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How Albania went from Europe's socialist poorhouse to a narco-state



Rainer Zitelmann

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TIRANA, ALBANIA – NOVEMBER 04: Souvenirs are displayed for sale including mugs with the face of former Albanian dictator Enver Hoxha as tourist attractions in an open market on November 4, 2022 in Tirana, Albania. The United Kingdom recently reported a considerable uptick in the number of Albanians crossing the Channel illegally to enter the UK with the Albanian government pushing back and blaming UK policy failures. (Photo by Armando Babani/Getty Images)

Albania was once a socialist backwater with just 1,265 cars in the whole country. And though living standards have improved considerably since that time, it's failure to transform into a true market economy has handed power to drug lords and driven the brightest and best to emigrate, says Rainer Zitelmann

I was in Tirana, the capital of Albania, in May 2022 and October 2023. Albania is an increasingly popular tourist destination. In 2022, 7.5m holidaymakers visited the small

country, which is home to just 2.8m people, and the numbers have continued to rise, reaching around 10m in 2023 and around 14m in 2024. The Mediterranean weather and low prices make the southern European coastal state extremely attractive.

A friend sent me a Whatsapp message before I left for the airport: "Don't let yourself be robbed in the rogue state of Albania". In Tirana, I met Adri Nurellari, an impressive individual who shaped the libertarian movement in Albania and studied in London. He was an advisor to the Democratic Party in Albania and now advises the Democratic Party in Kosovo. On the subject of security and crime, he explained that, yes, there is a high level of crime in the drug sector. But precisely because criminals can earn huge amounts of money from growing and selling drugs, petty crime is not worth it: "Why steal a few hundred euros from a tourist when you can make millions from illegal drugs?"

At dinner I asked Bjorna, a member of Students for Liberty, how people make a living here. "Do you really not know that?" she asked me and laughed, "on the cultivation and sale of marijuana". Of course she didn't mean it literally, and the majority of Albanians earn their money honestly.

But she criticized the Albanian president, who has turned Albania into a "narco-state". Of course, there are no official figures, but the country is now referred to as the "Columbia of Europe". Estimates suggest that between a third and a half of Albania's gross national product comes from drug trafficking. In any case, several billion euros are generated from drug trafficking every year.

Despite all the poverty in the country, living conditions have improved significantly compared to the socialist era. Bjorna told me that her grandparents used to live with the family in an 80 square meter apartment – which was home to as many as 20 people. It's hard to imagine, but I remember reading that it was not uncommon for four to ten people to live in small, 50 square meter apartments.

Poorest country in Europe

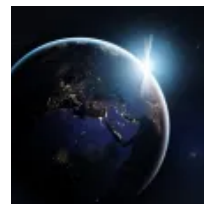
Albania was the poorest country in Europe back then. There were only 1,265 cars in the whole country, none of them privately owned. As recently as the early 1990s, there was not a single traffic light anywhere in Albania. Today, Tirana is overcrowded with cars the city was clearly not built for. Similar to Manhattan, drivers are almost permanently stuck in traffic. From time to time we saw a strikingly expensive luxury car, a Ferrari, for example – "those are the drug barons," said Bjorna.

On an exploratory stroll through Tirana, I passed several bunkers. The dictator Enver Hoxha was paranoid and lived in constant fear that Albania could be attacked by capitalist countries. So he ordered the construction of 200,000 bunkers all over the country, many of which are still preserved to this day. Bjorna told me that acquaintances

of hers had even integrated a bunker into their restaurant. At the airport, I met a young man, a law student who had started to invest in real estate. He showed me a photo of a former bunker with a tasteful interior and told me it is his dream to convert a bunker like that into a vacation home and rent it out.

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A somewhat larger bunker has been preserved as a Bunker Museum. The exhibition is impressive. It reveals the full scale of the communist terror in Enver Hoxha's state.

The picture the museum paints is the exact opposite of the image I had of Albania when I was younger. As a teenager, I was a Maoist. I formed a "red cell" at my school when I was 13 and published a newspaper called The Red Banner. I can still remember lying in bed at 11 o'clock at night listening to Radio Tirana.

In truth, we knew nothing at all about Albania, we merely projected our socialist utopian longings onto the country where Hoxha ruled from 1946 to 1985. The truth was that Albanians lived in a country-sized prison. Anyone who tried to leave the country illegally was, in the best-case scenario, sent to prison or to one of the labor camps for many years, or shot. Almost 1,000 people did not survive their attempts to leave the country.

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Albania had completely isolated itself from the outside world, a fact illustrated by the following incident: Mother Teresa, who became famous all around the world for her work with the poor, homeless, sick and dying and is revered as a saint in the Catholic Church, desperately wanted to visit her dying mother, who lived in Albania. Heads of state used all available diplomatic channels to help make Mother Teresa's wish come true, without success. Her mother died alone in Albania in 1981, without being able to see her daughter one last time. It was not until 1990, five years after Hoxha's death, that Mother Teresa was able to travel to the country and visit her mother's grave.

What we also did not know – and neither did the Albanians – was that Hoxha and the leading communists were living a far more luxurious life, totally isolated from the rest of the country. From the end of 1960 until his death in April 1985, Hoxha did not leave his country; indeed, he almost never left the so-called **Blloku** (Block), a centrally located district in Tirana that was only as large as 21 soccer fields. Hoxha lived here from 1944 until his death, sharing the Block with the members and candidates of the Central Committee of the Party of Labor of Albania and their families.

What did the dictator do all day? Together with a team of ghostwriters, he wrote 68 books extolling the virtues of socialism. And that in the poorest country in Europe. When I asked Adri what went wrong in the transition from socialism to democracy and a market economy, he replied: “There has been no change in elite circles. Essentially, they have remained the same. There were maybe a dozen families who held power at the time of Hoxha and they still hold it today.” As a result, there is no serious interest in dealing with the past and the crimes of the Hoxha dictatorship. It speaks volumes that perhaps just 20 per cent of the entrepreneurs and landowners expropriated by the communists got their property back and received ridiculously meager compensation amounting to \$10m.

After the end of socialism, many Albanians left the country. In relation to the size of the population, no other European country has seen more people emigrate since the end of socialism. Over the past 30 years, Albania has lost about 30 per cent of its population. Only 2.8m people still live in the country. And it is often the best and most talented young Albanians who have emigrated. Many have settled in Greece and Italy. Adri explained that in Italy alone there are now 350,000 Albanians owning 40,000 businesses and generating seven per cent of Italy’s GDP. Today, there are more Albanians living outside the country than in it.

Excerpt from Rainer Zitelmann, *The Origins of Poverty and Wealth: My world tour and insights from the global libertarian movement*