

The Risks of Purposive Transitions in Albania: Navigating the Just Green Transition in Light of Post-Socialist Legacies

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Abstract

This paper explores the risks and opportunities of Albania's Just Green Transition (JGT) in the context of its post-socialist transformation. Drawing up an updated transition theory that accounts for the complexities of purposive change and multi-dimensional justice, the Albania's post-1990 reforms with the current push for climate neutrality under the JGT are compared. The analysis reveals common transition challenges and specific risks tied to JGT's environmental focus and urgency. By mapping the lessons from Albania's post-socialist era—such as the need for participatory governance, particularly in a context of “transitions fatigue”—the paper outlines strategies to address JGT-specific risks—such as governance gaps, social inequities, and economic disruptions—drawing on developments through 2025.

This paper, through a comparative lens, underscores the importance of inclusive policymaking, balancing socio-economic and spatial justice, and leveraging international support for a successful JGT.

Keywords: Purposive Transition; Just Green Transition; Governance Challenges; Risks and Benefits; Sustainability Transitions; Transition Theory

1. Introduction

The open-ended processes of power, political, and societal transformation that initiated with the fall of the socialist regime(s) around the beginning of the 1990s marked the so-called post-socialist transition ((Müller 2019); (Petrov 2014)). This period of profound change affected numerous Central-East European (CEE) countries, leading to the widespread adoption of the term 'transition' among scholars, policy-makers, and the general public to describe this historical epoch and to label these nations as 'transition countries' (Carothers 2002). This transition signaled an epochal shift, simultaneously ushering in uncertain futures for the economies involved, which subsequently embarked on diverse hybrid political models, often diverging from the paths envisioned by Western agencies that emphasized privatization, liberalization, and democratization (Müller 2019).

Within this broader regional context, Albania's journey has been particularly stark. The nation moved from an almost feudal system in 1945 to a highly centralized and autarkic economy. Then, in 1991, it experienced an abrupt transformation towards a liberal market economy¹. After five decades of severe repression, the post-communist era was characterized by a vacuum in legislation, policies, and institutions. This transition was initially driven by a population desperate for democracy and liberalism. However, the first decade of the 1990s culminated in a climate of escalating informality, marked by problematic tenure recognition, illegal development, forced evictions, and rampant corruption. These issues were exacerbated by the failure of several 'political experiments,' contributing to the dominance of the extralegal economy in Albania, which encompasses more than half of the country's real estate and properties. This situation, while not typical for EU member states, remains a significant technical and political challenge for Albania as it pursues EU integration.

Crucially, by the time the transition began in mid-1992, Albania lacked a tradition of participatory governance. Given the severe abuses of the previous system, citizens often perceived participatory governance not as an opportunity for engagement but as an extension of the forced labor that had been a cornerstone of their oppression.¹ As with other Eastern European countries, the radical changes of the early 1990s completely reshaped Albania's political, social, and economic realities. Albania's specific circumstances led to a volatile transition, punctuated by chaotic and dramatic events. Most notable was the unprecedented economic collapse caused by the infamous pyramidal investment schemes² and the subsequent social unrest in 1997, which left the

¹ In line with the liberal policies, after massive expropriation of private properties by the collectivist communist state, the new pluralist authorities initiated a failed privatization process, trying to establish the rule of law but without a Cadastral Office. This has marked one of the most profound challenges, yet a pressing issue for the Albanian socio-economic context.

² The Albanian pyramid schemes of the mid-1990s were among the most devastating financial collapses in post-communist Eastern Europe. By 1996, an estimated two-thirds of Albanian households had invested in these fraudulent investment schemes, whi-

country temporarily without a government and necessitated UN intervention and a multilateral peacekeeping force to restore order (Aliaj and Kacani 2024)..

It is essential to understand that Albania's transition has been uniquely complex and markedly different from that of most European countries. Unlike others, it emerged from the most rigid orthodox system of centralized planning in the former Eastern Bloc, making the shift to a market economy and democratic governance particularly challenging. The 1999 Kosovo War further strained Albania's fragile social fabric, as the country absorbed a massive influx of refugees, compounding existing economic and social pressures. However, with the end of the Yugoslav Wars, regional stability improved, allowing Albania to enter a period of relative progress. The early 2000s saw a notable shift toward stability, economic growth, and social development, with GDP expanding at an average annual rate of 6 percent and significant advancements in socio-economic indicators. Yet, problems began to resurface around 2010 as the global recession and the logic of 'stabilocracy'—underlying financial and security aspects—slowed both economic and democratization processes.

Despite these ongoing challenges, Albania joined NATO in 2009 and remains committed to progressing towards EU membership, navigating an increasingly unstable and unpredictable global landscape. While still grappling with numerous political and economic reforms, and arguably still in transition for many initiated processes, by the end of the 20th century, the Government of Albania, along with other Western Balkan governments, aligned as supporters and implementers of the European agenda for green transition. This is both a necessity for pan-European commitment to address climate challenges and ensure environmental sustainability, and a crucial requirement for EU integration.

The newly presented "green transition," as Geels (2011) might suggest, is equally "purposive" for all Western Balkan countries, considering its embeddedness within the EU green agenda, the EU integration process, and the structural and technical weaknesses in the region that inhibit the spontaneous emergence of bottom-up niches of change.¹ The JGT is thus layered onto a society already weary and skeptical of grand, externally-driven transformation projects, a phenomenon that can be described as "transitions fatigue". This fatigue, born from past experiences with reforms that often fell short of their promises or were perceived as imposed, creates a challenging socio-political backdrop for yet another large-scale transition.

In this context, this chapter aims to examine the JGT within the broader framework of Albania's post-socialist transformation, drawing parallels between these two pivotal periods of systemic change. Firstly, it decodes the theoretical concept of transition(s) by incorporating recent scholarly advancements and critiques. Secondly, through a comparative approach, it examines Albania's post-1990 transformation, highlighting key governance, socio-economic, and spatial challenges, while identifying lessons relevant to the JGT and exploring its multifaceted implications. This comparative lens aims to identify shared challenges and distinct features of the two transitions to draw actionable insights. The final section synthesizes the conclusions, outlines a trajectory for further discussion, offers policy recommendations, and underscores the importance of inclusive, climate-sensitive governance for Albania's sustainable future, particularly in light of its complex transitional history and the evolving understanding of what constitutes a truly "just" transition.

2. Decoding Transition(s): A theoretical exploration of the term

Transition studies, originating in biology and population dynamics, have expanded to encompass demographics, health, and, significantly, organizational management and technological innovation scholarship (Rotmans, Kemp and van Asselt 2001). Transitions, broadly defined, are processes of profound and systemic change that reconfigure societal, economic, and environmental systems over time, presumably towards an improved state that incorporates new, desirable features or contributes to solving existing problems (Loorbach, Frantzeskaki and Avelino 2017). Within academic discourse, the term has been extensively analyzed through frameworks such as socio-technical transitions, governance transitions, and socio-ecological systems (Geels 2002); (Smith, Stirling and Berkhout 2005). The concept of socio-technical transitions, central to these studies, focuses on the co-evolution of

ch promised exorbitant returns but operated as classic Ponzi schemes. The schemes thrived due to weak financial regulation, political complicity, and a lack of public financial literacy, fueled by Albania's rapid and unregulated transition to a market economy. By early 1997, the schemes collapsed, wiping out an estimated \$1.2 billion—equivalent to nearly half of Albania's GDP at the time. The crisis led to widespread social unrest, mass protests, and the near-total collapse of state institutions, culminating in an intervention by a UN-sanctioned multinational peacekeeping force (Operation Alba).

societal practices, technological advancements, and institutional frameworks. Frank W. Geels (2002) introduced the Multi-Level Perspective (MLP) as a foundational approach to understanding such transitions, emphasizing three interconnected levels: niches (spaces of innovation), regimes (dominant systems), and landscapes (broader socio-political and environmental contexts).

However, the traditional understanding of transition dynamics and the applicability of established theories are being increasingly questioned in the context of contemporary sustainability challenges. Notably, insights from past transitions may offer limited guidance for the current low-carbon transition. This is because historical financial risks often stemmed from speculation in rapidly rising industries driven by new, vastly more productive technologies. In contrast, the current transition necessitates policy interventions to rapidly render declining, yet currently productive, high-carbon industries unprofitable, leading to stranded assets and locating significant financial risks within these sunset sectors. This shift implies that the “problem” of transition is evolving; it is less about the “pull” of inherently superior new technologies and more about the “push” out of undesirable, deeply embedded existing ones, creating unique socio-economic and financial disruption profiles.

2.1. Critiques and Evolutions of the Multi-Level Perspective (MLP)

While the MLP remains a cornerstone of transition studies, it has faced critiques that highlight areas for development. Some scholars argue that the MLP primarily explains transitions through a temporal lens and is best suited for bottom-up analyses, potentially underemphasizing the role of top-down influences and broader power dynamics.⁵ A significant critique is its perceived focus on technological aspects at the expense of adequately considering the socio-political dimensions of transitions, including agency, power, and politics.

Recent scholarship seeks to expand the MLP to address these limitations. There is a growing emphasis on incorporating multi-level governance, recognizing that transition niches can emerge and be shaped by interactions across local, regional, national, and even global governance levels.⁵ This is particularly relevant for sustainability transitions, where international regulations and agreements (landscape pressures) can significantly influence national policies (regime dynamics) and the development of local innovative solutions (niche activities). For a country like Albania, heavily influenced by the EU agenda, understanding these top-down pressures and multi-scalar governance interactions is crucial for analyzing the JGT. The application of MLP to analyze the circular bioeconomy transition in Nordic regions, for instance, confirmed the unique challenges faced by peripheral areas and underscored the importance of innovation, consumer choices, and overarching environmental factors like climate change impacts as drivers of transition. This highlights the MLP’s utility in understanding regional specificities when its analytical scope is appropriately broadened.

2.1.1 Sustainability Transitions and Justice in Sustainability Transitions

Sustainability transitions are characterized by societal, multilevel, multi-institutional, and cross-sectoral changes that affect multiple regimes—socio-technical, socio-ecological, political, and governance—as well as societal values, ideas, perceptions, ethics, and morality. These transitions involve large-scale transformations, a focus on finite, collectively owned natural resources, and inherent tensions between growth-oriented sectors and public interests regarding resource management and ethical implications.¹ The complexity and dynamic interplay of dimensions such as time, space, affected sectors, actors, and overarching goals make sustainability transitions highly complex and difficult to foresee, even with careful planning world (Cedergren, et al. 2022); (Hansen and Coenen 2015); (Kemp, Loorbach and Rotmans 2007); (Rotmans and Kemp, Managing Societal Transitions. Dilemmas and Uncertainties: The Dutch Energy Case Study 2003).

The transition to a low-carbon economy epitomizes such a large-scale structural change, necessitating the expansion of “sunrise” (low-carbon) industries and the contraction of “sunset” (carbon-intensive) industries (Hunsucker and Loos 1989). A comprehensive theoretical framework that fully links this structural change to financial stability, especially concerning the risks emanating from sunset industries, is still developing.⁴ Sustainability itself, often defined as meeting present needs without compromising future generations’ ability to meet their own, is not a fixed state but an evolving goal. Sustainable development is a fluid, ongoing process of transformation, where sustainability transitions represent the continuous effort to balance changing human demands with the biosphere’s adaptive capacity (Derissen, Quaas and Baumgärtner 2009).

“Sustainability “meets the needs of the present generation without compromising the ability of the future generations to meet their own needs” and is therefore neither a fixed state of harmony, nor an identifiable state, coping with both the certainty and the uncertainty of change. (Kemp, Loorbach and Rotmans 2007) , (United Nations 1987, 24), (Handmer and Dovers 1996)”

The imperative for “justice” in sustainability transitions has gained significant traction. The call for ‘just transitions’ originated in the 1970s and 1980s with trade unions in North America concerned about job losses resulting from environmental policies, linking to broader 19th-century discourses on income and wealth distribution. The concept is now firmly established in the International Labour Organisation (ILO) Guidelines for a Just Transition Towards Environmentally Sustainable Economies and Societies for All and is reinforced by the UN Sustainable Development Goals (SDGs) and the Paris Agreement.

The understanding and scope of “just transition” have evolved considerably, particularly since 2022. Initially, the Paris Agreement focused on the “just transition of the workforce and the creation of decent work and quality jobs”.

However, subsequent developments, including the 2021 Glasgow Pact and discussions at various international forums, have broadened this definition to encompass wider societal impacts on diverse groups such as women, Indigenous Peoples, low-income households, and youth.⁷ There is a growing recognition that a just transition must address not only distributive justice (fair allocation of benefits and burdens) but also procedural justice (inclusive and participatory decision-making) and, increasingly, restorative and transformative justice, which aim to correct historical inequities and fundamentally alter power structures.

The UN Committee for Development Policy (CDP) at its 2023 plenary emphasized that countries need to develop context-specific approaches to just transition, reflecting their unique societal needs, priorities, historical responsibilities for climate change, and adherence to principles of global climate justice and common but differentiated responsibilities.⁸ An open letter from world leaders in June 2023 further underscored the commitment to “a green transition that leaves no one behind”.⁸ The operationalization of the UNFCCC Work Programme on Just Transition Pathways and the ILO’s establishment of a Global Coalition for Social Justice in November 2023 (which will feed into the 2025 World Social Summit) signal a deepening institutional commitment to this broader, more demanding conceptualization of justice.

This evolving understanding suggests a spectrum of approaches to implementing a just transition, ranging from:

- Status Quo: Maintaining existing systems while compensating for negative impacts (e.g., retraining for job losses)
- Managerial Reform: Facilitating change within the current economic system, often through social dialogue.
- Structural Reform: Implying institutional change and new governance structures that challenge existing power relations.
- Transformative: Aiming for an overhaul of economic and political systems, seeking alternative development pathways and empowering grassroots movements.

Furthermore, concepts like “energy justice” and “spatial justice” are becoming integral to the discourse. Energy justice considers fairness in energy production and consumption, access, and decision-making, while spatial justice examines the geographical distribution of environmental benefits and burdens, which is highly relevant given Albania’s existing urban-rural and regional disparities. The role of local activism, exemplified by movements like “our energy, our rights” in other contexts, highlights the importance of community engagement in shaping just outcomes.

The following table provides an updated timeline of key milestones in the development of the “Just Transition” concept:

Table 1: “Just Transition” Timeline

Year(s)	Milestone
1990s	In the United States, unionists and activists advocate for mechanisms to address job losses from new environmental regulations. The Just Transition Alliance is founded.
2000s	International trade union coalitions introduce the Just Transition concept into global climate discussions, including at COP15 (Copenhagen, 2009).
2011	At COP17 (Durban), South Africa initiates national discussions on a Just Transition framework.
2015	The ILO Guidelines on Just Transition are adopted. The 2030 Agenda for Sustainable Development reinforces the concept, which is officially included in the Paris Agreement (workforce focus).
2018	The Solidarity and Just Transition Silesia Declaration is signed by 50 countries at COP24 (Katowice, Poland), emphasizing fair workforce transitions.
2019	At the UN Climate Action Summit, 46 nations commit to developing Just Transition strategies.
2021	Just Transition gains prominence at COP26 (Glasgow): The Just Transition Declaration is signed. The Global Accelerator on Jobs and Social Protection for Just Transitions is launched. Glasgow Pact expands JT definition.
2022	The IPCC report, High-Level Political Forum (HLPF), and UN Secretary-General's priorities reinforce Just Transition as a key component of global climate action.
2023	UN CDP Plenary discusses JT: emphasizes context-specific approaches, historical responsibilities, global justice. June: World leaders' open letter on “a green transition that leaves no one behind”.
2023 (Nov)	ILO Governing Body endorses Global Coalition for Social Justice; establishes working party for 2025 World Social Summit. UNFCCC Work Programme on Just Transition Pathways operationalized.

Source: Authors own readings

Agreeing with Abram et al. (2022), the concept of just transition still lacks a single, unified theoretical definition, partly due to the long-standing debates surrounding “justice” itself and partly due to the ongoing evolution of theoretical perspectives on transitions. For the purpose of this chapter, the focus will be on “purposive transition” and how it manifested in Albania's post-socialist experience and is now re-emerging in the context of the JGT, informed by these richer, more demanding notions of justice

2.2. Defining Purposive transition

Stemming from Petrov's (2014) analysis of the term “transition” and its widespread use to characterize CEE countries, this type of transformation signaled epochal change while simultaneously unfolding uncertain futures for the affected economies.¹ The post-socialist transition in the Western Balkans is what Smith, Stirling, and Berkhout (2005) define as a ‘purposive transition’. This is characterized by a deliberate goal pursued from the outset of transformation, accompanied by an explicit set of societal expectations and a heavy reliance on external resources, aid, and political orientation. The Transition Management approach, as outlined by Rotmans, Kemp, and van Asselt (2001), draws significantly from this concept, analyzing, among other things, the role of external stakeholders and resources in initiating and carrying out such transitions.

Petrov (2014) further characterizes the post-socialist purposive transition in CEE countries as ‘teleological’. In this view, regime change appears “purposeful, preordained, and therefore predictable, virtually unstoppable, and impelled by a future goal,” which serves as the “defined end of the transition process” (p.30).¹ However, he also notes that these transitions often did not progress along the pathways or towards the goals defined by Western agencies. Instead, the uncertain futures affecting these economies led to the emergence of varying hybrid political models, irrespective of the paths designated by external actors, which typically emphasized privatization, liberalization, and democratization.

This divergence between intended purpose and actual outcome can be attributed, among other factors, to the fact that the transition itself was often not adequately informed by its wider historical context. It was frequently reduced to a singular, joint model to be followed, regardless of the heterogeneity and idiosyncrasies within the region, or, as in this case, Albania's specific circumstances.¹ The experience of Albania's post-socialist transition powerfully illustrates how the intended "purpose" can be significantly reshaped or even subverted by local realities, institutional path dependencies, and societal responses.

It is these contextual socio-cultural and territorial factors—what Carothers (2002) termed "the underlying conditions ... the economic level, political history, institutional legacies, ethnic make-up, sociocultural traditions, or other 'structural' features"—that should be meticulously accounted for when furthering efforts towards any new transition.¹ These factors are critically important in defining how a potential new transition, such as the JGT, will unfold within a country. Utilizing the Multi-Level Perspective (MLP) framework, these underlying conditions correspond to the socio-technical landscape in which regimes are embedded and continuously change. They encompass the spatial structure of territories, economic growth patterns, social factors, normative values, environmental challenges, potential disasters, and political dynamics.

Spain's Just Transition Strategy (ETJ), approved in 2019, offers a contemporary example of a state-led "purposive" or "managed" transition. It explicitly links national energy and climate plans (PNIEC) with the ETJ to proactively manage socio-economic impacts, aiming to maximize social benefits and mitigate negative consequences of decarbonization.¹¹ This illustrates a deliberate, goal-oriented approach that relies on strategic planning and anticipates socio-economic disruption, hallmarks of a purposive transition. However, the success of such strategies remains context-dependent.

In Albania, these underlying conditions, coupled with fatigue from a stagnating EU integration process, conflicting narratives stemming from the post-socialist era, dominant-power politics, institutional corruption, and deep territorial disparities, have cultivated a sense of a 'never-ending transition'.¹ This "transitions fatigue" can significantly complicate the preordained nature often associated with purposive transitions, as public skepticism and institutional inertia may hinder progress towards externally defined goals.

Nevertheless, Albania's history does not suggest an inherent resistance to change; on the contrary, the country has demonstrated an openness to exploring different political, economic, and social trajectories. What has been consistently missing, rather, is a cohesive governance and policy framework capable of structuring and guiding change in a systemic and strategic manner.¹ This absence of a clear governance skeleton has historically hindered Albania's capacity to follow a structured transition path. Unfortunately, similar gaps persist in the case of the Just Green Transition, suggesting that even with a clear "purpose" driven by the EU Green Deal, the actual JGT trajectory in Albania could be unpredictable and heavily shaped by its unique underlying conditions and historical path dependencies, risking further disillusionment if not carefully managed and locally embedded.

2.3. Albania's Post Socialist Transition vis a vie the "new" transition(s)

In the Albanian context, the post-1990 transition from a socialist to a market-driven economy exemplifies a regime shift precipitated by external pressures, including the collapse of socialist states in Eastern Europe and Albania's reintegration into global systems.¹ Similarly, the current climate imperative under the Just Green Transition (JGT) represents a landscape-level pressure requiring systemic changes to governance, energy systems, and societal behaviors. A comparative lens offers a panoramic view of both transitions, revealing instructive parallels and crucial distinctions.

2.3.1 A retrospective on Albania's Post Socialist Transition

The collapse of Albania's communist regime marked one of the most dramatic transitions in Eastern Europe. This period of profound systemic change saw the country grapple with the challenges of democratization, economic liberalization, and the reorganization of its social and spatial structures. Albania's transition was characterized by political instability, rapid urbanization, economic hardships, and a significant shift in societal values, all of which left (and still has) a lasting impact on its development trajectory.

On a systemic level, Albania's transition was uniquely complex and distinct from that of most European countries. Emerging from one of the most rigidly centralized and repressive communist regimes in the former Eastern

Bloc, Albania's governance had been shaped by an extreme form of autarky, where decision-making was highly centralized, and citizens were systematically excluded from political processes. For 45 years, Albanians were denied fundamental freedoms of speech, religion, and movement, living under an isolationist regime often compared to present-day North Korea in terms of political and economic seclusion.

The shift to a multi-party democracy was turbulent, marked by political instability, frequent government changes, and contested elections, which further eroded public trust in institutions (Biberaj 1999). The adoption of a new constitution in 1998 was a critical milestone, laying the groundwork for Albania's gradual progress toward European integration. Simultaneously, efforts to decentralize governance sought to empower local authorities and promote regional development. However, these efforts were inconsistently implemented, with local governments lacking the necessary resources and institutional capacity to carry out their responsibilities effectively. Corruption and governance deficits further hindered the state's ability to implement coherent policies, fueling widespread public disillusionment with the transition process.

In the same time, the spatial landscape of Albania underwent one of the most profound changes. Under communism, strict migration controls and centralized planning had shaped the country's urban and rural dynamics. The removal of these controls in the 1990s led to rapid urbanization, with cities like Tirana and Durrës experiencing exponential growth as people migrated in search of better opportunities (Bejko 2015). This population surge strained urban infrastructure and services, leading to the proliferation of informal settlements and unregulated construction. At the same time, rural areas were left behind, experiencing depopulation and neglect. The urban-rural divide widened, as rural regions struggled with inadequate access to infrastructure, education, and healthcare. The lack of coordinated spatial planning and governance further exacerbated these inequalities, leaving Albania with deeply entrenched spatial disparities.

Economically, Albania's transition from a centralized to an open-market economy was abrupt and poorly managed. Privatization and liberalization were implemented rapidly but without proper regulatory frameworks, leading to widespread job losses and economic insecurity. The 1990s saw severe financial instability, with hyperinflation, currency devaluation, and the collapse of pyramid schemes in 1997, which devastated household savings and deepened poverty. The private sector remained weak, while remittances became a crucial economic lifeline. Limited foreign investment, weak institutions, and unclear property rights further hindered sustainable growth, leaving Albania's economy fragile and highly dependent on external support.

However, the 2000s saw modest recovery, driven by sectors such as agriculture and later, services and tourism. Remittances from Albanian migrant workers, particularly those in Greece and Italy, became a critical source of income for many households, highlighting the country's dependence on its diaspora for economic stability.

The social fabric of Albania underwent profound changes during the transition. The shift from a collectivist, state-controlled system to an individualistic, market-driven society disrupted traditional social structures. Rising unemployment, poverty, and inequality created a sense of social fragmentation, while mass emigration transformed the country's demographics. Between 1991 and 2001, an estimated 600,000 Albanians emigrated, primarily to neighboring countries. This exodus included a significant portion of the skilled workforce, leading to a brain drain that hindered Albania's long-term development prospects. While remittances provided short-term economic relief, the loss of human capital presented a critical challenge for the country's future.

Normative values also shifted as Albania embraced Western democratic ideals. However, the rapid modernization often clashed with entrenched patriarchal and rural traditions, creating tension between old and new societal norms. The process of adapting to these changes was slow and uneven, reflecting the complexities of transitioning from one ideological system to another.

As a result of all, the rapid urbanization of the 1990s further exacerbated environmental challenges. Under communism, the emphasis on heavy industry and large-scale agricultural production had left a legacy of environmental degradation. Deforestation, soil erosion, and pollution were widespread issues, particularly in industrial and mining areas. Informal settlements and unregulated construction contributed to waste accumulation, air pollution, and water contamination, particularly in urban centers like Tirana.

Meanwhile, the lack of environmental awareness or policies during the early years of transition meant that these issues were largely ignored.

Only by the 2000s, Albania began adopting environmental protection policies, driven in part by its aspirations for EU membership. These efforts included waste management reforms and the establishment of protected areas. However, implementation and enforcement remained weak, and significant gaps persisted in aligning environmental governance with sustainable development goals.

Additionally, starting with the signing of the Stabilization and Association Agreement with EU- 2006/2007, following with the NATO integration (2009), and in 2014 gaining the EU candidate status, Albania was offered a trajectory for integration into the European Union, a commitment for which the country is still working on. This process, however, again consists of a prescribed list of structural and political reforms (Commission 2018), that despite the financial and technical support provided, only recently has gained a new momentum, with the opening of negotiations for few of the chapters in 2024.

Table 2: Economic Context of Albania: Indicators.

Main Indicators	2023 (E)	2024 (E)	2025 (E)	2026 (E)	2027 (E)
GDP (billions USD)	22.82	26.13	27.99	29.92	31.85
GDP (Constant Prices, Annual % Change)	3.5	3.3	3.4	3.5	3.5
GDP per Capita (USD)	8,299	9,598	10,386	11,211	11,938
General Government Gross Debt (in % of GDP)	59.8	58.3	57.0	56.2	55.5
Inflation Rate (%)	4.8	2.2	2.4	2.6	3.0
Unemployment Rate (% of the Labour Force)	10.7	10.7	10.7	10.7	10.7
Current Account (billions USD)	-0.29	-0.21	-0.28	-0.36	-0.22
Current Account (in % of GDP)	-1.2	-0.8	-1.0	-1.2	-0.7

Source: IMF – World Economic Outlook Database, October 2021

To conclude, Albania's transition has unfolded (and still is) through three distinct yet interconnected phases: the political and ideological shift from a rigid monist system to pluralism and democracy in the 1990s, the economic transformation from a centralized economy to a market-driven system in the 2000s, and the ongoing transition towards European and global integration over the past two decades.

At a global scale, Albania's transformation aligns with the major historical transition shifts of the post-war world: first, the Cold War era (1945–1989), which was dominated by the ideological and security struggle between the USA and the Soviet Union; second, the post-Berlin Wall period (1989–2006), which championed neoliberalism, human rights, and environmental concerns under a USA-led global economic order; and third, the post-2006 global recession era, marked by the decline of liberal interventionism and the rise of digital economies, geopolitical realignments, and increasing global competition between the Western alliance (USA/NATO) and emerging powers such as China and BRICS nations.

Albania's trajectory reflects both the opportunities and contradictions inherent in these transitions. While political pluralism, economic liberalization, and EU integration efforts have set Albania on a progressive path, deep-rooted governance weaknesses, institutional inefficiencies, and socio-economic disparities have hampered its ability to fully capitalize on the benefits of transition. Unlike many post-socialist countries in Central and Eastern Europe, Albania has not undergone a linear or structured transformation, but rather a fragmented and often reactive adaptation to shifting global trends.

As the country now navigates the challenges of sustainable development and green transition, it faces yet another test of its institutional resilience and governance capacity.

2.3.2 Contextualizing the JGT in Albania

While Just Green Transition concept and approaches are embraced at a global level, the process towards this transition in the WBs is progressing at a very slow pace and little is done in regard to societal preparedness for JGT.

In Albania, contextualizing JGT (let aside conceptualization of it) is rather a complex task. Apart from requiring the involvement of several stakeholder and institutions from all countries in the region, both contextualization and conceptualization process is faced with the (i) theoretical gaps that subsist in the definition of basic concepts such as transition and justice, for which we try to navigate in the aforementioned chapter and (ii) lack of awareness in understanding the process it requires or the policy overview specter and the place based empirical evidences such transitions bring to the societal level.

The JGT, both as a concept and as a policy framework, is being introduced in the Balkans via the Green Agenda for the Western Balkan (GAWB). Formalized in 2020 with the Sofia Declaration, the GAWB is the basis for a new growth strategy for the region, embedded in the EU Economic and Investment Plan for the Western Balkans. The same year, during the Berlin Process Summit in Poznań, the WB Leaders (Albania's included) expressed their common willingness and readiness to meaningfully contribute to an ambitious Green Agenda.

This entails the adoption of EU directives and transposition of regulation across policy areas and on a wide range of issues, from climate law, meeting energy efficiency goals, air and water quality standards, to the waste management framework, limiting pollution, increasing circularity, etc. This first step needs to be followed by implementation, leading to 'real', tangible change in all industrial/economic sectors. Despite initial enthusiasm, the Western Balkan countries continue to lag behind the EU in their efforts to combat, mitigate, and adapt to climate change. This shortfall stems not only from inadequate progress in implementing climate actions but also from the absence of a comprehensive, integrated approach that transforms both national and regional policies into climate-sensitive frameworks capable of addressing the multifaceted challenges of environmental sustainability.

Reaching the aforementioned goals cannot be accomplished overnight, as the implementation of such an ambitious agenda comes with multifaceted implications across social, environmental, economic, financial, technological, and even [geo]political dimensions. These complexities present significant challenges both regionally and nationally, primarily rooted in the lack of political commitment to improve or transform policies and insufficient financial resources to support basic services and economic activities, let alone the additional costs required to foster or nourish innovation.

2.4. Emerging Challenges & Opportunities

For countries like Albania, embarking on the Just Green Transition (JGT) is not without significant challenges. Indeed, as continuously argued, it is particularly demanding for a nation still grappling with unaccomplished prior transitions—towards a consolidated democracy, robust governance, full EU integration, and widespread economic prosperity—to envision re-entering a new transition, albeit one with a different meaning and magnitude.

A primary hurdle is a mentality barrier, deeply connected to a stigmatized perception of "political transition." This skepticism stems from both the prolonged duration of past transitions and their often-ambiguous outcomes, which have included hybrid post-authoritarian regimes that diverged from the initially proclaimed objectives of market capitalism and liberal democracy. Over the past few decades, the promises of transitioning to a liberal democracy, a free-market economy, and eventual EU membership sparked high expectations. However, many citizens have become disillusioned by the inadequate performance of implemented economic and social policies and the uncertain future these have created. This situation, as argued in a related Policy Brief 1, has produced a pervasive 'transitions fatigue'. This fatigue manifests as a general sense of skepticism, or even mistrust, towards policies perceived as prescribed by external entities, as well as towards the capacity of the domestic political class to design and implement comprehensive, effective, and place-sensitive policies.

This pre-existing skepticism makes the JGT, another complex and potentially disruptive transition, particularly vulnerable to public resistance or apathy.

Overcoming this fatigue requires exceptional efforts in transparency, genuine participation (embodying procedural justice), and delivering tangible, equitable benefits early on to rebuild trust.

A second critical challenge for just transitions is securing adequate funding and resources and ensuring their fair and just allocation and distribution. The financial burden of the JGT—encompassing investments in green technologies, infrastructure upgrades, reskilling programs, social safety nets for affected communities, and support for economic diversification—is substantial. For Albania, with its limited fiscal space (as can be inferred from its economic indicators 12), meeting these costs domestically is a formidable task. This challenge is compounded by the financial risks inherent in transitions that involve phasing out “sunset” industries, which may lead to stranded assets and significant economic write-downs.³ Consequently, a heavy reliance on external funding, primarily from the EU and international financial institutions, is likely. While such funding is crucial, it can also perpetuate the “purposive transition” dynamic, where external agendas and conditionalities might overshadow local priorities or fail to ensure equitable distribution, thereby undermining the “just” component of the transition if not carefully negotiated and nationally owned.

Furthermore, the JGT will inevitably have significant impacts on workers, communities, and consumers. These arise from the transformation of involved sectors in terms of technologies employed, guiding policies, employment opportunities (both creation and loss), and the affordability of new green services and products. The evolving understanding of “just transition” now explicitly includes a broader array of societal groups beyond the traditional focus on the industrial workforce, such as women, youth, low-income households, and other vulnerable communities. Addressing these diverse impacts requires comprehensive strategies. Serbia’s Just Transition Roadmap, for example, details measures for welfare support, extensive reskilling programs, and robust economic diversification plans for its coal-dependent regions, offering concrete examples of how such impacts can be proactively managed. These efforts to secure funding and mitigate negative impacts extend to entire territories, affecting the quality of life across personal and ecological spheres, from basic life enablers to dimensions of human flourishing.

In this challenging context, without significant, internally driven efforts to foster transformation, the Just Green Transition, advanced through the GAWB, risks becoming yet another unfulfilled promise in Albania’s long history of transitions. Moreover, the burden of action – or, critically, inaction – could disproportionately fall on the most vulnerable segments of society, exacerbating existing inequalities and creating new ones.

However, addressing these challenges thoughtfully also presents opportunities. Effective and genuine stakeholder engagement, drawing lessons from initiatives like Serbia’s extensive dialogue processes or the co-creation models used in Open Government Partnership local action plans, can build crucial trust, foster a sense of ownership, and improve policy design and legitimacy. Successful economic diversification in affected regions, as planned in Serbia, can create new, sustainable livelihoods and resilient local economies. Additionally, the emergence of frontier technologies such as artificial intelligence, advanced robotics, and biotechnology holds potential for sustainable development and green innovation. Yet, this too is a double-edged sword: these technologies could become powerful enablers of a green transition if managed for inclusivity and equitable access, but they also carry the risk of increasing inequalities and creating new digital divides if their deployment is not carefully guided by principles of justice. The key lies in harnessing these opportunities proactively to ensure the JGT is not only green but also genuinely just and contributes to a more resilient and equitable future for Albania.

2.5. Conclusions

The journey towards a Just Green Transition (JGT) in Albania is situated within a complex tapestry of historical legacies, ongoing transformations, and evolving global imperatives. Definitions of JGT vary, but there is widespread recognition of the importance of context-specific analysis and strategies. Today, “just transition” generally refers to strategies, policies, or measures designed to ensure that no one is left behind or pushed behind in the shift to low-carbon and environmentally sustainable economies and societies.

This concept, with origins in trade union activism focused on job losses from environmental regulations, has expanded significantly. As more countries and a broader range of stakeholders engage with the challenge, the definition now often incorporates diverse dimensions of justice—distributive, procedural, and even restorative

or transformative—and addresses impacts on a wide array of social groups beyond the workforce.¹ The ILO's 2015 Guidelines defined just transition as “greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind,” emphasizing social dialogue, rights at work, gender equality, social protection, skills development, and international cooperation.¹ Approaches now vary from status quo compensation to deeper transformations of political and economic systems aimed at correcting historical inequities.

Landing the narrative of a “new” transition in a country like Albania, which has been subject to several profound and often disruptive transitions throughout its recent history with questionable levels of success, remains a key concern. In these circumstances, the term “Just Green Transition” is, so far, often used as a buzzword, without fully generating the necessary societal awareness of the scale and transformative nature it implies.

The post-socialist transition, marked by abrupt shifts in governance, economy, and societal norms, left Albania grappling with systemic challenges, including persistent governance deficits, deep-seated social inequalities, and significant environmental degradation. These challenges have forged a legacy that continues to shape the country's capacity to undertake new, large-scale transitions. The JGT, much like the transitions that preceded it, is not merely a technical or economic transformation—it is a systemic, cross-sectoral, and profoundly societal process. However, unlike past transitions, the JGT carries the added urgency of addressing climate change and the imperative of achieving sustainability in a manner that is explicitly just and equitable. The enriched theoretical understanding of transitions, including critiques of the Multi-Level Perspective that call for greater attention to socio-political agency and multi-level governance, further underscores the complexity of steering such change.

At its core, the JGT represents both a significant opportunity and a critical test of Albania's resilience and readiness to embrace transformative change. The lessons from the post-socialist era—particularly the crucial importance of participatory governance, equitable policy frameworks, and robust, accountable institutional capacity—offer valuable insights for navigating this new transition. However, these lessons also highlight persistent risks, such as political inertia, a lack of societal preparedness exacerbated by “transitions fatigue,” and the uneven distribution of resources and opportunities. Albania faces a “double challenge”: the universal technical and economic hurdles of decarbonization compounded by the profound contextual difficulty of implementing such changes within a legacy of weak governance and societal mistrust.

For Albania, the success of the JGT will hinge on its ability to balance ambitious environmental goals, largely driven by the European Union's Green Agenda for the Western Balkans (GAWB), with the socio-economic realities of its population. This requires not only adopting EU directives but, more importantly, tailoring them to the country's unique context, learning from both its own past and the experiences of other nations in transition. The emphasis must be on fostering inclusive policymaking, strengthening institutions from the ground up, and bridging the urban-rural and other socio-spatial divides to ensure that no community is left behind.

Moreover, the concept of “justice” in the JGT must be operationalized beyond rhetorical commitments. It must translate into tangible actions that address existing inequalities and prevent new forms of exclusion. This involves providing targeted support to vulnerable groups, investing in education and awareness to build societal readiness, and creating robust mechanisms for meaningful stakeholder participation in all stages of decision-making processes.¹ The forthcoming requirement for countries to detail their just transition strategies in their Nationally Determined Contributions (NDCs) by 2025 presents a critical opportunity for Albania to articulate a comprehensive, time-bound, and genuinely inclusive plan.

As this chapter has demonstrated, the JGT represents a critical juncture for Albania. It is an opportunity not only to align with global sustainability goals but also to redefine its development trajectory in a way that prioritizes environmental stewardship, social equity, and economic resilience. However, achieving this vision will require a concerted, coherent effort across all levels of governance, active engagement from civil society, and effective international cooperation that respects national ownership and context.

In conclusion, while Albania's journey toward a Just Green Transition is fraught with challenges, it also holds the promise of a more sustainable and equitable future. This transition must be understood not only as a national process but also within the broader framework of global climate justice and the principle of common

but differentiated responsibilities and respective capabilities, a point underscored by recent international discussions.¹ Unlike high-income countries, many middle- and low-income nations, including Albania, grapple with high poverty rates, informal labor markets, limited institutional capacity, and restricted fiscal space, making the balance between economic stability, social equity, and environmental commitments particularly complex.

Therefore, the JGT should not be reduced to a mere technical exercise or a rhetorical commitment; it must translate into concrete measures that build resilience, empower local economies, and ensure social inclusion. Learning from past transitions, Albania must focus on creating sustainable economic alternatives, investing strategically in education and skills development aligned with future needs, and establishing transparent and effective mechanisms for meaningful stakeholder engagement. Further research is warranted on several fronts: exploring the political economy of JGT in contexts of “transitions fatigue”; conducting comparative analyses of JGT implementation in post-socialist Balkan states, focusing on governance models and stakeholder participation; assessing the effectiveness of different JGT policy approaches (from status quo to transformative) in specific Albanian sectors; and examining the role of frontier technologies in Albania’s JGT, particularly their potential benefits and risks for equity. Only through a comprehensive, context-sensitive, nationally owned, and globally informed approach can Albania navigate its Just Green Transition successfully, ensuring that it does not become yet another unfinished transformation in its complex transition history.

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