

Ministry of Defense Budget and the Economic Responsibilities as NATO Member

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Abstract

Every four years Albania is confronted with several social issues which demand real and immediate solutions. These issues are often confronted with political implications offering no benefit for the civil society in general, or any of its levels, given the fact that all Albanian citizens are part of it in different levels. The main level affected by these social issues is the poor, women, unemployed, the youth and retired people. Albania is classified as the poorest country in the Balkan Peninsula and overcoming the social challenge of life quality in all social levels is the main challenge. During the last 10 years, the Albanian Governments has undertaken several reforms to meet all the criteria for the European integration. One of the most important criteria is the economical reform affecting the unemployment and the decrease of poverty, as these problems affect a considerable number of families, and in the same time they affect education and health service, two other rings of the social chains that are very important. Becoming a NATO member gave Albania a great encouragement to face the next challenges of the international arena and in this sense the Albanian Government is aware that being part of such an important organization would require availability and involvement of human resources and financial responsibilities, which would be a further burden for the budget. Therefore, it is important to create a suitable ground to implement these fundamental projects for the society. This is another challenge for the Albanian people with requires responsibility and sacrifice to meet the so much hoped ideals of democracy and solidarity, which establish peace, stability and prosperity for our country.

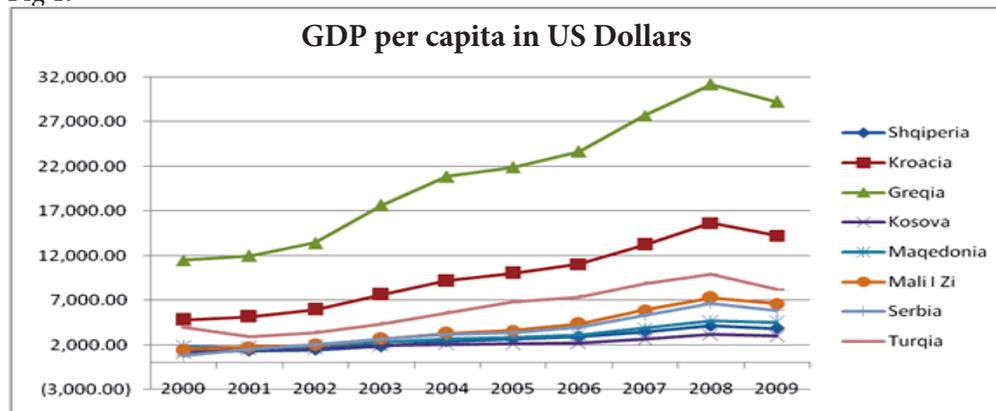
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Introduction

Albania is located in Eastern Europe, a small country with a modest economical power and one of the poorest countries of the region. The political history of the last 60 years has not supported the social and economical development of the country. The country lacks stability and welfare, which means that several generations have no idea of the proper functioning of the state, which safeguards and assures prosperity to the society. The totalitarian regime with its economic system where state owns everything was replaced with capitalism, which found the Albanian economic system unprepared for this radical change. Of course, the welfare level in Albania has increased after the fall of Communism, nevertheless, as in other ex-communist countries, there is a time called "reflection pause", which differs in every country. The low level of welfare has caused disorientation of the external and internal balances of the civil society, thus causing political discontent, although not only a political party was leading the country, reason which caused panic and insecurity for the future. During this period emigration became one of the most problematic phenomena, especially during the first years of democracy.

Free market economy was established in Albania in 1990, facing its initial problems, this system reached significant improvement during the following years, surviving the civil war of 1997. Throughout these years the Albanian economy had its ups and downs, as all countries in the region, but especially with the current crisis, which has affected the whole world, Albania is exhausted (Civici, 2012). Albania ranks as one of the poorest country in Europe, leaving behind only Kosovo. (Fig. 1, World Bank Study GDP per capita in USD 2000–2009).

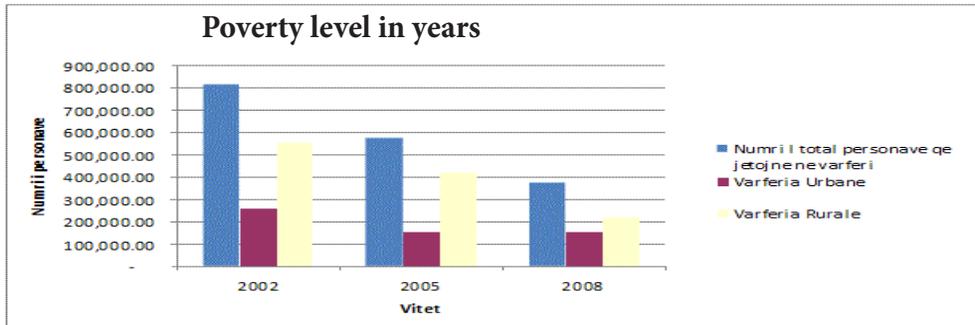
Fig 1.



The poverty in Albania is mainly represented by the unemployment, among people with low or average level of education, and among women, whose level of unemployment is really high, (Civici, 2012). According to the data received by INSTAT (Albanian Statistics Institute) the level of poverty in 2002 was 25.4% poor and 4.7% really poor. These levels were significantly decreased up to 12.4% for the poor and 1.2% for the really poor in the following years. (Fig. 2, INSTAT, World Bank, UNDP, Study on the level of absolute poverty during the years 2002, 2005, 2008).

Almost 30 % of the families living in the regions of Elbasan, Dibra, Kukes, Shkodra receive social assistance. The number of persons receiving financial assistance is higher in the mountainous areas, reaching up to 75% of all the people living in poverty. The different programs implementing projects of social support for different levels of people do not offer a final solution, and often are not efficient. Currently the government is considering the possibility of offering support by providing food commodities and, in order to avoid any abuse or misuse of these funds.

Fig 2.



A short description of NATO

The purpose of the alliance among the NATO countries is to safeguard all members from any risk threatening peace and security. NATO is involved in avoiding crisis, conflict management in close collaboration with international partners, such as UN and EU. The main principles and mission of NATO are: defending freedom and security of all its members by military and political means. The NATO security on both side of the Atlantic is very important, and defended by all member countries, based on solidarity, common goal and equal division of the responsibilities. In order to guarantee the territory integrity and the defense of the population of all member countries, the Alliance has to meet with high efficiency three fundamental group-tasks, always complying with the international law:

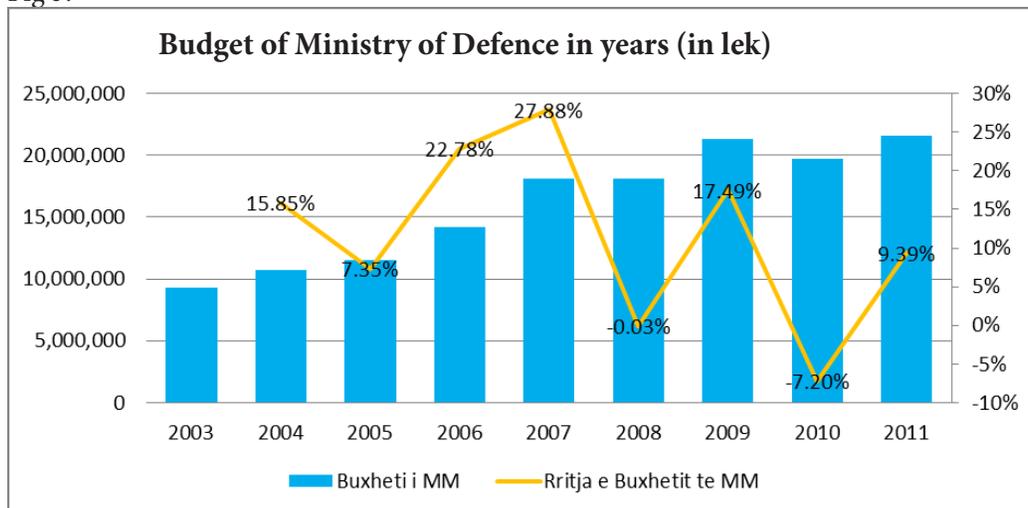
1. **Joint Defence.** NATO members will always support each-other against attacks, in compliance with Article 5 of the Washington Treaty.
2. **Crisis Management.** NATO uses various political and military means to help in crisis management to stop continuous conflicts and to consolidate stability in post-conflict situations, when this contributes to the Euro-Atlantic security.
3. **Cooperation for Security.** Alliance takes part actively to increase the international security, through partnership with its member countries and other international organizations, by contributing actively in gun-control, disarming, as well as keeping the door open for new memberships for all those European countries which meet NATO standards. In the mean time, NATO extension has significantly contributed in the Alliance security, in the further extension perspective and in the collaboration for security spirit, thus directly increasing the stability in Europe. The goal of the Alliance for a secure Europe, would be fully reached with the possible integration of all European Countries, which aim at this integration (Dune, Kurki & Smith, 2010).

Albania Commitment to meet NATO membership requirements

Meeting the membership requirements is a national priority for Albania, which is fulfilled through military contributions in international peace-keeping, peace establishing missions together with civil and diplomatic contribution in compliance with the real possibilities of the Albanian State. NATO doctrine is closely associated with the international security

in the region (Collins, 2009). Peace keeping and consolidation, democratic stability and the increase of the regional collaboration for all Balkans countries which become members of NATO and EU, should be the main goals of the foreign policy of Albania. National security is fundamental to democratic development and welfare standard in Albania. Reforming the Albanian Armed Forces in compliance with NATO standards aimed at professionalism, dignity and integrity has been the core of this process. Since the Independence Declaration, the Albanian foreign policy has been oriented towards collaboration with the Region, always aiming to establish a stable dialogue and cooperation in different political fields and now in those economic, considering that the geographical vicinity would be of mutual advantage (Abazi, 2004). The main factors defining the foreign policy are the geographical position and the Albanian position in Balkans. Since 1999, when Albania received a MPA (Membership Action Plan), the budget allocated for the defence policy has increased every year. The highest allocated budget was during the years 2006 and 2007, which was 22% more than the year before. In 2009 (the membership year) the increase was 14.7% in comparison with 2008. It is important to underline that increasing the budget was necessary to implement the reforms and meet the challenges Albania had to face for the NATO membership. In 2010 the budget allocated for the defence was significantly decreased. The initial planned budget was 25 billion lek (around 20 million Euros) and after the budget review, in July 2010, the funds were decreased to 5.2 billion lek (around 3.4 million Euros). Therefore the defense expenses were decreased to 7 % since the first year of the membership. In 2011 the allocated defense budget was 21.6 billion lek (around 18 million Euros), 9 % higher than 2010 and 2.3 % times higher than 2003.

Fig 3.



INSTAT (Albanian Statistics Institute), Budget of the Ministry of Defence between 2003 - 2011

Conclusions

Albania is an important factor in the peace-keeping process in the Balkans, which is very well demonstrated with the Kosovo Independence. The Albanians played an important role in building and consolidating a multi-ethnic state in Macedonia and Montenegro. The economic factor is very important in a country's life not only for the people's welfare, but also for the country's prestige in the relations with the regional countries. There are many different problematic issues in the Albanian life and most of them require an immediate solution considering all the criteria's for EU membership. Freedom of speech in the media, the fight of corruption and law enforcement are the main factors. The NATO membership requires 2% of the GDP, which is a heavy burden for Albania, even though in the last 10 years the budget allocated to defence has increased to 100%, still it is hard to reach 1.66%. The situation would have been better, if all these sums were spent to fight poverty and increase the financial support for the social groups in need. Currently the defence expenses are higher than those allocated for the public order and 3 times higher than those for agriculture, which actually should be higher in order to promote the development for the majority of the population, which still lives in rural areas. Today Albania contributes with a big sacrifice connected to high expenses in NATO missions, although its military power is not significant in comparison with the other member states. Having said that, Albania should be represented with dignity in this Alliance, which has a key importance in the allocation of different funds, but on the other hand Albania should fight the deficiencies and abuse with public funds, which should be used effectively for national emergencies such as social protection, poverty reduction and health service.

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