (the multiple mediators) simultaneously. The investigations involved three parts:

- (1) Investigating the *total indirect effect* of the predictor (psychological capital) on the dependent variable (entrepreneurial success) through the mediators (entrepreneurial work engagement and entrepreneurial work engagement);
- (2) Investigating the *specific indirect effect* of psychological capital on entrepreneurial success through entrepreneurial work engagement; and
- (3) Investigating the *specific indirect effect* of psychological capital on entrepreneurial success through entrepreneurial learning intensity.

The *total effect* (c) in **A** (Figure 1) of psychological capital on entrepreneurial success was examined. As expected, psychological capital was strongly related to entrepreneurial success ( $\beta = 0.579, p < 0.000$ ). Hypothesis 1 was supported. The *specific indirect effect* in **B** (Figure 1) of psychological capital and entrepreneurial success via mediators was defined as the product of two unstandardized paths ( $a_1b_1; a_2b_2$ ) linking psychological capital to entrepreneurial success via those mediators. Then, it becomes necessary for the predictor (psychological capital) to have significant influence on each of the mediators (entrepreneurial work engagement and entrepreneurial learning intensity). The findings showed that psychological capital had significant direct effects on entrepreneurial work engagement ( $a_1$  path:  $\beta = 0.546, p < 0.000$ ) and on entrepreneurial learning intensity ( $a_2$  path:  $\beta = 0.241, p < 0.000$ ). Therefore, hypotheses 2a and 2b were supported.

Findings showed that entrepreneurial work engagement had a significant effect on entrepreneurial success ( $b_1$  path;  $\beta = 0.424, p < 0.0468$ ). Hypothesis 3 was supported. Similarly, entrepreneurial learning intensity had significant direct effect on entrepreneurial success ( $b_2$  path;  $\beta = 0.437, p < 0.0409$ ). Hypothesis 4 was supported.

The findings showed that the *specific indirect effect* of psychological capital on entrepreneurial success via entrepreneurial work engagement was 0.232 (i.e.  $0.546 \times 0.424$ ); and via entrepreneurial learning intensity was 0.105 (i.e.  $0.241 \times 0.437$ ). The Pearson's correlation of the mediators was not an issue in this study since both variables were positively correlated:  $\beta = 0.610, p < 0.01$ . Hypothesis 5a was supported.

The *total indirect effect* is the sum of the specific indirect effects. Thus, the total indirect effect was 0.337 (i.e.  $0.232 + 0.105$ ). Alternatively, the total indirect effect of psychological capital on entrepreneurial success through both mediators was the difference between total effect and direct effect of psychological capital on entrepreneurial success or  $c - c' = .579 - .242 = .337$ . However, the study is yet to confirm the significance of this total indirect effect of the mediators.

Bootstrapping is the best method to confirm the significance of the multiple-mediation effects (0.337) (Duffy et al. 2012; Kim & Park 2009) because it overcomes the potential problems caused by unmet assumptions of multiple-mediation theory (Preacher & Hayes 2008). Bootstrapping is also the best to test the significance of the total indirect effects associated with each mediator (Zhao, Lynch & Chen 2010). Within the application of SPSS Macro, this researcher created 5,000 bootstrap samples at 95% confidence interval by taking into accounts the bias corrected and computed for the upper and lower potential limits of the indirect effects. Across the 5,000 bootstrap samples, if there is no zero value then the indirect effects would be significant. The findings showed that entrepreneurial work engagement and entrepreneurial learning intensity were significant mediators when confidence intervals did not contain a zero (see Table 4). Hypothesis 5b was supported. Somewhat more fundamental in the findings was that entrepreneurial work engagement had slightly stronger statistical magnitude (specific indirect effect = .232) as a competing mediator at significant level compared to entrepreneurial learning intensity.

Table 4: Bootstrap Results for Specific and Total Indirect Effects

Mediators	Bootstrap estimate	se	Bias corrected and accelerated 95% confidence interval	
			Lower	Upper



Entrepreneurial work engagement (specific)	.232	.057	.0121	.2841
Entrepreneurial learning intensity (specific)	.105	.054	.0109	.2179
Total indirect effect	.337	.081	.0796	.3989

The summary of the multiple-mediation hypothesis testing model shows moderately high percentage of contribution to the variance of entrepreneurial success ( $R^2 = 0.639$ ;  $p < 0.000$ ). In other words, 63.9% of entrepreneurial success was explained by psychological capital through entrepreneurial work engagement and entrepreneurial learning intensity. Overall, the multiple-mediation hypotheses were all supported.

### Service Orientation and Entrepreneurial Work Engagement

Hypothesis 6 was drawn on the basis that entrepreneurs are concern about the excellence of service delivery (service orientation). They show concern by dedication and passion on the business (entrepreneurial work engagement). A Pearson's product moment correlation analysis resulted in positive and significant relationship between service orientation and entrepreneurial work engagement ( $\beta = .338$ ;  $p < 0.01$ ). Therefore, Hypothesis 6 was supported.

### Market Orientation and Entrepreneurial Learning Intensity

Hypothesis 7 was drawn on the basis that the higher the entrepreneurs' stance in understanding customers, market, and competition (market orientation), the higher the entrepreneurs' efforts to know further by acquiring, organizing, and capitalizing the new knowledge into decision making to exploit opportunities (entrepreneurial learning intensity). A simple regression in SPSS 20 resulted in non-significant relationship between market orientation and entrepreneurial learning intensity. Therefore, Hypothesis 7 was not supported. Table 5 presents the findings.

Table 5 Market Orientation and Entrepreneurial Learning Intensity

IV	Unstand. Beta	Stand. Beta	T	Sig.	95.0% Confidence Interval	
					Lower Bound	Upper Bound
(Constant)	3.514		.560	.577	-.812	1.367
MO	.121	.139	1.544	.126	-.035	2.481

(MO: market orientation)

In summary, the multiple-mediation hypotheses were supported, showing that statistically and empirically this study has enriched the body of knowledge of entrepreneurship. Entrepreneurial success can be well explained by psychological capital and the explanation was further enhanced by entrepreneurial work engagement and entrepreneurial learning intensity simultaneously. In this study, the role of marketing in entrepreneurship is no more a matter of debate but some findings about market orientation in this study could not show support.

### Discussion and conclusion

#### *Psychological capital and entrepreneurial success: A multiple-mediated relationship*

The findings of this study have supported the proposition that psychological capital is positively related to entrepreneurial success. Such finding is consistent with prior studies which assert that psychological capital is one of critical personal resources required by entrepreneurs (Avey et al. 2010; Luthans et al. 2005) especially in uncertain environment. The

finding also confirms that self-efficacy, optimism, resilience, and hope (four elements of psychological capital) must be taken together as a package of valuable personal assets and four of them are not options to have or not to have, as claimed and strongly suggested by the founding authors (i.e. Luthans, Luthans & Luthans 2004). For example, it is not enough to have just self-efficacy in entrepreneurial venturing because entrepreneurial venture is so rough and unpredictable that requires clearer achievement motive (Poon et al 2006), market change awareness (Idar & Mahmood 2011), and resilience (Luthans & Youssef 2007). Taken together those four elements conceptualized as psychological capital is theoretically an indicator of personal strength or valuable resources (Carr 2011). This study finding is also in line with prior studies (Hmieleski & Carr 2007; Peterson et al. 2011; Sweetman et al. 2011) which argue that positive psychological capital could determine entrepreneurial success.

Therefore, this study supported the resource-based view which asserts that unique and rare resources, including psychological resources are the key determinants of entrepreneurial success of service SME owner-managers. That is, when entrepreneurs have high psychological capital they are likely able to take all necessary positive actions (strategies) such as engagement in entrepreneurial work (entrepreneurial work engagement) and strong willingness to learn new knowledge (entrepreneurial learning intensity) even during rough times. On the other hand, those who lack of psychological capital would not be able to endure rough experiences and would gradually withdraw (Carr 2011; Seligman et al. 2005). That being said, this study enriches entrepreneurship theory by introducing the importance of psychological capital besides the acceptance of personality trait importance in entrepreneurship theory. In other words, the findings in this study show some support to the notion which says entrepreneurs are born with some unique characteristics. However practically, entrepreneurs pursuing success must have high level of psychological states and could still learn to develop strong level of self-efficacy, optimism, resilience and hope, while these personal assets can be cultivated (Luthans & Youssef 2007).

The proposed comprehensive predictor and multiple-mediators research framework was able to explain the major variances in entrepreneurial success (63.9%). It means that 63.9% of the variance in entrepreneurial success is majorly explained by psychological capital, entrepreneurial work engagement, and entrepreneurial learning intensity. The findings were consistent with the propositions of previous research in entrepreneurship (e.g., Haber & Reichel 2005; Rauch & Frese 2000) which specify the power of having positive mental and emotions and strategies on the way to earn meaningful achievements or entrepreneurial success.

The findings of this study indicate that psychological capital predicts entrepreneurial success directly and indirectly through both entrepreneurial work engagement and entrepreneurial learning intensity. Such findings are also consistent with Rauch and Frese's (2000) claim that some mediation mechanisms should be engaged in order to understand entrepreneurial success phenomenon. It is because the nature of entrepreneurial success is very complex of which investigation of direct relationship only would not suffice (Simpson et al. 2012). Furthermore, this study found that not only both entrepreneurial work engagement and entrepreneurial learning intensity were significant multiple-mediators but also entrepreneurial work engagement actually had a bigger effect size on the relationship between psychological capital and entrepreneurial success.

Therefore, theoretically and empirically this study has supported the notion of training and motivating entrepreneurs to instill strong psychological states of mind and substantial effort, namely higher entrepreneurial work engagement, and entrepreneurial learning intensity, to ensure entrepreneurial success (Hmieleski & Carr 2007). This study confirms the main assumption of positive psychology which states that positive action lead to positive outcome. This study also shows support to the argument that says entrepreneurs who have positive psychological states would be more successful and benevolent to the society at large for longer terms (Csikszentmihalyi 2003; Sisodia et al. 2007). In other words, entrepreneurs who want to be successful should have the critical resources, i.e. psychological capital in addition to monetary capital. These psychological resources need to be transmitted into physical, mental and emotional actions or strategies to ensure ultimate entrepreneurial success (Baron & Henry, 2011; Csikszentmihalyi 2003; Seligman 2000).

### *Service and market orientations as firm strategies*

Marketing concepts such as service and market orientation are very crucial in the survivability and sustainability of businesses of any kind and even more critical in service enterprises (Salanova et al. 2005; Slater & Naver 2000; Zheng & Yin 2010). However, this study only found support for service orientation which is correlated with entrepreneurial work engagement.

Service orientation was positively and significantly correlated with entrepreneurial work engagement. The findings of this study were consistent with prior studies which specify that service orientation acts as a differentiating strategy between high and low service performance (e.g. Vargo & Lusch 2008). The finding of this study had proven statistically that service orientation could have marginal explanation on entrepreneurial work engagement. The finding is consistent with Lytle and Timmerman (2006) which found that service orientation leads to positive behavioral outcome. It means that service orientation could be as another translation of serious efforts in ensuring customers' needs and wants being fulfilled excellently. The explanation of such finding is also found in previous research which states that good service orientation is reflected during service encounters where both the producer and customers meet. During the service encounters, the feeling of delight and happiness of the customers become dedication of the producer to engage further in providing excellent services. In other words, by applying marketing concepts such as service orientation the producer in return becomes more able to present memorable services with dedication, enthusiasm, and passion.

The relationship between market orientation and entrepreneurial learning intensity was not significant based on the collected data. The underlying premise of market orientation concept being examined within this research framework initially was to indicate that its adoption would constitute a good strategy that can benefit entrepreneurs directly or indirectly. However, market orientation, in this study, could not explain why entrepreneurs would engage in serious learning (entrepreneurial learning intensity) by channeling their mind and hearts closely to customers, market, and competitors. There are two plausible explanations. First, market orientation might be more relevant to large firm than service SMEs, the context of this study (Steinman et al. 2000; Zheng & Yin 2010). In a meta-analysis involving fifty-three (53) empirical studies representing an overall sample size of 12,043 respondents from 23 countries, across five continents, it is found that market orientation is effectively practiced by multinational corporations with substantial financial, technical, management and marketing capabilities (Cano, Carilla & Jaramillo 2004); whereas service SMEs would have less resources to perform specific tasks looking at market orientation (Jain & Ali 2013).

Second, integration of market orientation in entrepreneurial success study is still new and requires more researches. In the literature, there are mixed results. For example, Kirca et al. (2005) has shown in a meta-analysis study that market orientation – outcomes relationship would be lower or may not be significant in service firms compared to that in manufacturing companies. Similarly, Steinman et al. (2000) highlight that the more information entrepreneurs know about customers and market the less information which match. In practice, market orientation efforts such as making surveys, focus group discussions and research and development involving customers are quite costly (Svendson et al. 2011) where majority of small and medium sized enterprises could not afford.

## Implications of study

This study provides theoretical, methodological and practical implication. In terms of entrepreneurship and small business theoretical implication, it was evident that entrepreneurial success among small and medium service enterprises (service SMEs) should be conceptualized with reference to resource-based view, small business success and positive psychology theories. From the resource-based view, the concept of "resources" should be broadly defined to include tangible (financial and material resources) and intangible (human and psychological capital) resources. Psychological capital should be viewed as key resources within SMEs, especially service SMEs. One way of explaining, psychological capital also play significant role in ensuring the venturous efforts heading towards entrepreneurial success. Resources would produce better outcome if properly translated into positive actions and strategies that cover formal strategy such as service orientation and entrepreneurial strategies such as entrepreneurial work engagement and entrepreneurial learning intensity. Ultimately, positive outcome or entrepreneurial success is the function of these valuable resources and positive action (strategies).

The theoretical sequencing proposition of resource, strategies and success within small business success model; and the proposition which stated that positive actions produce positive outcomes in positive psychology theory are meaningful in explaining entrepreneurial success and its antecedents. Strategies as mediator should receive more attention, especially entrepreneurial strategies that refer to intangible efforts by entrepreneurs in terms of entrepreneurial work engagement and learning intensity. This finding also implies that future research in entrepreneurial success should integrate theories by examining more variables using multiple intervening frameworks. This study is among the pioneer research proposing complex mediating relationships in the entrepreneurship literature and answering the notion that entrepreneurial success is a complex outcome variable which requires a comprehensive explanation (Baron & Henry, 2011).

The methodological implication is that future entrepreneurship studies require a robust statistical analysis (Rauch & Frese 2000). Employing a multiple-mediation model hypothesis testing, this study has provided methodologically evidence that entrepreneurial success is partly an attribution of psychological capital on entrepreneurial success mediated by entrepreneurial work engagement, and entrepreneurial learning intensity. The multiple-mediation analysis method also allows further diagnostic of a stronger mediator, in this case, entrepreneurial work engagement had slightly stronger statistical magnitude, which means the stronger mediator in this study.

The practical implication of this study is on entrepreneurs and potential entrepreneurs. Based on the findings of this study, entrepreneurs are expected to be equipped with strong psychological states of mind by having self-efficacy, optimism, resilience, and hope. They are also expected to be more engaged in their entrepreneurial venture and spending more time on high-learning to ensure success. Nonetheless, they must be aware that entrepreneurial success could be indicated by financial and psychological measures. Perhaps having sense of entrepreneurial satisfaction, feeling of gratitude, and preparedness is more real in surviving the cuts of entrepreneurial venturing. To policy makers, this study provided guidelines useful to prioritize potential entrepreneurship training and incentives. Entrepreneurship training should also cover psychological capital components and strategies. In particular, entrepreneurs with significant work engagement and learning intensity should be given more attention and service orientation as part of the firm strategies should be included in training programs for potential entrepreneurs, especially training design for the service SMEs.

### **Limitations and future research suggestions**

Although the research was designed carefully, it was not without limitations. The limitations have to be highlighted to caution against straight forward interpretations of the research findings and to give directions for future research. First, the data collection method was cross-sectional. The data was gathered at one time by which could not represent the actual picture of how entrepreneurial success actually evolves within the mind of entrepreneurs in the real sense. Therefore, this study could not establish causality inference from the data. If the data were collected using longitudinal method, the study could carefully describe the development from being potential entrepreneurs, to early start-ups, and to established entrepreneurs.

Second, in order to examine the extent of entrepreneurial learning intensity impacting on psychological performance, qualitative methods like case studies could have been more useful to study the differences between risk-takers (usually have high entrepreneurial learning intensity) and risk-averse (usually have low entrepreneurial learning intensity). The results would turn out to be more rigorous because case studies could explain why, when and how an entrepreneur gradually transforms to become an established entrepreneur due to entrepreneurial learning intensity in real time.

Third, the context of the study was focused on established entrepreneurs of small and medium service enterprises in Malaysia. Thus, future research could include established entrepreneurs in other industrial sectors such as agriculture, food and beverages, and manufacturing. The logic is for making comparison and comprehensive conclusions pertaining to the true essence of entrepreneurial success and the contributing factors. Perhaps variations will be discovered, given the differences. It would be interesting to discover in which disciplines that psychological states particularly psychological capital and its related strategies have the most impact from the entrepreneurs' perspective.

Last but not least, the sample size is another limitation. The usable size sample (83) was hindering advantages of using more robust statistical software such as structural model equation (SEM) which requires normally a sample of at least 200 respondents (Hair et al. 1998), considering the number of relationships and parameters in the research model. For example, even though the R-squared value of the multiple-mediation model was more than 60 percent (63.92%), the significance of the goodness fit indices of the model could not be tested. Hence, future research should replicate this study using a larger sample size.

### **Conclusion**

To conclude, this study confirmed theoretically and statistically that psychological capital is the most critical personal psychological resource for all small and medium-sized enterprise owners to have the chance to become successful entrepreneurs. This means the inclusiveness of psychological states variables, such as positive psychological capital, would enhance the understanding of entrepreneurial success, in line with the propositions by previous scholars who posited that the higher the personal psychological resources, the higher chance for entrepreneurs to earn lasting entrepreneurial

success. Of course, the explanation of entrepreneurial success is not simplistic. This study substantiates that it would be more comprehensive when a couple of mediators are introduced to explain entrepreneurial success because entrepreneurial success is a complex phenomenon. The significant relationship between psychological capital (predicting variable) and entrepreneurial success (dependent variable) necessitates this study to examine mediation mechanisms between psychological capital and entrepreneurial success. Entrepreneurial work engagement and entrepreneurial learning intensity, as mediators, both were the intervening variables that strengthen the influence of psychological capital on entrepreneurial success significantly. Previous research urge entrepreneurs of small and medium-sized enterprises to be real and closer to market, customers, and competitors. Therefore, service and market orientation are newly introduced variables in this study to seek potential enriching explanation. Although the effect of market orientation remain unanswered, service orientation was found to be related to entrepreneurial work engagement in service SMEs context. Finally, future research involving service companies should examine the role of service orientation in more depth because it might be related to service firm success and long-term sustainability.

## References

- [1] Alstete, J.W. 2008. Aspects of entrepreneurial success. *Journal of Small Business and Enterprise Development* 15(3): 584-594.
- [2] Alwin, D.F. 1997. Feeling thermometers versus 7-point scales. *Sociological Methods & Research* 25(3): 318-340.
- [3] Armstrong, J.S. & Overton, T.S. 1977. Estimating non-response bias in mail survey. *Journal of Marketing Research* 14: 396-402.
- [4] Anderson, L.M., Giacalone, R.A. & Jurkiewicz, C.L. 2007. On relationship of hope and gratitude to corporate social responsibility. *Journal of Business Ethics* 70(4): 401-409.
- [5] Artinger, S. & Powell, T.C. 2015. Entrepreneurial failure: Statistical and psychological explanations. *Strategic Management Journal* doi: 10.1002/smj2378.
- [6] Avey, J.B., Luthans, F., Smith, R.M. & Palmer, N.F. 2010. Impact of positive psychological capital on employee well-being over time. *Journal of Occupational Health Psychology* 15(1): 17-28.
- [7] Baron, R.A. & Henry, Rebecca A. 2011. Entrepreneurship: The genesis of organizations. *APA Handbook of Industrial and Organizational Psychology*, pp. 241-273. Washington, DC, USA. doi:10.1037/12169-008.
- [8] Breugst, N., Domurath, A., Patzelt, H. & Klaukien, A. 2012. Perceptions of entrepreneurial passion and employees' commitment to entrepreneurial ventures. *Entrepreneurship Theory and Practice* doi:10.1111/j.1540-6520.
- [9] Byrne, B.M. 2001. *Structural equation modeling with Amos: Basic concepts, applications, and programming*. Lawrence Erlbaum Associates, Mahwah, New Jersey, USA.
- [10] Cano, C.R., Carilla, F.A. & Jaramillo, F. 2004. A meta-analysis of the relationship between market orientation and business performance: Evidence from five continents. *International Journal of Research in Marketing* 21(2): 179-200.
- [11] Carr, A. 2011. *Positive psychology: The science of happiness and human strengths*. 2nd edition. Routledge, New York.
- [12] Carraher, S., Parnell, J.A. & Spillan, J.E. 2009. Customer service orientation of small retail business owners in Austria, The Czech Republic, Hungary, Latvia, Slovakia, and Slovenia. *Baltic Journal of Management* 4(3): 251-268.
- [13] Cavana, R.Y., Delahaye, B.L. & Sekaran, U. 2001. *Applied Business Research: Qualitative and Quantitative Methods*. John Wiley & Sons, Australia.
- [14] Coakes, S.J. & Steed, L. 2007. *SPSS for Windows analysis without anguish*. John Wiley & Sons, Australia.
- [15] Cooper, D.R. & Emory, W.C. 1995. *Business Research Methods*. 5th edition. Richard D. Irwin, Inc. USA.
- [16] Cope, J. 2003. Entrepreneurial learning and reflection: Discontinuous events as triggers for "higher level learning". *Management Learning* 34(4): 429-450.
- [17] Cronbach, L.J. 1951. Coefficient alpha and the internal structure of tests. *Psychometrika* 16(3): 297-334.
- [18] Csikzentmihalyi, M. 2003. *Good Business: Leadership, Flow, and The Making of Meaning*. Penguin Group, New York.

- [19] Culbertson, S.S., Fullagar, C.J. & Mills, M.J. 2010. Feeling good and doing great: The relationship between psychological capital and well-being. *Journal of Occupational Health Psychology* 15(4): 421-433.
- [20] Cummins, R.A. & Gullone, E. 2000. Why we should not use 5-point Likert scale: The case for subjective quality life measures. *Proceedings in Second International Conference on Quality of Life in Cities*, Singapore: National University of Singapore.
- [21] Davidsson, P. 2005. Interpreting performance in small business research. In *Proceedings Strathclyde Entrepreneurship Research Workshop*, Leeds. UK. Available at <http://eprints.qut.edu.au>.
- [22] Deshpande, R. & Farley, J.U. 1998. Measuring market orientation: Generalization and synthesis. *Journal of Market Focused Management* 2: 213-232.
- [23] Dutton, J.M., Thomas, A. & Buttler, J.E. 1984. The history of progress functions as a managerial technology. *The Business History Review* 58(2): 203-233.
- [24] Economic Census: Profile of Small Medium Enterprise (Malaysia) 2011
- [25] Fisher, R., Maritz, A. & Lobo, A. 2013. Obsession in entrepreneurs – towards a conceptualization. *Entrepreneurship Research Journal* 3(2): 207-237.
- [26] Fornell, C. & Larcker, D.L. 1981. Structural equation models with unobservable variables and measurement errors: Algebra and statistics. *Journal of Marketing Research* 18(3): 382-388.
- [27] Frese, M.J. & Gielnik, M.M. 2014. The psychology of entrepreneurship. *Annual Review of Organizational Psychology and Organizational Behavior* 1: 413-438.
- [28] Frese, M.J. 2009. Characteristics of active performance and entrepreneurial success. In *Toward a Psychology of Entrepreneurship – An Action Theory Perspective Foundations and Trends in Entrepreneurship*. pp. 435-494.
- [29] Gorgievski, M.J., Bakker, A. & Schaufeli, W.B. 2011. Work engagement and workaholism: Comparing the self-employed and salaried employees. *The Journal of Positive Psychology* 5(1): 83-96.
- [30] Greenhaus, J.H., Parasuraman, S. & Wormley, W.M. 1990. Effects of race on organizational experiences, job performance evaluation, and career outcomes. *Academy of Management Journal* 33(1): 64-86.
- [31] Haber, S. & Reichel, A. 2005. Identifying measures of small ventures – the case of tourism industry. *Journal of Small Business Management* 43(3): 257-286.
- [32] Hair, J.F., Anderson, R.E., Tatham, R.L. & Black, W.C. 1998. *Multivariate Data Analysis*. New Jersey: Prentice Hall.
- [33] Hall, D.T. & Chandler, D.E. 2005. Psychological success: When the career is a calling. *Journal of Organizational Behavior* 26: 155-176.
- [34] Hmieleski, K.M. & Carr, J.C. 2007. The relationship between entrepreneur psychological capital and well-being. *Frontiers of Entrepreneurship Research* 27(5): 1-12.
- [35] Hmieleski, K.M. & Corbett, A.C. 2008. The contracting interaction effects of improvisational behavior with entrepreneurial self-efficacy on new venture performance and entrepreneurship work satisfaction. *Journal of Business Venturing* 23: 482-496.
- [36] Holcomb, T.R., Ireland, R.D., Holmes Jr., R.M. & Hitt, M.A. 2009. Architecture of entrepreneurial learning: exploring the link among heuristics, knowledge, and action. *Entrepreneurship Theory and Practice* 33(1): 167-192.
- [37] Idar, Raduan & Mahmood, Rosli. 2011. Entrepreneurial and marketing orientations relationship to performance: The SME perspective. *Interdisciplinary Review of Economics and Management* 1(2): 1-8.
- [38] Jain, Ravindra & Ali, Saiyed Wajid. 2013. Self-efficacy beliefs, marketing orientation and attitude orientation of Indian entrepreneurs. *Journal of Entrepreneurship* 22(1): 71-95.
- [39] Judge, T.A., Bono, J.E., Thoresen, C.J. & Patton, G.K. 2001. The job satisfaction – job performance relationship: A qualitative and quantitative review. *Psychological Bulletin* 127(3): 376-407.
- [40] Juhdi, H.N. & Salleh, Aliah H.M. 2009. Brand awareness and brand meaning in cultivating service brand equity for Malaysian higher education. *Services Management and Marketing: Studies in Malaysia*. UKM-Graduate School of Business, UKM.
- [41] Kirca, A.H., Jayachandran, Satish & Bearden, W.O. 2005. Market orientation: A meta-analytic review and assessment of its antecedents and impact on performance. *Journal of Marketing* 69(2): 24-41.

- [42] Lerner, J. 2009. *Boulevard of broken dreams*. Princeton University Press. New jersey.
- [43] Levitt, B. & March, J.G. 1988. Organizational learning. *Annual Review of Sociology* 14: 319-340.
- [44] Liechti, D., Loderer, C. & Peyer, U. 2011. Luck and Entrepreneurial Success. Conference paper, 2009 Conference of the Academy of Entrepreneurial Finance, the Academy of Behavioral Finance, and INSEAD. France.
- [45] Liu, S.S., Luo, X. & Shi, Yi-Zheng. 2003. Market-oriented organizations in an emerging economy: A study of missing links. *Journal of Business Research* 56: 481-491.
- [46] Lope Pihie, Z.A. & Baghari, A. 2012. An exploratory study of entrepreneurial attributes among Malaysian university students. *Life Science Journal* 9(3): 2358-2365.
- [47] Luthans, F., Avolio, B.J., Avey, J.B. & Norman, S.M. 2007. Positive psychological capital: Measurement and relationship with performance and satisfaction. *Personnel Psychology* 60: 541-572.
- [48] Luthans, F., Luthans, K.W. & Luthans, B.C. 2004. Positive psychological capital: Beyond human and social capital. *Business Horizon* 47(1): 45-50.
- [49] Luthans, F. & Youssef, C.M. 2007. *Psychological Capital*. pp. 237-238. New York Oxford University Press.
- [50] Lytle, R.S., Hom, P.W. & Mokwa, M.P. 1998. SERV\*OR: A Managerial Measure of Organizational Service-Orientation. *Journal of Retailing* 74(4): 455-489.
- [51] Lytle, R.S. & Timmerman, J.E. 2006. Service Orientation and Performance: an Organizational Perspective. *Journal of Service Marketing* 20(2): 136-147.
- [52] Mariussen, A.J., Wheelock, J. & Baines, S. 1997. The Family Business Tradition in Britain and Norway *International Studies of Management in Organizations* 27: 64-85.
- [53] McCullough, M.E., Emmons, R.A. & Tsang, Jo-Ann. 2002. The Grateful Disposition: a Conceptual and Empirical Topography. *Journal of Personality and Social Psychology* 82(1): 112-127.
- [54] Menell, P.S. 1998. An Epitaph for Traditional Copyright Protection of Network Features of Computer Software. *Antitrust Bulletin* 43(3-4): 651-713. Available at <http://ssrn.com>
- [55] Newman, A., Schwarz, S. & Borgia, D. 2013. How does microfirm enhance entrepreneurial outcomes in emerging economies? The mediating mechanism of psychological and social capital. *International Small Business Journal* 32(2): 158-179.
- [56] Oliveira, P. & Roth, A.V. 2012. Service Orientation: The Derivation of Underlying Constructs and Measures. *International Journal of Operations & Production Management* 32(2): 156-190.
- [57] Paladino, Angela. 2007. Investing the Drivers of Innovation and New Product Success: A Comparison of Strategic Orientation. *The Journal of Product Innovation Management* 24: 534-553.
- [58] Peterson, R.A. 1994. A Meta-Analysis of Cronbach's Coefficient Alpha. *Journal of Consumer Research* 21(2): 381-391.
- [59] Peterson, S.J., Luthans, F., Avolio, B.J., Walumbwa, F.O. & Zhang, Zhen. 2011. Psychological Capital and Employee Performance: A Latent Growth Modeling Approach. *Personnel Psychology* 64(2): 427-450.
- [60] Politis, D. 2005. The Process of Entrepreneurial Learning: A Conceptual Framework. *Entrepreneurship Theory and Practice* 29(4): 399-424.
- [61] Poon, J.M.L. 2005. Career Commitment and Career Success: Moderating Role of Emotional Perception. *Career Development International* 9(4): 374-390.
- [62] Poon, J.M.L., Raja Azimah Aminuddin, Saodah Haji Junit. 2006. Effects of Self-Concept Traits and Entrepreneurial Orientation on Firm Performance. *International Small Business Journal* 24(1): 61-82.
- [63] Preacher, K.J. & Hayes, A.F. 2004. SPSS and SAS Procedures for Estimating Indirect Effects in Simple Mediation Models. *Behavior Research Methods, Instruments & Computers*. 36(4): 717-731.
- [64] Preacher, K.J., & Hayes, A.F. 2008. Asymptotic and Resampling Strategies for Assessing and Comparing Indirect Effects in Multiple Mediator Models. *Behavior Research Methods* 40(3): 879-891.
- [65] Ramayah, T., Yan, L.C. & Sulaiman, M. 2005. SME e-Readiness in Malaysia: Implications for Planning and Implementation. *Sasin Journal of Management* 11(1): 103-120.

- [66] Rauch, A. & Frese, M. 2000. Psychological Approaches to Entrepreneurial Success: A General Model and an Overview of Findings. *International Review of Industrial and Organizational Psychology* pp. 101-142.
- [67] Runyan, R.C., Huddleston, P & Swinney, J.L. 2007. A Resource-Based View of the Small Firm: Using a Qualitative Approach to Uncover Small Firm Resources. *Qualitative Market Research: An International Journal* 10(4): 390-402.
- [68] Salanova, M., Agut, S. & Peiro, J.M. 2005. Linking organizational resources and work engagement to employee performance and customer loyalty, the mediation of service climate. *Journal of Applied Psychology* doi:10.1037/0021-9010.6.1217.
- [69] Sarasvathy, S.D. 2004. The Questions We Ask and the Question We Care About: Reformulating Some Problems in Entrepreneurship Research. *Journal of Business Venturing* 19: 707-717.
- [70] Schaufeli, W.B., Bakker, A.B. & Salanova, M. 2006. The Measurement of Work Engagement with a Short Questionnaire: A Cross-National Study. *Educational and Psychological Measurement* 66(4): 701-716.
- [71] Seligman, M.E.P. 2000. Positive psychology. In Seligman, M.E.P. 2000. *The Science of Optimism and Hope*. Templeton Foundation press. pp: 415-432.
- [72] Seligman, M.E.P. & Csikszentmihalyi, M. 2000. Positive Psychology. *American Psychologist* 55(1): 5-14.
- [73] Shane, S. 2003. *A General Theory of Entrepreneurship: The Individual-Opportunity Nexus*. Edward Elgar Publishing, Inc. USA.
- [74] Simpson, M., Padmore, J. & Newman, N. 2012. Towards a New Model of Success and Performance in SMEs. *International Journal of Entrepreneurial Behaviour & Research* 18(3): 264-285.
- [75] Sisodia, R., Wolfe, D.B. & Sheth, J. 2007. *Firms of Endearment*. Wharton School Publishing. New Jersey.
- [76] Slater, S.F. & Narver, J.C. 2000. The Positive Effect of a Market Orientation on Business Profitability: A Balanced Replication. *Journal of Business research* 48: 69-73.
- [77] SMI SME Business Directory (Malaysia). 2010.
- [78] Sok, P., O'Cass, A. & Sok, K.M. 2013. Achieving superior SME performance: Overarching role of marketing, innovation, and learning capabilities. *Australasian Marketing Journal* 21(3): 161-167.
- [79] Spicer, D.P. & Sadler-Smith, E. 2006. Organizational Learning in Smaller Manufacturing Firms. *International Small Business Journal* 24(2): 133-158.
- [80] SSM <http://www.ssm.com.my/>
- [81] Steinman, C., Deshpande, R & Farley, J.U. 2000. Beyond Market Orientation: When Customers and Suppliers Disagree. *Journal of the Academy of Marketing Science* 28(1): 109-119.
- [82] Stokes, D. & Blackburn, R. 2002. Learning the Hard Way: The Lessons of Owner-Managers who have Closed their Business. *Journal of Small Business and Enterprise Development* 9(1): 17-27.
- [83] Svendsen, M.F., Haugland, S.A., Gronhaug, K. & Hammervoll, T. 2011. Marketing Strategy and Customer Involvement in Product Development. *European Journal of Marketing* 45(4).
- [84] Sweetman, D., Luthans, F., Avey, J.B. & Luthans, B. 2011. Relationship between Positive Psychological Capital and Creative Performance. *Canadian Journal of Administrative Sciences* 28: 4-13.
- [85] Tabachnick, B.G. & Fidell, L.S. 2001. *Using Multivariate Statistics*. 4th. Edition. A Pearson Education Company. USA.
- [86] Tang, J., Kacmar, K.M. & Busenitz, L. 2010. Entrepreneurial Alertness in the Pursuit of New Opportunities. *Journal of Business Venturing* article in press.
- [87] Vargo, S.L. & Lusch, R.F. 2008. Why "service"? *Journal of Academy of Marketing Science* 36: 25-38.
- [88] Wang, C.L. 2008. Entrepreneurial Orientation, Learning Orientation, and Firm Performance. *Entrepreneurship Theory and Practice* 32(4): 635-657.
- [89] Weiner, B. 1985. An Attributional Theory of Achievement Motivation and Emotion. *Psychological Review* 92(4): 548-573.
- [90] Yang, Y. & Green, S.B. 2011. Coefficient Alpha: A Reliability Coefficient for the 21st Century? *Journal of Psychoeducational Assessment* 29(4): 377-392.



- [91] Zhao, X., Lynch Jr, J.G. & Chen, Qimei. 2010. Reconsidering Baron and Kenny: Myths and Truths about Mediation Analysis. *Journal of Consumer Research* 37(2): 197-206.
- [92] Zheng, Xin & Yin, Cui. 2010. Entrepreneurial Orientation, Market Orientation and Firm Performance: The Mediation Role of Organizational Learning. *Management and Service Science, International Conference Proceeding, IEEE* p. 1-4.

## APPENDIX A

### Item Measurements

#### Entrepreneurial success

1. I perceived sufficient income in the first three years of establishment.
2. I perceived having high income for the last few years.
3. I expect having high income for the next following years.
4. I am *highly* satisfied with the success I have achieved.
5. I am *highly* satisfied with the progress I have made toward meeting my overall goals.
6. I am *highly* satisfied with the progress I have made toward meeting my goals for income.
7. I am *highly* satisfied with the progress I have made toward meeting my goals for self-advancement.
8. I am *highly* satisfied with the progress I have made toward meeting my goals for the development of new skills.
9. I have so much in life to be thankful for.
10. If I have to list everything that I feel grateful for, it would be a very long list.
11. When I look at the world, I don't see much to be grateful for.
12. I am grateful to very wide variety of people.
13. As I get older I find myself more able to appreciate everything that has been part of my life history.
14. Long amounts of time can go by before I feel grateful to something or someone.
15. I have a gut feeling for potential opportunities.
16. I can distinguish between profitable opportunities and not-so-profitable opportunities.
17. I have a knack for telling high-value opportunities apart from low-value opportunities.
18. When facing multiple opportunities, I am able to select the good ones.

#### Psychological capital

1. I feel confident analyzing a long-term problem to find a solution.
2. I feel confident in representing my work area in meetings with management.
3. I feel confident contributing to discussions about the organization's strategy.
4. I feel confident helping to set targets/goals in my work area.
5. I feel confident contacting people outside the organization (e.g., suppliers, customers) to discuss problems.
6. I feel confident presenting information to a group of colleagues.
7. If I should find myself in a jam at work, I could think of many ways to get out of it.
8. At the present time, I am energetically pursuing my work goals.
9. There are lots of ways around any problem.
10. Right now I see myself as being pretty successful at work.
11. I can think of many ways to reach my current work goals.
12. At this time, I am meeting the work goals that I have set for myself.
13. When I have a setback at work, I have trouble recovering from it, moving on.
14. I usually manage difficulties one way or another at work.
15. I can be "on my own," so to speak, at work if I have to.
16. I usually take stressful things at work in stride.
17. I can get through difficult times at work because I have experienced difficulty before.
18. I feel I can handle many things at a time at this job.
19. When things are uncertain for me at work, I usually expect the best.
20. If something can go wrong for me work-wise, it will because I believe anything bad is possible for me.
21. I always look on the bright side of things regarding my job.
22. I am optimistic about what will happen to me in the future as it pertains to work.
23. In this job, things never work out the way I want them to.
24. I approach this job as if "every cloud has a silver lining."

### **Entrepreneurial work engagement**

1. At my work, I feel bursting with energy.
2. I find the work that I do full of meaning and purpose.
3. Time flies when I am working.
4. At my work, I feel strong and vigorous.
5. I am enthusiastic about my ventures.
6. When I am working, I forget everything else around me.
7. My business activities inspire me.
8. When I get up in the morning, I feel like going to work.
9. I feel happy when I have already worked hard enough.
10. I am proud of the work that I do.
11. I am immersed in my work.
12. I can continue working for very long hours.
13. To me, my job is challenging.
14. I get carried away when I am working.
15. At work, I am very resilient, mentally.
16. It is difficult to detach myself from my job.
17. At work, I always persevere, even when things do not go well.

### **Entrepreneurial learning intensity**

1. I put a great deal to learn business knowledge from direct experience with customers.
2. I put a great deal to learn business knowledge by observing others.
3. I make an effort to take in and digest new knowledge.
4. I make an effort to link new knowledge with my preexisting situation.
5. When in lack of knowledge, I do not think hard to decide on taking opportunities.
6. When in lack of knowledge, I have to make exhaustive analysis.

### **Service orientation**

1. I am committed in providing resources to enhance employee ability to be excellent.
2. I view customers as opportunities to serve rather than as sources of revenue.
3. I believe that my business exists to serve the needs of my customers.
4. My employees always report that they care for customers.
5. My employees always report that they go extra mile for customers.
6. My employees always report that they go out of their way to reduce inconveniences for customers.
7. Every employee receives personal skill trainings that enhance his/her ability to deliver high quality service.
8. Large amount of time and effort in simulated training activities that help us provide high levels of service.

### **Market orientation**

1. I continually monitor my customers and competitors to find new ways to improve customer satisfaction.
2. I freely communicate information about successful and unsuccessful customer experiences with every worker across functions.
3. My business strategy for competitive advantage is based on my understanding of customers' needs.
4. My business activities are more customer-focused.
5. My business activities include polling end users at least once per year to assess the quality of products and services.
6. My overall business objectives are driven primarily by customer satisfaction.
7. One of my main concerns is to measure customer satisfaction systematically.
8. I set routine or regular measures of customer service.
9. I believe this business exists primarily to serve customers.
10. Data on customer satisfaction are disseminated at all levels in this business on regular basis.

## **APPENDIX B**

### **Factor Analysis: Loadings and Cross-Loadings**

	-----	---	ELI	PSYCAP	MO	SO
FW1	<b>0.2218</b>	0.1155	0.1428	0.0754	0.0746	0.1468
FW2	<b>0.4728</b>	0.3151	0.3282	0.2733	0.1638	0.0133
FW3	<b>0.3899</b>	0.2259	0.3319	0.3432	0.1855	0.0821
OPP1	<b>0.4716</b>	0.3624	0.3646	0.367	0.3015	0.1484
OPP2	<b>0.5634</b>	0.4762	0.4009	0.484	0.3606	0.236
OPP3	<b>0.5254</b>	0.3786	0.4432	0.4393	0.3718	0.1832
OPP4	<b>0.5697</b>	0.458	0.4749	0.5215	0.3552	0.3145
PPG1	<b>0.5885</b>	0.481	0.444	0.5592	0.3172	0.3346
PPG2	<b>0.5906</b>	0.4761	0.4594	0.5805	0.2655	0.4001
PPG3	<b>0.4503</b>	0.3686	0.2309	0.423	0.174	0.1063
PPG4	<b>0.7398</b>	0.6172	0.5346	0.6573	0.2335	0.2699
PPG5	<b>0.5544</b>	0.5044	0.3875	0.5464	0.1521	0.1138
PPG6	<b>0.5485</b>	0.4208	0.3132	0.4854	0.0937	0.1057
PPS1	<b>0.6604</b>	0.4062	0.3757	0.4712	0.257	0.1999
PPS2	<b>0.5765</b>	0.3668	0.3776	0.3515	0.2207	0.1908
PPS3	<b>0.5451</b>	0.4306	0.4005	0.3523	0.3065	0.3114
PPS4	<b>0.5760</b>	0.3977	0.3925	0.3858	0.2571	0.1776
PPS5	<b>0.6268</b>	0.4857	0.4363	0.4595	0.1823	0.2304
EW1	0.6264	<b>0.7453</b>	0.6095	0.6233	0.4051	0.3537
EW10	0.5195	<b>0.6686</b>	0.5003	0.5439	0.303	0.2619
EW11	0.3789	<b>0.6133</b>	0.5084	0.5264	0.3396	0.1894
EW12	0.4656	<b>0.5141</b>	0.4171	0.4517	0.0827	0.1098
EW13	0.4461	<b>0.5044</b>	0.4579	0.3935	0.3379	0.3321
EW14	0.3315	<b>0.4394</b>	0.2693	0.3176	0.2216	0.2763
EW15	0.4284	<b>0.6285</b>	0.3625	0.5337	0.1481	0.2022
EW16	0.3647	<b>0.5496</b>	0.3925	0.4329	0.1902	0.1805
EW17	0.408	<b>0.6846</b>	0.4534	0.5623	0.1506	0.1206
EW2	0.6074	<b>0.7801</b>	0.6246	0.6206	0.2767	0.2387
EW3	0.6441	<b>0.8004</b>	0.5233	0.7235	0.3045	0.366
EW4	0.636	<b>0.8031</b>	0.5854	0.7007	0.3787	0.3508
EW5	0.4925	<b>0.6936</b>	0.505	0.5514	0.2198	0.2266
EW6	0.3687	<b>0.4938</b>	0.4156	0.3602	0.0598	0.1201
EW7	0.5972	<b>0.7809</b>	0.6032	0.6148	0.3423	0.227
EW8	0.5843	<b>0.7500</b>	0.4882	0.6247	0.2873	0.2367
EW9	0.5533	<b>0.6508</b>	0.5639	0.5679	0.3788	0.3392
ELI1	0.6035	0.6271	<b>0.7801</b>	0.5536	0.4832	0.4056
ELI2	0.3845	0.4489	<b>0.6316</b>	0.4205	0.3524	0.1999
ELI3	0.6041	0.6456	<b>0.8680</b>	0.5978	0.4537	0.3224
ELI4	0.5365	0.579	<b>0.8144</b>	0.5593	0.3502	0.2833
ELI5	0.3394	0.3344	<b>0.4344</b>	0.3544	0.0457	0.0937
ELI6	0.2947	0.1971	<b>0.2961</b>	0.2896	0.0352	0.032
PSYCAPC1	0.4462	0.4747	0.3772	<b>0.5979</b>	0.3766	0.2516
PSYCAPC2	0.4925	0.4896	0.4722	<b>0.5699</b>	0.3088	0.1294
PSYCAPC3	0.3607	0.361	0.2365	<b>0.5405</b>	0.2999	0.2262
PSYCAPC4	0.45	0.4766	0.3433	<b>0.6301</b>	0.2225	0.1611
PSYCAPC5	0.5651	0.5702	0.4292	<b>0.7383</b>	0.2937	0.1967
PSYCAPC6	0.6022	0.6115	0.5092	<b>0.7504</b>	0.3312	0.218
PSYCAPH10	0.1205	<b>0.2341</b>	0.1597	<b>0.2174</b>	0.0024	0.0274

PSYCAPH11	0.4215	0.4554	0.3751	<b>0.6116</b>	0.3094	0.3072
PSYCAPH12	0.5274	0.441	0.3858	<b>0.4962</b>	0.3362	0.3682
PSYCAPH7	0.53	0.549	0.5212	<b>0.6672</b>	0.1933	0.2787
PSYCAPH8	0.5704	0.6017	0.5378	<b>0.6123</b>	0.3924	0.2187
PSYCAPH9	0.5466	0.5219	0.3647	<b>0.5921</b>	0.0998	0.1493
PSYCAPO19	0.5934	0.5318	0.5212	<b>0.6879</b>	0.2209	0.3386
PSYCAPO20	0.3138	0.2181	0.2428	<b>0.3186</b>	0.0932	0.19
PSYCAPO21	0.4875	0.3821	0.425	<b>0.5786</b>	0.2252	0.3462
PSYCAPO22	0.5775	0.5289	0.5095	<b>0.6890</b>	0.3196	0.3115
PSYCAPO23	0.2601	0.1431	0.1492	<b>0.3019</b>	0.0833	0.1622
PSYCAPO24	0.5829	0.6317	0.495	<b>0.6853</b>	0.353	0.2197
PSYCAPR13	0.3422	0.3228	0.1514	<b>0.3539</b>	0.181	0.2056
PSYCAPR14	0.3768	0.4977	0.3666	<b>0.5107</b>	0.2039	0.2315
PSYCAPR15	0.031	<b>0.054</b>	-0.0091	<b>0.0259</b>	-	-0.1547
PSYCAPR16	0.4543	0.5551	0.4927	<b>0.5336</b>	0.3732	0.3577
PSYCAPR17	0.293	0.3978	0.3448	<b>0.4737</b>	0.2629	0.2389
PSYCAPR18	0.3176	0.3316	0.3042	<b>0.4829</b>	0.165	0.3173
MO1	0.2661	0.2332	0.4125	0.2317	<b>0.6556</b>	0.3141
MO10	0.3695	0.4749	0.3185	0.4518	<b>0.6826</b>	0.5898
MO2	0.2081	0.2652	0.3343	0.2904	<b>0.5834</b>	0.2928
MO3	0.3445	0.2753	0.4125	0.3398	<b>0.7476</b>	0.3333
MO4	0.4247	0.3194	0.398	0.3921	<b>0.7350</b>	0.2825
MO5	0.1247	0.15	0.1782	0.1306	<b>0.5473</b>	0.4386
MO6	0.2742	0.2495	0.2933	0.268	<b>0.7387</b>	0.5176
MO7	0.1828	0.147	0.1237	0.249	<b>0.6444</b>	0.4644
MO8	0.2868	0.2482	0.2339	0.3222	<b>0.6736</b>	0.5379
MO9	0.3664	0.2971	0.3579	0.3329	<b>0.7721</b>	0.5597
SO1	0.1916	0.2183	0.2896	0.2849	0.5289	<b>0.6914</b>
SO2	0.1266	0.161	0.1279	0.2076	0.2511	<b>0.4451</b>
SO3	0.2011	0.2957	0.1454	0.316	0.4213	<b>0.7202</b>
SO4	0.1262	0.2043	0.1217	0.2588	0.3508	<b>0.6605</b>
SO5	0.0698	0.13	-0.0174	0.1199	0.2648	<b>0.5034</b>
SO6	0.2268	0.2273	0.268	0.2087	0.3512	<b>0.7865</b>
SO7	0.401	0.3076	0.3858	0.3635	0.5589	<b>0.8490</b>
SO8	0.4911	0.3991	0.4847	0.4317	0.5182	<b>0.8007</b>

## Toward European Integration in Public Administration and Public Services

Dr. Gentiana KRAJA

“Aleksandër Moisiu” University, Durrës, Albania

[gentianakraja@yahoo.com](mailto:gentianakraja@yahoo.com)

### Abstract

*The main purpose of this paper is to identify the problems associated with public administration, public services and the role public administrator when this process is guided by the principles of the European Union. Integration into the European Union, a long-awaited process and promoted in Albania, will have consequences in the political, economic, social life, and in the governance of this country. Public administration as an important link of the state governance and insight to citizens will certainly be affected by the integration process. The main purpose of this paper is to reflect and analyze how Public Administration works, and what is the heritage regarding Administration procedures and how to place first at the prospect of integration into the European Union. In this paper also aims to give a concise picture associated with public administrator performance and his role in providing public services. The goals of the research will be carried out between theoretical synthesis of the literature, legislation and reports. Main finding of this paper is the theoretical and practical approach about public services and public administration seen also form the European point of view.*

**Keywords:** Public Administration, Integration, adaptation, public administrator

### 1. Introduction

That in 1980 public services are challenged by neoliberal views on the economy and the role of the state. On the other hand trying to integrate European economies has questioned the purpose of these services (Costa. O., Kaeding. M., (2014).. In an era when the facts are uncertain, values controversial, presence of high action and urgent decisions, the capacity of the public sector to provide innovative solutions will be crucial. The remodeling of the public sector to address complex and interrelated challenges must include and some license to innovate. Innovation as a matter of principle to be welcomed. Public servants need a safe space right innovation and a formal recognized what looks old or inefficient (Madelin. R., (2014). To answer in a timely and effective dynamism and such challenges should last beyond divisions proof sector, public and social. An innovative model for sustainable cooperation due to profitability and an increase social impact, is the model of co creation (co-creation). While it may seem obvious from an intellectual points of view, this model requires new forms of cooperation and cultural changes. This should be noted when a party has the same culture as another, it is still possible to develop more intelligent Solution Do and less costly, together contributing to a joint force for a partnership. . Although the world is changing at a speed and social challenges are becoming increasingly complex, new cooperative model is to enable convergence between public and private sector, thereby creating a platform for the ideals for the government to redefine its role and become more efficient while protecting the general good.

The public sector - such as public administration and the broader spectrum of public institutions funded by public funds - constitutes a significant part of the European economy, this represents almost a quarter of employment and half of gross domestic product. The public sector has long been associated with stability, but the financial crisis has been a harsh teacher for the European Union, making it obvious that the stability can be illusory. One against the background of looming budget cuts and social challenges as aging, climate change and youth unemployment, there is now an urgent need for public sector change. Innovation, which is about the return of fresh ideas in the economic and social value, the public sector can offer a practical way forward (Jan Smits. R. (2014). Public administrations in Europe are facing a number of significant changes challenging. Demographic changes are leading to a decline in population and the lack of skilled workers, including public sector. At the same time, the government's tasks are becoming increasingly complex and citizens are making greater demands on the quality of public sector services. The Gordian knot can be solved only through innovation that allows the public administration to provide high quality services in a more efficient manner. In this context very much promoted in solving problems associated with public administration, and public services is and digitization ii public services (Zypries. B., (2014).

### **Methodology**

To realize this paper we have used secondary data. The theoretical framework was conducted by browsing the literature referring to these arguments, the practice is carried prestige referring to reports and concrete practices. For each of the issues under discussion was conducted a comparative theoretical interpretation and practice. At the end of the paper reached some conclusions recommending nature.

### **Research questions**

This work is accomplished by orienting in giving response to some questions.

What is the philosophy of offering Public Service and Public administering, or change it in our case when the subject of the EU integration process? How should management oriented organizations and public services in order to comply with EU criteria and standards?

### **Theoretical Approach Management and Public Services Organizations**

Dixit (2002) highlights two important issues about public sector activity. The first was the fact that the activity of public organizations to life products and services, which address not only the general public but also more unique users and not massive as the general public. Even public services address themselves politicians or political leadership of the country. The second is a consequence of the first. Its activity has public organizations to achieve multiple goals and objectives often conflict with each other. For example it is expected that they simultaneously increase the efficiency, the effectiveness, but on the other hand must also ensure equal benefit of public services and public service delivery to the final customer in need. These issues demonstrate the difficulties that performance management of public services or services of general interest in this way of public organizations. These two features, so, the extent of large, even massive geographical public service and often conflicting objectives to be achieved by the provision of public services, makes it impossible to effect the incentives that could be used in the public sector cannot have effect as high as what was in the private sector.

During and after the 90s in what became known as "new public sector", many services in advanced economies were under pressure as efficiency and effectiveness, as well as the reduction of requirements against taxpayers, without reducing the volume production or the quality of public service. Thus the concept of organizational performance and its measurement is of great interest, as to the public or stakeholders, as well as for competition (Brignall, S., Modell, S., (2000).

*According to many considerations, organizational performance includes actual output's measured against planned output. This is one of the simplest definitions, more general, but also more comprehensive organizational performance. Organizations, as well as by this definition, there are exceptions and public organizations. The main purpose behind the definition is to measure its performance and after the measurement, its improvement. Measures which are not directly related to performance improvement (for example: improving communication with the public to build trust) actually are tools through which it aims to achieve the ultimate goal. Organizational performance includes some specific areas (a) financial performance (b) the performance of the product market (c) return of the shares. To assess how well they are performing a public sector unit, often called and public agencies, managers must determine what it had planned to meet agency (Behn, R. D., (2003).*

An important perspective is given by the institutional theory, the performance can be seen as institutionally defined as institutional factors that determine the interest to be followed by the organization. Briefly argued (Brignall, S., Modell, S., (2000) overall performance, from the perspective of institutional theory can be defined as: (a) the domination of elites in organizations, (b) where there is a high professionalism and (c) the organization performs a technical function, outcomes (outputs) of which they are measurable. The performance can be interpreted more broadly, as (a) the rate of operation of democratic government, sometimes in a formal structure or rules of an organization (b) recognition of different interest costs and (c) the functioning of the organization is non-technical and results (output s) avoid measurement. As mentioned above organizational performance, in particular the public, seen as effective and efficient production of public services, implying different sources, such as: people, technology and various capital assets (Brignall, S., Modell, S., (2000).

In his book "Managing Public Organizations" author A. Ceni (2011) public organizations often sees in parallel or in analogy to public services. In this way the public service gets a sublime importance, because it is the face of the organization. Afterwards, given that the service carries the property of simultaneity, so the, produced and consumed at the same time and above all, because public organizations produce public services that address a broad population and which should benefit everyone.

### ***Public services from the European Union point of view***

In 2009 the Treaty of Lisbon recognized the specific mission of services of general economic interest and their role in promoting social and territorial cohesion, but not properly defined what public services. Also during the financial crisis that began in 2009 it has raised the question of financial sustainability of public services as conceived in Europe and called for drastic reforms in many countries (Costa. O., Kaeding. M., (2014). However the treatment of public services from the point of view of European constitution is their orientation, interest, so it is suggested removing the word "public" and their determination as general interest services and services of general economic interest (Art. 14 of the Treaty Lisbon and Art. 2). In fact in the jargon of the literature discussed by various authors also found two other definitions that are exactly Services of General Interest Non-Economic and Social Services of General Interest. While first determining therefore uneconomical Services General Interest found support in the European Constitution (article no. 36, Protocol no. 26), for determining second only interpretations. However, definitions are not synonymous with one another but define a category of public services even though the boundaries are fluid. Being a public service of general interest therefore not related to whether the service is provided by public or private sector but the fact that it should benefit all of the public in need. So there should be opportunities for the service to catch up to the last individual, to the classification of education as a service of general interest to exclude it from the rules of free competition (ETUC 2007). Service of general interest should be guided by the principles of equal access, continuity, security, adaptability, quality, efficiency, affordability (affordability), transparency, protection of groups of marginalized users and consumer protection and environmental and civic participation.

In principle the national public interest should generally be in line with market freedoms of the EU and competition law because the latter generally result in lower prices and greater choice for consumers. This is, after all, the goal of having the freedom to market and competition rules in the first place. However, where market failure can lead to suboptimal provision of public goods cannot be a case for public intervention towards the establishment of universal service obligations in one or more undertakings that are active in the market as the provider (s) recently. Even in this case competitive provisions within certain limits may be feasible and should be considered within the context of SGEI - not least, in order to meet the required standards of proportionality (Sauter. W., (2008). Some of the key principles of the approach of the European Commission in relation to services of general interest are (Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 12 May 2004 entitled "White Paper on services of general interest" [COM(2004) 374 final] :

Enabling public authorities to operate close to citizens: Community policies on services of general interest are based on various degrees of action and the use of various instruments, in accordance with the principle of subsidiary. Achieving the objectives of public services in competitive markets open, an internal market open and competitive, on one hand, and development of high quality services accessible and affordable to the general interest, on the other, are compatible objectives. Ensuring cohesion and universal access: Access to all citizens and enterprises to affordable, high quality services of general interest throughout the territory of the Member States is essential for the promotion of social and territorial cohesion in the European Union, including the reduction of obstacles caused by lack of access to the outermost regions. Maintaining a high level of quality, safety and security: the Commission wishes to guarantee, in addition to supplying high-quality services of general interest, the physical safety of consumers and users, everyone involved in the production and provision of these services and the public in general and, in particular, to provide protection against possible threats such as terrorist attacks or environmental disasters. Ensuring consumer and user rights: These include, in particular, access to services, in particular cross-border services, throughout the territory of the Union and for all groups of the population, affordability of services, including special schemes for persons with income low physical safety, security and reliability, continuity, high quality, choice, transparency and access to information from providers and regulators. Monitoring and evaluating performance: The Commission takes the view that systematic evaluation and monitoring is vital for maintaining and developing high-quality, accessible, affordable and efficient services of general interest in the European Union. The evaluation should be multidimensional and focus on all the legal aspects, economic, social and environmental.

It should also take into account the features of the sector evaluated and situations specific to the various Member States and their regions. Respecting the diversity of services and situations: The diversity of services must be maintained because of the different needs and preferences of users and consumers resulting from different economic situations, social, geographical or cultural. This is true in particular for social services, health care and broadcasting. Increasing transparency: The principle of transparency is a key concept for the development and implementation of public policies regarding services of general interest. This ensures that public authorities can exercise their responsibilities and that democratic choices can be made and respected. The principles should apply to all aspects of delivery and cover the definition of public service missions, the organization, financing and regulation of services, as well as their production and evaluation, including complaint-handling mechanisms. Providing legal certainty: The Commission is aware that the application of Community law to services of general interest could raise complex issues. So we will pursue an ongoing project to improve legal certainty regarding the application of Community law, the provision of services of general interest. It has already accomplished the modernization of the existing public procurement rules and initiatives in the field of state aid and public-private partnerships.

Following the application of several principles in the provision of public services (COCOPS Executive Survey on Public Sector Reform in Europe Research Report, May 2013, Coordination for Cohesion in the Public Sector of the Future (COCOPS): [www.cocops.eu](http://www.cocops.eu)) to a study made public managers interviewed in 10 European countries, about 4814 interviews have proved valuable for further processing and as regards the question of public services and priority to be met by these services is provided in the following table where as can observe the highest average keeps the principle of "focus on the customer", or as it actualized as client oriented service, in this case by the public.

Table 1 Source COCOPSWP3 Survey Research Report - May 2013 page 43

23. Public services often need to balance different priorities. Where would you place your own position?

	1	2	3	4	5	6	7		N	Mean
Quality	7.9%	15.9%	17.7%	26.2%	16.1%	11.0%	5.2%	Efficiency	4017	3.80
Equity	11.5%	19.2%	16.2%	22.5%	15.8%	10.5%	4.2%	Efficiency	4010	3.61
Following rules	6.9%	10.1%	11.2%	22.5%	20.6%	19.6%	9.1%	Achieving results	4007	4.35
Customer focus	5.3%	13.0%	10.0%	23.3%	14.6%	20.5%	13.3%	Citizen orientation	3964	4.44
State provision	14.4%	21.8%	17.3%	26.1%	11.1%	7.3%	2.0%	Market provision	3985	3.27
Tax financed services	10.7%	17.5%	15.0%	30.1%	13.7%	10.2%	2.8%	User charges / fees	3971	3.61

**The views of the European Union for Public Administration**

Membership in the European Union requires that every administrative domain and industrial sector of a Member State to comply with the *acquis communautaire*. For example, if an industry in a candidate country is to survive beyond the day of accession, it has to meet all the requirements of the *acquis*. If not, the industry will not be able to export its products to other Member States. In fact, they will not be able either to trade within its domestic market. The national public administration institutions of the Member States of the EU to implement and enforce the *acquis communautaire*. To be able to do anything of the same public administration of a candidate country must adhere to the general principles of good governance and meet the administrative standards defined within the EU. Implementation of the *acquis* in an administrative domain is of course a matter of capacity and resources within the relevant sector - but not only that. General systems horizontal governance a candidate country must meet the requirements of the EU, since they are crucial for reliable operation of the administration, including the areas of the *acquis*. The lack of general legislation applicable EC in the fields of public administration and administrative law poses a problem for candidate countries. Candidate countries must have administrative systems and public administration institutions capable of transposing, implementing and applying the *acquis* according to the principle of "obligatory results" ("obligation de Robinson"). Candidate countries must fulfill the criteria required for EU membership, as adopted by the European Council in Copenhagen, Madrid and Luxembourg. In addition, candidate countries' progress will be measured against those criteria, so in formulating regular reports to the European Commission, in terms of their "administrative and judicial capacity to apply the *acquis*", which implies that their performance will be evaluated against European administrative standards (OECD (1999). Some of these principles are: principles of administrative law. Although the expression and concepts of administrative law (Verwaltungsrecht, droit administrative)



differ from one national system to another, it is possible to agree on a common definition of administrative law as a set of principles and rules applying to the organization and management of public administration and the relations between the administration and citizens. The principles of administrative law, reliability and predictability, openness and transparency, accountability, efficiency and effectiveness.

Western European countries have, for a long time now, recognized the fact that management standards and performance of public managers are critical to success as the overall performance of public administration and efforts of public administration reform. Improving the performance of public administration means seeking better standards of efficiency and effectiveness within the rule of law. This usually requires delegation and devolution of responsibilities in favor of public managers, accompanied by *ex ante* and *ex post* control mechanisms. In such a situation, the quality of public managers, vested with these public powers, becomes of great importance. Moreover, when national policy-making becomes more complex and increasingly exposed to international coordination, as is the case in all member states of the EU, the need for senior public managers, with broad perspectives and the ability to coordinate their work on two levels, national and international institutions, becomes even more apparent (OECD (1999). Values and Principles of the Civil Service are legally binding. The civil service is bound by the principles enshrined both in constitutional arrangements and in administrative law. From this perspective, it can be said that civil service values are legal values. Legal values are not the same as ethical values, even if they can broadly overlap. Ethical values are guides for action, and their breaching deserves social reproach. Legal values, when breached, have legal consequences through the disciplinary provisions of the Civil Service Law. Civil servants are bound by the administrative principles established in legislation.

### ***Public Administration in Albania***

Public administration functions on the basis of statutes that in Albania are classified into: the civil servants, employees of special status to rely on specific laws and contractual status guaranteed by labor law or by collective agreement. By statutes which belong derived legal frameworks and deadlines recruitment manner of recruitment, increase in duty or the way of remuneration. Several authors maintain that status that enjoys public official does not allow a manager to achieve efficient and effective management of human resources, management often focus more on administration than management, which is a problem for increasing the efficiency and effectiveness of human resources (Ceni, A. (2011). Following the same approach variables such as remuneration, recruitment or dismissal are fixed by law and cannot be accomplished more by the manager, on the other hand the impossibility of implementing the policies of motivation is an obstacle in the public sector, the judgment is based on the existence of general rules of compensation, nominating and other motivational factors which to some extent prevent differentiation or individualization of bonuses. For some of the practices of human resource management are defined in these statutes or legal platform not only deadlines but also other milestones can become an obstacle to the use of these practices as a tool to improve performance. If we refer to civil servant status (Law 8549 of 11/11/99) or Cross Strategy of Public Administration Reform (2009-2013), we see a restructuring of some human resources practices. Regarding recruitment besides setting defined time limits placed the applicant assessment components and corresponding distribution percentages. On the other hand determined the condition for promotion presentation of four internal candidates or external. In connection with parallel movements set period of probation condition after movement although positions can be the same. While the performance of the performance evaluation process remains problematic, the lack of connection of this process with any reward or career growth opportunities to discourage the commission of a serious and objective assessment. In the same way expressed crosscutting strategy for training, not their link any special testing, performance evaluation or reward reduces their efficiency. Also payment structure is defined, the Albanian public administration as hers objective unification of salaries and wages, the main principle is "the same responsibility and the same salary". The lack of flexibility in the management of human resources hinder the effective management and this refers mostly legal platform and inflexible civil service regulations (Strategjia ndërsëktoriale e reformës në administratën publike, (2009-2013). p 9 – 12).

Civil Service currently applies a new law adopted in 2013, the overarching law whose adoption was one of the most important EU integration. This law is aimed at creating a stable civil service, professional, merit-based, moral integrity and political impartiality. The draft fix this at all levels: at the level of senior management officials will necessarily pass through ASPA's and special occasions through a competition organized by a National Selection Committee that is independent; and executive level, the recruitment of employees is projected to become general through a national competition, where for the first appointment in the administration will be done by referring to the final evaluation classification, unlike now where competitions are organized by position and the right has superior selection between one of three finishers.

Public administration, reform in Albania is a necessity and should be an ongoing process closely linked to the process of European integration. Current challenges facing this reform currently are: Consolidation of the Framework of the Integrated Planning System, establishment of information systems to the components of IPS, raising the actors capacity the preparation and monitoring of strategies and legal platform launched which operate , capacity building and operation of GMS-s as management coordinating structure within each ministry, inter-ministerial coordination, functional description mandates and working within organizational units, performance monitoring, wide discussion strategies, impact assessments<sup>1</sup>.

### **Conclusions**

Public services are a still undetermined space also clearly in the context of the European Constitution. Starting from the definitions or definitions for public services of interest to them as well as their method of delivery. The actual division of public services according to the European constitution may even overlap them, and does not share the approach of providing their public or private sector. Regarding our situation regarding public service we can say that currently there is a sufficient range of public services that can benefit the public, but very few of them are organized in such a way as to be easily understandable and usable from it. Spending too much time in obtaining the service and this process is characterized by bureaucracy, so it can often be encountered corrupt acts.

In the philosophy of the work of public administration should be simplifying service delivery and citizen life, this taking up a friendly demeanor access to. To achieve this practice among which managed the performance of public administrator should be more flexible, in order to reflect this way of providing public services. Adoption of the Law on the Status of Civil Servants in 2013 is a very important step that shows the beginning of a new era in the public sector, the cessation is very important that this law be translated properly and well reflected in the statutes, regulations or administrative culture public Organizations, in order not to lose its added values from the previous law and can be used efficiently to improve the performance of public administrator.

### **Bibliography**

- [1] Behn, R. D., (2003). Why Measure Performance? Different Purposes Require Different Measures. *Public Administration Review*. Vol. 63. No. 5. Fq. 587. Fq. 586 – 606.
- [2] Brignall, S., Modell, S., (2000). An Institutional perspective on performance measurement and management in the 'new public sector', *Management Accounting Research*. 11. Fq. 281. Fq. 281 – 306.
- [3] Brignall, S., Modell, S., (2000). An Institutional perspective on performance measurement and management in the 'new public sector', *Management Accounting Research*. 11. Fq. 288. Fq. 281 – 306.
- [4] Ceni, A. (2011). *Menaxhimi i Organizatave Publike*. SHBLU. Fq. 160
- [5] COCOPS Executive Survey on Public Sector Reform in Europe Research Report, May 2013, Coordination for Cohesion in the Public Sector of the Future (COCOPS): [www.cocops.eu](http://www.cocops.eu)
- [6] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 12 May 2004 entitled "White Paper on services of general interest" [COM(2004) 374 final
- [7] Costa, O., Kaeding, M., (2014). *The future of Public Services : A Panorama. Delivering Public Services for the future.* European Center for Government Transformation. Fq. 16
- [8] Costa, O., Kaeding, M., (2014). *The future of Public Services : A Panorama. Delivering Public Services for the future.* European Center for Government Transformation. Fq. 16
- [9] Denhardt. R. B., Denhardt. J. V., (2009). *Public Administration An action orientation.* Sixth edition. Thomson Wadwarth. Fq. 290

---

<sup>1</sup> Strategjia Ndersektoriale e Reformes ne Adminsitratën Publike 2015-2020

- [10] Dixit, A. (2002). 'Incentives and Organizations in the Public Sector: An Interpretive Review', *Journal of Human Resources*, 37(4), 696-727.
- [11] ETUC 2007; Public Services - Services of General (Economic) Interest - SG(E)Is
- [12] J. Ziller, (1993). *Administrations comparées : les systèmes politico-administratifs de l'Europe des Douze*, Montchrestien, Paris,.
- [13] Jan Smits. R. (2014). Public Sector Innovation: A Top Priority For European Policy. Delivering Public Service For The Future: How Europe Can Lead Public Sector Transformation.
- [14] Lenaerts. K., (2012). Defining The Concept Of 'Services Of General Interest' In Light Of The 'Checks And Balances' Set Out In The Eu Treaties, *JURISPRUDENCIA JURISPRUDENCE* 2012, 19(4), p. 1247-1267.
- [15] Ligji LIGJ Nr. 152/2013 PËR NËPUNËSIN CIVIL, neni 1 pika 1.
- [16] Madelin. R., (2014). Public Sector innovation in the European Union. Delivering Public Services for the future. European Center for Government Transformation. Fq. 16
- [17] Modell. S., (2001). Performance measurement and institutional process: a study of managerial responses to public sector. *Management Accounting Research*. 12. Fq. 439. Fq. 437- 464.
- [18] Mourot. A., (2014). Delivering Public Service For The Future: How Europe Can Lead Public Sector Transformation. Delivering Public Service For The Future: How Europe Can Lead Public Sector Transformation
- [19] OECD (1999), "European Principles for Public Administration", *SIGMA Papers*, No. 27, OECD Publishing. <http://dx.doi.org/10.1787/5kml60zwd7h-en>
- [20] OECD (1999), "European Principles for Public Administration", *SIGMA Papers*, No. 27, OECD Publishing. <http://dx.doi.org/10.1787/5kml60zwd7h-en>
- [21] Sauter. W., (2008). Services of General Economic Interest and Universal Service in EU Law. s TILEC DP 2008-017.
- [22] Strategjia ndërksktoriale e reformës në administratën publike, në kuadër të strategjisë kombëtare për zhvillim dhe integrim. (2009-2013). Fq. 9 - 12
- [23] Strategjia Ndersektoriale e Reformes ne Adminsitraten Publike 2015-2020
- [24] Worthington, A C and Dollery, B E 2000, 'Measuring Efficiency in Local Government's Planning and Regulation Function', *Public Productivity and Management Review*, 23(4), Fq. 111. Fq.469-485.
- [25] Zypries. B., (2014). Delivering Public Services For The Future: How Europe Can Lead Public Sector Transformation

## What is the Stage of Development of Albania in the Information Society?

Fatos Salliu, PhD Cand.

Communication Science, Journalist at TV Klan & ABC Lecturer of Journalism at

“Aleksandër Xhuvani” University in Elbasan.

e-mail: tossalliu@gmail.com

### Abstract

*Information society is a new stage of the social order. It is based on knowledge and offering services on the production of goods. A characteristics of the information society is the quick mass communication development, internet and digital innovation. It creates, distributes, uses and integrates information which is exposed an important economic, political and cultural activity. Ahead to this initiative are the western developed countries. Albania aspires to become part of EU. But in order to achieve this aspiration it should fulfill some standards. This study intends to define in which level toward information society Albania is? If there are implemented the signed agreements with the countries of the Region and EU. If the country is going toward virtual capitalism and which are the concrete steps and problems? So the indicator in this case is measured with the online services offered by the country for its own citizens which are conditioned from the scale of the penetration of internet and digital technology. In order to identify this fact there will be consulted distinguished researchers of the field, specialized monitors, National Strategy document for IT and communication in Albania. At the same time data and statistics from Internet World Stats, and the Agency of the Electronic and Postal Services Agency, Web pages of the Ministries, Prime-Ministers Office, directorates, institutions and agencies dealing with e-services in general, from the Audiovisual Authority of Media, Alexa.com etc. As a conclusion all the data will be compared to the indicators of the EU countries.*

**Keywords:** Information society, Internet, e-services, penetration, active cards.

### 1. General concepts on Information Society

In the post-industrial society, the human society has evolved into the Information Society, with the developed western countries, North America being at the leading edge. Unlike the pre-existing types of society, the main goal of Information Society is to gain competitive advantages in an international level, through the Information Technology (IT), based on creativity and productivity. This type of society, creates, distributes, makes use of, and integrates information, which is subsequently manifested as an important economical, political and cultural activity. These advantages involve rapid and efficient technological, economical, occupational, spatial, cultural changes, or with any combination of such components.

The Information Society is considered as the successor of the Industrial society. Fritz Machlup (1962) introduced the concept of the knowledge economy, as the economic successor of the Industrial society, whereby wealth is created through the economic use/exploitation of understanding. Alain Touraine has defined as the post-industrial society, subsequently the Information society as an area where the cultural reproduction including aspects such as information, consumption, health, research, education would also be industrialized, in the framework of information technology and information services.<sup>1</sup> For Daniel Bell the number of employed people offering services and information is an indicator for the informative nature of a society. A post-industrial society is based on services. Similarly, post-industrial society has serviced the creative culture...<sup>2</sup>

Similarly Bell, Peter Otto and Philipp Sonntag (1985) contend that in the Information Society the majority of the working individuals are information-led, so they deal more with information, signals, symbols and images rather than with energy and other issues.<sup>3</sup> Nico Stehr (1994, 2002 a, b) asserts that the majority of occupational vacancies involve working with knowledge.<sup>4</sup> Also Alvin Toffler argues that knowledge is the primary determinant of power and its distribution and

<sup>1</sup> Machlup, Fritz (1962) *The Production and Distribution of Knowledge in the United States*. Princeton: Princeton University Press.

<sup>2</sup> Bell, Daniel (1976) *The Coming of Post-Industrial Society*. New York: Basic Books, 127, 348

<sup>3</sup> Otto, Peter/Sonntag, Philipp (1985) *Wege in die Informationsgesellschaft*. München. dtv

<sup>4</sup> Stehr, Nico (1994) *Arbeit, Eigentum und Wissen*. Frankfurt/Main: Suhrkamp. Stehr, Nico (2002a) *A World Made of Knowledge*. Lecture at the Conference “New Knowledge and New Consciousness in the Era of the Knowledge Society”, Budapest, January 31, 2002. Online: [4].

knowledge-production and information-processing is the primary economic activity in the Information society. (Toffler 1994).<sup>1</sup>

In this context, Webster distinguishes chronologically, the various types of the capitalism, respectively: "The capitalism of the 19-th century, the corporative capitalism in the 20-th century, and the Information capitalism of the 21-st century"(Webster 2006). (Christian Fuchs 2008, 2007). "Computer networks are the technological foundation that has allowed the emergence of global network capitalism. These networks are complex due to the high number of nodes (individuals, enterprises, teams, political actors, etc). This segmentation is an expression of the overall competitive character of contemporary society."<sup>3</sup>(Fuchs 2008: 110 + 119)

High-tech capitalism or informatic capitalism (Fitzpatrick 2002) – to focus on the computer as a guiding technology that has transformed the productive forces of capitalism and has enabled a globalized economy. <sup>4</sup>. Antonio Negri and Michael Hardt argue that contemporary society is an Empire that is characterized by a singular global logic of capitalist domination that is based on immaterial labour.<sup>5</sup>

As steam power was the technology standing behind industrial society, so information technology is seen as the catalyst for the changes in work organization, societal structure and politics occurring in the late 20th century.

In this context, Albania is a developing country that aspires to become a member country of the European Union. Therefore, one of the greatest challenges ahead is keeping pace with the Information society, which is a main feature of the western countries.

## **2. The goal and objectives of this study**

The main goal of this study is to define the actual stage of Albania in the Information society. To what extent have the mutual agreements entered between Albania with the Regional and European Union countries, been implemented? Is Albania progressing in the virtual capitalism? What are some of the main issues? What measures are taken to solve them?

## **3. Hypothesis and methodology**

This study is based on the hypothesis that if Albania as a country makes more efforts towards the improvement of its actual digital technology infrastructure, internet penetration, and especially in the curbing of the "brain drain" phenomenon, then it will manage to keep pace with the rapid technological changes, improve its socio-economical conditions by properly adapting itself in the nowadays Information Society.

The findings of this study are based on the methodology established by various renowned scholars of the field, special monitoring and evaluation studies, on the National Strategy document of the Information Technology and Communication in Albania. They are also supported by various relevant data and statistics retrieved by Internet World Stats, by the Electronic and Postal Control Agency, by the Audio-Visual Media Authority, Alexa.com., etc.

## **4. How is Albania implementing its integration strategy in the Information Society? (Analysis and Synthesis)**

Albania has undertaken many reforms in the framework of its aspired membership in the European Union membership. The European model of social development is based on knowledge and information society. In this context, since 2002, in Lisbon, Portugal, Albania became one of the signatory member states of the Initiative on the electronic South Eastern Europe (electronic South Eastern Europe), holding the development and use of new technology as a main feature of the rapid social and economical development.<sup>6</sup>

---

<sup>1</sup> Dyson, Esther / Gilder, George / Keyworth, George / Toffler, Alvin (1994) Cyberspace and the American Dream: A Magna Carta for the Knowledge Age. In: Future Insight 1.2. The Progress & Freedom Foundation.

<sup>2</sup> Webster, Frank (2006) Theories of the Information Society. 3rd edition. London: Routledge

<sup>3</sup> Fuchs, Christian (2007) Transnational Space and the 'Network Society'. In: 21st Century Society. Vol. 2. No. 1. fq. 49–78. Fuchs, Christian (2008) Internet and Society: Social Theory in the Information Age. New York: Routledge. ISBN 0-415-96132-7.

<sup>4</sup> Fitzpatrick, Tony (2002) Critical Theory, Information Society and Surveillance Technologies. In: Information, Communication and Society. Vol. 5. No. 3. fq. 357–378.

<sup>5</sup> Hardt, Michael/ Negri, Antonio (2005) Multitude. War and Democracy in the Age of the Empire. New York: Hamish Hamilton.

<sup>6</sup> <http://www.isgtw.org/feature/south-east-european-e-infrastructures-european-2020-vision>

In October 2007, Albania reconfirmed its course towards Information society by becoming a signatory member of the sEEE Agenda+ among other South Eastern states. This common Regional agenda was signed in the light of European Union action plan in 2010, on the Information Society. The commitments stipulated in these two documents are rather challenging for Albania, considering its current position in the sector of Information Technology and Communication (ITC).

The National Strategy of ITC was approved through a VKM (Albanian for: Decision of the Council of Ministers/or Executive Order), as of 10.04.2003, which consists of 14 objectives and several measures on the development of the ITC in Albania.<sup>1</sup> Such objectives have been partially reached, thus urging for a new strategy to be more responsive to the needs of the reality ahead.

In the recent years substantial progress has been made towards e-governing, enhancing access for business partners through the use of online services, reforms have been implemented in the framework of the improvement of the regulatory regime, businesses registration through the establishment of National Center of Registration (QKR), towards education through the information technology classrooms, information systems set in custom houses, tax offices, etc. Also, a higher level of awareness is observed, on the benefits of the Information Technology and on the extensive use of the internet by businesses, citizens and especially by the younger generation.

The Departmental Strategy for Information Society in Albania from 2008, has until recently been supported by the best models and practices in Europe. Its purpose has been to review and coordinate the obligations Albania has endorsed in the framework of Information Society. The underlying aims to success of this strategy are: the development of Information society in Albania, increasing the use of Information Technology and views the development of information technology infrastructure as the key to a successful implementation of this strategy.

The main fields of the implementation are infrastructure, e-governing and public services, knowledge and education, e-business, and the legal framework.

The National Agency of the Information Society is a main central institution established in the Council of Ministers of Albania, and plays an important role in the coordination of policies for the development of the Information society, as well as for the implementation and monitoring of the strategy.

According to the Internet World Statistics, Albania with a population of 3.020.2019 inhabitants, shares the following statistics for 2014: Internet users until 30 June 2014: 1.815.146 inhabitants. The penetration of internet is 60.1%. Facebook users by 31 December 2012: are 1.097.800 inhabitants. With a broadband connection downloading speed 7.56 Mbps by September 2014.<sup>2</sup>

With regards to internet use, Albania is ranked lower than Kosovo, Croatia, Bosnia and Macedonia; it is only higher than Serbia, and Montenegro, Bulgaria, and Romania. In the Balkans, the highest rate of Internet use is held by Kosovo, with 76.6%, followed by Croatia with 70.9%, while Facebook në Croatia is used by 1.6 million people. In Bosnia Herzegovina, the penetration of internet reached 67.9% (with 1.3 million Facebook users); in Macedonia 62.2% (with 962,000, Facebook users). In Serbia, the penetration of internet was 57%; in Montenegro 56.8%, in Bulgaria 53.2%, and in Romania 49.8%. On the top of the list is Iceland, with an internet penetration of 96.5%; Norway with 95%. Albania makes for only 0.3% of internet users in the European Union.<sup>3</sup>

#### **4.1 E-government and e-services**

The e-government has continued as a process of several stages such as information being shared electronically through the world wide web, up to the full transformation of the ways of governing through the offering of online public services, which are secure, reliable, easily accessible and with the active participation of the citizens and businesses. Some of these achievements are:

Electronically shared information has had positive effects in increasing government transparency. The reforms aims against corruption and accountability. In the last 7 years, a much greater importance has been given to the building of the Information society infrastructure, especially to providing the citizens with biometrical ID cards and electronically traceable passports. E-services was powered by the support of organizations such as UNDP and/or European Commission in

<sup>1</sup> [http://www.inovacioni.gov.al/files/pages\\_files/strategjia\\_versioni\\_i\\_printuar\\_shqip\\_2.pdf](http://www.inovacioni.gov.al/files/pages_files/strategjia_versioni_i_printuar_shqip_2.pdf).

<sup>2</sup> <http://www.internetworldstats.com/stats4.htm>

<sup>3</sup> <http://www.internetworldstats.com/stats4.htm>

Albania. The government net or GovNet; the ministries and the governmental bodies in Albania, are interconnected through a high speed optical fiber link system.<sup>1</sup>

Such access has made possible governmental activities such as: budget planning, management of the human resources, a transparent judicial reform. All of the ministries have their own internet homepage, populated with all the laws and legal dispositions, news on the activities of each ministry, strategic documents, whereby managing the sharing of information electronically.

This has made possible the electronic publishing in the official notebook of the government of all the legislation; the offering of the electronic information on the criminal record file for the individuals; also the computing and monitoring of the engagements endorsed by the government, in the framework of the integration in the European Union.

With the support of GTZ,<sup>2</sup> an information system has been set, offering updated information on the agricultural products, in several districts of Albania, but this system does not offer online services for the majority of the rural parts of Albania. Boarder and custom houses operations are also provided electronically. An up-to-date system of information is in place, and provided by the civil registrar offices.<sup>3</sup>

The platform of the electronic procurement is considered as one of the greatest achievements nowadays in Albania, the application is made available via the internet, it is based on automation of the bidding activities. This system makes possible the transactions among the Albanian public institutions and the national and/or international business. The Albanian government has in place a computing system of the public finances. Information on markets, insurance policies, pension schemes, is entered into a special database. The General Tax Directory offers the online (e\_filing) of taxes for the legal persons".<sup>4</sup>

A customs electronic system "ASYCUDA++ (Automated System for Customs Data) has also been deployed in Albania, appreciating the benefits in terms of increased revenue, speedy clearance of goods, and the processing of customs declarations in real time. Such a system is operated by all the customs houses in Albania, with the latter being linked to the General Tax Directory network system. Approximately 99% of the transactions in Albania are made via this system.<sup>5</sup>

In the Health System (e-health), the Management of the Health Statistics Package information system has been applied, by the Ministry of Health in collaboration with ISKSH (Albanian acronym for: The Institute of the Health Care Insurances).<sup>6</sup>

In the field of culture (e-culture) all the subordinate departments of the ministry are internet connected. This has made possible the information sharing within the country, and worldwide. Still, much work needs to be done towards identifying, cataloguing, and publishing, as well as information delivering, in order to have a proper exploitation and a better management of the recourses for both locals and tourists alike<sup>7</sup>.

With regards to the employment, obvious progress has been made during the recent years by computing all employment offices, by connecting governmental bodies and businesses online.<sup>8</sup>

From 2008 to 2015, in Albania concrete steps have been taken towards low-cost internet access and use, which is fast and secure. This lowering of costs has been made possible by the high competitiveness of the ISP companies operating in the market. At the same time, there have been implemented projects like Albtelecom,<sup>9</sup> municipalities offering free wireless connection in the centers of the cities, communes or urban areas, as well as in schools, universities etc.

The mobile telecommunication networks have also launched smart cards, 3-G and 4-G access for the internet and social networks for all the citizens, etc. Thus, it can be contended that the first stage of information sharing via electronic means

---

<sup>1</sup> <http://www.govnet.net/>

<sup>2</sup> [http://www.tirana.diplo.de/Vertretung/tirana/sq/04/WZ-Projekte/GTZ\\_Nordalbanien\\_Seite.html](http://www.tirana.diplo.de/Vertretung/tirana/sq/04/WZ-Projekte/GTZ_Nordalbanien_Seite.html)

<sup>3</sup> [www.moi.gov.al](http://www.moi.gov.al)

<sup>4</sup> <https://www.tatime.gov.al/sq-al/us/Drejtoria%20e%20P%C3%ABrgjithshme%20e%20Tatimeve/Pages/default.aspx>

<sup>5</sup> <http://www.dcgana.gov.al/sq/dpd>

<sup>6</sup> <http://www.isksh.com.al/>

<sup>7</sup> <http://www.kultura.gov.al/>

<sup>8</sup> <http://www.sociale.gov.al/>

<sup>9</sup> <http://www.albtelecom.al/al/>

has been successfully completed, and over 50% of the population (mainly that in the urban area) has already been provided with internet access. Until the end of 2013, public electronic services were offered, based on the best European practices.<sup>1</sup>

The vision of the Albanian governments to build the information society goes hand-in-hand with the regional developments to this direction. By the end of 2014, is observed the standardization of the introduction of internet services by the institutions of all levels. The public services that are offered online are associated with their description and the necessary documents which are downloadable at a mouse-click. The most successful experience in Albania has been the public procurement, avoiding corruption; the latter has been a typical phenomenon in Albania in the years of transition, thus fulfilling one of the main criteria for Albania's integration in the EU.

Public finances on procedures like fund transfer, in all urban areas as well as communes, is being implemented electronically. The General Tax Directory offers all its services online. The customs system performs 100% of its transactions electronically.

In the Health System, e-health has taken meaningful steps towards improving the quality and efficiency in the Health Care system through the e-health applications. In the avant-garde of this initiative are the private hospitals operating in the country. One of the achievements is 'Telemedicine' which has been installed in several hospital centers.

Another objective that has been fulfilled by the end of 2014, was equipping all schools with IT cabinets, and the ratio 1 computer for 25 students. It has already been integrated in the school curricula of the primary schools, the subject of Information and Communication Technology; also, the curricula of all high/secondary schools have been improved with the integration of ICT subject, in congruence with the European Union standards. During the 2008-2014 period has been completed the training of all ICT (Information Technology and Communication) teachers as well as school administrators, on the teaching of ICT.

The universities and research centers are connected in a high-speed broadband system with many universities of the world. Also, students of different faculties accomplish their internship in the public administration offices.

Information technology and communication, in the recent years have molded new forms of relationship among companies offering goods or services and the customers on the other hand. Meanwhile, special departments fighting cybercrime are already established, in order to allow users a safer internet use.<sup>2</sup>

#### **4.2 Some other e-services which offered in Albania are:**

Driving license application (driving instruction schools) designated by; my driving license application, my automobiles, my businesses, my income taxes, my family, tracing of cases by protocol numbers, tracing of cases of the National Licensing Center, tracing cases of the public procurement, preliminary application for obtaining a pension, application for electronic excerpts for the citizens, businesses, pension schemes, supplementary pension insurance payments for the military personnel, file transfer or pension eligibility, the automated final high/secondary school examination (a.k.a., matura shtetërore), start-up business registration, and other business or personal data, etc.<sup>3</sup>

#### **4.3 Top searched webpages:**

- Final High School Examination - (Matura Shtetërore)
- Application for Driving License - Aplikim për leje drejtimi (qytetarët)
- Hosting services for web pages - Shërbim hostimi për portale web<sup>4</sup>

The current developments towards offering electronic public services (e-services) show that Albania has taken important steps towards the building of an Information society. However, much work is to be done further in important fields like, Health Care, Agriculture, Industry, Trade, Employment, Culture etc.

<sup>1</sup> [http://www.inovacioni.gov.al/files/pages\\_files/strategjia\\_versioni\\_i\\_printuar\\_shqip\\_2.pdf](http://www.inovacioni.gov.al/files/pages_files/strategjia_versioni_i_printuar_shqip_2.pdf)

<sup>2</sup> <http://akshi.gov.al/sherbime>.

<sup>3</sup> <http://www.e-albania.al/Pages/eServicesList.aspx#VL0rA9LF-n0>

<sup>4</sup> <http://www.e-albania.al/Pages/default.aspx>



In the framework of building a more efficient Information society, in order to have a social and economical prosperity, three priorities should be considered: Government-Citizens, Government-Businesses and Government-Government, Citizens-Citizens, Citizens-Government, Citizens-Massive Communication.<sup>1</sup>

#### 4.4 e-Education

In Albania there are approximately 485,000 in the primary and middle high education and 67.000 students in the high/secondary school education system. There are approximately 2.900 primary schools and 522 high/secondary schools. There are at least 732 functional ICT cabinets. The digitalization of the all archive registers has already been implemented. In the framework of "Albania in the digital era" motto, the majority of schools nationwide have been equipped with computers Local Area Networks, with internet access, even though this project is unsatisfactory in the schools situated in the countryside, where there is a lack of facilities, infrastructure and internet.<sup>2</sup>

#### 4.5 Projects on scientific research

In the context of processes of Euro-Atlantic integration, the academic community is involved in several important regional projects financed by the European Commission. These projects represent an achievement in the development of the European scientific research in the Balkans and its border countries. Tangible examples are projects like SEEREN and SEEREN2<sup>3</sup> on the connection of national research in the field of Education in the Balkans, with its pan-European academic research network GEANT.<sup>4</sup>

Similarly, projects like SEE\_GRID and SEE\_GRID2, which aim at the integration and development of the South Eastern European region, aim at having tangible results of the projects implemented in the technological field, GRID, as a main component in the European Research Area (ERA)<sup>5</sup>. GRID technology enables the use of resources through pan-European networks of research in education, through the participation in such virtual European research organizations.

#### 4.6 Educating the Public and businesses on ICT

Current developments have increased the number of internet users, indicating among other things an increased awareness of the public appreciating the benefits and the opportunities offered by ICT. From 2008 until 2015 the government has already integrated in the school curricula the subject of ICT. The purpose is for every student to use make use of information and electronic services.

A special emphasis is given to the education on small business companies and partnerships, as in Albania this type of business covers the employing 77% of the work force. Small companies in Albania, count for 95% of the total entrepreneurship.

#### 4.7 Online business and trade

Electronic business deals mainly with the trade performed electronically, which is a new way that the companies operate through an active use of Information Technology and Communication and through the digitalization process of the businesses in general. Based on an observation performed by IDRA<sup>6</sup> involving around 300 legal individual/large companies, showed that 84% of the interviewees have full access in their official websites, 68% of these businesses have high-speed connection.

In the recent years online purchases have become more and more frequent, purchases made by citizens themselves amount to tens millions of Euros a year. In order to have high internet speed and access, Albania has signed its obligations of digital signature, electronic documentation, e-safety, etc. Recently, it has been already approved the Law no. 9880, of 25.2.2008, "On Electronic Signature"<sup>7</sup>

---

<sup>1</sup> <http://akshi.gov.al/>

<sup>2</sup> <http://www.arsimi.gov.al/>

<sup>3</sup> <http://ICT.upt.al/qkzh.html>

<sup>4</sup> <http://www.geant.net/Pages/default.aspx>

<sup>5</sup> [http://ec.europa.eu/research/era/index\\_en.htm](http://ec.europa.eu/research/era/index_en.htm)

<sup>6</sup> <http://www.idra-al.org/>

<sup>7</sup> [http://akce.gov.al/arkiva/documents/FLETORJA\\_ZYRTARE\\_rregulloja.pdf](http://akce.gov.al/arkiva/documents/FLETORJA_ZYRTARE_rregulloja.pdf)

#### 4.8 Internet banking in Albania

This practice bridges the gaps of the timetables, eliminates procrastination and long queues and other bureaucratic aspects of the traditional banks, allowing a fast and efficient management of personal finances. All banks in Albania offer their services online, providing general information on the bank and the services it offers.<sup>1</sup>

Banks have coordinated their operations with the mobile companies offering services concerning the: information on salaries, bank interests, bank offers, bank credits, invoice payments. The number of electronic cards and credit cards has increased a lot. Also, they are offered with the standards of their mother banks in Europe.

#### 1. Main documents upon which Albania has based its Departmental Strategy for the Development of Information Society 2007-2013, were:

The Joint Declaration of South European Countries signed in the framework of Stability Pact, in June 2002<sup>2</sup>

The Agenda for the Development of the Information Society, signed in October 2002.;<sup>3</sup>

The bSEE Memorandum for a bSEE (broadband South Eastern Europe);<sup>4</sup>

The Action Plan of the World Summit on the Information Society;<sup>5</sup>

eEuropa Action Plan and the i2010 Initiative of the EU;<sup>6</sup>

The National Strategy for Development and Integration 2007-2013 (SKZH);<sup>7</sup>

The e-SEE plus Agenda, signed in October 2007;<sup>8</sup>

#### 2. The legal framework for the Information Society

Albania has signed and continues to compile the legal framework for the achievement of European standards and practices, concerning the development of the Information Society in the country. In the field of cybercrime, Albania has already signed and rectified the Cybercrime Convention<sup>9</sup> in 2002, the latter, has also been introduced in the country's Penal Code<sup>10</sup> also, the requirements of this Convention are stipulated in the Code of Penal Procedure.<sup>11</sup>

#### 3. The means of mass communication

The means of mass communication have seen a considerable development during the last 15 years in Albania. Furthermore, several of the digital platforms are as up-to-date as they can be anywhere else in the world.

The market of audio-visual media is managed by AMA (The Authority of AudioVisual Media). This is an independent body which operates based on the dispositions of Law no. 97/2013 as of 04.03.2013..<sup>12</sup> One of the significant projects in the recent years is the South-East European Digital Television. AMA has become part of this project 'South-East European Digital Television'<sup>13</sup>(SEE Digi TV)", in the framework of Inter-National Cooperation of South-Eastern Europe Programme, financed by the European Union.<sup>14</sup>

<sup>1</sup> <http://www.bankofalbania.org/previewdoc.php?crd=3242>

<sup>2</sup> <http://www.akshi.gov.al/strategjia>

<sup>3</sup> [http://www.dap.gov.al/images/Arkiva/SKZHI\\_2007-2013.pdf](http://www.dap.gov.al/images/Arkiva/SKZHI_2007-2013.pdf)

<sup>4</sup> <https://www.yumpu.com/sq/document/view/15569392/sfida-drejt-nje-shoqerie-te-informacionit-mitik/33>

<sup>5</sup> <http://www.akep.al/informacion/pagesa/283-samiti-boteror-i-shoqerise-se-informacionit-wis10>

<sup>6</sup> <http://ec.europa.eu/digital-agenda/en/european-egovernment-action-plan-2011-2015>

<sup>7</sup> [http://www.dap.gov.al/images/Arkiva/SKZHI\\_2007-2013.pdf](http://www.dap.gov.al/images/Arkiva/SKZHI_2007-2013.pdf)

<sup>8</sup> <http://www.art-ks.org/repository/docs/Politikat%20e%20Sektorit%20te%20Komunikimeve%20Elektronike%20-%20Axhenda%20Dixhitale%20per%20Kosoven%202013-2020.pdf>

<sup>9</sup> <http://www.infocip.org/al/?p=3655>

<sup>10</sup> <http://www.hidaa.gov.al/ligje/kodi%20penal%20i%20rsh.pdf>

<sup>11</sup> [http://www.pp.gov.al/web/kodi\\_proc\\_penale\\_202.pdf](http://www.pp.gov.al/web/kodi_proc_penale_202.pdf)

<sup>12</sup> <http://ama.gov.al/>

<sup>13</sup> [http://www.southeast-europe.net/en/projects/approved\\_projects/?id=124](http://www.southeast-europe.net/en/projects/approved_projects/?id=124)

<sup>14</sup> [http://ama.gov.al/index.php?option=com\\_content&view=article&id=215%3AArreth-projektit-digi-tv&catid=25%3Atelevisioni-dixhitale-europes-juglindore&lang=sq](http://ama.gov.al/index.php?option=com_content&view=article&id=215%3AArreth-projektit-digi-tv&catid=25%3Atelevisioni-dixhitale-europes-juglindore&lang=sq)

In Albania there is a Public Television (landline and satellite TV), TVSH. Two other privately owned channels, TV Klan and Top Channel TV are also licensed as national TV. There are two satellite privately owned channels: Vizion + and ALSAT. The private numeric satellite platforms are: Digitalb, Tring TV and Supersport.

In Albania there are 71 privately owned television stations and 83 cable TV operators.<sup>1</sup> Albania has also a periodical of 23 national journals and dozens of local newspapers.

Online media has been progressing at a fast pace during the recent years. Albanians can be considered frequent internet users, at the level of 61%. Blogs, web 2.0, mobile media has also made possible what is known today as citizen journalism and community reporting, due to the social media developments over the last decade or so. According to the Union of Journalists, only during the 2014, 250 sites of citizen journalism were built only for 2014. Albanians do use Facebook a lot, followed by Youtube, Instagram, Twitter, LinkedIn, MySpace etc. One of the mostly used search engine is Google, followed by Yahoo.

Newspapers, magazines, radio and television stations have gone online, too. Mobile operators offer alternative live streaming media and their own internet apps, for the "third screen" mobile phone devices.

### 7.1 The following is the ranking of Albanian sites according to internet monitoring of Alexa.com

1. Gazetaexpress.com
2. Telegrafi.com
3. Facebook.com
4. Google.com
5. Google.al
6. Youtube.com
7. Merrjep.com
8. Yahoo.com
9. Balkanweb.com
10. Koha.net<sup>2</sup>

### 8. The general picture of internet penetration, fixed and mobile telephony in Albania from the year 2010 until June 2004. (Based on the data published AKEP (Albanian acronym for: Authority of Postal and Electronic Communication)<sup>3</sup>

As above mentioned, the basis for an Information society is the means of massive communication, such as: internet, digital technology, mobile and wireless technology. The number of mobile telephony subscribers' of active SIM cards went to 4.9 million and the number of subscribers measured according to the active mobile users (subscribers who have used their mobile services in the last 3 months) was 3.5 million. The penetration of fixed and mobile telephony was respectively 92% and 123%.

The number of subscribers having fixed and mobile access (using 3G using portable USB/modem) by the end of June reached 324 thousand, which makes for a 10.4% increase, compared to the end of 2013. Both access broadband network segments, fixed and 3G (using portable USB/modem) have seen an increase of 3.3% and 22% compared to 2013.

#### 8.1 The Mobile Telephony Market

The number of mobile telephony users from 2010 and on, has been monitored by AKEP in two ways, according to the active users and SIM active card users. The number of active users for four mobile companies Plus, Alb (EM), Vodafone and AMC until the end of June 2014 was 3.5 million users and the number of SIM card users 4.9 million. (See figure 1)

#### 8.2 The fixed telephony Market

<sup>1</sup> [http://ama.gov.al/index.php?option=com\\_content&view=category&id=21&Itemid=75&lang=sq](http://ama.gov.al/index.php?option=com_content&view=category&id=21&Itemid=75&lang=sq).

<sup>2</sup> <http://www.alexa.com/topsites/countries/AL>.

<sup>3</sup> <http://www.akep.al>

The number of subscribers in the fixed telephony in the first 6 months of 2014 has decreased by 9.2% , compared to the end of 2013. In Albania the fixed telephony service is offered to 255.358 subscribers against 337.885, maximum level of subscribers of this service during 2009.<sup>1</sup> (See figure 2)

### 8.3 The Internet

The internet service access is offered by both fixed and mobile networks. By the end of the first 6 months of 2014, the number of subscribers having broadband access, has been increased. The number of subscribers in the fixed networks has been 188.668. The fixed network segment access for several operators has been offering this service as the following:

During the first six months of 2014 the number of subscribers with broadband access via fixed networks had an increase of 3.3% compared to 2013, and the majority of operators has the number of their subscribers.

Even the broadband network segment of mobile 3G networks, has had positive developments, whereby the number of subscribers through cards/modems/keys (not mobile portable devices) was increased with 22% in comparison to the end of 2013. The number of users with 3G broadband access is approximately 923 thousand, by the first half of 2014, which is a reduction by 18% in comparison with 2013. In total, the number of users having broadband 3G access (mobile devices and USB cards), amounts to 1.06 million.

Further detailed information on the network segment of broadband access provided by both networks can be found in figure 3; this figure provides a detailed description on the internet penetration in the Albanian families and population. There is a notable increase in internet penetration in both cases. The scale of internet penetration in the Albanian population by both fixed and mobile networks is 11.46% per 100 inhabitants. As for a given number of families it reaches 45% . Consequently, despite the great progress of the recent years, Albania is still behind the European Union countries in this respect, where the scale, according to World Stats is 70.5% . (See figure 3)

In the rural areas live 50% of the population, the scale of internet penetration is much lower than in the city. Due to the lack of fixed telephony, this service is offered only by the mobile telephony companies, but still the form is limited to Gigabytes usage made available, according to the amount of payment.

The ultimate and most frequently used form of communication in Albania remains that of the social networks, which are offered free of charge by these companies. Thus, the "third screen" or "the mobile media" has more advantages than internet in Albania.

## 9. The government electronic services in Albania according to a survey made by the United Nations in 2012

Albania is ranked in the 86-th position, in the South Eastern Europe index for its online government services with a quotient of 0.5161 assessment made in a recent survey carried out by the United Nations in 2002. The online services index and its components according to the same report in Albania is 0.4248 or 37% . As for the infrastructure and telecommunication, Albania's index is 0.3370. (See figure 4)

### Albania

The index of the human capital in Albania is 0.7863. The index of electronic collaboration is better and Albania comes in the 28-th position along with some other countries having a quotient of 0.1053. Albania is in the 43-rd place for its environmental index, together with some of the best countries, surpassing countries like Slovakia, Spain, Cyprus, Czech Republic, etc. Albania is not in the list of the European Countries whose web pages are provided with the statement: Follow us on Facebook or twitter.<sup>2</sup>

## 10. Conclusions

1. Albania comes last in the list of 86 South Eastern European countries, concerning the index of government services, according to the survey carried out by the United Nations.

<sup>1</sup> <http://www.akep.al/images/stories/AKEP/statistika/TREGUESIT-STATISTIKORE-6-MUJORI-I-re-2014-301014.pdf>

<sup>2</sup> <http://unpan3.un.org/egovkb/Portals/egovkb/Documents/un/2012-Survey/unpan048065.pdf>.

2. -The Albanian government has taken concrete steps towards the Information Society, but its actual achievements still lag behind the indicators set by the European Union, whereby Albania aspires to join as a member state.
3. -According to the National Agency of Information Society (AKSHI) the public administration in Albania needs to be further sensitized on the use of technology and information, as a part of the e-government process for good governance.
4. There is a need for improving the information and technology infrastructure of the public administration
5. There is a need for increasing the human resources dealing with information and communication technology and providing ongoing qualification.<sup>1</sup>
6. -The availability of E-services (electronic services) and finally m-services (mobile services) are considered as one of the greatest challenges in the development of Information Society in Albania, as well as it's the social and economical development. But in this field, much work remains ahead
7. -The scientific research activities in Albania have been limited due to the lack of infrastructure and the scarce financial resources. A considerable number of specialists have abandoned the scientific research institutes and the majority of them have migrated abroad. -The specialized departments of ICT have suffered a massive "brain drain". For the same reason the public institutions have great difficulties in finding the necessary experts for the everyday maintenance of the ICT infrastructure.
8. -Internet penetration in Albania remains still under the EU norms. The reason for this is the low scale of know-how on ICT as well as the lack of proper knowledge on the benefits that come with the use of information and communication technology.
9. -According to the monitoring specialists, the internet penetration scale in Albania is 45% while the average of all the European Countries is 75% .
10. -The 3 and 4 G high speed broadband services are still limited in the more developed urban downtowns. In the rural areas there is a lack of this service which implies that more investments are need in the infrastructure are still to be made by the companies operating in this field, and the situation calls for more strategies and policies in favour of such services.

## References

- [1] Bell, Daniel. *The Coming of Post-Industrial Society*. New York: Basic Books, (1976) pp.127, 348
- [2] Dyson, Esther/ Gilder, George/Keyworth, George/Toffler, Alvin: *Cyberspace and the American Dream: A Magna Carta for the Knowledge Age*. In: *Future Insight 1.2*. The Progress & Freedom Foundation. (1994)
- [3] Fitzpatrick, Tony: *Critical Theory, Information Society and Surveillance Technologies*. In: *Information, Communication and Society*. (2002) , Vol. 5. No. 3. fq. 357-378.
- [4] Fuchs, Christian, *Transnational Space and the 'Network Society'*. In: *21st Century Society*. (2007), Vol. 2. No. 1. pp. 49-78.
- [5] Christian Fuchs *Internet and Society: Social Theory in the Information Age*. New York: Routledge. ISBN 0-415-96132-7. (2008)
- [6] Hardt, Michael, Negri, Antonio: *Multitude. War and Democracy in the Age of the Empire*. New York: Hamish Hamilton. (2005)
- [7] [http://akce.gov.al/arkiva/documents/FLETORJA\\_ZYRTARE\\_regullorja.pdf](http://akce.gov.al/arkiva/documents/FLETORJA_ZYRTARE_regullorja.pdf)
- [8] <http://akshi.gov.al/>
- [9] <http://akshi.gov.al/sherbime>.
- [10] [http://ama.gov.al/index.php?option=com\\_content&view=article&id=215%3Aarret-h-projekti-t-dig-itv&catid=25%3Atelevizioni-dixhital-i-europes-juglindore&lang=sq](http://ama.gov.al/index.php?option=com_content&view=article&id=215%3Aarret-h-projekti-t-dig-itv&catid=25%3Atelevizioni-dixhital-i-europes-juglindore&lang=sq)

---

<sup>1</sup> <http://akshi.gov.al/>

- [11] [http://ama.gov.al/index.php?option=com\\_content&view=category&id=21&Itemid=75&lang=sq](http://ama.gov.al/index.php?option=com_content&view=category&id=21&Itemid=75&lang=sq)
- [12] <http://ec.europa.eu/digital-agenda/en/european-egovernment-action-plan-2011-2015>
- [13] [http://ec.europa.eu/research/era/index\\_en.htm](http://ec.europa.eu/research/era/index_en.htm)
- [14] <http://itc.upt.al/qkzh.html>
- [15] <http://unpan3.un.org/egovkb/Portals/egovkb/Documents/un/2012-Survey/unpan048065.pdf>
- [16] <http://www.albtelecom.al/al/>
- [17] <http://www.albtelecom.al/al/mobile/informacion-i-pergjithshem-telefoniacelulare/882-telefoniacelulare>
- [18] <http://www.alexia.com/topsites/countries/AL>
- [19] <http://www.akep.al/>
- [20] <http://www.akep.al/images/stories/AKEP/statistika/TREGUESIT-STATISTIKORE-6-MUJORI-re-2014-301014.pdf>
- [21] <http://www.akep.al/informacion/pagesa/283-samiti-boteror-i-shoqerise-se-informacionit-wsis10>
- [22] <http://www.akshi.gov.al/strategjia>
- [23] <http://www.art-ks.org/repository/docs/Politika%20e%20Sektorit%20e%20Komunikimeve%20Elektronike%20%20Axhenda%20Dixhitale%20per%20Kosoven%202013-2020.pdf>
- [24] <http://www.arsimi.gov.al/>
- [25] <http://www.bankofalbania.org/previewdoc.php?crd=3242>
- [26] [http://www.dap.gov.al/images/Arkiva/SKZHI\\_2007-2013.pdf](http://www.dap.gov.al/images/Arkiva/SKZHI_2007-2013.pdf)
- [27] <http://www.dogana.gov.al/sq/dpd>
- [28] <http://www.e-albania.al/Pages/default.aspx>
- [29] [http://www.e-albania.al/\\_layouts/Services/Service.aspx?shId=689#.VLOrUNLF-n0](http://www.e-albania.al/_layouts/Services/Service.aspx?shId=689#.VLOrUNLF-n0)
- [30] <http://www.e-albania.al/Pages/eServicesList.aspx#.VLOrA9LF-n0>
- [31] <http://www.geant.net/Pages/default.aspx>
- [32] <http://www.govnet.net/>
- [33] <http://www.hidaa.gov.al/ligje/kodi%20penal%20i%20rsh.pdf>
- [34] <http://www.idra-al.org/>
- [35] <http://www.infocip.org/al/?p=3655>
- [36] [http://www.inovacioni.gov.al/files/pages\\_files/strategjia\\_versiioni\\_i\\_printuar\\_shqip\\_2.pdf](http://www.inovacioni.gov.al/files/pages_files/strategjia_versiioni_i_printuar_shqip_2.pdf)
- [37] <http://www.internetworldstats.com/stats4.htm>
- [38] <http://www.isgtw.org/feature/south-east-european-e-infrastructures-european-2020-vision>
- [39] <http://www.isksh.com.al/>
- [40] <http://www.kultura.gov.al/>
- [41] [http://www.pp.gov.al/web/kodi\\_proc\\_penale\\_202.pdf](http://www.pp.gov.al/web/kodi_proc_penale_202.pdf)
- [42] <http://www.projektiqytetar.org/gtz.php>

- [43] <http://www.qkl.gov.al/>
- [44] <http://www.sociale.gov.al/>
- [45] [http://www.southeast-europe.net/en/projects/approved\\_projects/?id=124](http://www.southeast-europe.net/en/projects/approved_projects/?id=124)
- [46] <https://www.tatime.gov.al/sq-al/us/Drejtoria%20e%20P%C3%ABrgjithshme%20e%20Tatimeve/Pages/default.aspx>
- [47] [http://www.tirana.diplo.de/Vertretung/tirana/sq/04/WZ-Projekte/GTZ\\_Nordalbanien\\_\\_Seite.html](http://www.tirana.diplo.de/Vertretung/tirana/sq/04/WZ-Projekte/GTZ_Nordalbanien__Seite.html)
- [48] <https://www.yumpu.com/sq/document/view/15569392/sfida-drejt-nje-shoqerie-te-informacionit-mitik/33>
- [49] Machlup, Fritz: The Production and Distribution of Knowledge in the United States. Princeton: Princeton University Press. (1962)
- [50] Otto, Peter/Sonntag, Philipp: Wege in die Informationsgesellschaft. München. Dtv (1985)
- [51] Stehr, Nico: Arbeit, Eigentum und Wissen. Frankfurt/Main: Suhrkamp. (1994)
- [52] Stehr, Nico: A World Made of Knowledge. Lecture at the Conference "New Knowledge and New Consciousness in the Era of the Knowledge Society", Budapest, January 31, 2002a. Online: [4]
- [53] Webster, Frank: Theories of the Information Society. 3rd edition. London: Routledge. (2006)
- [54] [www.moi.gov.al](http://www.moi.gov.al)

**Figures**

Figure 1 Mobile telephony performance during 2010-2014 period

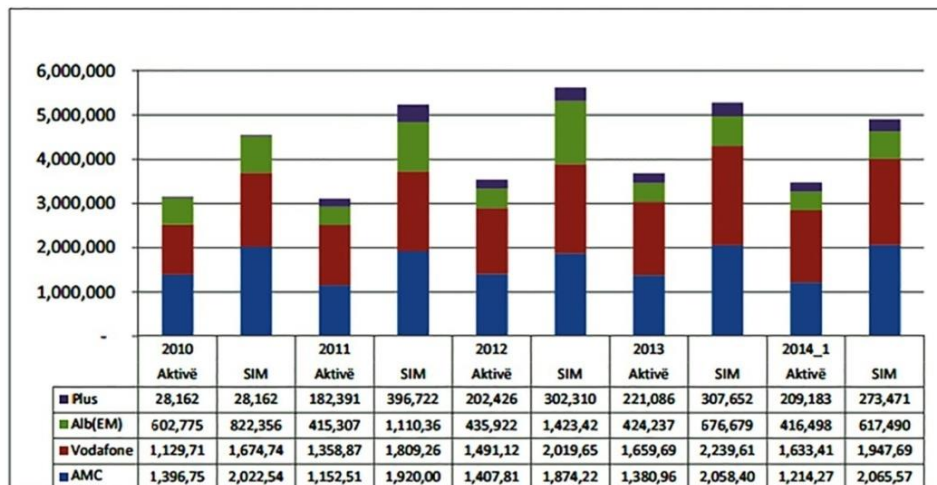


Figure 2 Number of fixed telephony subscribers in 2000-2014\_1

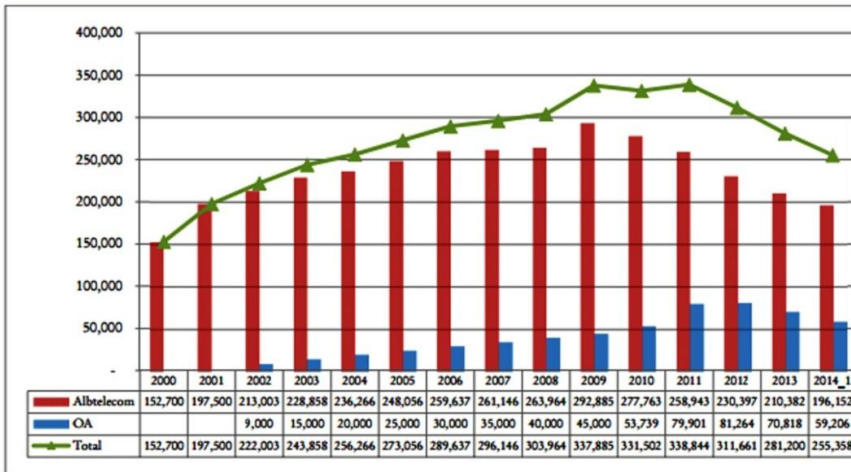


Figure 3 Subscribers with broadband access via fixed and 3 G networks

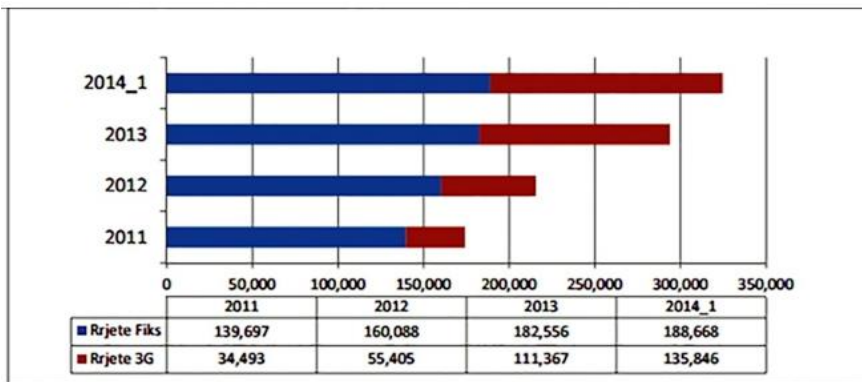
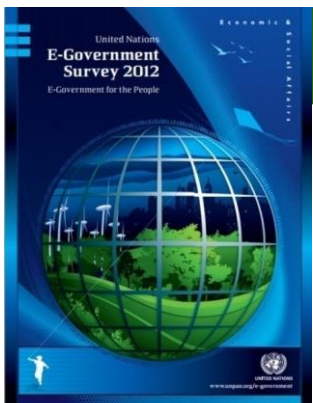


Figure 4 Albania's classification in the index of electronic government services in the South\_East European countries.



1 Chapter One  
World e-government rankings

Some other Northern European countries also fortified their e-services, providing greater access and inclusion to citizens. Though they did not maintain their global ranking, other countries such as Lithuania (0.7333–39<sup>th</sup>), Iceland (0.7189–34<sup>th</sup>) and Latvia (0.6604–42<sup>nd</sup>) also improved e-government applications, networking and other web services. The e-government gateway of Lithuania (<http://www.ep-sauga.lt>) has been developed under the auspices of the Information Society Development Committee for the purpose of providing seamless public administration services and information to residents and business. Covering content in both the Lithuanian and English languages, the gateway provides 211 first-level public services, 167 second-level services, 33 third-level services and 12 fourth-level services.<sup>11</sup> The one-stop-shop portal of Ireland approaches the delivery of e-services in such a way that enables users to tailor those services to their needs at a place and time that suits them, together with an overview of the extent of public services online. Latvia's one-stop-shop portal (<https://www.latvia.lv>) offers 29 e-services and online banking (e-payments). Points of

United Nations E-Government Survey 2012

Table 1.25 E-government development in Southern Europe

Country	E-gov. development index			World e-gov. development ranking
	2012	2011	2010	
Spain	0.7770	0.7516	23	9
Slovenia	0.7402	0.6243	25	29
Croatia	0.7128	0.5828	30	35
Italy	0.7100	0.5800	32	38
Portugal	0.7100	0.5287	33	39
Malta	0.7101	0.6120	35	20
Greece	0.6872	0.5708	37	41
Serbia	0.6102	0.4905	51	81
San Marino	0.6305	N/A	52	N/A
Montenegro	0.6218	0.5101	57	60
Andorra	0.6172	0.5148	58	57
The former Yugoslav Rep. of Macedonia	0.5987	0.5261	70	52
Bosnia and Herzegovina	0.5528	0.4608	79	74
Albania	0.5101	0.4519	86	85
Sub-Regional Average	0.6374	0.5166		
World Average	0.4882	0.4408		



## The Upper Karabakh Predicament from the UN Resolutions to the Mediated Negotiations: Resolution or Hibernation?

Ali Askerov, PhD

UNCG, abaskaro@uncg.edu

Thomas Matyok PhD

UNCG, tmatyok@uncg.edu

### Abstract

*Despite the third party efforts of the significant international and regional organizations, such as the UN and the OSCE, the Upper Karabakh problem remains unresolved for over 20 years. Neither the four resolutions related to Armenia's invasion of Azerbaijani lands adopted by the UN SC in the early 1990s have worked, nor the formal negotiations over this conflict that have taken place under the auspices of the OSCE Minsk Group for more than 20 years have reached any tangible results. These facts give rise to questions about effectiveness of the role of this institution in reaching a resolution to the conflict. The ceasefire regime is in effect since May 1994 without changing the situation, in which Armenia still keeps about 20 percent of Azerbaijani lands under invasion and is effectively involved in building a new state over the invaded lands. This paper analyzes the effectiveness of UN resolutions in liberating Azerbaijan's invaded regions, both within and outside of Upper Karabakh, as well as the OSCE mediation efforts to resolve this conflict. It also discusses effectiveness of the negotiation process, and raises a question about impartiality of the mediators and usefulness of the mediation institution of the OSCE in general. It argues that the OSCE Minsk Group has failed to successfully establish and lead the process of negotiations, thus expecting a fruitful yield is not realistic.*

**Keywords:** conflict, Upper Karabakh, UN, OSCE, territorial integrity, mediation, transformation, resolution, management, negotiation

### Introduction

The annals of the complex history of the Upper Karabakh region of Azerbaijan are replete with claims to the lands by both Azerbaijanis and Armenians. Fortunately, it is generally accepted that historical accounts have no or trivial value for international law (Shaw, 2003). Nevertheless, the historical annals cannot be underestimated, as they help us understand how the violent protracted conflict between Armenians and Azerbaijanis has developed.

The last cycle of the violence in Upper Karabakh started in 1988, three years before the collapse of the Soviet Union, which developed into a civil war with the Soviet state. A latent conflict for decades, the confrontation in Karabakh took an overt form when the Gorbachev administration failed to calculate the possible consequences of this conflict for the Soviet Union. The Kremlin's initial faltering Karabakh policy shows that Moscow maintained senseless hopes that the conflict would rapidly deescalate from its overt form and return to a dormant state, again. Indeed, Soviet rulers knew that the problem was not new, as Armenians had claimed these lands several times in the past. The latest attempt to wake up the latent conflict was made in August 1987 when the Armenian Academy of Sciences prepared a petition asking for the transfer of the Upper Karabakh and Nakhchivan regions of Azerbaijan to Armenia. The Kremlin's loose approach to the claims contributed to the conflict's move into violence, although the early skirmishes were local and moderately important. Nevertheless, the Kremlin's decision to create a special rule over this region in early 1989 was a critical point in enlarging the conflict, as an emergence of the new legal situation complicated the problem further. At the same time, Armenians perceived the Soviet policy as a green light for them to continue demanding what they sought, the Upper Karabakh region. Later, the process acquired extra complexity in line with enhancing dynamics of the conflict.

Arguably, the Armenians had planned the secession of Upper Karabakh from Azerbaijan long before the conflict initiated publicly. Weapons were distributed to Armenian militants in Karabakh as early as 1986 (De Wall, 2003). A few significant events contributed to the escalation of the conflict but arguably nothing had more impact than the expulsion of Azerbaijanis living in Armenia who, at the time, numbered about 300,000. The Azerbaijanis were forced to flee the Armenian Soviet Socialist Republic (SSR) as a result of the growing anti-Azerbaijani sentiments, Armenian mass demonstrations, and Armenian attacks in 1988 (Kruger, 2010). Then, Armenian clearing of Baku and other Azerbaijani towns and villages started and the process ended in 1990. The Kremlin's policies contributed to the rapid escalation of the conflict. In July 1988, Arkadi

Volsky was named as the representative of the central committee and Supreme Soviet in Upper Karabakh. On January 12, 1989, Mikhail Gorbachev, the head of the Soviet state, appointed him leader of an eight-member committee of special administration for Upper Karabakh, which had worked against the interests of Azerbaijan. Highly incapable of settling the dispute, Volsky and his team left the region after the massacre in Baku on January 20, 1990. From 1988 to 1991, the clashes in Upper Karabakh between Armenians and Azerbaijanis were local and mostly covert. Soon after the break up of the Soviet Union in late 1991, Armenia and Azerbaijan openly went to war over the Upper Karabakh region of Azerbaijan. Armenia has managed to invade seven surrounding administrative regions of Azerbaijan beyond Upper Karabakh, some of which provided the reason for adoption of the United Nations Security Council (UNSC) resolutions. The UNSC adopted four resolutions on April 30, July 29, October 14, and November 12, 1993 condemning the Armenian invasion of Azerbaijani lands and demanding the withdrawal of Armenian troops from the Azerbaijani regions of Kelbajar, Agdam, Fuzuli, Jabrayil, Qubadli, and Zangilan, all of which are beyond the Upper Karabakh region (Kruger, 2010).

It is quite apparent that Armenia's victory has rested upon Russian support, since Armenia forced the Azerbaijani powers beyond today's borderline with the significant and undeniable help of Russia. From the very beginning of the violent confrontation, Russia supplied Armenia, at a minimum, with arms and fuel. The participation of Russia's 366th motorized infantry regiment, supporting the Armenian side in the Khodjaly massacre on February 25, 1992 and killing hundreds of Azerbaijani civilians, was apparent and well documented (Goltz, 1998). Highlighting Russia's role in the creation and development of this conflict is important for making an argument that, once openly and then covertly, Russia has been an active participant to this conflict. At the same time, Russia has been a co-chair of the mediating Minsk Group of the OSCE since its inception. Obviously, this is very a paradoxical situation.

### **From Covert Conflict to Overt War**

The Upper Karabakh conflict has been a covert one for decades; certainly, throughout the period of Soviet rule. Armenian claims to Upper Karabakh go back to the early years of the Soviet Union and even beyond (Cornell, 1997; 1999). Armenians unsuccessfully demanded the region from Azerbaijan during the time of Nariman Narimanov's in the 1920s, Mir-Jafar Bagirov's period in the 1930s, and into the 1960s. The conflict re-emerged on an overt scale in August 1987 when the Armenian Academy of Sciences demanded the transfer of the Upper Karabakh and Nakhchivan regions of Azerbaijan to Armenia. The Kremlin's loose approach to the claims made the conflict rapidly grew into violence, although skirmishes remained local and were of moderate importance. Nevertheless, the Kremlin's decision to create a special administrative rule over the region in early 1989 was a critical point in enlarging the conflict, as an emergence of the new legal situation further complicated the problem. At the same time, Armenians perceived this as a green light for them to continue demanding what they sought. Later, the process acquired extra complexity in line with enhancing dynamics of the conflict.

The special rule of Upper Karabakh was Moscow's project eschewing the interests of Baku because the plan sought to secede it from Azerbaijan. However, the dynamics of the conflict and overall political developments in the Soviet Union did not let it happen. Lately, select Russian politicians have argued for, if not suggested the need to invade, Upper Karabakh as part of Russia, eschewing the claims of both Azerbaijan and Armenia (Yeni Musavat, 2014, April 1). During the period of the special rule in Upper Karabakh, Moscow let Armenia build the necessary base for further fight against Azerbaijan while weakening the position of the latter. The conflict's long and complex history does not necessarily mean that its transformation is impossible. Today, however, the resolution approach to this conflict is not promising for a number of reasons discussed below.

### **Parties to Conflict**

Today, after twenty-seven years, still one of the most important problems related to this conflict is the disagreement about who the parties to the conflict are, and who should negotiate in assisting to remove the differences. It is assumed that the conflict is international, the parties to the conflict are Armenia and Azerbaijan, and that conflict resolution processes in the form of talks have been taking place between these two states. However, officially, Armenia denies being a party to the conflict (Kruger, 2010). Armenia claims that the sides to the war are Azerbaijan and the Upper Karabakh Armenians. Needless to say, negotiating a conflict without clearly determining who the sides to it are is eccentric, at best. Obviously, not only is the capacity of Armenia as a negotiator questionable, also the situation seems to be a strange one when it comes to raising questions of trust. The situation itself, coupled to an odd conflict transformation scheme, has the potential to raise doubts at different phases of the negotiation process.

Indeed, Azerbaijan does not recognize the Karabakh Armenians as a party to the conflict objecting to their direct participation in any negotiations. The current status of the region is explained by the manifestation of military power of Armenia and Russia, rather than the Armenians of Upper Karabakh. Hence, making the local Armenians a party to the talks is another form of trying to impose force on Azerbaijan. Although Armenia's attempt to justify its violent presence in Azerbaijani lands through making the Karabakh Armenians a party to the negotiations has not been successful, this issue has raised doubts about the effectiveness of the negotiations process.

### **A Civil or International War?**

With the collapse of the Soviet Union in late 1991, the war of Karabakh acquired an international character. The new situation had created a fertile ground for the Russian troops present in the region to help Armenian paramilitaries advance into Azerbaijan's other regions, eventually invading seven administrative districts of the country, in addition to the entire Upper Karabakh region. It is important to stress that Russian military support played a crucial role in Armenian military success. Even the Khodjaly massacre of February 1992 was executed by the joint Armenian and Russian troops. As aforementioned, the UNSC adopted four resolutions regarding Armenia's aggression in Azerbaijan.

The UNSC resolution 822 adopted on April 30, 1993, called for the cessation of hostilities and withdrawal of Armenian forces from Kelbajar district of Azerbaijan following its occupation on April 3, 1993. The UNSC resolution 853 adopted on July 29, 1993 demanded the immediate cessation of all hostilities and called for the withdrawal of local Armenian troops from the Agdam district of Azerbaijan occupied on June 23, 1993 and reaffirmed UN Resolution 822. The UNSC resolution 874 was adopted on October 14, 1993. The UNSC resolution was adopted on November 12, 1993 condemning the violations of the cease-fire established between the parties. The resolution called upon the government of Armenia to use its influence to achieve compliance by the Armenians of Upper Karabakh with resolutions 822, 853 and 874. It also called for the withdrawal of local Armenian troops from district of Zangilan and reaffirmed UN Resolutions 822, 853, 874.

Nonetheless, the resolutions were never enforced having nothing more than an effect of recommendations. The resolutions, indeed, did not address the question correctly, since they did not assertively stress the element of international aggression. They have eventually displayed double standards existing in the UN system. At a historical moment, the UN threw the ball to the Organization for Security and Cooperation in Europe (OSCE), which created the Minsk Group to handle the Upper Karabakh issue. Unfortunately, the co-chairs of the Minsk Group, which are Russia, France, and the US, have not been able to create a trustworthy working environment to handle the issue effectively. The result is that the conflict has been in latency up until today, despite the frequent breaches of ceasefires and the numerous victims on both the sides. It is likely that the peace process will yield no fruit under the auspices of the Minsk Group of the OSCE. The official Baku has repeatedly expressed its scepticism in any positive outcomes as a result of the role played by the Minsk Group (Askerov, 2014; 2015). The discontent of the victim may seriously contribute to the waking the latent conflict up at any time initiating a new phase of escalation.

### **Uselessness of the UN and Its Resolutions**

Recently, some officials on the Azerbaijani side have expressed wishes to return back to the UN as a facilitating institution. As mentioned above, the UNSC adopted four resolutions regarding Armenia's aggression against Azerbaijan in 1993. However, the fact that none of these resolutions has been implemented in any form raises a question about the mission of this institution in general, and its effectiveness in this particular case. It is true that none of these resolutions was adopted under Chapter 7 of the Charter, however the strong and decisive language used to construct the document reflected the solid approach of the organization to this conflict. It is quite interesting that the most influential organization in the world, the UN, recommended ceasing the war and initiating negotiation of the differences. Nevertheless, this particular approach cannot be assessed as productive, at least because in the give-and-take process Azerbaijan's position is asymmetrical. Creating a fair environment for both the parties before starting negotiations requires an equitable approach that has never taken place.

Perhaps, this reveals the problems associated with the malfunctioning of the UN system. The recent increase of the number of voices against the working procedure and structure of the UN system is not baseless. President Tayyip Erdogan of Turkey, one of the most outspoken challengers of the UN, often criticizes the UN system and its policies. Recently, in his speech at the UN General Assembly, he had said the world was bigger than five, the number that denotes the permanent

members of the Security Council, and claimed that the UN needed a new and functioning decision-making mechanism (Erdogan, 2015). Certainly, Erdogan is not the only unhappy leader who criticizes the UN system. But the truth is that the UN applies double standards to separate but similar cases. Those who hope that taking the Upper Karabakh case back to the auspices of the UN need to take this point into consideration. The fact that the OSCE is ineffective in the transformation of the Upper Karabakh conflict does not add to the success of the UN as a mediating institution.

### **Early Mediation Efforts and the Ceasefire Agreement**

No direct negotiations have taken place between Armenia and Azerbaijan. A third party has mediated all negotiations that have occurred between these parties. Early mediation efforts were not structured successfully to bring about well-organized talks. The first attempt at mediation took place in September of 1991, a couple of months before the collapse of the Soviet Union. The initiators were Boris Yeltsin and Nursultan Nazarbayev who came to the conflict affected region to arrive at a ceasefire agreement between the sides. However, with the collapse of the Soviet Union they ended their mission.

Iranian mediation took place from February 1992 to May 1992. As a neighboring state to both Azerbaijan and Armenia, Iran made an attempt to bring the parties to the negotiation table to find a solution to the problem through mediated talks. However, while talks were taking place, Armenia tricked both Iran and Azerbaijan invading Shusha, the most important city for Azerbaijan in the region. Iran's mediation collapsed due to Armenia's increasing aggression and the power vacuum in Azerbaijan.

In August 1992, Nursultan Nazarbayev, now president of independent Kazakhstan, took another initiative to mediate between the parties, but the sides did not respect his efforts leading to the collapse of his mediation. Following a number of fruitless attempts, the sides reached a ceasefire agreement in May 1994, after which the mediation of the CSCE (later OSCE) became dominant. Some scholars (Mooradian & Druckman, 1999) explain the importance of the ceasefire and negotiations using ripeness theory, which states that when parties do not see a likelihood of victory, and they have drained their resources, they have strong motivations to negotiate or to seek mediation. This argument is hardly true for the Upper Karabakh case, at least because when the mediated negotiations started between the parties, Armenia had already reached its objectives of invading the Upper Karabakh region and much beyond. Moreover, accurately measuring tangible and intangible resources of the parties of the time is practically impossible, thus claims about exhausting resources are not sound.

### **The Minsk Group**

The Minsk Group of the OSCE has been the only mediator since January 1995. By means of its mediation, the presidents of Armenia and Azerbaijan have met numerous times. However, The OSCE mediation has not contributed to any concrete progress. The OSCE has been nothing more than an ineffective conversational forum for the parties to the conflict and the co-chairs of the Minsk Group.

In theory, the task of mediation aims at bringing the sides to a conflict together to negotiate their differences and to reach a desired outcome. However, the desired outcome is not the same for both parties. The parties to this conflict have not been willing to give up their desires, even partially, on behalf of the other party. A legitimate question to ask is related to what has been done to achieve which goal over the issue of the Upper Karabakh problem?

In 1993, Azerbaijan could deal with its own issue of Karabakh had the Russians not assisted the Armenian-Kharabakh troops with weapons, ammo, fuel, and expertise. Thus, to win, or at least to be better positioned for the post-war settlement, Baku needed to persuade Moscow to quit supporting the Armenians (Tchantouridze, 2008). This never happened because of Armenia's geopolitical importance to the Kremlin. Russia's pro-Armenian policy, and its identity as a co-chair of the Minsk Group that requires impartiality, contradict each other.

It is hard to call the ceasefire, which is in effect since May 1994, successful, since soldiers, even civilians, are killed on each side on a regular basis (Herszenhorn, 2015). Moreover, ceasefire is a situation that connotes a state of peace that is reached to stop violence. Therefore, a ceasefire is a form of negative peace, a situation where violence is absent with persisting problem, and may return to direct violence again. After a two-decade long charge, the only tangible success of the Minsk Group is the organizing of meetings of the presidents of Azerbaijan and Armenia (Askerov, 2014).

### Some Principal Concepts and Statements of Peace

Let's consider some relevant concepts of peace and certain statements related to the situation in the region. Perhaps, the most frequently used phrase about the war of Karabakh is associated with peaceful resolution of this conflict. Especially, the third parties recurrently use peace rhetoric stressing that the only way of resolving this crisis is a peaceful one (Bordyuja, 2005). This approach opts out of the utilization of the institution of war as an alternative means to handle this conflict. Regrettably, in reality it does not work as easily as it is pronounced. The Upper Karabakh conflict has a violent character and therefore it is identified and called a war. Opting out of war as an institution to be used to conclude the confrontation as a phenomenon is not realistic, nor is bias free. The *status quo* in the war region is in Armenia's favour, because it has reached all its objectives formulated before the struggle started, and even moved far beyond them. Before the war began, Armenia wanted the Upper Karabakh region of Azerbaijan, which is about 4,400 sq. km, but now it additionally controls 7,634 sq. km lands of Azerbaijan. After reaching this extreme point by means of bloody fighting, stopping the war is in Armenia's interests because the *status quo* gives it a chance to keep and manage the situation as long as possible. In this sense, the policy of the Minsk Group of the OSCE to preserve the no war- no peace situation has tremendously supported Armenia's position. This is one of the main reasons of Armenia's and its supporters' frequent declarations about the peaceful resolution of the conflict as the single and exclusive option. Although this approach is not realistic and war as an institution still occupies an important place in international relations, it becomes important to clarify the conceptual framework of the peace process to evaluate its proposed effectiveness.

Conflict resolution, conflict transformation, and conflict management are the three key terms associated with many violent and nonviolent conflicts and they are often used interchangeably. However, they have quite different meanings. Conflict management refers to the practice of identifying and handling conflicts sensibly, fairly, and efficiently through diminishing the negative aspects of conflict while increasing its positive sides. Obviously, this is not the case in the Upper Karabakh conflict because it is all about managing the situation through preserving the existing negative peace that refers to the absence of violence (Galtung, 1996). This "absence of violence" is also a relative notion. The frequent violation of the ceasefire agreement in the region shows that violence is not completely absent. Also, the existing overall situation in the region, which is a product of the war, has been brutal to people fleeing their homes for over two decades. However, it can well be called *situation management*, as it preserves the existing situation associated with the state of Armenia's invasion.

As a process, conflict resolution also aims at bringing about peace but in this case, it means more about trying to eliminate conflict without thinking about future positive change as an aspect of the process (Lederach, 2003). In this case, the involved third parties are not interested in bringing justice to the region; rather they are working for a violence-free region. Trying to end this conflict in its existing form is trying to cover up the manifold problems Azerbaijan has faced due to the war.

One of the best ways of handling conflicts is using the model of conflict transformation, which has a capacity to offer constructive change that may include, and even go beyond, the resolution of specific problems (Lederach, 2003). Conflict transformation as a dynamic process offers an opportunity to see peace as a continuously evolving and developing quality of relationship. A close analysis of the peace process reveals that over the past 20 years no conflict transformation activities have taken place in Upper Karabakh; rather, serious efforts have been made to keep the status quo achieving stalemate in the region.

### Goals and Objectives of the Sides

Parties always have their own objectives, and to reach them they design respective policies and mobilize all the means available to achieve them. Azerbaijan's policy is based mainly on the norms of international law such as territorial integrity, and the most powerful weapon the Azerbaijani government employs is the four aforementioned resolutions of the UN Security Council adopted in the early 1990s in connection with Armenia's invasion of Azerbaijani administrative regions Kalbajar, Aghdam, Zengilan, Jabrayil, Fuzuli, and Lachin. Although more than 20 years have passed since the invasion of these administrative areas of Azerbaijan with about a million of internally displaced people, no positive change has taken place to spark the hopes of these people ever returning to their homes.

One of the Armenia's objectives is reaching the complete secession of Upper Karabakh and part of Lachin from Azerbaijan. Today, all the goals of Armenia have *de-facto* been satisfied. In addition to Upper Karabakh, Armenia controls the lands of Azerbaijan almost three times larger than the former autonomous republic. Today, the legal status of Upper Karabakh remains as the only problem for Armenia.

Obviously, the objectives of the parties are two opposite extremes, and the farther the aims, the harder to reach the agreement. In this situation, expecting direct negotiations from the sides to the conflict is futile. Bringing the parties together for talks requires an effective third party role, and the co-chairs, one of which is Russia, assume this role.

### **Clashing Priorities**

Azerbaijan's priority is preserving its territorial integrity. Within its territorial integrity, Azerbaijan is ready to grant the Upper Karabakh region any status without changing its own unitary administrative structure. In other words, Azerbaijan would accept no federation or confederation with the Upper Karabakh Armenians. Armenia's priority, however, is reaching the objective of a new statehood for the Armenians of Karabakh. Yerevan has placed its policy on the principle of self-determination, which is part of international morality, while forcing last three hundred thousand ethnic Azerbaijanis leave Armenia. Apparently, this constitutes an ethical dilemma with the Armenian demands.

Unlike Armenia, Azerbaijan uses the well-established rules of international law such as national unity, territorial integrity, and the principle of non-interference. Nonetheless, these rules appear to be ineffective in changing the situation in a positive way. Perhaps the new international circumstances are not ripe enough to assert that these rules are obsolete, and there are needs for a reform in this realm. The undeniable fact, however, is that the priorities of Azerbaijan and Armenia clash thus increasing the complexity of the conflict.

### **Persuasion**

Is power more important than morality? Paradoxically, it is Armenia that used power to invade Azerbaijani lands, and it is the same Armenia that tries to justify its position with the principle of morality. The use of force can be justified for self-defence only. Azerbaijan has full rights to free its lands and defend its citizens. It would be just and ethical. Certainly, violent conflicts can also be resolved through negotiations, and the Upper Karabakh conflict is tractable provided that the institution of mediation works properly, and the rules and principles are used without any double standards. Subsequently, the elements of trust and persuasion should come into play as well. Today, neither the mediators can persuade both parties about the effectiveness of the negotiation process, nor the parties to the conflict can assure each other about the usefulness of their packages. Simply, trust does not exist.

### **Russia's Role in the Mediation**

Russia's military presence in Armenia and its geostrategic interests in the region poses a question about its impartiality as a mediator. As aforementioned, the Upper Karabakh region of Azerbaijan was not invaded by the armed forces of Armenia alone. Russia has given full military support to Armenia and the Armenians of the Upper Karabakh region to defeat Azerbaijan. Russia's support started three years before the collapse of the Soviet Union and still continues. Russia and Armenia are strategic allies, and Russia's troops are stationed in Armenia. Moreover, Russia has long tried to impose the Upper Karabakh Armenians as a party to the conflict (Yeni Musavat, 2014, March 24). Experts argue that withdrawal of Russia's military and other support from Upper Karabakh would enable Azerbaijan to easily restore order in the region in a way it wishes (Ses Qezeti, 2015). This argument is not made to underestimate Armenian power or overestimate Azerbaijan's strengths, rather it is made to show Russia's role in the region. Moscow's policy towards the Southern Caucasus reflects its interests in the region. Russia is interested in keeping the whole region under its influence, and this entails keeping the conflict unresolved.

Besides, Russia has a number of severe problems with Azerbaijan. Perhaps, the most important difference between them, even more significant than supplying weapons to Armenia, is over the status of the Caspian Sea. But, in general, Moscow likes to demonstrate its power to the former Soviet republics to influence them. The recent events in Crimea and Donetsk regions of Ukraine are good examples for Russia's antagonistic policies towards its neighbours (Askerov & Matyok, 2015). Moscow has tested the West in Ukraine, and now it knows that restoring its former sphere of influence is quite possible. Azerbaijan is one of its targets primarily because of its energy potentials, among other things. The West needs Azerbaijan's energy, and Russia will try to cut it off. Moscow will continue using the Karabakh card effectively to this end. In this case, Russia's impartiality in the Armenian and Azerbaijani conflict is impossible, and, hence, Russia's mediating role in the Karabakh conflict is a sham and ineffective. Let's discuss this further below.

### Resolution or Hibernation?

As noted above, negotiating this conflict through the mediation of the co-chairs of the Minsk Group has taken over two decades. This, perhaps, is one of the longest negotiating processes in the world over any similar protracted violent conflict. It wouldn't be too cynical to claim that the Minsk Group of the OSCE is more interested in managing the conflict, not allowing it to turn into wide-scale armed hostilities, rather than trying to help find a more permanent solution satisfying the needs of both the parties. It is hardly possible to evaluate this as a sample of positive conflict management, rather it looks like a conflict drawn out with negative consequences.

It is important to stress the significance of the identity of the co-chairs of the Minsk Group. One of the golden rules of the success for mediation is the impartiality of the mediators. We have discussed Russia's role above and questioned its impartiality. Let's consider it further through some points related to our case.

The three co-chairs of the Minsk Group of the OSCE are the US, France, and Russia. The co-chairmanship of the first two is acceptable to both parties, despite some instances, in which one of the parties may object to a particular situation. For instance, recently the American co-chair James Worlikin talked about the so-called Nagorno-Karabakh Republic as a side to the conflict (Yeni Musavat, 2014, March 24). This has long been Armenia's Moscow-backed policy, and Azerbaijan has always rejected this approach. The newly appointed US co-chair makes a statement in line with Russia's and Armenia's policies raising new questions about the impartiality of the mediators. Otherwise, Worlikin's knowledge about the political situation in the region and the mediation process is insufficient, and this hurts the sense of seriousness about the conflict transformation process related to the problem. Ironically, Ambassador Joseph A. Presel, the former US co-chair of the Minsk Group and special negotiator for Upper Karabakh in 1995, has recently noted that the situation around the issue is just the same as it was twenty years before (Musavat, 2015). The third party involvement has not contributed to the resolution of the conflict positively. The only visible effect of the mediation institution is that the Upper Karabakh conflict has remained in the state of dormancy over the past two decades despite the frequent breaches of the ceasefire.

### Threat of Withdrawal

Azerbaijan has repeatedly stated that it has lost hopes for a radical change in this conflict by means of negotiations. President Aliyev and other high-ranking officials of Azerbaijan have made many statements that, if necessary, Azerbaijan would use force to restore peace and justice in Karabakh (APA News, 2014, March 19; Azernews, 2013, October 29; Trend, 2013, October 28; Rajabova, 2013, August 26). Likewise, President Sarkissian of Armenia has occasionally threatened Azerbaijan with the use of force, in the case of Azerbaijan's attack. In reality, the limited use of force has never stopped in the region. Both sides have faced casualties due to adversarial sniper shootings.

Unlike Armenia, on a number of occasions, Azerbaijan has directly or indirectly threatened to withdraw from the negotiations. Ostensibly, Azerbaijan is unhappy with the *status quo*, and the ongoing process of negotiations. Being a victim country with its lands invaded, Azerbaijan sees itself in a position of imposing pressure on the co-chairs of the Minsk Group. The existing situation is in favour of Armenia, which uses the process effectively to maintain the stalemate. This, however, does not mean that Armenia is against war, since its relations with Russia creates certainty of Russia's military support in case of a renewal of the war.

Azerbaijan's position can be interpreted as a manifestation of a protest to injustice and indifference of the world community to its problems that emerged as a result of Armenian aggression. However, in these historical circumstances, trying to re-establish justice by means of war may not be in the interest of Azerbaijan. Analysts argue that Russia is pursuing a plan to enter Azerbaijan, and one of the best ways of accomplishing such an objective is a renewal of the war in Karabakh (Residoglu, 2014).

### Then Why Do Negotiations Still Take Place?

Evidence for *principled-negotiations* to satisfy the needs of both parties does not exist. In a number of occasions, both parties have repeatedly used rhetoric of total victory displaying a hard stance and no willingness for developing empathy for the other's needs. The pessimistic approach to peace is a manifestation of the impasses in the negotiations. In this case, the legitimate question to ask is why negotiations still take place? Certainly, there are many reasons for this, however,



it seems the most logical answer to this query is that the sides to the conflict have secret agendas, which are mainly related to winning time. This point may sound too simplistic when we talk about a century-long protracted violent conflict, the parties to which are struggling to resolve their differences through 20-year long negotiations without giving major concessions. Let's consider the situation concerning both republics.

Baku was initially concerned with developing possible models to extend the profits of both parties. The models that were publicized in the mid-1990s revealed Azerbaijan's willingness to step-by-step resolution of the conflict and granting Upper Karabakh the highest autonomy that exists in the world without damaging its own territorial integrity. This approach has been a more constructive attitude than that of Armenia's offering a strong possibility to construct a win-win situation. No state would be willing to lose any part of its territory, and sometimes it is necessary to present something very exquisite not to let the processes develop to that point. In conflict transformation we seek an *elegant response*. Azerbaijan's offer to that end can be interpreted as satisfying its own interests to the greatest extent by offering the Armenians of Upper Karabakh a much higher autonomy than they enjoyed during the Soviet times. However, today no signs about the validity of this initial proposal exist. Rather, war rhetoric has replaced the previous constructive speeches of the Azerbaijani political leadership (Askerov, 2014).

Armenia, as of today, is a winning party, and therefore it states its position in explicit terms trying to maximize its own gains. It demands one of three: independence to Upper Karabakh, its unification with Armenia, or its confederation (or loose federation) with Azerbaijan. If the conflict remains frozen, the *status quo* in the region would make Armenia's aspirations totally satisfied. The fact that Armenia exercises effective control over the occupied Azerbaijani lands outside of the Upper Karabakh region makes Yerevan exceptionally powerful in not displaying any concessions to Baku except for returning those invaded non-Karabakh lands back to Azerbaijan in exchange of the entire Upper Karabakh region in addition to a corridor through Lachin district of Azerbaijan. Armenia's unwillingness to give concessions to Azerbaijan is sufficient to create an impasse in the negotiation process.

Besides, it must be noted that no significant preparation of the publics in both Armenia and Azerbaijan for possible concessions have taken place. This is a sign of the absence of any agreement over an acceptable model for the resolution or transformation of the conflict.

## Discussions and Conclusion

The frequent rhetoric about the Karabakh war sounds that war is not a solution to this problem, which is created through war and violence. Although Azerbaijan, as a victim of foreign aggression, has a moral right to use war as a means to restore its territorial integrity and re-establish peace and justice in the region, it has preferred a peaceful resolution of the conflict. However, the mediation institution in the peace process is not productive; at least because one of the mediators, Russia, is a party to the conflict and others, France and the US, have large Armenian diasporas that influence the process. It is hard to make a claim that the third parties involved in the peace process are contributing to the development of a positive peace that could endure in the region for a long time. Rather, it is obvious that they are trying to impose peace on Azerbaijan without significantly changing the existing situation. The negative nature of the imposed peace may become a driving force for conflict eruption at any time in the future.

Azerbaijan's lands have not been occupied by Armenia alone and without a foreign help; rather it has been supported by Russian troops significantly. Even today, Russia and Armenia are parties to the serious bilateral agreements on security issues that are primarily against Azerbaijan, since Armenia has an armed dispute only with this country. It is an undeniable fact that Russia has been a party to the Upper Karabakh war since its commencement. Due to the current latent form of the war, however, Russia's presence in the conflict is not visible. One and the same actor cannot play two separate and contradictory roles regarding the same issue. Russia's partiality is unethical disqualifying it as a mediator between Armenia and Azerbaijan. On the other hand, settling the problem over Upper Karabakh is not part of Russia's policy, since this would weaken the Kremlin's position in the region. It is also not a surprise that Russia not only nurtures Armenia with weapons but it also sells arms to Azerbaijan.

Arguably, international and regional organizations do not exist to restore justice in the world. In fact, it is not among their tasks to evaluate what justice is. Rather, they are interested in preventing violence and keeping peace, which can hardly be classified as positive. Negative peace, however, might always potentially generate a new waive of violence, which is associated with war that can be just and unjust. By waging unjust war, Armenia has invaded Azerbaijan's lands. Since



Armenia did not get Azerbaijani lands by peaceful means, a question arises about why Azerbaijan is expected to restore its territorial integrity exclusively by peaceful means? Pacific means have been attempted for about 21 years without any success due to the co-chairs' implicit consent to the existence and endurance of the current *status quo* in the region. This connotes to more to ignoring peace than making it. Under these circumstances, Azerbaijan, the victim of the conflict, has legal and ethical rights to restore its unity and prestige through fighting if no other method works within a short period of time.

The mediation efforts of the third party, the Minsk Group of the OSCE, are quite active but fruitless. High-level meetings between the leaders of the two republics have taken over 300 times, the problem, however, has not been taken forward even an inch. Azerbaijan's political leadership has repeatedly announced that the government of Azerbaijan still hopes for peaceful resolution of the conflict. However, in a number of different occasions, the president of Azerbaijan announced that Azerbaijan might use the institution of war as the last resort to free its invaded lands to establish peace and justice in its own lands.

As this paper argues, both the official Baku and opposition leadership of Azerbaijan do not believe in any possible breakthrough of the conflict with the help of the Minsk Group. Evidence shows that both the government and opposition leaderships of Azerbaijan are more willing to take the problem into the agenda of the UN having the third party efforts removed from the OSCE. More importantly, the Azerbaijani political leadership believes that enforcing the aforementioned resolutions of the UNSC is the most viable potential resolution of the conflict apart from active military operations as a last step. As the paper further argues, the course of the negotiations over Upper Karabakh is in line with the aspirations of Armenia, which is interested in keeping the current *status quo* in the region by dragging the process as long as possible to win time. Arguably, the negative peace in Upper Karabakh may not last forever and violent conflict may erupt anytime bringing about detrimental consequences for the entire region.

Over twenty years have passed since the negotiations started between Armenia and Azerbaijan, however still the issue of conflict parties is vague. The co-chairs occasionally make grave mistakes displaying their insufficient knowledge about the issue, process, and policies of the conflict parties. Arguably, the co-chairs are more interested in managing the conflict situation not to allow the outbreak of the war than trying to create new grounds for its transformation. Obviously, the mediation institution does not work efficiently.

Ostensibly, Russia's impartiality is profoundly questionable. Russia has contributed to the creation of this conflict tremendously and sustained it for its own geostrategic purposes. No evidence exists to claim that Russia has played an important role in the efforts of transforming this conflict. In fact, one of the gravest problems throughout the process of negotiations has been Moscow's practise of a double standard. If Russia does not change its policy towards the region positioning itself at equidistance from Armenia and Azerbaijan, distrust of Baku towards Moscow will not be neutralized. In that case, continuing with the negotiation process with the traditions of the Minsk Group will not yield any positive result unless the membership and policy of the Minsk Group change.

## References:

- [1] APA News. Ilham Aliyev: Azerbaijan Will Restore Its Territorial Integrity and Sovereignty. March 19, 2014
- [2] Askerov, A. (2015). The UN, OSCE, and Azerbaijan's Karabakh Impasse: Imposing or Making Peace? In *The Actual Problems of Azerbaijani Studies*. Slavyan University, Baku, Azerbaijan.
- [3] Askerov, A. (2014). The Mountainous-Karabakh Conflict: Negotiating for Peace or Winning Time? *Globalasma Prosesinde Qafqaz ve Merkezi Asiya, Economics and International Relations IV International Conference*, Qafqaz University, Baku, Azerbaijan.
- [4] Askerov, A. & T. Matyok. Power, National Unity, and Territorial Integrity: The Cases of Russia's Chechnya and Ukraine's Crimea, *Europea Journal of Interdisciplinary Studies*, Vol. 1, No 1, April 2015.
- [5] Azemews. Deputy PM: Azerbaijan to liberate its occupied lands by any means. October 29, 2013
- [6] Bolukbasi, S. (2011). *Azerbaijan: A Political History*. London: I.B. Tauris

- [7] Bordjuja: ODKB ne budet voevat s Azerbaydjanom iz-za Karabakha (Bordyuzha: CSTO will not fight against Azerbaijan because of Karabakh) Yeni Musavat, January 31, 2015
- [8] Cornell, S. E. The Nagorno Karabakh Conflict, Report no. 46, Department of East European Studies, Uppsala University, p. 1-164, 1999
- [9] Cornell, S. E. Undeclared War: The Nagorno-Karabakh Conflict Reconsidered, Journal of South Asian and Middle Eastern Studies, Vol. 20, No.4, p. 1-24, 1997
- [10] De Waal, T. (2003). Black Garden. New York University Press
- [11] Erdoğan: Dünya 5'ten büyüktür (Erdogan: the World is Bigger than 5). Al JazeeraTürk, Sept. 24, 2014. <http://www.aljazeera.com.tr/haber/erdogan-dunya-5ten-buyuktur> (Accessed February 5, 2015)
- [12] Galtung, J. (1996). Peace by Peaceful Means: Peace and Conflict, Development and Civilization. SAGE Publications.
- [13] Goltz, T. (1998). Azerbaijan Diary: a rogue reporter's adventures in an oil-rich, war-torn, post Soviet republic, p. 140, M.E. Sharpe, New York.
- [14] Herszenhorn D. M. Clashes Intensify Between Armenia and Azerbaijan Over Disputed Land. The New York Times, Jan. 31, 2015
- [15] Kruger. H. (2010). The Nagorno Karabakh Conflict, A Legal Analysis. Springer-Verlag Berlin Heidelberg
- [16] Lederach, J. P. (2003). The Little Book of Conflict Transformation. PA: Good Books.
- [17] Mooradian, M. & D. Druckman. Hurting Stalemate or Mediation? The Conflict over Nagorno Karabakh, 1990-95, Journal of Peace Research vol. 36, no. 6, p. 709-727, 1999
- [18] Rajabova, S. (2013) Azerbaijan warns will use its army if Armenian aggression continues. Azernews, August 26, 2013
- [19] Residoglu, A. Naxcivani Kim Xilas Etdi? (Who Saved Nakhchivan?). Yeni Musavat, April 9, 2014.
- [20] Ses Qezeti. Qabil Huseynli: "Ermenistani sixib, suyunu cixarmaq olardi" (Qabil Huseynli: "It would be possible to squeeze Armenia to its juice") January 29, 2015
- [21] Shaw, M. N. (2003). International Law. Fifth Edition. Cambridge University Press
- [22] Tchantouridze, L. The Three Colors of War: Russian, Turkish, and Iranian Military Threat to the South Caucasus, *Caucasian Review of International Affairs*. Vol. 2 (1) - Winter 2008
- [23] Trend. Minister: Azerbaijan reserves right to liberate its occupied lands. October 28, 2013.
- [24] Yeni Musavat. Abbas Abbasov Jirinovskiden Rusiyanin Bas Prokuroruna Sikayet etdi (Abbas Abbasov complained to Russia's Chief Prosecutor about Jirinovsky). April 1, 2014
- [25] Yeni Musavat. Vefa Quluzade: Amerikali Hemsedr Qovulmalidir (Vefa Quluzade: The American Chair should be Kicked Out). March 24, 2014
- [26] Yeni Musavat. Amerikali Kecmis Hemsedr: "Qarabag Meselesi 20 Il Once Harada Idise, Indi de Oradadir" (Former American Co-chair: "The Karabakh Issue Has Not Changed Over the Past 20 Years"). June 15, 2015

## Citizen Journalism - Challenges for Albanian Media

Erlis Çela, PhD. Cand.

Phd. Candidate, "Hëna e Plotë" Bedër University

ecela@beder.edu.al

### Abstract

*Citizen journalism, participatory journalism or user generated content journalism are the terms we use about a phenomenon that emerged through the years with the evolution of internet and technology and it came through different forms such as social media, bloggers, wikis. It implies the involvement of citizens in news collection, production, sharing, analyzing, discussing and commenting by using different platforms. The definition commonly accepted is that citizen journalism refers to news produced by amateurs, random people willing to share different information for different situations. Whether some sees these terms used to describe this phenomenon ambiguous others do not prefer to call it journalism and describe these people more as seasonal or circumstantial news gatherers. However, this type of journalism is changing the mainstream media, the conception of news production and consumption even though opinions in about the impact it has on mainstream media are contradict. Observations has shown that revenues and audience for printed newspapers and advertisements have declined through the years forcing many newspapers to close their activity and making very difficult for others to survive. Answering these questions is extremely difficult but what we can say is that citizen journalism and professional journalism do differ in somehow and professionals like to draw a line between two types of journalism. Citizen journalism has both its negative and positive aspects and different scholars and professionals have different opinions regarding it.*

**Keywords:** Citizen Journalism, Professional Journalism, Social Media, News, Participatory Journalism

### 1. Research Objectives and Methodology

Technological developments and rise of social media usage has brought a new phenomenon, the involvement of citizens in news collection. In of this paper will focus on the citizens contribution on journalism process. First of all by referring to different authors we will explain the definition of Citizen Journalism, than we will bring different opinions regarding the citizen journalism and professional journalism.

By outlining different opinions and reflecting on this type of journalism we will try to give answer to the questions: Is this new form of journalism putting into risk professional journalism? , Is this the future of journalism and in the first place did citizen journalism emerged because citizens where unsatisfied of professional journalists not doing properly their job by not being the voice of audience as they claim to be?

Data is collected from several secondary sources like journal articles, research papers, websites and online social media portals. Regarding Albania situation there is given attention to the primary research as

- Direct Interviews with professional journalist and News Rooms directors.
- Observation of the Albanian News media market.

### 2. Literature review

It is obvious that the way of producing and consuming news nowadays has significantly changed due to internet and new technologies. Easily access to Internet and new technologies has given the opportunity to citizens to be part of news productions. Mostly affected by the new innovations in technology is the traditional way of consuming news. Printed newspapers and TV news operators have seen a decline in revenue and audience. In 2011, 151 daily newspapers were closed which means 10 percent of the printed newspapers in USA. Revenue from advertising from \$45 billion in 2003 decline to 23 billion dollars in 2010 and the online advertising revenue increased from 1.2 billion in 2003 to more than 3

billion in 2010 which means it climbed by 300 percent. By seeing these numbers we can say that the conventional media industry is having a hard time in the digital age and moreover reflecting on these figures we can clearly see the impact of participatory media on mainstream media. However, according to Pavlik, "To insure long-term success, innovation in news media should be guided by four principles: intelligence or research, a commitment to freedom of speech, a dedication to the pursuit of truth and accuracy in reporting, and ethics. Evidence is presented that early innovation by news media leaders that adhere to the principles outlined here are finding success in both building audience and generating digital revenue." (Pavlik 2013, 181)

New technologies and innovation have assured new ways for citizens to participate in news production through social media platforms such as Twitter, Live Blogging, Facebook, etc by posting eyewitness accounts, commentary and fact checking information. Eyewitness reports were a great contribution especially in reporting events in countries where news organizations were banned or journalists were not present. For instance videos and images on the events of The Indian Ocean Tsunami in December 2004 and the London bombings in July 2005 gave to the UK news organizations irreplaceable material.

BBC Richard Sambrook, the former head of Global news in BBC considered people contribution in London bombing as massive, something they had never seen before these events in BBC. The day after the events they were able to transmit their evening news editions only with information received by citizens. The content they received was about 1000 photographs, 20 amateur videos, 4000 text messages and 20000 e-mails. Therefore, this is considered to be a pure example of what citizen journalism resembles to. (Sambrook 2005)

Participation of citizen in news production has created a new relationship between journalists and their audience. On the other hand internet has also changed forms of news sourcing and storytelling. For instance Andy Carvin used Twitter to report on the events of Arab Spring. According to Carvin (2011) when he was monitoring the situation through social media he was able to have a better picture of what was going on the ground different from where he was by himself on the ground.

*It's a form of situational awareness, something I noticed in late June when I was in Tahrir Square in Cairo and hundreds of people were injured when the police attacked. I could only tell what was going on immediately in front of me. I could smell it, see it, feel it, hear it, but I didn't know what was truly going on, whereas when I was using social media I felt I had a better sense of what was happening on the ground. (Carvin 2011)*

By using different sources he could even debunk false images, therefore his Twitter account became one of the best Twitter accounts. His profile was viewed by several news organizations and many journalists used it as newsgathering source.

## 2.1 What is citizen journalism, definition?

Since the invention of printed press till the early years of web producing news was done by professionals and journalists and it was unthinkable to share news before being broadcasted by news organizations. Nevertheless non-professionals have always contributed in sharing information and this form of journalism is not completely new. (Thorsen 2013)

Citizen journalism has its roots back to the 7<sup>th</sup> and 8<sup>th</sup> century. But the first website launched in 6 August 1991 was made by Tim Berners-Lee had information about the World Wide Web. This and did not offer the chance of interactivity to the audience. But, as the years passed and the internet grew, the Web 2.0 platform was launched and it gave the random people the opportunity to interact with other users, share stories, photos and videos. Therefore the term of citizen journalism became international during the events of the attack in New York City on 11 September 2001 and during the Asian Tsunami in 2004 were people searched in the internet for eyewitness content. (The open newsroom 2008)

The term of citizen journalism if it is expressed in the simplest way according to Omebring (2013) as news produced by amateur as opposed to professionals and this is a term generally accepted. However, this phenomena, is quickly growing and websites with user generated content, wikis, bloggers and social media are widely used nowadays.

## 2.2 Citizen journalism and professional journalism

Even though nowadays journalists have seen citizen journalism as a part of their profession more than they did before, the tension between professionals and non-professionals is still there and will always be. Some editors disapprove the participation of citizen journalist in news production process by stating that news production is a task that should be performed by professionals. However, these editors welcome comments done by citizens on online newspapers articles or

the ideas given by them to the editors regarding news production but they are against citizen writing articles. (Lewis, Kaufhold and Lasorsa 2010, 165)

And so on other editors, reporters believe that because they have the experience and the required education and this is a task that should be carried by them and not the citizens. Journalists spend four to five years in university to become professionals. While in internet people with different educational background, sometimes inappropriate, can be part of news production via social media. Being a professional requires a lot of efforts and also a work culture is formed during these years of education and work. Ethics is also another value to consider. Journalism is a profession build on trust and people need to know that the content they are listening or reading is true and accurate. Hence honesty is a very important ethical value but citizens are not always loyal to the ethics of journalism. According to Armoogum "*Media is one of the most powerful and influential industries in the world. There is no place for amateurism in this sector.*" Therefore, he calls them not citizen journalists but "*seasonal or circumstantial news gatherers*", "*Information Brokers*", or "*News Footage Collectors*". Artan Fuga an well-known scholar in the media and communication field, highlights a main problem of social media and the communication done through them. According to him the social media is virtual or it is a second reality and brings the problem of an isolated communication from the reality. However he estimates the interactivity that this platforms has brought to the communication and to the information industry (Fuga 2013, 575).

Others criticize it by looking from the practical point of view. They are concerned that this type of journalism can interpret non facts as facts and it brings more personal opinions, anger, and slander than real news. Sometimes scandals and conflicts which have reached to the grade of becoming state affairs are caused because people are just expressing their personal anger. Newspapers that have experimented with citizen journalism are afraid of anonymity because they can be accused of defamation. Moreover people by hiding behind the anonymity that internet allows you to have, can publish every type of content. (Lewis, Kaufhold and Lasorsa 2010)

While they criticize it by looking at the drawbacks of citizen journalism they also draw a line to distinguish professional journalism from citizen journalism. According to Ornebring (2013) there are three fields where it can be seen clearly the difference between professional work and amateur work. Three fields where journalists express their authority and legitimacy are: expertise, duty and autonomy. By expertise it means the knowledge and skills of the professional obtained from the education, training and experience. According to Ornebring (2013) it refers more to technical knowledge and in journalism to determine this is difficult because journalism is not similar to professions such as medicine. Most important element of expertise is filtering the information. Journalist chose what type of information should be published, they summarize it, write with a language that the public will understand, analyze, raise question and presented to the public what is really important by letting out unnecessary information. Duty is the second field and it refers to the obligation that journalists have to server to society by informing the public with news produced consistent to the ethical values of journalism, by being honest and accurate and writing facts rather than personal opinions. The code of ethics that exist in journalism which citizen journalist sometimes lack. Lastly, the third domain is the autonomy. Autonomy in one of the main characteristics of the profession and means freedom to create journalistic work without being controlled or influenced by external or internal parties. However, autonomy is very difficult to be known and also is very difficult to determine whether citizen journalist are autonomous or not. (Ornebring 2013, 38)

Although they considered citizen journalism to have many drawbacks, they do not underestimate the values and the contribution it has made to journalism. Citizen journalism is a very important source of information for many news organizations. Many journalists seek for social media to source their news and nowadays content published from citizens on social media have reached to the point that cannot be ignored. "*It is often said that "if the news is important enough it will find me" this aphorism illustrates the power of social networking, where breaking news often makes its way to the status updates of Facebook users and has crashed the severer at the microblogging site Twitter on many occasions*" (Briggs 2010, 330)

There are several positive aspects to mention about citizen journalism and a lot of editors and journalists sees it a normal expansion of journalism derived by innovations in technology. Citizen journalism for the small news organizations which have low staff and budget is a useful way to source their news. By using blog sites and social networks these newspapers receive information that they will not be able to get it by sending their reporters. They also see it as way to communicate with the community and to better represent their ideas and opinions. Small local newspapers tend to use more interactive journalism comparing large national newspapers because reporters at these big news organizations are more sensitive regarding their reputation. They also have their own blog sites and encourage people to share their stories, photos, videos, ideas and comment by giving their opinions. (Lewis, Kaufhold and Lasorsa 2010, 166)

### 2.3 Impact of citizen journalism in mainstream media

In his study about the impact of citizen journalism in mainstream media in China Xin (2011) finds that citizen journalism is helping citizen receiving information they cannot get through mainstream media because of government has control on the media. Moreover this type of journalism has also an impact in offline activism. In USA as it was mentioned in the beginning of this paper the decline in the revenues of printed newspapers, audience and revenues from advertisement clearly shows that citizen journalism has its own impact on mainstream media. (Xin 2010, 338) Conventional journalism is in a time of crisis and news blogs such as The Daily Show in United States and Oh MyNews etc are examples that existing gatekeeping theory, especially the industrial age when there were a few news organization which had the authority to gather information, filter it, and present to audience is fading. (Burns 2006) However, in Malaysia the situation is still controllable for mainstream media and even though citizen journalism is present and gradually growing alongside with the facilities that internet and innovations in technology. Although the circulation of printed newspapers have declined as it has happened in other countries the newspapers still make profit.

Beside citizen journalism and internet there are other reasons for this decline such as the credibility these newspapers have in community, economical crisis and the inability of mainstream media to adapt in this environment properly. However Salman et al (2011) points out that eventually new media is not going to replace the mainstream media such did not TV replaced radio. Moreover mainstream media nowadays is making serious efforts to adapt. Consequently, TV channels and many newspapers have their own online platforms where audience can read and comment over the news. These online platforms are also attracting advertisement and bringing revenues to mainstream media. (Salman, et al. 2011)

### 3. Presence of citizen journalism in Albania

Nowadays citizens are becoming an active part in production and sharing of news even in the reality of Albanian media. Content produced from users UGC (user generated content) is increasingly taking place in the news environment. Although discussions regarding positive and negative effects of citizen journalists among academics and scholars round the world continues, spreading of such content seems to be inevitable. The ongoing technological evolution, the opportunities that new technologies of communications offers seems to be the main reasons leading to this unstoppable expansion of citizen journalistic practices. In Albania we can say that citizen journalism is present both in positive and negative aspects. A good example of how citizen journalist has functioned is the event of Gërdec in 2008 where the explosion was filmed by a citizen and given to TV channel Top Channel. It is happening and it is obvious that is stimulated by media institutions. Televisions like Top-Channel and News 24 after every news edition publish a contact number where citizen can report any news, event occurring.

#### 3.1 How citizen journalism is seen by media professionals!

Leaders and journalists of traditional Albanian media have different opinions regarding impacts these journalistic practices have on media product and journalism as a profession. However, they admit that in their daily work they accept content offered from citizens that are not professional journalists. Chief Editor of news in one of the biggest televisions channels in Albania, Top Channel Mentor Kikia says that the newsroom he runs receives approximately 20 to 25 reports daily from citizens. He divides content received from citizens into two categories. One part of content is about denouncements for administration which are mostly related with acts of violation of their rights and abuse or corruption. While in the second category take part events learned indirectly from citizens or eyewitness content, such accidents. (Kikia 2015)

*"Denouncements firstly are verified and then we decide whether to publish or not them, because these denouncements need an investigatory work to be done. While in cases when citizens report for events they have seen or heard by themselves are more easily verified and almost all of them are taken into consideration.*

While the phenomenon of citizen journalism, content produced by citizen is more present in televisions focused in news production. (24 Hour News). News director of News 24 Enton Abilekaj states that they as television receive approximately 30 to 35 reports daily from citizens and almost 60 % of them are considered as news content. He says that reports generally come via email and phone calls, however in the last years content generated from users is arriving mostly from social media platforms such as Facebook and Twitter. (Abilekaj 2015)

The growing usage of social media in Albania has brought a bigger democratization of information landscape. Journalists and traditional media professionals almost all accept that citizen journalism has helped to cover larger spaces and larger range of events happening in one day, which before for many reasons was impossible to be transmitted to audience.

Chef editor of online version of largest newspaper in Albania, Panorama newspaper Adi Shkëmbi mentions a concrete case where the newspaper had the chance to report the news more detailed and accurate thanks to information received from a citizen. "It happened in Tirana, it was a double murder case and the information we received from comments in our pages done by the citizen enabled us to give more detailed news. The reader informed us that one of the victims was son of a deputy, information which helped us to contact with the deputy. (Shkëmbi 2015)

TV channels and journalists are able to receive reports from citizens for special events even in regions where they do not have possibility to send their journalists or local correspondent. Chief editor of news in Vizion Plus channel Roland Zili says that nowadays citizens have bigger technological opportunities for news almost as professional journalist and serve it for audience through traditional channels such as radio and newspaper. He also points out that the number of comments and information which have news value has increased in television's official facebook page. (Zili 2015)

### 3.2 Citizen journalism restrictions

New media platforms such as blogs, social media, virtual channels which produce online news have democratize news environment and have made it possible for every citizen to consume and be part of news production. However a considerable number of scholars and journalists have their concerns regarding participatory journalism. Citizen journalism is been produced from amateurs who lack professional skills and content produced by them might not be clear and accurate. Therefore, citizen journalism is facing some restrictions. He accepts that new media platforms have facilitated work of professional journalist but on the other hand have made it more superficial. Journalists are increasingly abandoning their former investigative and research practices. (Kikia 2015)

While media researcher Artan Fuga see citizen media restrictions connected to the virtual nature of platforms where these medias run their activity. Fuga says that these medias are part of another reality, virtual reality and therefore there exist a risk for these medias to detach from real world. He states that citizen journalism is incapable of dealing with matters that require time and expertise. Meanwhile, the second limitation citizen journalism have is related to the fact that it is more personalized. According to Fuga not all society is involved in virtual communication and the internet communicator has a certain profile of social identity that does not represent the interest of the whole society. (Fuga 2013)

These and other restrictions concerning citizen journalism emerged throughout the interviews with traditional media leaders in Albania were realized to serve this study. Albanian journalists accept the rapid spread of citizen journalism practices but they see it just as an opportunity to improve traditional practices of doing journalism.

## 4. Conclusions and Suggestions

The inclusion of citizen contribute in the process of news is already a phenomenon that can be found all over the world. Due to the development of information technology and increase of social media usage, it is possible for each of us to be a media himself. Anyone who owns a smartphone can produce content and publish it, becoming the first source of information for his friends virtual, why not a part of traditional media.

Media Professionals and scholars have their opinions in favor and against citizen journalism phenomenon, based on their point of view. There is some skepticism in the community of media professionals, who though accept the contribution of common people in the process of news, don't want to lose their controlling position in this industry. The situation does not change in the Albanian context. The interviewed journalists from the mainstream media admit that the contribution of citizens in the news production is important and inevitable. While most of them own the opinion that this contribution should remain only in the phase of collecting preliminary information. According to them, media professionals shall continue to play the role of gatekeeper in the information production process.

The study showed that traditional media in Albania and especially the active journalists in it, needs to develop clear strategies in order to orient the facing of the challenges citizen journalism represents and involvement of citizens in the processes of production and distribution of information

## Bibliography

- [1] Abilekaj, Enton, interview by Eris Cela. 2015. Ndikimi i gazetarisë qytetare në median tradicionale (February 16).
- [2] Briggs, Mark. 2010. *Journalism Next*. Washington D.C: CQ Press.
- [3] Burns, Alex. 2006. "Snurblog." 05 29. Accessed April 23, 2010. <http://snurb.info/publications#reports>.
- [4] Carvin, Andy. 2011. Storify.com. Accessed April 12, 2015. <https://storify.com/acarvin/how-to-debunk-a-geopolitical-rumor-with-your-tweet>.
- [5] Fuga, Artan. 2013. *Komunikimi në shoqërinë masive*. Tiranë: Papyrus.
- [6] Kikia, Mentor, interview by Cela Eris. 2015. Chief Editor on Top Channel Tv (February 15).
- [7] Lewis, Seth C, Kelly Kaufhold, and Dominic L Lasorsa. 2010. "Thinking about citizen journalism. The philosophical and practical challenges of user-generated content of community newspaper." *Journalism practices* 163-179.
- [8] Ornebring, Henrik. 2013. "Anything you can do, I can do better? Professional journalists on citizen journalism in six european countries. ." *The international communication Gazette* 35-53.
- [9] Pavlik, John V. 2013. "Innovation and the future of journalism." *Digital journalism* 181-193.
- [10] Salman, Ali, Faridah Ibrahim, Mohd Yusof HjAbdullah, Normah Mustafa, and Maizatul Haizan Mahbob. 2011. "The impact of new media on traditional mainstream mass media." *The Innovation Journal: The Public Sector Innovation Journal* 3.
- [11] Sambrook, Richard. 2005. *Citizen journalism and the BBC*. Massachusetts: The Nieman foundation for journalism at Harvard University.
- [12] Shkempi, Adi, interview by Eris Cela. 2015. Ndikimi i gazetarisë qytetare në median tradicionale (February 12).
- [13] The open newsroom. 2008. "theopennewsroom.com." theopennewsroom.com. march 3. Accessed april 15, 2015. [http://www.theopennewsroom.com/documents/Citizen\\_%20journalism\\_phenomenon.pdf](http://www.theopennewsroom.com/documents/Citizen_%20journalism_phenomenon.pdf).
- [14] Thorsen, Einar. 2013. "Live Blogging and Social Media Curation: Challenges and Opportunities for Journalism." *Journalism: New Challenges* 123-126.
- [15] Xin, Xin. 2010. "The impact of "citizen journalism" on Chinese media and society." *Journalism Practice* 333-344.
- [16] Zili, Roland, interview by Eris Cels. 2015. Ndikimi gazetarisë qytetare në median tradicionale (February 22).



## Long Memory Volatility Models in R: Application to a *Regional Blue Chips Index*

Visar MALAJ (PhD)

<sup>1</sup>University of Tirana, Faculty of Economy, Department of Economics  
[visarmalaj@feut.edu.al](mailto:visarmalaj@feut.edu.al)

Arben MALAJ (Prof. Asoc.)

<sup>2</sup>University of Tirana, Faculty of Economy, Department of Economics  
[arbenmalaj@feut.edu.al](mailto:arbenmalaj@feut.edu.al)

### Abstract

*An increasing number of researchers and analysts have formulated in the last decade innovative statistical equations for modelling and forecasting the volatility of financial returns. The evolution of technology and new software development have contributed positively to emerging economies, as well as in the improvement of market competition. We investigate in this study some experimental extensions of the multiplicative error model, which has been introduced by Engle (2002) for positive valued processes and it is specified as the product of a conditionally autoregressive scale factor and an innovation process with positive support. We use R 3.1.3 for the optimization, a modern software for statistical computing and graphics. Empirical analysis is carried out starting from May 2009 to January 2015. The equations fit fairly well the volatility of 'STOXX Balkan 50 Equal Weight' Index, which represents leading blue chips from eight Balkan countries in terms of free-float market cap. The models seem to absorb completely the slow decay of the global autocorrelation function.*

**Keywords:** Stock Market Data, Volatility, MEM models, Balkan stock index.

### 1. Introduction

The volatility process is associated with the conditional variance of financial returns over time. It is a subject to be taken into consideration while assessing the risk of an investment in financial assets. A relatively high level of volatility means that the corresponding asset price tends to large variations over time, therefore the investor can record high profits or high losses. The realized volatility is a positive valued process with a highly persistent temporal dependency, indicated by a slow hyperbolic decay of the autocorrelation function. Granger and Joyeux (1980) and Hosking (1981) suggest the use of fractionally integrated autoregressive moving average (ARFIMA) model in order to capture the long term persistence in time series of many fields. Engle and Russell (1998) propose a different method for the analysis of data which arrive at irregular interval such as financial transaction series. The authors define a new statistical model called autoregressive conditional duration (ACD), which can be considered part of the generalized autoregressive conditional heteroskedasticity (GARCH) model, introduced by Bollerslev (1986). Engle (2002) extends the research suggesting the use of the multiplicative error model (MEM) for modelling non-negative processes. This model specifies an error that is multiplied times the conditional expectation that follows a GARCH dynamic. Brownlees, Cipollini and Gallo (2011) focus on the different possible specifications of the persistence in the conditional mean using applications on the volatility of components of the S&P100 index, following the logic of Engle and Lee (1999). Cipollini, Engle and Gallo (2013) suggest an extension to the vector MEM model defined by Cipollini, Engle and Gallo (2006), where the conditional expectation is given as a function of its past and the conditional expectations of other variables. The authors follow a semiparametric method lacking the necessity of specifying the probabilistic distribution function or the particular copula function. Bariaozzi, Brownlees, Gallo and Veredas (2014) expand the MEM model introduced by Engle (2002), decomposing the conditional expectation as the product of a systematic trend and an idiosyncratic dynamic component. This model, named Semiparametric Vector MEM (SPvMEM), can be used to estimate panels of market activity, risk and liquidity measures.

We suggest in this paper an interesting flexible MEM specification in which the process for realized volatility can be seen as a mixture of two Gamma MEMs with different coefficients for the conditional expectation and different shape parameters for the Gamma (De Luca and Gallo, 2007; Gallo and Otranto, 2014). We extend this framework even further adopting a mixed Gamma model for a MEM with fixed parameters which depend on the value of the past (Lanne, 2006; Ahoniemi and Lanne, 2013).

The paper is organized as follows. Section 2 establishes the notation by summarizing some of the features of the multiplicative error model. Section 3 contains features of the equations and some empirical results illustrating the behaviour of the two MEM specifications for the realized volatility of 'STOXX Balkan 50 Equal Weight' Index. Section 4 concludes.

## 2. Theoretical framework

Let us consider  $r_t$  to be the daily log return at time  $t$  with negligible mean. We use a common indicator of volatility  $y_t$ , the daily squared return. The general structure of a multiplicative error model was outlined by Engle (2002) for realized volatility. A linear MEM( $p, q$ ) is given by:

$$y_t = \mu_t \varepsilon_t$$

where, conditionally to information  $I_{t-1}$ :  $\mu_t$  is a non-negative predictable process. The  $\mu_t$  evolution depends on a vector of unknown parameters  $\theta$ ,  $\mu_t = \mu_t(\theta)$ .  $\varepsilon_t$  follows a distribution with nonnegative support, with mean 1 and unknown variance  $\sigma^2$ . We have:

$$\varepsilon_t | I_{t-1} \sim D(1, \sigma^2).$$

These definitions provide us:

$$E(y_t | I_{t-1}) = \mu_t$$

$$V(y_t | I_{t-1}) = \sigma^2 \mu_t^2$$

In order to close the model, we adopt a density function for  $\varepsilon_t$  and specify an equation for the conditional mean  $\mu_t$ . A common choice in many studies, is to use the exponential distribution, a particular case of the Gamma distribution. We have:

$$\varepsilon_t | I_{t-1} \sim \text{Gamma}(\phi, 1/\phi),$$

where  $\phi > 0$ ,  $E(\varepsilon_t | I_{t-1}) = 1$  and  $V(\varepsilon_t | I_{t-1}) = 1/\phi$ . The density function conditioned to the innovation  $\varepsilon_t$  is:

$$f(\varepsilon_t | I_{t-1}) = \frac{1}{\Gamma(\phi)} \phi^\phi \varepsilon_t^{\phi-1} \exp\{-\phi \varepsilon_t\}.$$

We can conclude that  $y_t$  follows a Gamma conditioned distribution

$$y_t | I_{t-1} \sim \text{Gamma}(\phi, \mu_t / \phi)$$

with density function:

$$f(y_t | I_{t-1}) = \frac{1}{\Gamma(\phi)} \frac{\phi^\phi}{\mu_t^\phi} y_t^{\phi-1} \exp\{-\phi \cdot y_t / \mu_t\}.$$

So, we have in this case:

$$E(y_t | I_{t-1}) = \phi \cdot \frac{\mu_t}{\phi} = \mu_t$$

$$V(y_t | I_{t-1}) = \phi \cdot \frac{\mu_t^2}{\phi^2} = \frac{\mu_t^2}{\phi}.$$

With regards to  $\mu_t$ , we consider the simplest specification, the GARCH( $p, q$ ).

$$\mu_t = \omega + \sum_{i=1}^p \alpha \cdot y_{t-i} + \sum_{j=1}^q \beta_j \cdot \mu_{t-j}.$$

We estimate the parameters included in  $\mu_t$ , let's call them  $\theta$ . The log-likelihood function useful for the estimation is:

$$\log L(y_t; \theta) = l(y_t; \theta) = c - \phi \sum_{t=1}^T \left( \log \mu_t + \frac{y_t}{\mu_t} \right),$$

where  $c$  is an irrelevant constant to the estimation method depending on  $\phi$ . We maximize the function with respect to  $\theta$ :

$$\sum_{t=1}^T \left( \frac{x_t - \mu_t}{\mu_t^2} \right) \frac{\partial \mu_t}{\partial \theta} = 0.$$

We obtain the our estimators  $\hat{\theta}_{SMV}$  using iterative procedures. We have:

$$\hat{\theta}_{SMV} = \arg \max_{\theta} l(y_t; \theta)$$

The asymptotic distribution of the estimators under regularity conditions will be:

$$\sqrt{T}(\hat{\theta}_n - \theta)^{asy} \sim N(0, V_{as})$$

$$\hat{\theta}_n^{asy} \sim N\left(\theta, \frac{1}{T} V_{as}\right),$$

where  $V_{as} = J^{-1}$  is the asymptotic variance. We have:

$$J = E \left[ - \frac{\partial^2 l(y_t; \theta)}{\partial \theta \partial \theta'} \right],$$

$$\hat{J} = - \frac{1}{T} \sum_{i=1}^T \frac{\partial^2 l(y_i; \theta)}{\partial \theta \partial \theta'} = \frac{1}{T} \sum_{i=1}^T \frac{\partial l(y_i; \theta)}{\partial \theta} \frac{\partial l(y_i; \theta)}{\partial \theta'} \Big|_{\theta = \hat{\theta}}$$

In order to verify the null hypothesis  $H_0 : \theta_i = \theta_{i,0}$ , we use the Student's t test

$$t = \frac{\hat{\theta}_i - \theta_{i,0}}{\sqrt{V_{ii}}},$$

where  $\hat{\theta}_i$  is the  $i$ -th row vector and  $V_{ii}$  is the  $(i,i)$  element of the  $\frac{1}{T} \hat{V}_{as} = \frac{1}{T} \hat{J}^{-1}$  matrix.

### 3. MEM equations and application

Initially, we consider an interesting formulation of MEM models (Lanne, 2006; Ahoniemi and Lanne, 2013), where the innovation term  $\varepsilon_t$  follows a mixed gamma distribution with constant parameters. The innovation mean is unitary

respecting the establishment of the previous section. Let's call  $y_t$  the realized volatility of a generic stock. We have:

$$y_t = \mu_t \varepsilon_t.$$

The innovation is defined as follows:

$$\varepsilon_t = \begin{cases} \varepsilon_{1,t} & \text{with prob. } \pi \\ \varepsilon_{2,t} & \text{with prob. } (1 - \pi) \end{cases},$$

where  $0 < \pi < 1$  and

$$\varepsilon_{1,t} \sim \text{Gamma}(\gamma_1, 1/\gamma_1)$$

$$\varepsilon_{2,t} \sim \text{Gamma}(\gamma_2, 1/\gamma_2).$$

The general form of the conditional mean equation is:

$$\mu_{1t} = \omega_1 + \sum_{i=1}^q \alpha_{1i} \cdot y_{t-i} + \sum_{j=1}^p \beta_{1j} \cdot \mu_{1,t-j}$$

$$\mu_{2t} = \omega_2 + \sum_{i=1}^q \alpha_{2i} \cdot y_{t-i} + \sum_{j=1}^p \beta_{2j} \cdot \mu_{2,t-j}.$$

We consider also a model, belonging to the MEM family, with an innovation term distributed according to a mixture of Gamma with variable weights (De Luca and Gallo, 2007; Gallo and Otranto, 2014). The overall mean of the innovation term is always unitary. So, we have:

$$\varepsilon_t = \begin{cases} \varepsilon_{1,t} & \text{with prob. } \pi_t \\ \varepsilon_{2,t} & \text{with prob. } (1 - \pi_t) \end{cases}$$

$$\varepsilon_{1,t} \sim \text{Gamma}(\lambda_1, \gamma_1)$$

$$\varepsilon_{2,t} \sim \text{Gamma}(\lambda_2, \gamma_{2,t})$$

where  $0 < \pi < 1$ . We suppose that weights depend on their past and on the previous value of realized volatility:

$$\pi_t = \frac{\exp\{\delta_0 + \delta_1 \cdot y_{t-1} + \delta_2 \pi_{t-1}\}}{1 + \exp\{\delta_0 + \delta_1 \cdot y_{t-1} + \delta_2 \pi_{t-1}\}}$$

Imposing the unitary mean constraint, we have:

$$\gamma_{2,t} = \frac{1 - \pi_t \lambda_1 \gamma_1}{(1 - \pi_t) \lambda_2}.$$

We call the two models respectively, LANE and DLG in our analysis. After defining the regression models, it is important to confirm the goodness of fit of the model and the statistical significance of the estimated parameters. In simple linear models the errors follow a normal distribution, but in some regressions based on mixture of distributions this hypothesis may not be valid. The method used in this paper is based on the so-called probability integral transformation of Rosenblatt (1952), which is a universally approach of transforming a set of dependent variables into independent uniform distributed variables. Dunn and Smyth (1996) define and apply the quantile residuals to regression models with independent responses.

Let  $F(y; \mu, \phi)$  be the cumulative distribution function of  $P(\mu, \phi)$ . If  $F$  is continuous, then the  $F(y_i; \mu, \phi)$  are uniformly distributed on the unit interval. The quantile residuals are defined by

$$r_{q,i} = \Phi^{-1} \left\{ F(y_i; \hat{\mu}_i, \hat{\phi}) \right\}$$

where  $\Phi(\cdot)$  is the cumulative distribution function of the standard normal. Quantile residuals are independent and follow a standard normal distribution if the model is correctly specified and the parameters are consistently estimated.

We start with considering the realized volatility of 'STOXX Balkan 50 Equal Weight' Index, which represents the largest and most liquid companies across eight Balkan countries. The index covers 50 stocks from Bulgaria, Croatia, Greece, the Former Yugoslav Republic of Macedonia (FYROM), Romania, Serbia, Slovenia and Turkey. We consider the period from 1<sup>st</sup> May 2009 to 30<sup>th</sup> January 2015. The time series of daily realized volatility has been built as the square root of realized variance. Figure 1 displays the plot of realized volatility. Figure 2 shows the estimated global autocorrelation function and partial autocorrelation function of realized volatility which exhibit a very slow decay, that is a long-memory pattern.

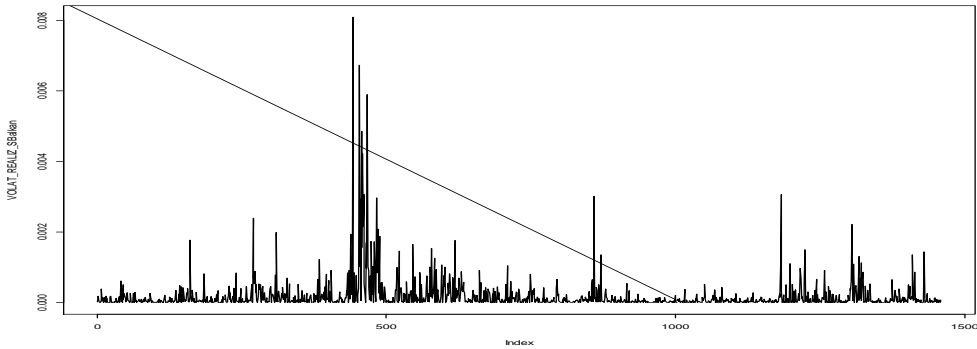


Figure 1. Time series of 'STOXX Balkan 50 Equal Weight' realized volatility.

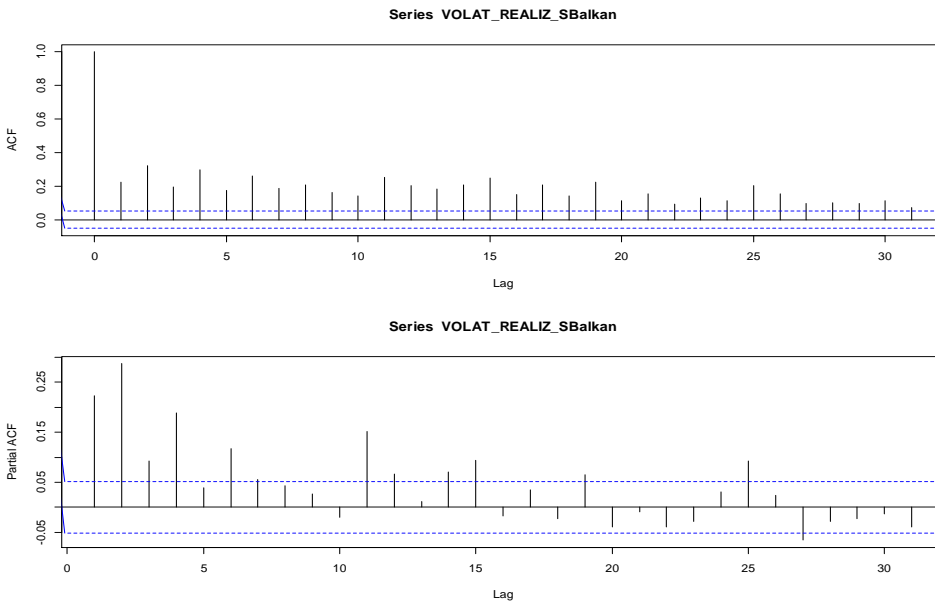


Figure 2. Global Autocorrelation Function and Partial Autocorrelation Function for 'STOXX Balkan 50 Equal Weight' realized volatility.

We try to model the realized volatility series with both possible specifications of MEM models. Let's see what happens with the LAMME specification. This is the conditional mean equation, where  $p = 2$  and  $q = 1$ :

$$\mu_t = \omega + \alpha_1 \cdot y_{t-1} + \alpha_2 \cdot y_{t-2} + \beta_1 \mu_{t-1}.$$

We can see in the tables below the estimate, the standard error, the statistic test value and the observed p-value for each of the seven parameters. We simply observe the last column of the table where is calculated the p-value for the statistical test. We can fix a priori a p-value of 5% for acceptance of the null hypothesis. So, we accept 'H0: The parameter is null' if the observed p-value is greater than 5% and vice versa if it is less than 5%. As we can see from the table we refuse the null hypothesis in all cases, a positive indicator for the model evaluation.

Parameter	Estimation	p-value
$\pi$	0.067	~0
$\gamma_1$	5.634	~0
$\omega_1$	0.127	~0
$\alpha_{11}$	0.374	~0
$\beta_{11}$	0.749	~0
$\gamma_2$	11.564	~0
$\omega_2$	0.011	~0
$\alpha_{21}$	0.378	~0
$\beta_{21}$	0.769	~0

**Table 1. Parameters test, LANNE model.**

Let's check now if the model is specified correctly or not using the quantile residuals method mentioned above. We have represented in figure 3 (from the left to the right) the quantile residual graph, the quantile-quantile graph (if the distribution approximates the normal standard one), the global autocorrelation (ACF) and the partial autocorrelation (PACF) of the quantile residuals and of the squared quantile residuals for LANNE model. We observe that the approximation is generally good.

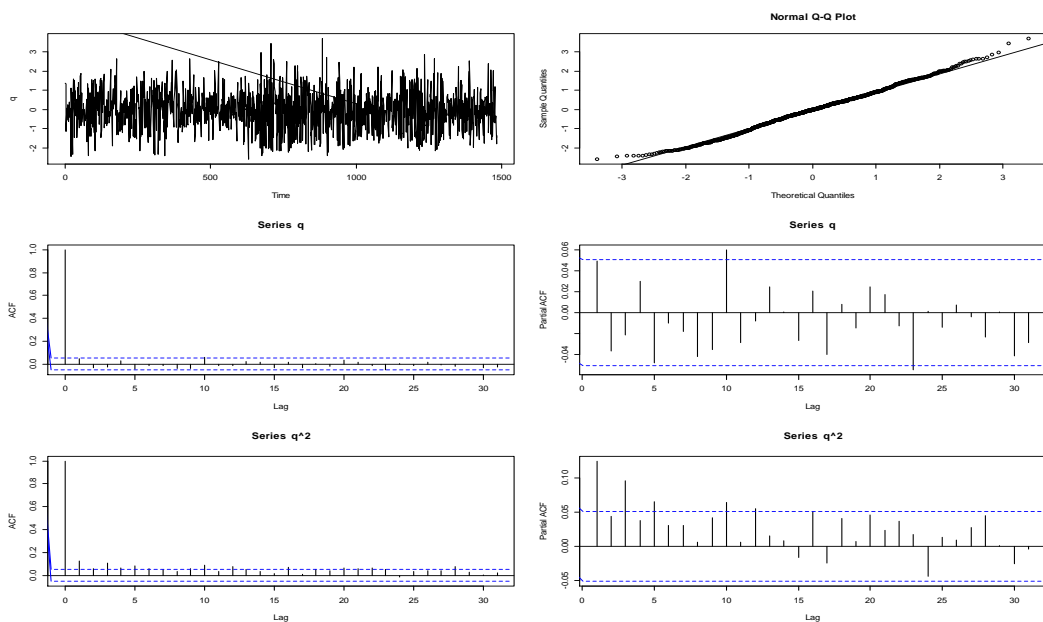


Figure 3. Quantile residuals graphs, LANE model.

Let's try now to estimate our time series through the other MEM formulation, the DLG one. This specification is a mixture of two Gamma MEMs with different coefficients for the conditional expectation. The equation for the conditional mean will be:

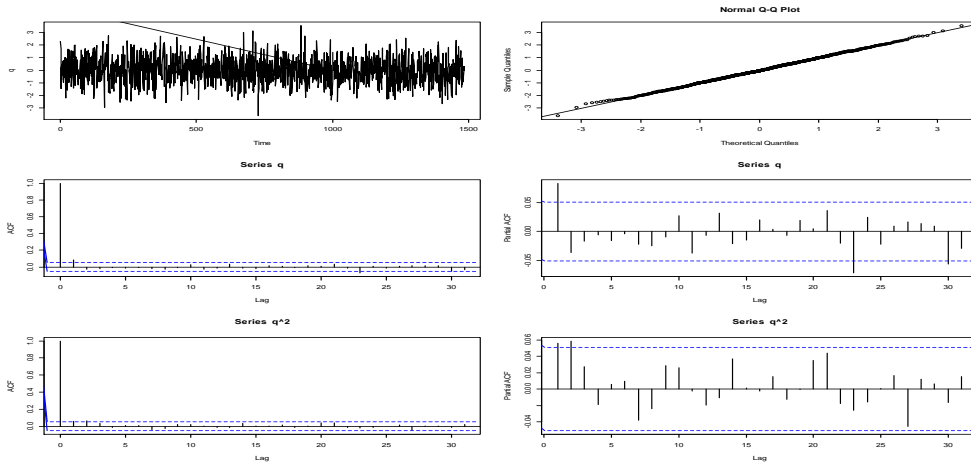
$$\mu_t = \omega + \alpha_1 \cdot y_{t-1} + \alpha_2 \cdot y_{t-2} + \beta_1 \mu_{t-1}$$

We use the method of Maximum Likelihood (ML) to estimate the parameters of interest.

Parametro	Stima	p-value
$\lambda_1$	6.723	~0
$\lambda_2$	16.016	~0
$\omega$	0.099	~0
$\alpha_1$	0.374	~0
$\alpha_2$	0.081	0.805
$\beta_1$	0.631	~0
$\delta_0$	0.905	~0
$\delta_1$	0.983	~0
$\delta_2$	17.106	~0
$\gamma_1$	0.419	~0

Table 2. Parameters test, DLG model.

As we can see from the table, we refuse the  $H_0$  hypothesis in all cases, except for  $\alpha_2$ . The p-value in this case is greater than 5%, so we accept the null hypothesis that the coefficient is statistically equal to zero. We use even in this case the quantile residuals method. We check if residuals are independent and approximate the standard normal distribution. If this is true, the model is correctly specified and the parameters are consistently estimated. If not, quantile residuals are expected to exhibit different characteristics, i.e. dependence, autocorrelation or different distribution.



**Figure 4. Quantile residuals graphs, DLG model.**

We have represented in figure 4 the quantile residual graph, the quantile-quantile graph (if the distribution approximates the normal standard one), the global autocorrelation (ACF) and the partial autocorrelation (PACF) of the quantile residuals and of the squared quantile residuals for the estimated model. We observe that the points line up perfectly to the normal distribution. The global and partial autocorrelations are, in most cases, within the confidence bands. We conclude that the model is correctly specified and the estimates are consistent.

Now we compare our models using well known selection criteria as AIC (Asymptotic Information Criterion; Akaike, 1974) and BIC (Bayesian Information Criterion; Schwarz, 1978). The first criterion, AIC, is defined as:

$$AIC(k) = 2 \cdot k - 2 \cdot l_T,$$

where  $l_T$  is the maximized value of the likelihood function for the estimated model,  $k$  is the number of parameters in the statistical model and  $T$  is the number of data points. BIC is defined as:

$$BIC(k) = k \cdot \log(T) - 2 \cdot l_T.$$

We have presented in the table below the maximized value of the likelihood function, AIC and BIC for the estimated models.

MEM Model	lt	AIC	BIC
LANNE	-109,217	236,434	281,704
DLG	-71,638	163,276	213,576

Table 3. Maximized value of the likelihood function, AIC and BIC criteria.

Lower values of AIC and BIC, as well as higher values of the maximized value of the likelihood function correspond to the most fitting model and vice versa. In this case, we can conclude that DLG model fits better the corresponding data sample.



#### 4. Concluding remarks

We consider in this study two possible innovative equations for the realized volatility of financial returns, part of the multiplicative error models family, called LANNE and DLG respectively. We estimate and compare these models using some applications on 'STOXX Balkan 50 Equal Weight' Index, for the period from 1 May 2009 to 30 January 2015. The error term of LANNE equation follows a gamma distribution with constant parameters, whereas the error term of DLG equation is distributed according to a mixture of Gamma with variable weights.

We compute the quantile residuals in R 3.1.3 software, in order to measure how well the specific MEM models fit the corresponding data sample. We observe positive signals of independence and a satisfactory approximation of residuals to the standard normal distribution. This implies that the equations fit fairly well the volatility of 'STOXX Balkan 50 Equal Weight' Index, and the corresponding coefficients are consistently estimated. We also calculate the maximized value of the likelihood function, and the AIC and BIC criteria for each model, concluding that DLG model fits better the data. This study can be enriched with supplemental analysis regarding other possible approaches of volatility estimation and other possible variables. Furthermore, we can test and compare these methods through the quantile residuals analysis, as well as through forecasts.

#### References

- [1] Ahoniemi, K., & Lanne, M. (2013). Overnight Stock Returns and Realized Volatility. *International Journal of Forecasting* 29, 4, 592 - 604.
- [2] Akaike, H. (1974). A new look at the statistical model identification. *IEEE Transactions on Automatic Control* 19 (6), 716–723.
- [3] Alessi, L., Barigozzi, M., & Capasso, M. (2009). Estimation and forecasting in large datasets with conditionally heteroskedastic dynamic common factors. *Technical Report* 09–1115, European Central Bank.
- [4] Andersen, T. G., Bollerslev, T., & Diebold, F. X. (2007). Roughing it up: Including jump components in the measurement, modeling and forecasting of return volatility. *Review of Economics and Statistics*, 89, 701–720.
- [5] Bauwens, L., Hafner, C.M., & Laurent, S. (2012). Volatility models. *Handbook of Volatility Models and their Applications*, 1–45. Hoboken, New Jersey: J. Wiley & Sons.
- [6] Bollerslev, T. (1986). Generalized autoregressive conditional heteroskedasticity. *Journal of Econometrics* 31 (3), 307–327.
- [7] Bordignon, S., & Raggi, D. (2012). Long memory and nonlinearities in realized volatility: a Markov switching approach. *Computational Statistics and Data Analysis*, 56, 3730–3742.
- [8] Brownlees, C. T., & Gallo, G. M. (2006). Financial econometric analysis at ultra-high frequency: Data handling concerns. *Computational Statistics and Data Analysis*, 51, 2232–2245.
- [9] Brownlees, C. T. & Gallo, G. M. (2010). Comparison of volatility measures: A risk management perspective. *Journal of Financial Econometrics*, 8, 29–56.
- [10] Chiriac, R., & Voev, V. (2011). Modelling and forecasting multivariate realized volatility. *Journal of Applied Econometrics*, 26, 922–947.
- [11] Brownlees, C.T., Cipollini, F., & Gallo, G.M. (2011). Multiplicative error models. *Econometrics Working Papers Archive* 2011\_03, Universita' degli Studi di Firenze, Dipartimento di Statistica, Informatica, Applicazioni G. Parenti.
- [12] Colacito, R., Engle, R. F., & Ghysels, E. (2011). A component model for dynamic correlations. *Journal of Econometrics*, 164, 45–59.
- [13] Corsi, F. (2009). A simple approximate long-memory model of realized volatility. *Journal of Financial Econometrics* 7, 174–196.
- [14] Cox, D. R., Snell, E. J. (1968). A general definition of residuals. *Journal of the Royal Statistical Society B*, London, v. 30, n. 2, 248-254.

- [15] Crato, N., & de Lima, P.J.F. (1994). Long-range dependence in the conditional variance of stock returns. *Economics Letters*, Elsevier, vol. 45(3), 281-285.
- [16] De Luca G., Gallo G.M. (2007). Time-varying mixture MEM for realized volatility. S.Co 2007, *Book of Short Papers*.
- [17] Ding, Z., Granger, C. W. J., & Engle, R. F. (1993). A long memory property of stock market returns and a new model. *Journal of Empirical Finance* 1, 83-106.
- [18] Dunn, P.K., & Smyth, G.K. (1996). Randomized quantile residuals. *Journal of Computational and Graphical Statistics*, 5(3), 236-244.
- [19] Engle, R. F., & Lee, G. J. (1999). A permanent and transitory component model of stock return volatility. *Cointegration, causality, and forecasting: A Festschrift in Honor of Clive W. J. Granger*, 475-497. Oxford University Press, Oxford.
- [20] Engle, R.F. (2002). New frontiers for ARCH models. *Journal of Applied Econometrics*, 17, 425-446.
- [21] Engle, R.F., Gallo, G.M. (2006). A multiple indicators model for volatility using intra-daily data. *Journal of econometrics*, 131, 3-27.
- [22] Engle, R.F., Russell, J.R. (1998). Autoregressive conditional duration: a new model for irregularly spaced transaction data. *Econometrica*, 66, 1127-1162.
- [23] Cipollini, F., Engle, R.F., & Gallo, G.M. (2006). Vector multiplicative error models: representation and inference. *NBER Technical Working Papers* 0331, National Bureau of Economic Research, Inc.
- [24] Cipollini, F., Engle, R.F., & Gallo, G.M. (2013). Semiparametric vector MEM. *Journal of Applied Econometrics*, 28(7), 1067-1086.
- [25] Gallo, G., & Otranto, E. (2014). Forecasting Realized Volatility with Changes of Regimes. *Econometrics Working Papers Archive* 2014\_03. Universita' degli Studi di Firenze, Dipartimento di Statistica, Informatica, Applicazioni "G. Parenti".
- [26] Granger, C. W. J., & Joyeux, R. (1980). An introduction to long-memory time series models and fractional differencing. *Journal of Time Series Analysis* 1, 15-30.
- [27] Hansen, P. R., Huang, Z., & Shek, H. H. (2012). Realized GARCH: A joint model of returns and realized measures of volatility. *Journal of Applied Econometrics*, 27, 877-906.
- [28] Hosking, J.R.M. (1981). Fractional differencing. *Biometrika* 68(1), 165-176.
- [29] Lanne, M. (2006). A mixture multiplicative error model for realized volatility. *Journal of Financial Econometrics*, 4, 594-616.
- [30] Barigozzi, M., Brownlees, C.T., Gallo, G.M., & Veredas, D. (2014). Disentangling systematic and idiosyncratic dynamics in panels of volatility measures. *Econometrics Working Papers Archive* 2014\_02, Universita' degli Studi di Firenze, Dipartimento di Statistica, Informatica, Applicazioni G. Parenti.
- [31] Patton, A. (2010). Volatility forecast comparison using imperfect volatility proxies. *Journal of Econometrics*, 160, 246-256.
- [32] Rosenblatt, M. (1952). Remarks on a multivariate transformation. *Annals of Mathematical Statistics*, 23, 470-472.
- [33] Schwarz, G.E. (1978). Estimating the dimension of a model. *Annals of Statistics* 6(2), 461-464.



