



MONETARY & FINANCIAL POLICIES

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Content

<i>A Macroprudential Policy Framework for Albania</i>	5
Ela GOLEMI	
<i>The Policies of Bank of Albania for Providing Financial Stability. The Role and the Effects of the Macroprudential Instruments 2006-2014</i>	25
Orkida ILOLLARI	
<i>Private Capital Funds and their Role in Albanian Financial Market</i>	45
Elvin MEKA	
<i>From Cash to Electronic Money: Albania as Case Study</i>	55
Arbi AGALLIU & Megi KURUSHI	
<i>Utilizing Monetary & Fiscal Policy</i>	69
Mandi TABAKU	
<i>The Risk of Exchange Rate and its Connection with the Performance of the Banking Sector in Albania</i> ...	95
Sokol NDOKA & Ermela KRIPA	
<i>A Literature Review on the Determinants and Measures of Competition in Banking Sector</i>	106
Zerina BRUCI & Anilda BOZDO	
<i>Financial Crisis and the Role of Auditing Services in its Management</i>	128
Hysen MUCEKU	
DOSSIER: CORRUPTION, INFORMALITY & ECONOMIC GROWTH	
<hr/>	
<i>Corruption in Albania. Quantitative Analysis of the Impact on Economic Growth</i>	137
Giacomo MORABITO	
<i>Informality and Challenges of Fason Sector' Businesses</i>	155
Grisilda MIFTARI	
<i>How Secure is the Integrity of Your Data?</i>	167
Manjola ISLAMI & Irena KRECI	
<hr/>	
<i>Is Savings a Determinant of Economic Growth in Developing Countries? (The Case of the Albanian Economy)</i>	181
Oltjana ZOTO & Zerina BRUCI	

<i>The Development of SMEs in Albania. Case Study of The Vlora City</i>	202
Krisdela KAÇANI & Grisejda MYSLIMI	
<i>The Travelling Salesman Problem, Applications and Solvers</i>	219
Laurik HELSHANI & Ervin RAMOLLARI	
<i>Mainstreaming ICTs for Smart Growth: Dynamics of Research, Development and Innovation in Albania</i>	228
Erjon CURRAJ	
<i>Human Capital and Economic Growth in Albania</i>	245
Tatjana MOÇKA	
<i>Education and Training in Albania. The Impact on the Growth of Youth Employment</i>	259
Joana SHIMA	

BOOK REVIEWS

<i>Services Marketing: People, Technology, Strategy: 8th Edition</i>	276
<i>Author: Jochen Wirtz, Christopher Lovelock</i>	
Reviewer: Drita KRUJA	
<i>'Friedrich Hayek: Liberalism against Etatism'</i>	279
<i>Author: Adrian Civici</i>	
Reviewer: Anjeza XHAFERAJ	
<i>Three organizational tips by the winners. Winners and how do they succeed</i>	283
<i>Author: Alastair Campbell</i>	
Reviewer: Irena MYZEQARI	

A Macprudential Policy Framework for Albania

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Abstract

This paper discusses a framework for macroprudential policy in Albania, which is a foundation stone for ensuring financial stability role of a central bank. It focuses the way the macroprudential policy framework should be designed in a small and open economy like Albania. Based in the experience of the Albanian's financial system during the last two decades it provides the definition of macroprudential policy and its objectives. The paper argues that the establishment of the macroprudential framework in a bank-based economy with a relatively simple and small financial sector that is controlled by foreign banks, the phenomenon of procyclical behavior should be stand priority, but structural sources of systemic risks and associated instruments should be discussed as well. The paper suggests that strategic document of Macroprudence for Albania should be developed covering three main directions: i) development of new methodologies for measuring systemic risk and effective regulatory and supervisory framework; ii) improvements in internal organizations of Bank of Albania, as the macroprudential authority, and its cooperation tools with other authorities; iii) improvements in the macroeconomic policy and environment.

Keywords: *Financial stability, Macroprudential policy, Systemic risk, Procyclicality*

The Policies of Bank of Albania for Providing Financial Stability. The Role and the Effects of the Macroprudential Instruments 2006-2014

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Abstract

This study is an attempt to look onto the hypothesis, forecasts and questions that are now at the center of the economic world debates on ensuring financial stability. The purpose of this study is to give a contribution in improving the use of the macroprudential instruments and the real impact they have on the economy. This study aims to collect and analyse data in assessing the performance of the macroprudential instruments, to create institutional regulations in regards to monetary policy and to make a prediction about the right moment when these instruments should be activated. It may be possible that crises are less costly for the economy and achieve the financial stability. These macroprudential instruments, adapted according the characteristics of each country, may be able to utilise all the appropriate means to contain the systemic risk. The main focus of this study is to analyse the monetary policies and the macroprudential instruments used by central banks as the supervisory authorities in ensuring financial stability. As also stated by the IMF in its report: "Lessons from the Crisis" (May, 2010b), macroprudential supervision policies are the main instruments to ensure the financial stability". The macroprudential instruments include the inherited requests and the accumulation of the capital in the perspective of the provisions of liquidity indicators and the prudential assessment of the collateral. The implementation of the macroprudential instruments involves directly the European Central Bank whose objectives are not limited to the traditional control inflation and output gap. The latter are focused on the accumulation of risks in the financial system of a macroprudential nature to gain an increased resilience of the financial system. Central bankers should consider

the consequences of their decisions on the financial stability. They are often called as “the defenders of the currency”. In this study we aim to examine the issues mentioned above and lead the reader in exploring an important topic to the global economy and macroprudential measures taken by central banks to manage the recent crisis.

Keywords: *Financial stability, Macro-prudential regulation, Micro-prudential regulation Innovation, Fiscal crises*

Private Capital Funds and their Role in Albanian Financial Market

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Abstract

The prolonged stagnation bank credit expansion, especially after the outbreak of recent economic and financial crises, has produced a significant impact on the availability of new and long-term sources of business financing, mainly related to mid and large-size companies, but also to start-ups. Currently, all such categories of businesses find difficult to obtain long-term financing from banks and this has major implications on financing their investments and projects in the pipeline. In a time when, paradoxically, bank credit is becoming increasingly difficult and therefore, to score a significant influence on the economy and investment financing, and regardless of the existing liquidity abundance, establishing and developing Private Equity Funds (PE) can play an important contribution in this regard.

Despite the fact that such type of institutional investor is currently lacking within the Albanian capital market, some basic legal, institutional and economic premises do exist within the Albanian financial landscape, and which could provide grounds for such an actor to play its role in providing an alternative source of long - term financing for Albanian businesses. Consequently, their existence could pave the way for revitalization of the idea and attempts to put into operation a functioning capital market in Albania, which is still missing.

Keywords: *Private equity capital, Securities, Long-term financing*

From Cash to Electronic Money: Albania as Case Study

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Abstract

Albania is classified among countries with middle income by the World Bank classification. Like many other developing countries, the income per capita in Albania is limited. The aim of this paper is to study the alignment of individuals in this country to technological banking services and in particular the acceptance by individuals resident in Albania transition from cash to bank money. Using data collected on the field, this study aims to describe the adjustment of financial literacy in the Albanian mentality. Consumer behavior, the stories of the past and mentality play a key role in the approaches to the banking system. The results of this study will help banks and financial institutions to implement successful strategies to educate the population to lead consumers to an easier acceptance of services and changes in the banking system. Empirical analysis concludes that the transition to electronic money system is a process that should not be imposed but it will happen automatically as the country climbs the stairs of development.

Keywords: *Cash money, Electronic money, Transactions, Grocery list*

Utilizing Monetary & Fiscal Policy _____

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Abstract

Monetary and fiscal policy has been around for decades, and they have been very influential instruments in steering economic activity and financial markets. It is through the understanding and implementation of such policies that governments are able to rescue their countries from recessions that could have potentially ended in economic collapse. Over the decades countries have evolved, and when faced with the great recession of 2008, they have had to take unprecedented monetary and fiscal measures. It is through the aggressive use of such measures that countries around the world were able to minimize the size and length of the great recession that started in 2008. It's by understanding and analyzing monetary and fiscal policy that a country can take successful measures towards preventing economic disasters and leading economies to their full potential. Faced with the great recession of 2008, Unites States took the biggest fiscal and policy measures ever in its history with more then a trillion dollars injected in the economy through conventional and unconventional channels. (Mankiw, n.d. 97-98) The myriad of monetary and fiscal measures implemented during the great recession of 2008 show that monetary and fiscal policy is still an evolving field of study and that countries should be constantly thinking of new policy measures that can be readily implemented in the event of a future economic disaster and quickly reversible once growth is achieved.

Keywords: *Monetary policy, Fiscal policy, Financial market*

The Risk of Exchange Rate and its Connection with the Performance of the Banking Sector in Albania

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Abstract

The exchange rate is a highly debated issue among economists regarding its impact on the performance of financial institutions in general and performance of banks in particular. In this paper we will study whether the performance of banks in the banking system in Albania is affected by the changes of exchange rate for a period of 10 years (2005-2014). For a more detailed analysis to measure the impact that the change of exchange rate has on the performance of banks in Albania will be examined the annual data for 10 years, from 2005-2014. The purpose of this paper is to see if there was a negative or a positive impact of exchange rate fluctuations on bank performance in Albania. The research question that arises in this paper is: How does the exchange rate risk affect the performance of banks in Albania? The hypothesis that we want to prove in this paper is: the exchange rate has not had a high impact on the performance of banks in Albania. To answer the research question and hypothesis will be reviewed the literature on the exchange rate, will be used an analytical, comparative and econometric methodology. The data that will be used will be secondary data obtained from official websites of banks and the Bank of Albania. We will take as a measure of exchange rate the net open position that constitutes the independent variable, and the total income before tax to measure the bank performance, as the dependent variable.

Keywords: *Exchange Rate Risk, Net open position, Profit before tax, Bank performance*

A Literature Review on the Determinants and Measures of Competition in Banking Sector

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Abstract

The level of competition in the banking sector is important to the performance of the sector and has different implications in other key markets in the economy. Competition in the banking sector is extremely important because of the central role that banks have in (1) welfare enhancing for consumers and businesses, (2) the transmission of monetary policy and (3) the maintenance of financial stability. The complexity of the notion of competition and its importance for the overall economic development has led to the development of different models and measures to assess its level in the banking sector. The literature offers two main approaches: (1) The Structural approach based on the Traditional Industrial Organization theory and (2) the Non-Structural approach based on the New Empirical Industrial Organization theory. The non-structural approach determines the level of competition based on the market structure; while the non-structural approach infers the competition degree based on the behavior of the banks in the market. This paper presents some of the widely-applied methods in assessing the level of competition in the banking sector, such as Lerner Index, Panzar-Rose Methodology, Boone Indicator etc, and identifies their strengths and weaknesses. Some of the common determinants of the level of competition in banking sectors across countries, such as market structure (bank consolidation and the introduction of foreign capital), contestability of the market, level of economic development and quality of institutional framework, bank specific conditions and the liquidity preferences of banks are discussed to enable a better understanding of the concept of competition in the banking sector and what affects it. The literature on the level

of competition in the Albanian Banking sector is focused in the last decades and mainly after 2003. Even though the concentration level in the Albanian banking sector is the highest in the region, the system is characterized by a moderate level of competition and performs better than some of the other countries in the region. This moderate level is in line with the literature on banking sector competition in developing countries.

Keywords: *Banking, Competition, Concentration, Structural, Non-structural, Market structure, Contestability, Lerner, Panzar-Rose, Boone, Albania*

Financial Crisis and the Role of Auditing Services in its Management _____

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Abstract

Sustainability and efficiency of financial and operational systems is one of the biggest challenges facing organizations today the public sector as well as non-public sector. Failure to implement the standards and principles of good governance has a major impact in today's crisis economies are going through in many countries. An important role in the management factors that affect various risks that lead to the crisis have systems of internal control and audit services. Audit services help increase managerial accountability by providing reasonable assurance and advice consultancy regarding the accuracy of financial statements, security systems of internal control and effective management of risks facing organizations (public and non-public). The role of audit services is to provide a fair description of the issues, resources, roles and responsibilities combined with useful recommendations, helping stakeholders to reconsider problems and government programs. Auditors help decision makers by assessing whether the organizations are doing what is expected of them and what they are in charge, by spending funds for the intended purposes, and in accordance with the legal and procedural framework. Efficient audits can provide answer for such questions as: are policies implemented by considering the purpose for which it was designed? Have managers implemented effective systems of risk management, control and governance?

Keywords: *Audit service, Managerial accountability, Assurance, Value added tax, Risk*

DOSSIER: CORRUPTION, INFORMALITY & ECONOMIC GROWTH

Corruption in Albania. Quantitative Analysis of the Impact on Economic Growth

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Abstract

Corruption is usually considered a strong constraint on economic growth and development. According to research by Transparency International, the Southern Europe is one of most corrupted regions, and corruption is particularly high in the former socialist states. In particular, corruption in Albania is still considered highest among the Balkan countries. Corruption affects the daily lives of Albanian ordinary people in their dealings with public administration. The high and regular incidence of corruption in public life, and other abuses of power, slows down the process of democratization. Therefore, the European Union has allocated funds to support the judiciary in combating corruption. In 2012, the Transparency International Report ranked Albania as the most corrupt country in Europe, and also as one of the most corrupt countries in the world. According to the vast array of academic literature, the effect of corruption on economic growth is negative and statistically significant. However, recent empirical studies find that the direct effect of corruption on growth is statistically insignificant. This paper investigates the impact of corruption on economic growth in Albania using a panel data set over the period from 2005 to 2014. Measuring corruption statistically is very complex, and almost all known models for the measurement of corruption are based on perceptions of some categories of the population, such as the Corruption Perception Index. Corruption certainly affects negatively the economic growth of Albania, but perception-based indicators are not completely reliable. Therefore, the aim of this paper is how corruption is statistically relevant after a statistical comparison of the results obtained from the use of two different proxies for measuring corruption in Albania. In fact, in addition to the

Corruption Perception Index, are considered the statistics on corruption on the basis of criminal proceedings by the judiciary in Albania as a proxy for corruption.

Keywords: *Albania, Balkans, Corruption, Economics*

Informality and Challenges of Fason Sector' Businesses

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Abstract

The paper aims to study informality, as one of the current problems in Albania. The focus of the paper is in apparel sector, due to the importance it has, in the Albanian economy and as one of the sectors most affected by three aspects of informality picked in this study, as the fully undeclared work, under-declared employees and under-declaring real annual revenue/profit. This study is focused on all apparel companies registered in the NRC, localized in Tirana. This study aims to have a respond on the research question: What are the factors affecting the growth of informality? Primary data were collected through personal face-to-face interviews, with high levels of management (owners, managers, chief financial officer). Tax evasion, considered as the subject of the three aspects mentioned above, based on the theoretical model used, is the dependent variable. The main findings of this study provide answers to research questions, highlighting the factors that encourage informality, as tax rates, the level of penalties, compliance costs, and the size of the company and the educational background of the directors of the company. Limitations of this study are the lack of a full rate of return of responses, only a sector involved in the study, and the study is localized only in Tirana. Informality is a challenge for businesses and the main objectives of the government to fight for, and therefore the value of this study lies in the fact that it serves to stakeholders, government, and businesses. The main implications raised from analysis are important for businesses to raise their awareness for benefits of becoming formal and for government, to design some policy recommendations on formalizing the business community and help on a better business climate

Keywords: *Informality, Fason sector, Tax evasion, Tax rates*

How Secure is the Integrity of Your Data?

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Abstract

Nowadays, businesses are building bottomless real-time connections with their customers, suppliers, partners, and governments, collecting and selectively sharing huge amounts of data. The value of stored and in-transit information is rising rapidly, driving new markets and generating a need for securely connecting devices and delivering trusted data. Data integrity is a vital component in economy which can pertain to individuals, companies, governments and globally. It is a measure of the validity and reliability of a data. Data integrity can be compromised through human error, transfer errors, compromised hardware, alteration of source devices, or a range of cyber threats that manipulate data. What concerns the business and economy is threat to data integrity, which ensures the validity and soundness of data throughout its life cycle. The challenge of the business is the protection of data integrity and system security which ensures accuracy and efficiency of business processes as well as appropriate decision making. The industry evolves, and the cyber-attacks have become more sophisticated and more complex. Consequently, the businesses in all industries are investing more and more in security of the information. It is obvious that this money could be invested in different things, but the vulnerability of the information has become crucial in a network and internet environment. The actions for data integrity protection relate to systems used and human resources awareness. We need to accept that all risks will never be eliminated, that nothing is permanently safe, and however a strong business reputation depends on a robust data privacy and information security.

Keywords: *Data Integrity, Data Protection, Data Security, Cyber-attacks, Threats*

Is Savings a Determinant of Economic Growth in Developing Countries? (The Case of the Albanian Economy)

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Abstract

The question of whether a savings-led economic development model can produce faster and sustainable economic growth than a consumption-led economic one or vice-versa has been one of the most difficult ones to address by policy makers and countries' leaders worldwide. International examples of economic development show that even though the determinants of development models are similar among countries, their contribution varies from case to case. Savings is an important determinant of economic growth however extensive savings at the expense of consumption can create an economic model that produces fast growth but not sustainable in the long run (China and USA). On the other hand, the opposite also holds true. Extensive domestic demand, not met by aggregate supply, at the expense of savings also creates fast growth but not sustainable in the long run (Albania). However, more than levels of savings, it is the allocation of the capital accumulated that spurs economic development in a country (Japan). Albania's economic development prior to the crises was a success story of fast economic growth rates, welfare improvement and total factor productivity growth. However, the financial crises of 2008 unveiled many domestic balances that had emerged due to the consumption-led economic model the county's incapability to increase supply. This produced fast but unsustainable economic growth. The new Albanian economic model should encourage savings in order to increase the capital productivity, the driving force of economic growth in Albania since

2000s; allocate credit available to priority sectors with comparative advantage; support export-sectors as the only way to balance the balance of payments, credit account deficits and trade deficits and invest in improving the Total Factor of Production productivity.

Keywords: *Economic, Development, Growth, Savings, Consumption, Exports*

The Development of SMEs in Albania. Case Study of The Vlora City

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Abstract

Various studies assert that there is a positive correlation between SME development and economic growth. SMEs help in building productive capacities by promoting innovation. As they develop, they create new jobs, compete with large enterprises, become part of the global market, and contribute to poverty alleviation in developing countries, help to increase revenue, boost exports and reduce imports. Therefore the development of SMEs should be an essential part of any government project. Priorities for the development of SMEs are the sources of funding. Various surveys show that bank loans are the most common methods for the development of SMEs. Alternative sources such as leasing and factoring are also of great importance to the development of SMEs. But the financing of SMEs faces major obstacles which adversely affect their development. In the development of SMEs key roles also play the government policies, training of the workforce, business environment, attracting FDI, the use of new technologies etc. Policymakers around the world have applied specific measures to encourage SMEs to build international businesses. In this paper it is presented an analysis of the development resources of SMEs in our country. Special focus will be placed on the financing methods of SMEs in Vlora.

Keywords: *SME, Micro-credits, Loans, Leasing, Factoring, Government policy*

The Travelling Salesman Problem, Applications and Solvers

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Abstract

The travelling salesman problem (TSP) has puzzled mathematicians and computer scientists for many decades and it has found applicability in a number of diverse domains. The aim of this paper is to present the theory of TSP and its classification into the symmetric travelling salesman problem (sTSP), asymmetric travelling salesman problem (aTSP) and multi travelling salesman problem (mTSP), as well as the different mathematical formulations of the problem. This paper also provides an overview of the applications of TSP, and in the end presents the various traditional and modern approaches that have been proposed to solve this important problem.

Keywords: *Travelling Salesman Problem (TSP), Graph Theory, exact and non exact solver*

Mainstreaming ICTs for Smart Growth: Dynamics of Research, Development and Innovation in Albania

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Abstract

In the context of a knowledge-driven economy, knowledge, information and innovation are interrelated with economic and social objectives and are deemed as drivers of development and smart growth. It is argued that the Western Balkan countries need to shift their growth model towards production and trade in order to be able to compete in the European market and benefit from the EU accession. In achieving this model of growth, the WB countries such as Albania face challenges such as the legacy of fragmented reforms, low levels of R&D, deterioration of research infrastructure and brain drain; low levels of business and research collaboration, lack of strategic policy processes, politicization and lack of systematic monitoring and evaluation of research performance. This paper explores the dynamics of research, development and innovation in Albania. By using secondary data and document analysis and drawing from a regional project¹, it argues that the strategic aims for the smart growth of Albania in the context of a knowledge-based economy should be: (i) improvement of research base and conditions for research excellence; (ii) enhancement of effective research commercialization and fostering research and business collaboration; (iii) improvement of business sector innovation and establishment of start-ups.

Keywords: *Information and knowledge based economy, R&D, Research and innovation systems, Albania, ICTs*

¹ This paper presents part of the findings conducted in the framework of the project "Joint research and workshop on Knowledge-Based Regional Development in Albania and Kosovo - Reducing social and economic disparities through social and economic innovation", led by the Vienna Institute for International Economic Studies (wiiw), Austria and implemented by UET Centre, Albania and Riinvest Institute, Kosovo.

Human Capital and Economic Growth in Albania

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Abstract

Human resource development is one of the necessary conditions for all kinds of growth: social, political, cultural, or economic. The concept that investment in human capital promotes economic growth actually dates back to the time of Adam Smith (1776) and the early classical economists who emphasized the importance of investing in human capital. Sustained economic growth accompanied with social development is one of the notable macroeconomic objectives of every country and in this regard human capital is deemed as an essential ingredient. In this study, the relationship between education and health that are accepted as a proxy for human capital and economic growth is tested empirically. The study aimed at decomposing the relationship between human capital (using expenditure on education and life expectancy as a proxy) and economic growth in Albania over the period 1990–2014 using modern econometrics technique. In this model, gross domestic product (GDP real) is based on the Cobb Douglas form, which is the function on three variables: Real Gross Domestic Product (GDP), Expenditure on Education (EDU) and Life Expectancy (LE). The study uses Ordinary Least Squares (OLS). Long-run relationship among variables is confirmed through Johnson co-integration analysis. The finding indicates that in the long run investment on education and health would affect further economic growth. The empirical results support the main hypothesis of this study that human capital affects positively economic growth in Albania.

Keywords: *Economic growth; Human capital; Expenditure on Education; Causality Tests*

Education and Training in Albania. The Impact on the Growth of Youth Employment

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Abstract

The purpose of each individual is to have a diploma and a job. Everyone wants to have employment opportunities everywhere in such a way to have a better living level. The business requires qualified people, in a way so he can have better job results. In a world supported from globalization, in an economy where the required abilities are continually changing, where the whole job is done with a click thanks to the technology, the Albanian citizens, like those of the other countries, are continually confronting the need and possibility to adapt their knowledge and capabilities towards these developments. In the "Why Nations Fail" book, are brought examples of how whole countries, other wealthy countries with natural wealth have failed and how countries who had nothing, today bloom. This has only one reason- Human Potential. Human sources are amongst the main wealth of every country. And in the centre of economic development and welfare is the professional education. The creation of a modern and qualitative system of education and professional formation, will contribute in the creation and continuous development of professional abilities and citizenship of the young people and the grownups, through the offering of professional qualifications not only according to the requests of economical and social development of the country, but wider.

Keywords: *Professional education, Vocational training, Employment, Educational reform*

BOOK REVIEWS

Services Marketing: People, Technology, Strategy: 8th Edition

Author: Jochen Wirtz, Christopher Lovelock

Published by 'World Scientific Publishing Co.Inc., USA' (2016)

Reviewer: Drita Kruja

Services Marketing: People, Technology, Strategy: 8th Edition is a very useful, clearly and contemporary book both for students and practitioners in services field. It has a global perspective with a lot of examples from Europe, America and Asia.

The authors of this book are well-cited scholars in the services marketing field. Earlier editions of this book are one of the world's leading services marketing textbooks, translated and adapted to more than 26 countries and regions. This book:

- Provide an appreciation and understanding of the unique challenges inherent in the marketing, management, and delivery of service excellence at a profit.
- Develop an understanding of the “state of the art” of services marketing and management thinking.
- Promote a customer service – oriented mind-set.

The strength points of this book are: strong theoretical analysis and at the same time highly practical, through real case studies and examples. I found it highly useful when I explain the concepts and models for my students because the book is well organized around an integrated framework. Each chapter gives quick overviews of the key issues to be considered, the clear learning objectives, and summaries in bullet form with the core concepts and messages

The opening vignettes and boxed inserts in the introduction of each chapter are very helpful for students, because they offer best practices by innovative service organizations.

The book contains 5 parts and 15 chapters.

'Friedrich Hayek: Liberalism against Etatism'

Author: Adrian Civici

Published by 'UET PRESS' (2014)

Reviewer: Anjeza Xhaferaj

Opinions about the role government should play in the macroeconomy tends to conform to a rhythm determined by circumstances and influenced by ideas. The book Friedrich Hayek – Liberalism vs. Etatism examines the ideas of Friedrich Hayek from the 1920s to the present and concludes that interest in his theory and policy proposals waxed and waned according to changes in economic conditions. The circumstances which conditioned the cyclical rise and fall of the doctrine are the First World War, the great depression of the 1930s, the Second World War, the economic crises of the 1970s, the socialist etatism of the cold war and the collapse of communism. Indeed some people are lucky enough to live the most important moments of a century, but Hayek was great because he became part of the critical moments of the 20th century and even gave a sense of them. The ideas that influenced Hayek were incorporated into liberalism, which promotes the protection of freedom, liberty above all other goods people might wish, because any action which requires the intervention of state might lead to the emergence of tyrannical regimes, both communist and fascist in nature, and the world had suffered immeasurably from such tyrannical regimes during the last century.

The book is organized around four chapters: Chapter 1: Liberalism, Chapter 2: From Wien to London- the Rise of a liberal economist, Chapter 3: Towards the philosophy of political economy and the final chapter: 1974-1992- The Triumphant Return and Nobel Prize.

In the first chapter on Liberalism, the author gives an overview of liberalism as part of the western civilization and as a complex doctrine. In this chapter, Civici presents a short history of liberalism, the differences between European

Three organizational tips by the winners. Winners and how do they succeed _____

Author: Alastair Campbell
Published by 'UET PRESS' (2015)

_____ *Reviewer: Irena Myzqari* _____

Yes the winner takes it all! And this is not the Abba song, it is the hidden message of the book written by Alastair Campbell "winners and how do they succeed". In this book he has collected some of the most inspiring stories of people who made their dreams part of their reality, revealing and sharing with him secrets of their success. In the whole book there is a parade of characters: Garry Kasparov, the Queen of England, Floyd Mayweather, Angela Merkel, Barack Obama, Jose Mourinho, Anna Wintour, Narendra Modi, Usain Bolt, Bill Gates, Hillary Clinton, David Beckham, Edi Rama, Richard Branson, Steve Jobs, Lionel Messi etc. are all people who managed to stand out of the crowd, passed through difficulties, obstacles, dealt with failure and still achieved to be called winners. It does not matter if they are leading a team, a government, a boat or a whole kingdom; they embrace pressure and challenges, turning disappointments in progress. In the text below we will try to analyze two of the main lessons that Alastair extracts from all these characters and those are: OST and the division of roles of the leader, the talent and of the warrior. Based on an organizational communication perspective, we will try to analyze how this knowledge can be of value for an organization or a working team.

For Alastair it all starts with a good a strategy. "The easiest way to define a strategy is to study three letters that have been in my work desk and in all my personal notebooks since 1996 and they are O for objective, S for strategy and T for technique" (Campbell 2015:fq.14). Often people of organization mix and change them and that is why they fail. Objectives come first and it is the easiest step because it is your goal, where do you want to go. But in order to be achieved they