



European Economic and Social Committee

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**The role of civil society in
EU-Albania relations**

Brussels, 22 April 2015

OPINION

of the

European Economic and Social Committee

on

The role of civil society in EU-Albania relations

(exploratory opinion)

Rapporteur: **Ionuț Sibian**

In a letter from Commissioner Šefčovič dated 4 September 2014, the European Commission asked the European Economic and Social Committee, in accordance with Article 262 of the Treaty and Article 9 of the Cooperation Agreement between the EESC and the European Commission, to draw up an exploratory opinion on

The role of civil society in EU-Albania relations.

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 27 March 2015.

At its 507th plenary session, held on 22-23 April 2015 (meeting of 22 April 2015), the European Economic and Social Committee adopted the following opinion by 136 votes to 2 with 5 abstentions.

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1. Conclusions and recommendations

- 1.1 The EESC salutes the efforts that Albania is making towards achieving European standards by promoting democratic reforms and welcomes the EU decision on 27 June 2014 to grant the country candidate status. However, it underlines the importance of a more transparent and inclusive approach towards civil society organisations (CSOs), including the social partners, at all stages of the accession process.
- 1.2 The national consensus on Albania's integration is acknowledged, but the positive momentum of 2014 should be capitalised on and followed by consistent support for reforms. The EESC urges the government and political parties in opposition to pursue constructive and sustainable dialogue. The more experienced CSOs can be involved in promoting a culture of dialogue and raising awareness of the political parties' responsibility to their constituencies in relation to the need to foster cross-party consensus over reforms and promote integrity and transparency.
- 1.3 Structures and mechanisms to support the civil and social dialogues in Albania must be strengthened, and institutional support for stakeholders involved should be ensured based on both national funding and on EU funding schemes.
- 1.4 National authorities should ensure CSOs' involvement, including social partners, in all working /expert groups relevant to the integration process, considering their expertise in key areas: judicial reform, human rights protection, labour market reforms, youth involvement and social entrepreneurship, etc.

- 1.5 The EC progress reports should cover the involvement of CSOs, including social partners, in the accession process through a more in-depth analysis of targets and achievements, in accordance with the DG Enlargement Guidelines for EU Support to Civil Society 2014-2020 and the DG Enlargement Guidelines for EU Support to Media Freedom and Media Integrity 2014-2020. The assessment of trade union rights and fundamental workers' rights should be carried out in close consultation with national and European trade unions and the ILO.
- 1.6 The EESC underlines the importance of social dialogue and calls upon all stakeholders to make the best use of the existing institutions, especially the National Labour Council. It calls upon the Government to further promote the NLC and to consult it more systematically on all policies in which employers and workers have a legitimate interest. Social dialogue should be further encouraged at regional and local level. The EESC considers that social dialogue should be regular and structural in nature and not ad hoc, and that it should also be more effective and result-driven.
- 1.7 The EESC asks that the promotion of social dialogue be included among the key priorities of the EU institutions as regards Albania, and that it should therefore be reflected in all EC programmes available to the country. This would require greater involvement of the NLC, which should also be formally involved and consulted at each stage of the accession negotiations and involved in monitoring the implementation of the EU-Albania Stabilisation and Association Agreement. The NLC should be able to submit comments and opinions for the attention of the EU institutions when they assess Albania's progress towards EU accession.
- 1.8 The EESC considers that strengthening the social partners' capacity to participate actively in social dialogue should be a key priority of EU assistance programmes. Assistance is needed to develop their ability to participate effectively in all economic, social and legal issues, including in EU accession negotiations. Their organisational structures, internal communication and capacity to serve their members should be strengthened.
- 1.9 The EESC calls upon the Government of Albania to set up a comprehensive strategy to combat and limit the grey economy. This would improve the country's financial situation, prevent unfair competition and thereby create a better economic environment, while guaranteeing better respect for workers' social rights.
- 1.10 The EESC strongly encourages the Albanian government to commit to a more specific and predictable timeline and allocation of resources to implement measures from the *Roadmap for Albanian government policy for a more enabling environment for civil society development*, and to speed up the establishment of the National Council for Civil Society (NCSS).
- 1.11 The efficient functioning of the National Labour Council (NLC) should be further supported, by continuing the regular meetings on issues relevant to labour and business. The EESC

would recommend developing the NLC into a genuine social and economic council, similar to EU Member States, in order to better reflect its tripartite nature.

- 1.12 The EESC recommends that an EU-Albania Civil Society Joint Consultative Committee (JCC) be established, once the negotiations on Albania's accession to the EU are formally opened. The JCC will enable CSOs from both sides to pursue more in-depth dialogue and to provide input to the political authorities on the chapters of the accession negotiations.
- 1.13 Selection criteria for NCSS members should be clearly stated in legal provisions, and CSOs should be supported in setting up their own transparent mechanism for appointing their representatives. The role of the NCSS must be compatible with the other governance structures¹ meant to facilitate cooperation with and involvement of CSOs, so as to ensure complementarity and avoid dissipation of responsibilities or resources.
- 1.14 The newly adopted laws and regulations (such as the *Law on Access to information*, *Law on notification and consultation*, and *Council of Ministers Decision No 953 regarding VAT for non-profit organisations*) should be better promoted, and mechanisms should be deployed to ensure that they achieve their defined ends. CSOs should be consistently involved in awareness-raising about legal provisions, advocating effective consultative processes and at the same time monitoring the observance of legal requirements.
- 1.15 Transparency and avoidance of conflicts of interests must be promoted by:
- introducing common procedures and standards for management and allocation of public funding, at all levels (both central and local);
 - strengthening the internal governance and working procedures of the Civil Society Support Agency, taking into account its remit, expectations of this sector and its need to interact with all the other structures designed to facilitate cooperation with and involvement of CSOs in decision-making, and particularly integration, processes;
 - CSOs themselves improving their image and encouraging membership, civic engagement and volunteering.
- 1.16 To ensure financial viability and sustainability of the CSOs the EESC would recommend paying particular attention to:
- changes in the legal framework to encourage donations (fiscal incentives should be considered) and foster the development of corporate social responsibility, alongside awareness-raising actions and developing CSOs' capacity to appeal to the private sector;

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The unit for civil society coordination within the Ministry of European Integration, the Agency for Support to Civil Society, the central civil society policy coordination unit within the Prime Minister's Office, the units/contact persons in ministries/public bodies.

- CSOs should be made aware of the new fiscal provisions, particularly on VAT, as introduced in December 2014, and should monitor their implementation to assess the benefits and encourage NGOs to develop more economic and fund-raising activities;
- applying minimum qualitative standards and procedures in the administration and allocation of all public fund to CSOs, including at local level, in order to ensure equal access, non-discrimination and transparency;
- strengthening the Civil Society Support Agency in terms of available resources and procedures (transparency of funding rules and use of resources, improving its public image and independence from any political influence or potential questioning on conflicts of interest). National funding should provide more institutional support for CSOs, including the social partners, as well as better communication with smaller communities and remote areas;
- building capacity and empowering local organisations that apply transparency and ethical standards, operate independently and pursue long-term results and strategic vision, as potential administrators of EU assistance in case of decentralised management of funding;
- introducing an appropriate mechanism enabling government to **design, deliver and evaluate public social services in cooperation with CSOs**. The government can contract services offered by CSOs complementing those offered by public authorities, taking stock of ongoing reforms of social care and local government. Capacity-building should cover both sides: the CSOs in developing and applying nationally recognised standards of service provision and local government in building trust and cooperation with CSOs and developing appropriate procedures to ensure transparent allocation of funds.

2. Background

- 2.1 Albania was identified as a potential candidate for EU membership during the Thessaloniki European Council Summit in June 2003. Albania has benefited from the EU's autonomous trade measures since 2000, with additional trade preferences granted under the Stabilisation and Association Agreement (SAA) signed in 2006. Albania submitted its application for EU membership in 2009.
- 2.2 The five key priorities for opening of accession negotiations were highlighted by the EC in the 2013 Progress Report: public administration reform; independence, efficiency and accountability of the judiciary; combating corruption; combating organised crime; and protection of human rights (including protection of the Roma, anti-discrimination policies, and implementation of property rights). The government's roadmap on the five key priorities was adopted in May 2014.

- 2.3 In November 2013, the Albanian parliament issued a resolution on the country's EU accession, endorsing a number of measures relevant to EU integration. The Parliamentary Committee on European Integration monitored the government's roadmap on the five key priorities and also exercised its oversight role through hearings with the Minister for European Integration.
- 2.4 The reaffirmed support of the Albanian government and parliament for the EU integration process contributed significantly to Albania being granted EU candidate status on 27 June 2014.
- 2.5 Nevertheless, the second half of 2014 was marked by a confrontational political climate which hampered progress on reforms and the effective implementation of measures undertaken with a view to Albania's accession. In December 2014, an agreement between government and opposition, supported by the European Parliament, paved the way for restoring political dialogue in parliament.
- 2.6 A High Level Dialogue (HLD) on Key Priorities was launched in November 2013, as a tool for organising EU-Albania cooperation and helping Albania maintain focus and consensus on EU integration. The establishment in September 2014 of the Joint Working Groups between Albania and the EC on the key priorities should bring consistency in monitoring the progress of the reforms and promote inclusiveness in the debates and access to expert and qualitative information.
- 2.7 The legislation on the establishment of the National Council of European Integration was adopted in early March 2015. It is important to make this consultation mechanism functional and inclusive, ensuring that CSOs brought into the Council, including social partners, are representative and selected transparently.

3. **Political, economic and social developments**

- 3.1 Albania maintained macroeconomic stability over the years of the global financial and economic crisis, but still faces significant challenges. The main economic problems remain the high unemployment (18.3% in the first quarter of 2014) and the prevalence of informal employment (75%), undermining the economy as a whole, weakening the state budget and leaving employees without any social protection. Nearly one in three young people are unemployed. These problems, as well as corruption, are the main factors causing Albanians to emigrate. Since Albanians have been able to travel abroad, one third of the population has migrated to other countries.
- 3.2 Agriculture covers 19.5% of GDP and is still the largest provider of employment (44.6% of total employment in 2013). 98.2% of the 303 802 agricultural holdings in Albania are family farms, with very low productivity. Investment in agriculture is still undermined by lack of clarity with respect to land ownership titles.

- 3.3 Albania has ratified 80 treaties and conventions of the Council of Europe (CoE). Still, the latest report of the CoE's Commissioner for Human Rights² highlights the problem of the high level of corruption in the judiciary, the slow pace of implementation of judgments of the European Court of Human Rights, and shortcomings in legal aid legislation, which are hindering effective access to justice, especially for vulnerable people.
- 3.4 Albania has ratified 53 ILO conventions (46 are in force), including all the fundamental and core conventions. However, the Committee of Experts on the Application of Conventions and Recommendations (CEACR) has pointed out numerous implementation gaps. The 2014 observation addresses the trafficking of children for labour or sexual exploitation as an issue of practical concern, despite efforts made by national authorities to promote different legislative measures.
- 3.5 The EESC believes Albania to be a multicultural and multi-faith country where cultural, religious and minority rights are protected, and every effort must be made to preserve these attributes. Inter-ethnic relations are good, but improvements are still needed to legislation on minority rights. The European Charter for Regional or Minority Languages is yet to be adopted. The EESC laments the irregularities observed by the Council of Europe Advisory Committee during the 2011 census in connection with the optional questions about nationality and religion. The EESC therefore calls on the Albanian authorities not to rely exclusively on these data when determining its policies.
- 3.6 The Roma and Egyptian peoples continue to endure very difficult living conditions and frequent social exclusion and discrimination, particularly regarding access to health care, social protection, education, employment and housing.
- 3.7 The anti-discrimination legal and institutional framework has improved, mainly as a result of the adoption in 2010 of the Law on Protection from Discrimination and the nomination of the Commissioner for Protection from Discrimination. The increasing number of Commissioner's recommendations must be followed up, whilst resources are allocated to increase public awareness on the existence of the law and the respective complaint mechanism.
- 3.8 The Ombudsman's Office has actively engaged in promoting human rights and its activity is appreciated. Therefore, Albanian authorities must ensure stronger political and financial support to allow the Office to continue its duties in effective manner, maintaining its independence and freedom of political influences. Follow-up on the Ombudsman's recommendations must be improved, including the latest recommendation connected to the

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Report by Nils Muižnieks, Council of Europe Commissioner for Human Rights, following his visit to Albania from 23 to 27 September 2013.

public administration reform, which led to an increased number of complaints related to job removals from public institutions³.

- 3.9 Efforts are appreciated related to female representation at central level (six female ministers out of 19, approximately 17% of MPs are female) and the framework created for addressing domestic violence. Nevertheless, further work is required to create a more enabling environment for women to advance in political and public positions, to remove the remaining gender-discriminatory provisions in legislative acts, mainly the gender pay gap or access to entrepreneurship and credit.
- 3.10 The adoption of the National Employment and Skills Strategy 2014-2020 is welcomed, but sustained efforts are required to advance with planned measures and ensure funding for its implementation, including the effective use of the IPA II allocation (EUR 30 million).

4. **The situation and role of civil society organisations**

- 4.1 Freedom of assembly and association is a constitutional right and generally respected. CSOs acknowledge and exercise their freedom of expression without interference. Nevertheless, media freedom will remain a challenge until the transparency of its financing and interference of political and economic interests have been addressed. Implementation of the Law on Audiovisual Media should be speeded up and the independence of the media regulator (Audiovisual Media Authority) must be guaranteed in practice.
- 4.2 The Albanian CSO sector remains fragmented and relatively underdeveloped. There are still no reliable official figures on the total number of registered NGOs⁴, and even fewer on the active ones⁵. Based on 2013 INSTAT figures, there are 2110 registered NGOs and international organisations. Based on TACSO estimates (2011), of the approximately 3000 registered CSOs, roughly 450 were active.
- 4.3 CSOs are most strongly represented in larger cities, primarily in Tirana, and less in remote districts or rural areas. Involvement of grassroots organisations, particularly outside the capital, remains a challenge to be addressed as a core financing priority for both national and EU financial assistance, i.e. encouraging the use of institutional support in national financial schemes for CSOs, developing a resource centre or reliable local NGOs focused on community-building, supporting participatory processes to address local community issues, promoting the values of CSOs and of volunteering.

³ According to the Office, 2337 employees from 14 ministries were dismissed from public administration during the period from January to September 2014; a total of 816 dismissed employees (under both the civil service law and the labour code) have filed court proceedings with the administrative courts at regional level.

⁴ The Court of First Instance in Tirana is the public authority with sole responsibility for registering CSOs, but no electronic registry is publicly available.

⁵ The Ministry of European Integration has registered 140 NGOs for cooperation.

- 4.4 Donor strategies and funding priorities have to a certain extent influenced the areas where Albanian CSOs are active. At first, CSOs were more successful in providing services to vulnerable groups, in education, and in promoting human rights and women's rights, whereas in recent years the focus on advocacy through civic groups, think tanks and human rights organisations has become more visible and effective: human trafficking, the prison system, the environment, children's rights, social inclusion and poverty alleviation, domestic violence, youth involvement and LGBT rights. The active and professional involvement of CSOs in monitoring government commitments in core areas for EU accession, i.e. judicial reform, reform of the administration, public financial management and transparent public funding, should be further supported, including through provision of EU assistance to the country.
- 4.5 The presence of CSOs in critical areas of public life, where they have become proactively involved in decision and policy-making, has resulted in a number of successes as regards the development of national strategies and legislation affecting CSOs. Coalitions and network-building should be further supported as a means of increasing sectoral integration, building a stronger voice in civic and social dialogue, and becoming a stronger partner for public bodies and the private sector.
- 4.6 Despite the lack of legal recognition, Albanian CSOs engaged in setting up social enterprises. Their number is small, but public policies should recognise and support the promotion and development of social entrepreneurship, as nurtured from grassroots level. Social enterprises bring added value in creating jobs for disadvantaged people, have the ability to provide innovative solutions to social needs and better use local communities' potential.
- 4.7 The recent adoption of the new law on access to information (September 2014) and the new law on notification and consultation (October 2014) are positive developments that should be closely monitored, to ensure that they are accompanied by relevant structures and mechanisms for systematic and transparent processes of consultation and dialogue between public authorities and CSOs. The substantive preparatory work for the law on the protection of whistle-blowers is acknowledged and, before adoption, it should closely consider the administrative capacity to implement and raise awareness of the specific provisions.
- 4.8 The EESC appreciates the improvements noted in cooperation between public bodies and CSOs, and welcomes the ongoing public debate on the *Roadmap for Albanian government policy for a more enabling environment for civil society development*. The roadmap focuses on nine priority areas which take into account the objectives set out in the Guidelines for EU Support to Civil Society 2014-2020, which should be revised in order to better address the specific challenges faced by the social partners in the context of social dialogue.
- 4.9 On 29 April 2014, the government approved the National Action Plan for 2014-2016 under the Open Government Partnership (OGP). Besides achieving the benchmarks under the Action Plan, it is important to step up efforts to raise awareness of OGP goals and values,

particularly at local level. Cooperation with and effective input from the Coalition of CSOs for OGP should be continued.

- 4.10 Both the government and CSOs have identified as priorities the need to set up a National Council for Civil Society, a consultative body enabling regular dialogue between the government and CSOs and to develop a national strategy for creating an enabling environment for CSOs.
- 4.11 A sustainable and active civil society cannot exist without a solid culture of volunteering, which is poorly represented in Albania. Discussions on promoting a law on volunteering should be resumed, alongside core measures on raising awareness about the benefits of civic involvement and encouraging the general public to engage in volunteering.

5. **Social dialogue and social partner organisations**

- 5.1 Social dialogue is essential for economic development and to ensure the social cohesion that Albania requires. The main institutional platform for tripartite dialogue is the National Labour Council that was founded in 1996 and held four meetings in 2014 on specific topics. The Council is comprised of seven representatives of the Council of Ministers and ten representatives from employers' and employees' organisations, in line with just some of the representation criteria defined in ILO standards, which are still being discussed by the social partners. At local level, tripartite dialogue has developed in the area of employment through the offices of local councils and local employment offices at the regional reconciliation. The government and the social partners are discussing the possibility of developing a social and economic council as in other countries, in order to handle better economic issues.
- 5.2 There are 83 trade unions established and operating in Albania. Most of them are members of two confederations, while the rest are independent. The two biggest and most influential confederations are the Confederation of Trade Unions of Albania (KSSH) with 110 000 members, and the Union of Independent Trade Unions of Albania (BSPSH) with 84 000 members, which are represented in the National Labour Council by five members. Representing about 90% of trade union membership in Albania, the KSSH and BSPSH are present in twelve regions and are mainly active in the sectors of education and science, the civil service, pensions, industry, agriculture, the food industry, public health, transportation, oil, construction, textiles, the craft industry, trade, metallurgy and the chemical industry, and telecommunications. Both are members of the ITUC and observers of the ETUC. The role of trade unions in Albania is essential to strengthen social dialogue.
- 5.3 Trade unions have typically grown in the public sector and in privatised enterprises (former state-owned enterprises), whereas representation is lower in the purely private sector. During 2014, trade unions stepped up their activity relating to employee protection and collective bargaining, but they have not managed to overcome their differences. Internal reforms to make trade unions more independent from political parties should be a priority.

- 5.4 Sectoral and bipartite dialogue are still weak, mainly because of the lack of a culture of dialogue, and employers' scepticism towards trade unions. Collective bargaining is more developed in urban areas, especially in Tirana, Durres and Vlora, because the largest businesses are concentrated in these cities/areas.
- 5.5 Albania has a total of about 104 275 active businesses, half of which are based in the counties of Tirana and Durres. In 2012-2013, there were about 30 employers' organisations. "Business Albania" was set up in 2010 as an umbrella organisation of employers, with 24 business associations alongside a number of individual companies (over 30 000 employers as part of association members). BiznesAlbania is a member of the NLC, the National Economic Council and the International Organization of Employers (IOE). Key players in the social dialogue, represented in the NLC, are also: the Albanian Agribusiness Council (KASH) with 12 regional councils and 21 national associations as members, and the Council of Employers Organizations of Albania (KOPSH) with 14 member federations, the majority of them active at national level.
- 5.6 Since 1995, the Union of Chambers of Commerce and Industry of Albania (70 members) has operated as a non-profit organisation to protect the interests of trade and industry nationwide and to provide central government with ideas and proposals for promoting trade and industry. It also coordinates the work of local Chambers and their relations with equivalent organisations in other countries.
- 5.7 As a structured mechanism to improve Government dialogue with the business community, the National Economic Council (NEC) was set up by law in 2014⁶. The NEC facilitates consultation processes and has an advisory role to the Government for economic policy decisions and practices. The regularity of NEC meetings is greatly appreciated, but efforts should be made on both sides to improve the efficiency of dialogue and the capacity of the NEC to monitor the Government's commitments towards the business environment.
- 5.8 Albania has ratified the eight core ILO labour conventions, but only modest progress has been made in the field of labour rights and trade unions. There are key areas where progress is needed: strengthening labour and trade union rights, ensuring that the government complies with and guarantees compliance with labour laws, and improving tripartite social dialogue.
- 5.9 The amended labour code has yet to be adopted and several gaps remain regarding conformity with international labour standards. Fundamental rights of workers are still regularly violated in Albania and the mechanisms for preventing and sanctioning those violations are not sufficiently effective.

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The NEC is chaired by the Prime Minister and includes among its members the six largest tax payers of the business community, four business organisations, and six personalities of national/world economy.

- 5.10 It is vital that the social partners be better integrated into the Government's economic, social and employment policies, not least in view of the EU accession negotiations. They should also be involved in preparations for Albania's eligibility for the European Social Fund and other EU funds. Only then will it be possible for the Albanian social partners to effectively fulfil their future role in the forums of participatory democracy at EU level.
- 5.11 The EESC supports the focus on growth and employment of the IPA 2015 assistance package for Albania and it recommends the EC to take into consideration the specific needs of the social partners when preparing future calls for proposals. Moreover, the social partners should be encouraged and, if possible trained, to be able to better prepare and apply for projects covered by European funding.

Brussels, 22 April 2015

The President
of the
European Economic and Social Committee

Henri Malosse
