



# Albania's regional position and stability of the Western Balkans

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Albanian-Hungarian relations are generally underestimated, even though high-level meetings between the two countries have been frequent since the change of regime. In addition to meetings at ministerial level, there have been 16 visits of heads of state and government between the two sides in the last 32 years. Albanian Prime Minister Edi Rama's visit to Budapest on 11 October marks the 10th bilateral meeting between Prime Minister Viktor Orbán and an Albanian head of government, an all-time high in the history of Albanian–Hungarian diplomatic relations. Over the last few years, annual political meetings at the highest level have become a regular feature, and the Budapest–Tirana axis has been balanced since the beginning. One reason for this is the historical past, which still defines the relations between the two countries.

The cornerstone of Albanian-Hungarian relations was laid by the defence-political alliance concluded in the 15th century between János Hunyadi and Skanderbeg. The two "freedom fighters" were symbols of resistance, defenders not only of their own people but also of Europe against Ottoman conquest. The weight of this alliance is still reflected in bilateral relations today, as the statues and commemorations show. As well as a mutual desire for freedom, the story of suffering is in many ways the same. The oppression of the Ottoman Empire was sooner or later felt by both peoples (in the Balkans, the Albanians were the last to fall under Ottoman rule and the last to regain their independence), and then, in the communist bloc, Albania and Hungary experienced the disadvantages of a bipolar world together, to varying degrees. Our country also occupies a significant place in the history of the Kingdom of Albania, as the only Albanian King, Zog I, was married to the Hungarian-born Countess Géraldine Apponyi. Although the form of government was not long-lived, the memory of the Albanian Queen is still positive – it is no coincidence that for the 100th anniversary of diplomatic relations in 2022, Hungary presented Albania with a statue of Géraldine Apponyi, which was exhibited in Tirana.

Albanian independence was proclaimed in 1912 against the occupying powers of the First Balkan War, but the borders of independent Albania were not consolidated until 1923. The independent state covered only two-thirds of the Albanian-majority areas, and the Albanian population stuck outside the borders became a driving force in the country's foreign policy. The country, which is slightly smaller than Belgium at around 28,000 km<sup>2</sup>, has a population of almost 2.2 million Albanians, compared with around 1.6 million in Kosovo, almost half a million in North Macedonia and Greece, and roughly 250-300,000 in Germany and Switzerland. The lack of statehood has thus been a feature of Albanian history for centuries, but it was sovereignty and then isolation that became the dominant feature of the 20th century. Albania is trying to overcome its current problems by strengthening regional integration in order to help Albanians living outside its borders and to boost its economy.

The country, occupied during both world wars, was brought to power after the Second World War by the Communists under the leadership of Enver Hoxha, whose dogmatic sectarian approach led to the international isolation of the state, while constantly changing its "patrons" as it was disappointed by one after another. First with Yugoslavia and then with the Stalinist Soviet Union. Disapproving of de-Stalinisation, he turned to China, but eventually his relations with all countries soured. Albania's isolation is illustrated by the fact that it was the only

European state not to participate in the 1975 Helsinki Conference on Security and Co-operation in Europe. After Hoxha's death in 1985, the new leadership decided to open up; first of all, relations with Yugoslavia began to improve, which was temporarily ended by Albania's stand for Kosovar Albanians at the UN. The more recent foreign policy moves of the 1990s were clearly in the direction of a Western opening. This was further stimulated by the Yugoslav war and the Kosovo conflict, in which the West was the Albanians' ally. In 1996, the collapse of the pyramid schemes that swamped the state financial sector, which at the peak amounted to half of the country's GDP, stalled the Albania's development, the economy essentially collapsed and the country entered a state of anarchy. Some 2,000 people were killed in the unrest, then Albania was finally stabilised with international military assistance.

Criticising the slowness of the EU accession process, Edi Rama has more than once raised the issue of Albanian unity, which would usually mean the unification of Albania and Kosovo. A third of the Albanian population lives outside Albania in the Western Balkans; there are Albanian minorities in Montenegro, North Macedonia, Serbia, Greece, and 90% of Kosovo's population is Albanian. There is no political-social or international support for such an initiative, as many believe it would trigger a domino effect in the region, risking the stability of the Balkans. However, there is a mobilising effect of the "Greater Albania" idea, but the rapprochement between Albania and Kosovo is a more intense international issue. Edi Rama said as early as 2015 that the unification of Albania and Kosovo is inevitable, the question is whether it will happen inside or outside the EU. In 2017, he confirmed that he would not rule out a "small union" between the two countries if the EU did not show a willingness to accept them. However, the issue of Albanian unity is suspected by many to be a message to the West rather than part of election campaigns; Albanian society is less mobilised on the issue than Albanian Kosovars. The idea of unification, although raising a number of ideological and practical obstacles - the question of a common identity or form of government - remains unresponsive among decision-makers, which underlines the primarily communicative nature of the initiative. Nonetheless, cooperation between the two countries is steadily expanding, as in relations between Serbia and the Bosnian Serb entity, with improvements in trade, transport and energy infrastructure, facilitated procedures for granting Albanian citizenship, and progress in education and sport. By summer 2022, the two sides had held 8 joint government meetings since Kosovo's independence (the planned summit in 2023 was cancelled due to tensions in northern Kosovo, with Edi Rama cancelling it the day before the meeting), during which more than 100 bilateral agreements had been signed. One of the most high-profile has been the 2019 agreement under which the two countries are to coordinate their foreign policies and operate joint missions. While it is questionable how coherent foreign policy will be, given the different challenges the two countries face, progress has been made in linking diplomatic missions. The Kosovar side resents Edi Rama's attempt to go over the head of the Kosovo government on the Belgrade–Pristina Dialogue. It is also symbolic that the motorway linking Tirana with Pristina, which is not part of any European corridor, is being built at a faster pace than the much more lucrative Albanian coastal roads.

The episodes of Albanian–Hungarian relations highlighted above reflect the friendship that is still the origin of political relations. Although the Hungarian and the Albanian governments are ideologically different, the right-wing Hungarian and the socialist Albanian governments have had good relations for 11 years. Although the Albanian Socialist Party (*Partia Socialiste e Shqipërisë*, PS) is naturally left-wing, under Rama's leadership a right-wing strand of communication based on elements of national identity has emerged in the party's communication, which resonates well with Hungarian sovereigntist, nationalist politics. It is also important that the ideological differences that exist in this relationship are combined with political pragmatism, which facilitates relations. This is also the reason why Budapest and Tirana have different views on a number of foreign policy issues, yet are able to maintain a constructive dialogue.

As a neighbouring country of the Western Balkans, Hungary is a consistent supporter of the region's integration into the EU. Therefore, it is symbolic that the first negotiating cluster with Albania will be opened on 15 October, during the Hungarian EU Presidency, after the EU Member States decided to decouple the accession process of Albania

and North Macedonia in September. In the context of the enlargement of the Western Balkans, Budapest has long argued that European competitiveness is gradually declining - as recently stated in the Draghi Report - and that the Western Balkans could be one of the European Union's growth reserves. The Hungarian position is therefore that it is necessary to enlarge the European economic space.

As far as Albanian-Hungarian economic relations are concerned, they are dynamically developing, in line with the nature of the relationship. In a short period of time, Hungarian companies have entered the sectors attracting the most FDI, such as banking and insurance, information and communication and energy. The first major Hungarian company to appear in Albania in 2017 was WizzAir, followed shortly afterwards by OTP Group, which, thanks to continuous acquisitions, has become one of Albania's largest banking groups in less than 5 years. In addition to WizzAir and OTP, 4iG Group is also present in Albania, the most successful project of the Hungarian telecommunications company so far and a guiding model for the company's expansion in the Western Balkans. 4iG is one of the largest players in Albania and has become the most important one in the telecommunications sector in a short period of time. Albania and Hungary have been cooperating effectively in recent years to enhance economic relations, and are expected to have reached an unprecedented level of trade turnover last year, exceeding €130 million, with both exports and trade more than doubling compared to 2010. But there is still room to further strengthen the existing economic ties between the two countries. Within the energy sector, bilateral cooperation can be found in the field of water management, but the process of diversification of the Albanian energy mix is still open, so Hungarian energy companies could be interested in the sector. Similarly, there are still numerous opportunities for Hungarian medium and large companies to enter the tourism and agriculture markets.

Albania's geostrategic position on the Balkan Peninsula makes it an essential partner for Hungary in terms of stability in the region, but also an important ally in new types of security challenges such as energy security and migration. The confidence-building effect of the historic Albanian–Hungarian relationship is undeniable, and our consistent support for Tirana's EU integration aspirations puts political cooperation on a solid basis.