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*Breaking the frontiers - paving the way for the EU integration:
the case of Albania*

1. Introduction

Since the fall of communism, the Albanian economy has continued to grow despite some bumps on the road. The transition from a plan to a market economy has been more difficult than expected. Albania has made significant reforms toward free and open markets. EU integration is Albania's strategic and political goal, and it is currently a candidate country. The EU integration process has enforced the reforms and efforts needed to step up to become a member. However, the country still suffers from structural economic problems, low productivity, competitiveness, skills mismatch, high brain drain, the rule of law, and governance. *This paper looks at some proxies for catching up with the EU, touching upon some structural aspects of the Albanian economy and governance role.*

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2. Catching up with European Union

Albania is still a country in a transition toward reforming its political-economic model. Albanian aspiration to the EU started in the early 90s' with the change of the regime and opening of the country. In the late 90s', the government began preparations for meeting the Stabilization and Association package conditions. The European Council affirmed the European perspective of the Western Balkans at the Thessaloniki Summit in 2003. The Sofia Summit (2018) reaffirmed the univocal support again more than a dozen years later. Today the political commitment of the EU member states vis-a-vis the Western Balkan partners remains strong, but still more efforts will be needed to see it materialize. Over the past years, the Western Balkans and EU have gone through a particular distancing phase, characterized by confusing signals, disappointment, and frustration. The complex decision-making process of the European Union and some member states' political behaviors have hardly met the expectations of the Balkan countries, especially Albania, whose citizens rank among the ones with the highest EU support rate in the continent. The long-awaited green light for the opening of accession negotiations of Albania and North Macedonia faced hold-on fatigue for both countries and has been rather costly in political terms.

Since acknowledging the Western Balkans' aspiration for EU membership, the countries have gone through various processes in the recent 15 years (*see Table 1*). On its side, the Union has had to face

multiple challenges, starting from Brexit to the refugee crisis, the rising of Eurosceptic and populist sentiments, and recently the economic and security impact of the unprovoked Russian invasion of Ukraine. On the other side, the Western Balkan countries have been struggling to progress in the domestic reform processes.

Table 1. Events and status of countries in the EU integration process

	Event	Albania	North Macedonia	Monte-Negro	Serbia	Bosnia Herzegovina	Kosovo
1	The Stabilisation Association Agreement signed	June 2006	April 2001	October 2007	April 2008	March 2015	February 2016
2	Application for the EU membership	April 2009	March 2004	December 2008	December 2009	February 2016	
3	Visa-free travel to the <u>Schengen Area</u> (entered into force)	December 2010	December 2009	December 2009	December 2009	December 2010	July 2018 Decision proposal is pending in EU institutions
4	European Council	June 2014	December 2005	December 2010	March 2012	Still potential candidate	

	granted the candidate status					country	
5	European Council agreed on opening accession talks	25 March 2020	25 March 2020	26 June 2012	28 June 2013		
6	1st Intergov. Conference with EU (signaling the official start of negotiations)	Not yet	Not Yet	29 June 2012	21 January 2014		

EU coupled both Albania and North Macedonia in the decision to start the accession negotiations and launch the 1st Intergovernmental Conference. Both are held back due to the Bulgarian veto to North Macedonia for unsettled historical issues. While front runners, Montenegro and Serbia had a better experience. Although starting the process later than Albania and Macedonia with the signing of the SAA, they were granted the candidate status earlier. They also held the first intergovernmental conference in June 2012 and January 2014 and are quite ahead in chapters' negotiations. The 2020 revised accession methodology has further raised the negotiation bar for North Macedonia and Albania. EU accession is no longer a straightforward process as it

used to be in the previous enlargements. Therefore it is even more challenging to make predictions now on the length of the negotiation process.

On 18 May 2022, the President of the European Council, Charles Michel, proposed reform for the EU enlargement, aiming to integrate the candidate countries gradually into different sectors of the EU, in contrast to the current “zero-sum game,” in which a country is either in or out. Reforming the enlargement, given the current state of the process for the Western Balkan countries, can be appropriate if it will help strengthen the focus on making EU accession for the countries in the region more transformative, fairer, merit-based, and faster. This idea comes in parallel with the European geopolitical community, proposed to the European Parliament on 9 May by President of France, Emmanuel Macron. Both proposals raise the question of which one is a priority and can further fuel the uncertainty in the integration path for the region.

The integration into the EU has been an overarching strategic development goal for the region. In Albania, it has been a driver of reforms, democratization, sustainable growth, and building institutions in the country. Albania has gone through a harsher transition from planning to a market economy in the Western Balkans. It proved to be more complex and prolonged than expected. GDP growth was negative in the first years after communism but accelerated considerably between

1998 and 2009, with an average increase of 7% annually². The growth afterward has been moderated compared to the pre-global financial crisis. The two shocks, the earthquake in late 2019 and COVID 19 global outbreak resulted in a negative 4%³ growth in 2020.

According to growth theory, a less developed economy (with lower GDP per capita) tends to grow faster than a more developed one if it can meet certain preconditions such as political and economic stability, good governance, the rule of law, and conducive business climate. In this case, the potential growth can be optimized to accelerate the respective country's development process and converge with developed countries.

Albanian economy resurged as the poorest in Europe in 1991 when the Berlin wall fell together with the communist regime in the country. In three decades, the economy has decreased the gap, although at different speeds. The GDP per capita in Purchasing Power Parity (PPP) (constant 2017 international \$) has increased substantially from 4908 in 1996 to 13192 in 2020⁴, going from 16% of the EU average in 1996 to 32% in 2020 (see *Figure 1*). The catching-up rates have been different in times, more consistent during 1997 – 2009, marking a five-time increase in the GDP per capita. Since 2009, the GDP growth has experience oscillations and lowered the convergence pace. The European Union's growth also experienced negative figures during the global financial crisis in 2009 and the pandemic year 2020, with high margins for a developed economy,

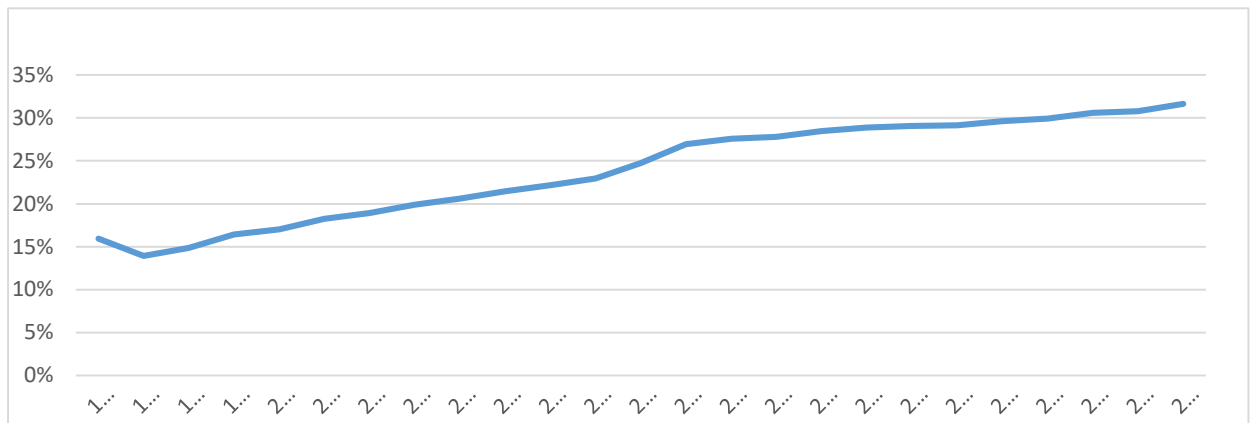
² Calculated by authors based on World Development Indicators Database, April 2022

³ World Development Indicators Database, April 2022

⁴ World Development Indicators Database, April 2022

respectively, at – 4.3 and -6 percent⁵. Despite the modest growth after 2009 of Albania, the EU shocks contributed to the narrowing a bit of the income gap in the last ten years in Albania.

Figure 1. GDP per capita in PPP (constant 2017 international \$) of Albania, as a percentage of the EU



Source: Calculation of the authors based on World Bank Development Indicators Database, April 2022

Meksi and Xhaja (2017) have concluded that the speed of convergence⁶ of the 13 most recent EU members is lower than that of five Western Balkan countries. The latest consisted of a 7.1% convergence speed for

⁵ World Development Indicators Database, April 2022

⁶ The neoclassical model predicts that each economy converges towards its steady state and speed of convergence relates inversely with distance from the initial condition. The speed of convergence represented by the concept of β convergence gives information on the distance covered annually from the steady state, where in this case is seen reaching the EU GDP per capita. The model predicts conditional convergence in the sense that a smaller initial value of real per capita income tends to generate a higher rate of growth per capita. The speed of convergence is measured by the absolute value of, the greater the responsiveness of the average growth rate to the gap between y^* and $y(0)$, so the more rapid the convergence to the steady state.

1995 – 2015 versus the first group of countries calculated at 4.8%. *This finding confirms that less developed economies like Albania and other Western Balkan countries, starting from a very low GDP per capita and productivity, have experienced a higher pace of convergence than other economies within the European Union.*

The very recent unprovoked invasion of Ukraine by Russia is severely felt in various value chains of commodities and essential goods, even in Albania, thus accelerating the increase of prices and slowing down the economic activity, still struggling to recover from the consequences of the global pandemic. The latest projection from IMF⁷ indicates a 2% growth for Albania in 2022, while 2.9% for the European Union. As per the “rule of 72”⁸, if 2% growth persists, Albania will need 36 years to double the GDP per capita. In Meksi, and Xhaja (2017), Albania, as part of the Western Balkans, with a 7.1%⁹ calculated convergence speed, would require approximately ten years to double its 2015 GDP per capita, reaching the GDP per capita of Croatia in 2013 of 24058¹⁰ (constant 2017 international \$) when became EU member. The resulting growth in recent years and the pessimistic outlook of global developments may slow down the catching up the pace. The complete

⁷ IMF, World Economic Outlook Database, April 2022

⁸ The Rule of 72 is a simplified formula that calculates how long it'll take for an investment to double in value, based on its rate of return. The Rule of 72 can be applied to anything that increases exponentially, such as GDP or inflation; it can also indicate the long-term effect of annual fees on an investment's growth.

⁹ Assuming the speed of convergence represents the GDP growth rate

¹⁰ [GDP per capita, PPP \(constant 2017 international \\$\) - Croatia | Data \(worldbank.org\)](https://data.worldbank.org)

convergence with average EU living standards could take many decades. Sanfey and Milatovic (2018) indicate that a baseline scenario, which uses the average growth rates for 2001-16, implies that the WB6 region, on average, could achieve the average EU GDP per capita in about 60 years. An optimistic scenario, which uses pre-2009 growth rates, would catch up with EU living standards in nearly 40 years. While a pessimistic scenario, which uses the post-crisis average growth rates, shows that catching up may take much, much longer. The speed of catching up would rely on the commitment to address the concerns on structural reforms and governance aspects that create bottlenecks for the country to reach its full potential.

3. An overview of the Albanian growth model

The history of economic development in the 20th century has shown that some countries have grown very fast even though they started from a very low level of development. Nevertheless, this has not been true for all countries; some have failed in their development path. The question among politicians and academics remains on how the economic activity can be boosted and what sources of growth can be sustainable and reliable in the long run.

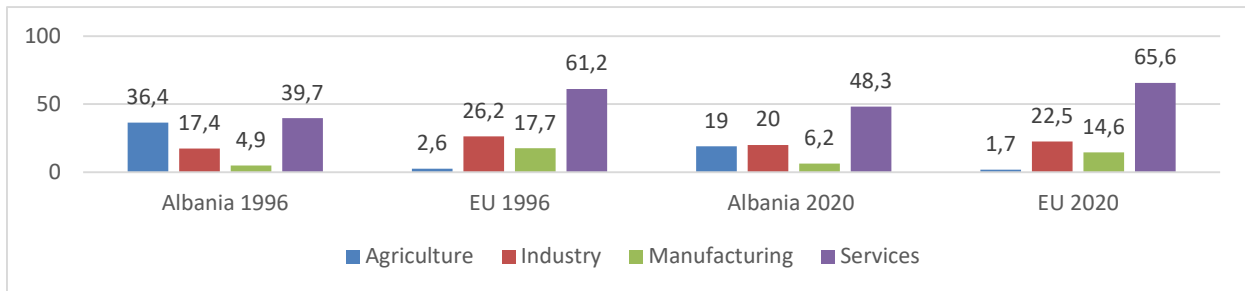
Why have some countries managed to be successful and some not? A quick response could be the accumulation of capital, investment in human resources, and adaptation of new technologies. A significant

factor could also be good governance, elaborated later in this paper. The development of the countries in times is associated with transformation in the economy's structure and the sectors' contribution to growth. The productivity level tends to grow, and the economic model attempts to shift from labor-intensive sectors to more capital-intensive and high-tech.

Albanian economy is small, mainly service-oriented, with a rising tourism sector. The construction sector's contribution has increased significantly in the last two years, driven by public and donor investment in overcoming the consequences of the 2019 earthquake and growing interest in tourism and real estate projects. Despite the significant decline over the past decade in agriculture from 36% to 19% of added value in GDP (see Figure 2), the agriculture sector remains vital for economic activity, accounting for 36%¹¹ of employment. It contrasts significantly with the EU, where agriculture accounts for only about 2 % of the added value in GDP.

¹¹ Instat, Labour market in Albania 2020

Figure 2. Sector added value (in % of GDP) in Albania and the EU in 1996 and 2020

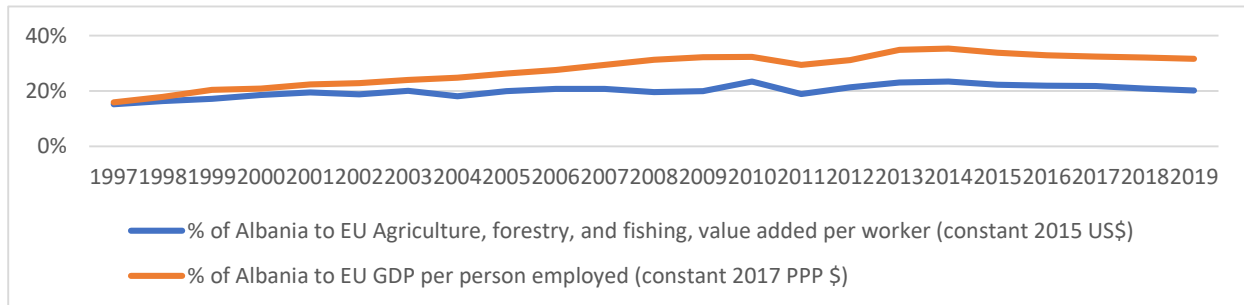


Source: World Development Indicators Database, April 2022

The labour productivity across all sectors remains very low, with output¹² per worker at 32% of the EU average (see Figure 3). Agriculture sector, in particular, suffers from the lowest level of productivity, where the gap is enormous, not only toward EU productivity (accounting 20% of it in 2019) but also toward the Albanian economy as a whole (see Figure 3). The agriculture sector is undercapitalized, fragmented in small land plots and farms, and suffering from productivity and inefficient subsistence farming. The potential to develop further agro-business is significant. Albania needs to consolidate agricultural holdings, improve the collection quality, storage, and marketing, and expand agricultural support services.

¹² Output = Gross Domestic Product

Figure 3. Value-added per worker in Agriculture and GDP per person employed in Albania versus EU average



Source: Authors' calculation based on World Development Indicators Database, April 2022

According to the OECD, Albania ranks 92nd out of 129 economies on the economic complexity index, which measures the level of knowledge or capabilities embedded in a country's export products. *Albanian exports* consist of goods and services with limited technological content and value-added, including tourism, textiles and apparel, electricity, metals, and metal-based products. Business Process Outsourcing has also grown considerably, contributing to service export growth and youth employment.

Although *employment in Albania* is higher than in most economies in the Western Balkan region, still, most jobs are low-skilled and low-waged, including a high share of jobs in subsistence agriculture. The sectors with low and medium-low digital intensity dominate, accounting for around 70 % of employment in 2019¹³. Sectors experiencing higher productivity,

¹³ EBRD Transition report 2022 - 22

such as real estate, finance, and mining, have limited potential for expanding further engagement.

The foreign direct investments in Albania have been concentrated mainly in the domestic market, such as finance, telecommunication, and energy projects. Most of them were attracted due to the privatization of public enterprises and concession of natural resources. Albania needs to diversify and add more value to the economic output¹⁴ by aiming to attract investments in tradable sectors for international markets. In 2015, the Albanian government approved a law on strategic investments¹⁵ by facilitating procedures for significant investments in priority sectors such as energy, transport and telecommunication, tourism, and agriculture.

The pandemic speeded up *the digitalization of services, mainly those governmental*. Nowadays, the government is leading the digital transformation of public services and governance processes, which may orient the economy toward more digital intensive sectors. However, it needs to be treated carefully and consider the digital divide in society. The low level of *digital skills* may likely become a constraint in the near future. According to EBRD, compared to advanced economies, a stark digital divide is noted in its region in which Albania is included, particularly among individuals aged 55 – 74, in rural areas, and outside the capital.

Economic growth has produced a decline in *poverty in Albania*. Although Albania has not introduced an official poverty line, an effective reduction

¹⁴ Output equals gross domestic production

¹⁵ [LIGJI-MBI-INVESTIMET-STRATEGJIKE.pdf \(aida.gov.al\)](#)

of poverty has been the priority of the national agenda. However, the measurement of poverty in Albania has not been consistent due to the change in poverty definition. According to World Bank, Albania's latest official poverty figures date from 2012, when the poverty headcount was 39.1% (measured as 5.50 dollars per day, 2011 PPP) and extreme poverty at 1.1% (calculated as 1,90 USD per day, 2011 PPP)¹⁶. In 2019, Albania started publishing the Income and Living Conditions Survey (SILK) as per the Eurostat methodology. Poverty indicators in SILK are based on the relative concept of poverty, which considers household disposable income, the number of household members (household size), and income distribution among population groups. The at-risk of poverty rate¹⁷ in Albania in 2020 is 21.8 %, compared with 23.7% in 2017¹⁸. For the same period, the Gini coefficient representing income inequality narrowed slightly, evidenced by the decrease from 0.368 in 2017 to 0.332 in 2020. The comparison of at-risk of poverty in 2020 with some EU member states and others in the SEE region shows an improvement in Albania regarding this indicator, where the highest value of at-risk of poverty is recorded in Bulgaria (23.8%), Romania (23.4 %), Turkey (23.0 %). However, it remains high versus the EU average of 17.1%¹⁹.

¹⁶ World Bank Group, Poverty and Equity Brief, Albania, April 2020

¹⁷ The at-risk of poverty rate indicates the percentage of persons living in households where equivalent disposable income is below the at-risk-of-poverty threshold. At-risk-of-poverty threshold represents the lowest annual disposable income that a person would not be considered at risk of poverty. At-risk-of-poverty threshold is defined as 60% of the median equivalized disposable income for all households.

¹⁸ INSTAT, Income and Living Conditions in Albania, 2020

¹⁹ INSTAT, Income and Living Conditions in Albania, 2020

Despite the positive progress mentioned above, poverty remains a sensitive issue in the country from a multidimensional perspective. The more proxy measurement of the poverty dynamics is *at-risk of poverty or social exclusion (AROPE)*, which refers to individuals at risk of poverty or severely materially deprived or living in a household with very low work intensity. It is estimated at 43.4 % of the population in 2020 compared to 51,8 % in 2017²⁰. The same indicator in Europe is 21.9 % of the EU population, with a higher figure in Romania of 35.8% of the population²¹. The country is assessed that *poverty mainly affects the unemployed*, the low-skilled, people in rural areas, vulnerable women, people with disabilities, and Roma and Egyptian minorities. The households with unemployed members have the highest risk-of-poverty rate, 37.8%, in 2020.

Albania has made significant declines in *unemployment* over the past decade, although the unemployment rate remains elevated at 11.5% in 2021. More problematic is the situation for the young people, whereas unemployment reported for the age group 15 – 24 is 27.1%²² for the same year. Young people who are not in employment, education, or training (*NEET*), *are at risk of losing skills*, self-confidence, and motivation. Referring to the labor force survey by the Albanian Institute of Statistics

²⁰ INSTAT, Income and Living Conditions in Albania, 2020

²¹ [Living conditions in Europe - poverty and social exclusion - Statistics Explained \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

²² <http://www.instat.gov.al/media/10021/press-release-labour-market-2021.pdf>

(INSTAT), NEET was 26.1% in 2021, wherein the EU was 17.6%²³ in 2020. Albania continues to suffer from *high informality in the labor market*. ILO estimated informal employment at 56.7²⁴% in Albania in 2019. Informal work can alleviate, to some extent, poverty, but at the same time, it limits upscaling of skills, the productivity of labour, as well as social cohesion.

Another significant contributor to the poverty alleviation during these decades has been the influx of personal remittances in Albania, which ranks among Europe's top countries in remittances as a share of GDP. Remittances amounted to around 9.8% of GDP in 2020²⁵, while foreign direct investment amounted to 7.2% of GDP in the same year. Since the transition, the percentage has progressively decreased from 28% of GDP in 1993²⁶. Despite their significant share in GDP in Albania and almost all regional economies, remittances are mainly used for household consumption and thus do not constitute an essential lever for development. Besides poverty relief, they have also impacted preserving the currency and price stability in the country in all these years.

The unprovoked invasion of Ukraine from Russia has already affected global inflation at high speed. It is expected that higher energy, food, and input prices will further affect the cost of living and economic activity in

²³ [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Statistics on young people neither in employment nor in education or training#Young people neither in employment nor in education or training](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Statistics_on_young_people_neither_in_employment_nor_in_education_or_training#Young_people_neither_in_employment_nor_in_education_or_training)

²⁴ [Informal economy - ILOSTAT](#)

²⁵ World development indicators Database, April 2022

²⁶ [Foreign direct investment, net inflows \(% of GDP\) - Albania | Data \(worldbank.org\)](#)

the European Union (EU). These dynamics are already felt in Albania with rising inflation and may continue with lowering Albanian exports, the remittance flow, and worsening the poverty level in the country. In its statement in May 2022, the IMF strongly suggests the Albanian government more temporary targeted support to the poor and vulnerable through reprioritization of the 2022 budget.

4. Governance a driver of growth

Today, there is an increasing understanding that economic, political, legal, and social institutions are crucial to nations' economic success and failure. In the context of economic growth and development, governance refers to the essential parts of the broad set of institutions. Important governance elements include: *the political institutions of a society* (collective decision-making process and control over politicians, as well as politically and economically powerful interest groups); *the capacity of the state* (the ability of the state to provide public goods in different parts of the country); and *the regulation of economic institutions* (as the state intervenes in encouraging or discouraging economic activity by various actors).

Acemoglu and Robinson (2008) conclude the main determinants of cross-country differences in income per capita are disparities in economic institutions. Though institutions often persist for long periods and have unintended consequences, differences across countries primarily reflect the outcome of different collective choices, which

reflect differences in political institutions and various distributions of political power. As a result, understanding underdevelopment implies understanding why some countries get stuck in political equilibria that result in weak economic institutions.

Solving the development problem entails understanding what instruments can be used to push a society from bad to good political equilibrium. Governance can impact long-term economic outcomes by altering the economic activity structure. The world experience has shown that poor-quality institutions and an absence of clear property rights discourages investments and certainty of returns. Higher-quality institutions are strongly associated with faster long-term economic growth and thus higher per capita incomes. Economies with vital institutions tend to specialize in sectors more prone to technology and innovation. As a result, the increased use of technology can create more medium and high-skilled jobs.

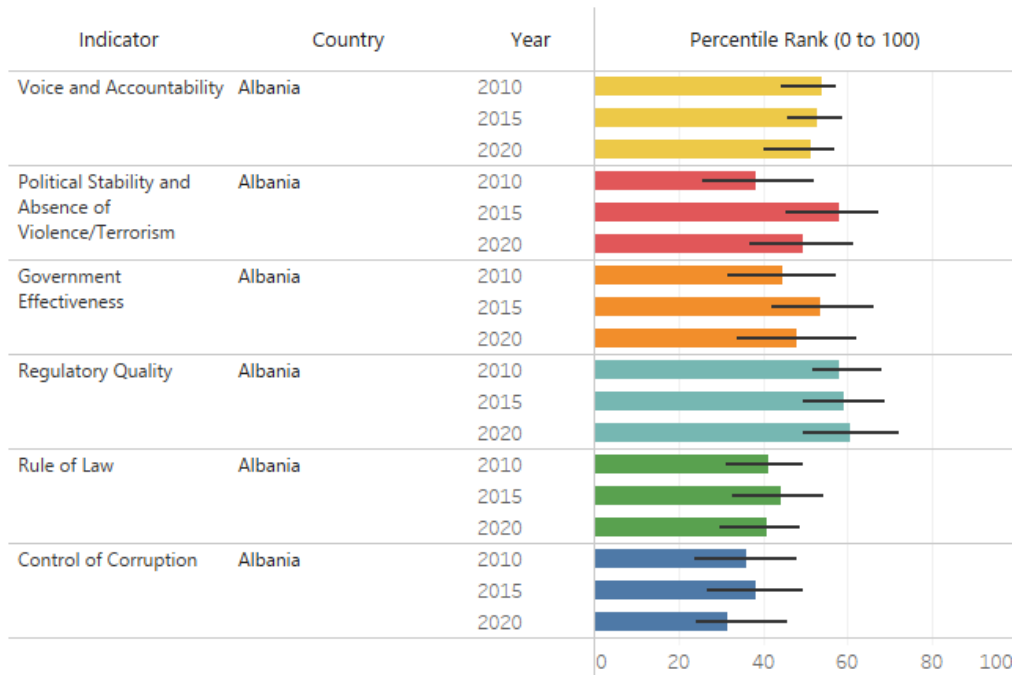
Additionally, the opportunities for technology change will give more chances to the economies with better governance and policies to improve skills in the labor force. Countries with good governance can apply sound fiscal policies and administer their revenues better, providing more social benefits for society. Good governance can be reached in environments with a sound rule of law and good control of corruption.

According to the EBRD 2019 transition report, "...the detrimental effect of corruption is three times greater than the negative impact of extra taxes on firms, because of the greater uncertainty and transaction

costs”. The same report has noted for Albania that “... the government’s ability to fight corruption will reduce the likelihood of an individual intending to emigrate as much as a wage increase of US\$ 400 a month”. Improving governance would yield a sizeable growth dividend that can be traced back to improvements in firm-level performance. A meaningful reduction in firms’ exposure to corruption can be associated with an extra 1.4 % a year in sales growth.

Since 1991, Albania has undertaken enormous efforts to transition from a centralized and dictatorship regime to an open economy and democratic system. The journey is going on, and democracy is still fragile. The country needs to build on its achievement to overcome obstacles related to the capacities of public institutions and inter-agencies cooperation, weak implementation of the rule of law, insecure property rights, corruption and patronage, regional disparities, and limited statistical capacities. The progress of Albania in the governance indicators has been volatile in the last ten years. The country has not been successful to fight corruption and follow the rule of law (*see Figure 4*).

Figure 4. Governance Indicators for Albania



<http://info.worldbank.org/governance/wgi/Home/Reports>

Although, in the last 20 years, Albania’s overall prevalence of corruption has declined. This encouraging long-term trend is more likely to be the product of structural transformations than of successful targeted interventions by the government. State capture is identified as a severe problem in the Western Balkans and hampering the EU integration process. By examining the political aspect behind the weak rule of law, Transparency International reveals a political practice that is very much motivated by patronage and clientelist networks focused on controlling the state for personal profit. According to EBRD, almost 3 % of the

firms' turnover in Albania (the highest value in the EBRD regions) is spent on informal payments, estimated to be less than 0.01 % in advanced economies Estonia and Latvia.

The EBRD has identified that its regions' governance gap relative to advanced economies remains significant, despite its narrowed income gap. The region's economies have achieved the most significant improvements in regulatory quality, making less progress regarding control of corruption, the rule of law, and government effectiveness. In 2016 EBRD revised the transition concept and introduced a new methodology to assess developments and track progress in the transition to a sustainable market economy. The transition qualities are estimated at whether the economies are competitive, well-governed, green, inclusive, resilient, and integrated. In the light of new transition qualities, Albanian has a good performance in integrating economy, competitiveness, inclusiveness, and resilience (*see Table 2*).

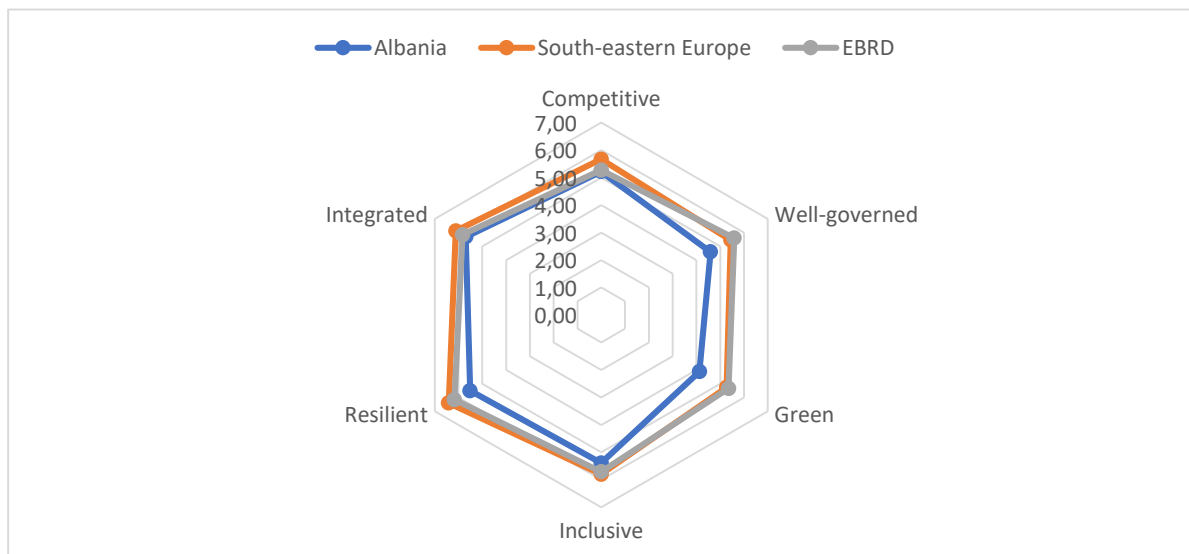
Table 2. Transition Scores for Albania 2016 – 2021.

Year	Competitive	Well-governed	Green	Inclusive	Resilient	Integrated
2016	4.85	5.16	4.16	5.33	5.18	5.53
2017	5.00	5.14	4.12	5.25	5.28	5.76
2018	5.14	5.20	4.14	5.32	5.24	5.80
2019	5.18	4.51	4.13	5.35	5.43	5.69
2020	5.22	4.59	4.13	5.39	5.51	5.69
2021	5.22	4.59	4.13	5.39	5.51	5.69

Source: European Bank for Reconstruction and Development (EBRD)

The country has worsened its governance position and is not progressing in greening the economy. While compared to Southeast Europe and the EBRD region, Albania lags behind both green and well-governed indicators and resilient quality. In contrast, it seems comparable in performing in competitive, inclusive, and integrated (see Figure 5).

Figure 5. Assessment of transition qualities for 2021-22 for Albania with SEE and EBRD region



Source: EBRD

Albania must intensify its governance efforts, be resilient, and go green. Although the country has great potential to adjust to green recovery, there are vulnerabilities to be addressed in governance systems, policies, strategies, and relevant skills. As part of the EU integration process,

Albania has received by European Commission a sizeable financial package and technical support. The Instrument for Pre-Accession (IPA) program has provided targeted assistance to critical reforms in the country. IPA 2014 – 2020 accounted for 5.3% of GDP in Albania (EUR 639.5 million). Most of the IPA II funds, about 53.7%, have been allocated towards strengthening democracy and governance, the rule of law, and fundamental rights²⁷.

IPA III is a new multiannual financial framework offered to the country for 2021-27, which amounts to EUR 14.162 billion, more than twice IPA II financial allocation. It presents a solid policy-driven approach, with the strategic and dynamic deployment of assistance, putting the fundamental requirements for the EU membership at the instrument's core. By further focusing EU financial assistance on critical priorities, IPA III will leverage support for reforms fostering sustainable socio-economic development and bringing the partners closer to the Union's values and standards. The assistance will be delivered in five windows, where the *green agenda and sustainable connectivity* will be a priority with a planned 42% of funding for the region. It will be followed by the *competitiveness and inclusive growth* window with 22% of funding, good governance, and *the rule of law* windows, respectively at 16 and 15 percent²⁸. It is up to Albania to build capacities and keep up commitments in absorbing IPA funds and making the best use of these opportunities.

²⁷ OECD, 2021, Multidimensional Review of the Western Balkans, pg.117

²⁸ https://ec.europa.eu/neighbourhood-enlargement/enlargement-policy/overview-instrument-pre-accession-assistance_sv

5. Conclusions

The EU integration agenda is the flagship of Albania's strategic orientation and driver of sustainable development and democracy. However, it remains the country's responsibility to meet the membership conditions. The technical process will never suffice to complete the European Union membership process without firm political will, an unshakeable vision of a collective future, and more generous support from the EU.

The Western Balkans, including Albania, still must catch up with the EU in many areas. The issue is not to question whether the EU should identify and support the region in overcoming the shortcomings - it should do so, but be mindful that nothing would bring the group together by focusing on how bad the other side is doing. The prospect of Albania's growth will strongly depend over the coming decade and beyond on strengthening its reform efforts to enhance human capital, boost investment, modernize the agricultural sector, and diversify and upgrade its exports. This will require improving the quality and relevance of education at all levels, improving the business environment by tackling corruption and informality, strengthening the rule of law, and strategically shifting to a green agenda.

The perspective of Albania and Western Balkan countries is on the EU. Given the geostrategic importance for the Euro-Transatlantic community, it is time for the EU to act and avoid new potential instabilities in the Western Balkans. Any new initiative for a faster

enlargement in line with the new methodology adopted in 2020 by members of the European Union shouldn't be overshadowed by the latest proposal on the European geopolitical community, which may create uncertainty about the EU enlargement intentions and the real integration of the Western Balkans.

Western Balkan needs more than ever to endow EU enlargement with a new meaning of the reform by opening the accession negotiations with Albania and Macedonia first and accelerating integration for the countries that perform well. A merit-based acceleration is needed rather than arbitrary blocking that has tarnished EU enlargement for years, creating fatigue and undermining trust in the integration process for the Western Balkan countries. The Western Balkan's accession to the EU could help make the European continent a safer and more sustainable place for living.

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