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ECONOMIC FREEDOM IN ALBANIA

Abstract:

At early stages of transition, markets are in their first steps and sometimes do not exist in the literal sense of the word. Even after many years of development, the markets in transitional economies may be imperfect as well as incomplete. In these circumstances we cannot pretend the market system itself will determine prices and reallocate resources to more productive sectors.

Also, being for many decades isolated from the outside world and external development, the economy and enterprises themselves are in great need of new and advanced technology. Obviously, there is need of economic sustainability and the social environment for the establishment and development of private sector.

In these circumstances, obviously there is need for some restrictions and obligations. These are necessary for the very existence of a country, but when these limits exceed the target then the problem arises. Economic freedom, inter alia, will be defined as "the lack of pressure or governmental constraints on the production, distribution or consumption of utility goods beyond what is needed for citizens to protect and preserve their freedom to work, produce, consume and invested so that they feel they are productive "(Angjeli, A; 2007: 70).

Over two-thirds of studies on economic freedom, found it to correspond to a "good" outcome such as faster growth, better living standards, more happiness, etc. (Hall, C. J; Lawson, A. R; 2013)

For these reasons, we are having a look on economic freedom to see how this indicator has affected the Albanian economy and whether its values are comparable to those of the countries we aspire to.

Keywords:

economic freedom, economy growth, rule of law, government size, regulatory efficiency, open markets

JEL Classification: O10, H10, P14