

Fiscal Evasion and Corruption in Albania

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Abstract: *Corruption is an area of vulnerability in the international arena, which is clearly shown in several reports. People of Albania agree with this, because the corruption issue in Albania is the second most problematic one after unemployment. It affects the daily lives of ordinary people and it also has a huge impact on the public administration. Despite corruption, fiscal evasion, or as called tax evasion is among the categories of delicate issues that need attention. Tax evasion in Albania is attributed to institutions that are not able to collect adequate tax; also auditing level is very low. Distinction according to the development level of a country is crucial in order to understand better tax evasion, especially in Albania, that is a country in transition. Secondly, studying the matter of tax evasion gives the opportunity of studying the process of decision making that is related to the informal sector at an individual level. Albania was among the countries that were the most isolated, and the last country that entered democratic and economic reforms in the Eastern Europe, that's why it may go through many obstacles. Also corruption keeps being one of the most problematic issues for every single country in the world. Social and cultural norms, economic development, institutional setting, political setting, are all matters that can be shaped in various ways, but corruption is an issue from which no country can be exempt. For the western Balkans countries, including here Albania, it is considered to be an area of vulnerability.*

Keywords: *Corruption, tax, fiscal, evasion, impact, bribe, Albania.*

