



Research Article

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Adapting Albania's social protection system to European standards: A closer sight at Legal and Institutional Change

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Abstract

This study examines how Albania is re-shaping its social protection system through the process of European Union (EU) integration. It is not only about bringing legislation in line with what the E.U. requires, but also about more profound changes in institutions, services and how support gets to people who need it. The research looks at how public policies are being re-tooled to reflect European values such as social justice, inclusion and a life in dignity, and wrestles with the reality of constraints like scarce resources, bureaucratic shortcomings and addressing more effectively the needs of groups that are vulnerable. By looking at both the legal wording and the practical realities of how these policies unfold, the research tells us what it means for a country like Albania to prepare its social system for a more connected and just European future.

Keywords: Social Protection, EU Accession, Legal Reform, Institutional Change, Social Justice.

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1. Introduction

The process of Albanian integration into the European Union (EU) has encompassed significant political, economic, and legal transformations over the years. Since being granted EU candidate status in 2014, Albania has made noteworthy progress in reforming its legal frameworks and policies in crucial areas relevant to its membership aspirations. A pivotal aspect of these reforms is the social protection system, which serves as a key indicator of Albania's preparedness to fulfill the EU's legal and social requirements. The EU has implemented policies within the social protection sector that aim to establish a minimum standard of living, eliminate poverty, and

reduce social exclusion. Consequently, it is evident that Albania's reforms in social protection are not merely legal obligations for aligning with EU legislation but are also essential for enhancing the well-being of its citizens and fostering sustainable economic development.

The alignment of Albania's social protection system with EU standards is necessary, given that the EU prioritizes social protection and inclusion during the accession process. The current social protection framework in Albania, which has its roots in the communist era, remains inadequate in terms of coverage, funding, and governance structures. For instance, the pension system poses a significant challenge, as it only covers about one-third of the population, while a substantial portion of the workforce remains in informal employment, thus excluded from social security benefits. Additionally, welfare healthcare and unemployment support are considerably below EU benchmarks, exacerbating inequality and increasing socio-economic risks. If these deficiencies are not addressed, Albania may struggle to satisfy the socio-economic criteria required for EU membership, potentially delaying the integration process and undermining ongoing reforms. Therefore, the integration of the Albanian social protection system with the EU law is crucial for making Albania's EU membership benefits inclusive for the nation's most needy and deprived populations (Xhixho and Balliu, 2024).

The purpose of this paper is to review the major features of Albania's attempts at aligning its social protection system with EU law. More concretely, it analyses: How compliant is Albanian legislation in the domains of pensions, health care, and unemployment benefits with EU legislation? And what obstacles does Albania face in its effort to join the EU in a full sense? This study will offer an analysis of the legal and institutional frameworks implemented in Albania in the integration of the social protection system, challenges such as; limited financial sources, political opposition, and institutional capacities of the country. The paper will also analyse the extent and direction of these efforts in the context of Albania's socio-economic development and on the welfare of Albanian citizens. This will enlighten this study, which will in turn present a research analysis of procedural advancement made so far as well as indicate sectors that require further effort, leading to the appreciation of the multifaceted process of EU integration as well as the need for the reform of social protection (Tahiraj, 2022). In this paper, I argue that Albania has made significant strides towards aligning its social protection system with EU law but numerous challenges persist especially in the realm of financing, capacity, and political commitment. The harmonisation process has had its joy rides; this is especially in aspects such as pension legislation reforms and healthcare reforms. Nevertheless, there are still deficiencies in implementation, particularly in rural setting and marginalised communities. The research assumes that increased financial and technical assistance from the EU is essential to support these reforms, but that Albania must also enhance its institutional capacity, further public debate, and resolve political and economic obstacles to reforms in the sphere of unemployment insurance, care for the elderly, and other topics (Tahiraj 2022).

Analytical and comparative research methodologies are involved in the conduction of

this study. Analytical approach will consider Albania's legal reforms in order to meet the EU requirements as well as the directives and regulations of this organisation and the social protection system in which it is included. For the comparative analysis, Albania will be compared to the other EU candidate countries of the Western Balkan region that also share common issues with reference to alignment of social protection system to EU law including North Macedonia and Montenegro. Instead, it will do so by centering on legal reform, social policy, and conditions for EU integration, allowing this paper to provide specifics about Albania's context and opportunities in its quest for EU admission. In addition, it will present practical strategies for improving the system of social protection in the country even more.

2. Literature review of Albanian Social Protection System

Albania's social protection system encompasses a range of services to safeguard its citizens' well-being in times of need. Health care insurance, social security benefits, unemployment insurance compensation and even social safety nets for vulnerable persons. The scheme of social security is the main welfare support plan in Albania which offers pensions. This is mainly through employee and employer's cheque-offs and supplementation by the government. Currently, pension system of Albania reaches little more than one third of the country's population, although the coverage is not uniform across the territories, especially the rural ones. Albania's health care delivery system is nearly entirely government-funded, and all services are mandated by the Ministry of Health, although, in recent years, private sectors have been expanding. This basic human right is supposed to be enjoyed by all people around the globe, but inequities continue to exist when it comes to quality and availability of the healthcare services, especially beyond the capital city of Tirana. In relation to the unemployment benefits, Albania runs an earnings-related system provided that contributors contribute a particular number of months of social insurance to receive unemployment benefits. Nonetheless, unemployment persistently high, 12.4 % of labour force being unemployed in 2020 and the informal sector is a contributing factor to this (Reci and Jance, 2024). The government has also tried to increase access and efficiency of the unemployment benefits system. However, factors like; bureaucracy hitches and very high level of informality in labour market persists. Albania delivers social services to more deprived groups of the population including one parent families, the elderly and disabled. This is essentially done through the Social Assistance Programme (PMS), which has been expanded over the years but which continues to have congruence problems and now the question of adequacy in targeting (Reci and Jance, 2024).

Even with these legal frameworks, the social protection system in the country is poorly resourced, lacks a proper administrative capacity, and has missing links. In the case of Social Protection, there is very little interphase between the different sectors making it cumbersome for an individual to obtain social protection services. Moreover, the system is still highly faulty in terms of service delivery and governance

with corruption and bureaucracy hindering service delivery.

2.1 Summary of Previous Studies

Many contributions have looked at the effects of EU integration process on candidate country in terms of legal reforms with special focus on the western Balkan countries. Therefore, Dharmo and Dharmo (2024) offer a comprehensive assessment of Albania's harmonisation with EU legislation across sectors by focusing on the aspect of legal approximation in trade, environmental law and human rights. However, social protection has many grey areas which have not been researched as much even though it is central to the Albanian EU membership goal. In this article, prolific research is conducted by Garunja (2024) that revolves around the general process of EU integration in Albania particularly with regard to employment of Albanian workers abroad, profile, and trends of Albanian migrants, and Albanian labour market policies and social protection framework to match with that of the EU. In addition, according to Tahiraj (2021), Albania has struggled to align legal requirements with EU customs legislation and reveals the institutional and financial challenges that affect social protection reform. In the sphere of social policy Xhixho and Balliu (2024) discuss the general economic absorption of Albania in the EU. The authors emphasise that financial nuances and institutional vulnerabilities prevent Albania from effectively applying EU norms in such spheres as pensions and medical care. They indicate that these challenges are further aggravated by apparent lack of public confidence in the reform process. As beneficial as the existing literature on Albania's legal harmonisation process with the EU is, research studies on social protection integration are rare. Therefore, this paper intends to complement this gap by presenting an analytical overview of Albania's social protection system and its attempts towards EU concordance, in the light of exploring social policy change in relation to EU expansion.

2.2 Historical Context: Evolution from the Communist Era to Present-Day

Historically, Albania has evolved social protection system from central economy during its communist regime to market economy in present system. Before the change of regime in Poland welfare state was very pronounced with the state being fundamentally responsible for nearly all forms of welfare, which include pensions and health care as well as the guarantee of employment. It was an entirely state run centrally planned economy, and private enterprise was negligible as was the freedom of choice. The government of Albania offered free medical care and pensions to every citizen, and the state regulated employment by owning enterprise. Social protection system was created to support full employment where most people worked in state owned enterprise. It was roughly rudimentary as has been defined by modern trends but was primarily founded on compulsory social insurance remittances by employees in the formal sector. The phase of radical transformation followed the early 1990s shake up that came with the dismantling of communism. The transition to a market economy was characterised by mass privatisation, high unemployment

and the undermining of the financial base on which the former system has depended. As the employment ratio in the formal labour market decline, state owned enterprise-based pension system gets erode gradually. The same issues affected the system of healthcare, which had been centralised and directly controlled from the state. By the end of 1990s, Balkan country of Albania has a deficient social protection system and it can barely fund the system (Garunja 2024).

It was during early 2000 that Albania begins to liberalise its social protection systems as a measure towards integration into the EU. Reforms were performed and gradually the pension system changed from the Pay-As-You-Go to the contributory system, which met the international standards. The social insurance was expanded to cover more person in the formal waged employment while government started to react to problems of the informal economy. The healthcare system also started evolving toward decentralisation with insurance and tried to update its conditions and facilities. Nevertheless, Albania is still far from achieving satisfactory coverage and service quality for a number of reasons rooted in its socialist past and slow pace of reforms.

2.3 Research gap

Despite slight enhancements in the two past decades, several issues that Albania encounters in the social protection system may slow its growth and its convergence with EU counterparts. The financial sustainability of the system is one of the biggest problems currently faced by health care systems around the world. The pension system as has already been established reaches only the 35 % of population, and thus apart from being under funded it faces an ageing population, which puts pressure on the budget. This has a big implication for the status of funding at the moment and places the pension system under threat of sustainability throughout the next few decades. In the same context, Albania's facilities are pioneered by chronic shortages of such necessities. There is a lack of employment opportunities for professionals within the public health care sector, and Albania invests only 3.5% of its GDP in health care, or less than the EU 9.8%. Despite nominal universal availability of health care, the quality is wanting special in the remote regions. All Albanians have access to free health care but the majority still seek private health facilities, which include expensive hospitals. The problem is compounded by the absence of adequate specialised service delivery and availed modern health equipment's (Cela, 2024). Albanian government has tried to bring changes in the provision of health care services; recent policies include decentralizations of services and the health insurance plans. Although some progress has been made in actual supply of services and in making the public aware of equality of opportunities for service delivery the region still has got a long way to go in the enhancement of quality services.

Other topics are one; high youth and rural population unemployment rate. According to World Bank, the unemployment rate in Albania in the fiscal year of 2020 was around 12.4 % still it has a low position in the rural area where informality is high. I also found that the unemployment benefits system is a failure of supporting the

unemployed population adequately. Despite this, the government has implemented several interventions that can be used to fight unemployment, including vocational training and labour market policies, and a number of the times they have failed to adequately meet the demands of the problem (Cara, 2021).

3. Methodology

Using a qualitative research approach, this study discusses the processes of aligning Albanian law with EU law regarding Albania's social protection system. The policy brief adopts a mix of legal exegesis and comparative legal research and case study approaches to determine the extent of compliance of Albanian social protection laws to EU regulations and the real-world challenges of achieving full compliance.

3.1 Document and Legal Analysis

The main approach of data collection is documentary, comparing the Albanian national legislation and the EU legislation in the field of social protection. Particular emphasis lies on the principal legislative documents, including the Albanian Social Protection Law, legal provisions of insurance and labour relations, as well as EU Directives and Regulations regarding minimum standards of social protection systems in the member countries. This comparative method will give emphasis to the conformity or otherwise of the Albanian laws with the EU legislation. In particular, the analysis will reveal the extent to which Albania has adopted the EU pension policies and endeavoured to harmonise unemployment benefits with the EU standard. Legal documents will be analysed with the goal to point out gaps, contradictions or possibly some topics that need further legislation to fulfil the EU standard in a given domain, namely the eligibility criteria, the benefit programmes, and the position of private actors in the social security systems (Beqiraj and Gjipali, 2024).

3.2 Comparative Legal Research

The application of comparative legal research method will also add to the richness of the research by identifying how other EU member states have experienced similar harmonisation processes particularly those in Central and Eastern Europe and the Balkans. Croatia to Romania, states in the European Union that joined the union in years past will be of particular focus. Consequently, the study will compare the social protection systems in Albania with the previously listed states with a view of coming up with the common trends, challenges and the model that could be embraced by Albania in its way towards a better association. This comparative framework will answer a set of questions such as the level of satisfaction regarding the speed at which Albania has accustom itself to EU law as compared to other countries and where Albania stands on the index of the implementation of EU directive in social protection. This will give a better view to how the harmonisation processes are implemented in the region and a glimpse into the challenges that Albania would have in attaining a full legal convergence (Kokomeci, 2023).

3.3 Case Study Analysis and Expert Interviews

The use of case studies as part of the research method enables the assessment of how particular legal reforms have been adopted and practiced in Albania. The reforms that will be analysed in the framework of the case studies will encompass among the others the changes in the pension laws and the unemployment benefits, and the process of adaptation of Albanian legislation to the EU labour rights. In these case studies, attention will be paid to the legislation activity, political and economic conditions and the actions of such bodies as European Commission and the World Bank related to the mentioned reforms. Further, the study will use interviews with legal professionals, policymakers, and international organisations representatives. These interviews will give real life experiences of practical difficulties and political factors involved in the harmonisation process. Opinions of experts will be employed to evaluate Albania's improvements and to get opinion about problematic sectors. Such research approach that will include documentary analysis, comparative legal study, case studies and expert interviews will give a clearer and all-round view on how the Albanian legal order has integrated with EU legal order with focus on social protection. In this way, this multi-method approach, the research will establish where the process of legal harmonisation stands and where Albania is in terms of the progress made towards achieving better alignment with EU policies and legislation.

4. EU Social Protection and Policies

The European Union (EU) has a well-established social protection framework designed to The European Union or EU possesses a fully developed social protection system for the purpose of caring for the people and building a unified EU social fabric in each member country. Social protection within the EU relates to a broad concept of. Measure that involves provision of social services. Some of the intervention measures provided by inclusive social protection include; health care provision and support for families and unemployment especially during difficult times. The study of the EU's general principles of law concerning social protection emanates from the use of binding legal measures inclusive of directive, regulations as well as recommendations that set principles and guidelines for member countries. Another document which is part of this concept is the Minorities Social Protection and Social Inclusion Guidelines that was adopted in the EU Council in 2006. Here it is possible to find a list of priorities and goals for member countries to update the social protection system, social services, employment policies, and income security measures. It is worth mentioning that they pay special attention to the guaranteed protection of all members of society, but particularly, the weak and the helpless population, including the elderly, children, and individuals with disabilities (Abdurrahmani, 2021).

EPSR adopted in 2017 is another significant legal act that outline the basic principles of the social protection in EU. The Pillar is not legal and regulatory, but it outlines various norms on social rights including a right to health, income maintenance, and decent work. It also seeks to solve problems such as social isolation, joblessness, and the lack

of social resources. Referring to the EPSR, it underlines that all EU citizens should be granted these basic rights, which is fully consistent with the EU aim of economic and social cohesion. Besides these overarching principles, EU social protection laws are supported by specific regulations that address issues relating to mobility, and the organisation of the social security systems between/is across the member states of EU. An example is the Regulation (EC) No.883/2004 that deals with the coordination of the systems of social security because the citizens of the EU can gain rights in one state and lose them when they transfer to another EU member state. This regulation is important to facilitate the mobility of workers within the EU, and the WB, as they tend to harmonise their systems with those of the EU (Abdurrahmani, 2021).

4.1 EU's Impact on Social Policy Reforms in the Western Balkans and Albania

The European Union therefore has a direct influence on shaping further reform of social policies in the Western Balkans from which Albania is a member. Social protection reforms are an important part of the EU's accession process, through which the candidate country is prepared for integration into the EU. Not only the EU is willing to donate the amount of money, but the EU also aims at offering the countries of the region the orientation needed for the reform of the social protection systems based on the EU model. These changes are considered to be necessary initially, because only their completion would guarantee Albania and other countries of the Western Balkans' compliance with the EU's requirements for social cohesion and welfare, which objectively predetermine their joining the Union. Albania's compliance with the EU standard of social protection policies has been best illustrated in the pension reform. As Albania aims at meeting conditionality of the EU in the pension reforms, several technical cooperation programmes have been donated by the EU. For example, action point 16 of the EU-Albania Stabilisation and Association Agreement (SAA) signed in 2006 is dedicated to enhancing SSWs in the country. EU directives especially those on pensions, that encourage, inter alia, the move away from state funded pensions to contributory, more sustainable pensions have featured prominently in Albania's reform plan. Also, the EU has been supportive of Albania in the process of reforming the unemployment benefits payment system and strengthening the country's health care in which the EU emphasis on health insurance and universal health care coverage.

In addition, the EU rewards/promotes social protection reforms through accession conditionality as Albania's compliance to EU standards is assessed. EU's progress reports on Albania, including those on social protection, reveal major deficiencies between the Albanian system and EU standards. These reports provide a review of the social protection system in Albania and make recommendations on ways forward; recommendations that touch on the gaps in pension coverage and adequacy, access to health care, and the high incidence of informal employment in the country.

4.2 EU Financial Assistance: Support for Social Protection in the Western Balkans

The EC has at its disposal a range of mechanisms that offers financial tools for

funding reforms of social protection in the Western Balkan countries including Albania. The Instrument for Pre-Accession Assistance (IPA) is one of the principal sources of revenue for the Applicant Countries. The IPA gives candidate and potential candidate countries in the Western Balkans and Turkey a framework within which to prepare to meet the obligations of EU membership across a range of policy areas, including social protection reform. During IPA, Albania has benefited from substantial funds to finance its social protection changes. For instance, money has been provided for the purpose of supporting the process of the country's bringing its social insurance systems up to date, reformation of the health care sector, and increasing the effectiveness of the social security schemes. IPA 2017 programme was one of them focused on developing Albania pension system as it helped in putting into operation the e-registration pension systems to minimise the workload of employees (Kokomeci, 2023).

Besides, under other regional sources, such as the EU Neighbourhood Instrument (ENI), the EU offers money for enhancing social services, employment policies, and fighting social marginalisation in the region. These programmes have allowed Albania to build a health care infrastructure, such as increase in primary health care services delivery, and implementation of the reforms on the introduction of a basic health insurance for all citizens. Another priority area for the EU is social inclusion which tends to fight against poverty and to improve vulnerable groups of people's accessibility to social services including Roma people, elderly and people with disabilities. EU aid does not begin and end with the budgetary assistance. For example, the EU's Twinning Project involves sharing of ideas and practices between EU member countries and Albania. Such exchanges assist to enhance Albania's technical skills in development and implementation of strong social protection policies (Cara, 2021).

5. Harmonization of Albanian Social Protection System with EU Law

5.1 Legal Framework for Harmonization

Harmonizing Albania's social protection system with European Union (EU) law involves aligning the country's national laws, regulations, and practices with the legal standards set by the EU. It is crucial on the way toward accession, as the EU insists on the convergence with common policies in the fields of priority importance such as social protection including pensions, health care and labour market mobility. As previously indicated, Albania's legal framework for harmonisation has to be based on different EU legal instruments which offer either suggestions or prescriptions. The main legal act regulating the EU social protection system is the Treaty on the Functioning of the European Union (TFEU), including part on the social policy and part on economic governance. Other contents also contribute significantly to processes of harmonising the existing social protection regimes, and these include regulations and directives. The Social Security Coordination Regulation (EC) No. 883/2004 is crucial in order to align the Albanian social protection system with EU requirements

especially for those people that are frequently transferring from one Member State to another. This regulation guarantees that the patterns of social security keep an eye on and avoid either over or under coverage with regards to mobile employees. Albania also needs to ensure that pension schemes conform with EU directives including Directive 2014/50/EU that seeks to enhance cross borders movement of workers within EU through enhanced pension rights transferability. Besides, such regulations Albania's harmonisation process of laws with the EU legislation is closely regulated by the Stabilisation and Association Agreement (SAA) with the EU both in the social protection, labour market policies, and public administration reforms (Cara, 2021).

5.2 Key Areas of Harmonization

Pension Schemes:

Albania has been facing serious pension problems such as; low coverage, low pensions paid and high informality for a long time. Albania's pension schemes integration with the EU legislation does imply the adaptation of pension schemes to EU directives that promote sound, equitable and transferable pension systems. The effectiveness of public pension system is a major policy concern in the EU; the union supports solidarity-based pension system that ensures adequate income of the elderly and other susceptible groups of the population. For instance, Albania is obliged to raise the pension coverage rate, which is still low, due to the large number of employees with informal employment status. As of 2020, the pension insurance was filled, in fact, only 50% of the working-age population, whereas in the majority of the EU countries – 90% (Ndregjoni, 2023). Albania must also initiate the process of changing pension system towards a multi-pillar system is already prescribed by EU legislation and consists of public pension systems and funded pension schemes. In this case, there will be a more sustainability and diversify system through which the retirees can be accorded adequate income (Dhamo and Dhamo, 2024).

Healthcare:

Another area which needs dramatic changes to fit the EU requirements is the healthcare system of Albania. By recommendation of the EU, all member states are supposed to create access to all health care which means that citizens of those states should not be charged any cash when they require medical assistance. Albania still struggles with some of the following issues; Low health care expenditure per capita, inadequate coverage, and insufficient funding of the public health sections. A part of the harmonisation procedure, Albania has had to raise its healthcare expenditure to EU standards which call for spending of at least 7-8% of the Gross Domestic Product on health. Also, another important aspect for Albania is to provide equal availability of the services for the people with the fewer opportunities, such as the deprived Romany population that even face the difficulties in the access to the primary healthcare services. To achieve this, Albania could take a step in the direction as made by Germany and Austria by adopting a format of the universal health insurance.

In 2008, about 70% of the population has been captured through the SHI and the programme has to be active to cover the remaining 100% of the population (Tahiraj, 2022).

Labor Market Integration:

One of the most important of those measures is synchronisation of the Albanian labour market policies with the EU standards. Some of the EU measures that support EG is the implementation of active labour market policies, those reverse policies which facilitate reintegration of citizens into the world of work and capacity building. Albania has to steer towards policies that address particularly a high level of youth unemployment. In 2020 Albania's youth unemployment rate stood 29.7%, a figure that is over double the EU average. There are policies that encourage youths' transition into the Europe labour market through professional course, traineeship and employment. Albania has to enhance more labour market adjustment so that the citizens of Albania can easily find employment across the EUROPEAN UNION and should maintain social security rights as well. This envisages integrating provisions of the labour law relating to equality of workers, employment safety and anti-discrimination with the directives of the EU (Garunja, 2024).

5.3 Challenges and Obstacles

Albania has set the course to integrate the policy and legal framework for social protection in the country with the European Union legislation, although, there are quite a number of challenges that the country experiences in so doing.

- **Financial Constraints:** Lack of financial capital is perhaps the largest challenge that Albania faces as it tries to get to par with the rest of Europe. The costs of required reforms in social policies and insurance, with focus on issues such as pension and health care systems and labour market integration are very high. For instance, Albania's budget must rise public spending for pensions to extend the coverage and raise pension standards. Albania has very little room for fiscal movements and raising expenditure on social protection without compromising the fiscal soundness of the country is quite challenging.
- **Political Resistance:** Another important obstacle is political one; The government and different stakeholder may hinder the process of development in order to protect their interests. For instance, workers through their trade unions and employers tend to oppose changes in pension arrangements such as increased contributions or moving towards the multi pillar system. Like it, political insecurity and the change of governments contributes to the emergence of new social protection reforms that slow down or change the direction of the harmonization process (Reci, 2024).
- **Institutional Capacity:** Albania's institutional ability to deliver social protection reforms is sometimes weak. The technical capacity and management skills of the Ministry of Social Welfare and Youth which is actually the ministry in charge social protection in the country are a challenge. Also, the tendency towards a labour

informality market means the challenges with data collection on workers, and their enrolment into the formal social protection.

5.4 Case Studies: Successful Harmonization Examples

However, there are positive experiences from other countries which can be useful for Albania, despite numerous challenges the country has. A good example is the Bulgaria case in pension reform. So, the example of a candidate country of the Bulgaria in the mid of 2000s also revealed the main challenges in terms of pension system modernization in EU. With the help of EU funds, Bulgaria introduced the three-tier approved pension system based on public pensions, funded and mandatory and/or voluntary pension schemes. This system was also useful in handling sustainability problems and increasing coverage. Likewise, another good example for Albania to follow is the healthcare reform implemented in Croatia; which tried to reorient the health system according to the norms of the EU. Lifting the public healthcare expenditure, the insurance density and the general framework of the healthcare system dominated Croatia's healthcare strategies for the period under consideration. It was accomplished while, for example, enhancing the public health protective factors, emphasizing the prevention instead of treatment, and providing the EU standard of universal access to health care services. These examples demonstrate that although steps towards harmonisation are difficult to achieve, implementing corresponding financial, technical, and political reforms, Albania can fulfil EU requirements for modernization of its social protection system treatment.

6. Role of the European Commission and Other Stakeholders

6.1 European Commission's Role

Due to the influence of the European Commission in the Albanian state, it has the main responsibility of pushing forward social policy reform within Albania especially with regards to the European Union. Playing a central role within EU, the Commission oversees the compliance and assessment of the candidate states with the EU social protection standards. This is to ensure that the Commission provides the necessary technical support, sets time lines for implementation of changes and even source for funding of the same. There are periodic progress reports that the European Commission uses to evaluate Albania's performance on reforms in the social protection agenda in relation to pensions, health care and policies in regard to labour markets among others. It is also important to note such reports have become more crucial for the EU to decide whether Albania is capable of assimilating with or meeting the Bucharest criteria fully or not. The Commission also checks that Albania is implementing the necessary changes not only through signing the Memorandum, but also through the provision of certain standards and goals. Besides its evaluative functions, the Commission also contributes to financing the Albanian performance by IPA (Instrument for Pre-Accession Assistance). These funds are applied to make a necessary range of social protection reforms including pension system enhancements, healthcare system improvement, and labour market policies' creation (Reci and Jance, 2024).

6.2 International Organizations

Other players in harmonisation are also important and these include world bank and the United Nations Development Programme (UNDP). The World Bank as before has remained a major source of funds and ideas on how to for instance reform the health sector or pension fund systems. For example, the Bank has assisted Albania in the formulation of policies to enhance the resilience of its pension system, and expand access to health care services by the needy and the most vulnerable. Albania is recognised as an excellent candidate for the Integrated UNDP programme to increase social inclusiveness and decrease poverty, with special concern to the most vulnerable groups like the Roma people. These international organisations offer important sources of knowledge, funds, and services that are important in order for Albania to implement its social protection reforms in conformity to the international standards (Ndregjoni, 2023).

6.3 National Institutions

Implementation of the EU *acquis* and the harmonisation process is led by the government institutions of Albania. The Ministry of Finance and Economy is also providing tax sufficient funding for the social protection reforms. This involves the monitoring of the public resources needed in funding pension reforms, health insurance, and any other social that we may wish to achieve. Social protection policies are implemented by the Ministry of Social Welfare and Youth cooperating with other bodies of the government to successfully integrate the EU standards. Further, the Social Insurance Institute which is ISS undertakes the responsibility or reforming the pension system and proper centralization of the contributions collected. Thus, there is a possibility for Albania to harmonise its social protection systems with the EU – by enhancing its data collection instruments and thus bringing its administrative capacities up to the spirit of the Lisbon Treaty (Xhixho and Balliu, 2024).

7. Impact of Harmonization on Albanian Society and Economy

7.1 Social Impact: Assess the Effects of EU-Driven Social Protection Reforms on Albanian Citizens, Particularly Vulnerable Groups

Albania's social protection system has undergone some changes towards the EU standards and these changes have affected the lives of citizens especially the vulnerable ones. Previously the social protection system in Albania was almost non-existent and many citizens especially the elderly, unemployed and minorities remain with little protection. EU inspired measures to extend the social protection base have led to a higher coverage of social benefits, but concerns persist, however. Probably one of the most significant changes that has been established is in the pension system. The EU has encouraged Albania through structural reforms to adopt better and optimised pension policies and this will benefit the citizens especially civil retirees who hope to secure employers from government after retiring from service. However, there are some limitations to this approach, and Albanian pension system still does not

cover the large number of informal economy employees that are especially sensitive to fluctuations in the economy. A study conducted by the European Commission on Albanian workers established that over one third of Albanian workers are within the informal economy hence unable to access social protection. However, because of some infrastructural constrain, the vulnerable groups including those in the remote or rural areas, experience a lot of challenges in accessing these quality compounded healthcare services. New discussions surrounding healthcare are at the centre of the EU's vision, but this vision has not reached all the Albanian citizens, and the disparities in healthcare that still exist by region.

7.2 Economic Impacts: Evaluate the Economic Implications of Aligning Albania's Social Protection System with EU Standards

The correct orientation of the Albanian social protection system with the EU standards has specific fiscal and economic consequences – both advantages and disadvantages. From a fiscal point of view the trend of harmonisation has resulted in more government outlay for social gain and social causes. Thus, the Albanian Ministry of Finance reported that over the recent years because of the EU reforms the expenditure in social protection has increased by about 2.5 percent of GDP, putting pressure on the national budget. But EU integration will bring medium and long-term positive effects on the economy to create stability, attract foreign investors, and to reform labour market. For instance, improving employment rights and worker protection in Albania according to the EU standards in the institution of labour market has increased the working conditions to guarantee employees have increased job security. This is a steady way of developing structure competitiveness within labour market and promoting the place for investment by multinationals companies operating in the region. Unfortunately, for Albania, the enforcement of EU labour laws remains a major problem due to the stubborn nature of the informal labour market which negates any labour market reforms (Reci and Jance, 2024).

7.3 Public Opinion: Explore the General Public's View of Social Protection Reforms and EU Integration in the Context of Albania

The public has both positive and negative attitudes towards social protection reforms and EU integration. On the one hand, it is recognised that reforms promoted by EU have brought some positive changes in some spheres like health care and pension systems. The polls show that more than 60% of Albania population thinks that membership in EU will enhance the standard of living particularly social services and financial assistance to the needy. But the same public also voices a pessimism on adequacy of these reforms especially in this era of economic adversity. Some citizens of Albania argued that these reforms are insufficient to meet people's requirements now. For instance, a survey conducted in 2023 by the Albania Institute of statistic discovered 45% of the citizenry believed that what they received from social protection were inadequate to cover existence necessities (Cela, 2024). This dissatisfaction is regrettable given the fact that there is general lack of confidence

in the government in delivering the reforms the more in the rural and other hard to reach areas efficiently. In addition, the extended process of the EU integration due to the multilevel structure of the process, has culminated in public fatigue concerning the EU integration process. Quite a number of citizens are still asking themselves the question how the above reforms will affect their day to day lives while others have viewed the above as a package of conditions that have been externally set without enough consultation and consideration of the situation on the ground.

8. Future Outlook and Recommendations

As for the future development of social protection in Albania, its link to the EU integration process seems to be rather tight. In the further economic reforms of social protection, it will be necessary to deepen and expand the existing measures taking into account the needs of all the population, first of all, the rural population and workers of the informal sector. The EU's long-term goal is to ensure that Albania's social protection system is fully integrated with EU standards, which could lead to more sustainable and equitable outcomes for the population. However, doing so will entail substantial investment in infrastructure, public goods, and governance. For instance, Albanian government will require to enhance its spending on social protection so that the system can be financially sustainable given the growing population of the people that requires the social protection services. Also, as with many other countries, Albania needs to strengthen its capacity in data collection and monitoring in order to more effectively assess the impact of different social protection programmes as well as to direct the funds allocated to them (Xhixho and Balliu, 2024).

Regarding further improvement of the Albanian social protection system with a view to its increasing convergence with EU standards, several recommendations are possible: Albania has to build up institutional capacities for social protection, primarily in MSDSW and Ministry of Finance. This will mean therefore staff development, enhancement of data processes which in turn will enhance transparency in the distribution of resources. Hence, there is a need to shift to a broader public debate about Social Protection Reforms advantages and disadvantages. In this process, direct participation of citizens will assist in the eradication of concerns, enhancement of citizens' confidence in the reforms' execution, as well as the incorporation of more vulnerable citizens' requirements. Albania has to depend on the EU funding for the financial requirement to facilitate the aforesaid social protection reforms. This could include the use of the IPA or any other European union money channeling funds that may be available for encouraging the type of changes envisaged for the social policy. In order to counteract the difficulties of integrating the Albanian social protection system, the following solutions should be taken into consideration such as the substantive reform of pensions that comprise informal sector and sustainability of pension programmes. Albania's policymaking process of extending coverage in the framework of social protection should take reference from what has been done in other EU member states like Estonia and Poland.

9. Conclusion

In conclusion, the alignment of Albanian social protection system with the EU legislation and regulations has its advantages and disadvantages. Reforms spearheaded by the EU have brought better health care, pension and unemployment benefits but problems like inadequate coverage, disparities and fiscal issues are still there. Albania needs to pursue further EU conformity in its Social Protection System, where all reforms must benefit all the citizens of the country but more so the needy and the most marginalised in the society. Albania can lift a more sustainable and inclusive social protection configuration that will complement its EU integration process when it fortifies the institutional capabilities, comes into public discussions and seeks higher EU funds. Future of social protection systems in Albania can be viewed by how those challenges are eliminated to enable all Albanians to benefit from the opportunities that flows with EU membership.

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