

University of Lodz  
Faculty of Economics and Sociology  
Department of World Economy and European Integration  
Gert Dragoshi, M.Sc.

## **ECONOMIC INTEGRATION OF THE WESTERN BALKANS WITH THE EUROPEAN UNION ON THE EXAMPLE OF ALBANIA**

doctoral thesis in the field of economic sciences written under scientific supervision prof. dr hab. Joanna Wyszowska-Kuna and the assistant supervisor, dr Radosław Dziuba

Lodz, June 02, 2023

### **SUMMARY**

The doctoral thesis is devoted to the integration of the Western Balkan countries (WB) with the European Union (EU), with particular emphasis on the integration of Albania. The Western Balkans is the term adopted by the EU to refer to the seven countries of South-Eastern Europe covered by the enlargement policy. After Croatia's accession to the EU, these countries are referred to as the "Western Balkan Six" (WB6). This group currently includes Albania, Bosnia and Herzegovina, Montenegro, Kosovo, North Macedonia and Serbia. These two terms (WB and WB6) are used interchangeably in this paper.

The main objective of the dissertation is *to assess the integration process of Albania with the European Union against the background of other Western Balkan countries, to identify the main problems in this process and to examine the state of convergence of Albania in relation to the European Union countries against the background of other WB6 countries.*

The following were used to achieve the goal: a query of EU literature and documents concerning the integration process of the Western Balkan countries and Albania, the Albanian Integration Committee, an analysis of Synthetic Development Measures and an econometric method (to examine the level of real convergence of the Western Balkans with the EU), B. Balassa model (RCA was calculated for comparative advantage estimates). In our own primary research, a questionnaire and the method of in-depth individual interview (IDI) were used.

The work consists of an introduction, five chapters, conclusion, annex, bibliography and lists of tables, charts and drawings. The considerations undertaken are theoretical and empirical in nature.

**Chapter I** is theoretical. It presents the essence of the economic integration process and the European Union as its model example. Particular attention was paid to the essence and main assumptions of the EU, the institutional system and tools for reducing differences in the level of development of the associated countries, which are the structural funds. Selected EU institutions with significant competencies in the area of extending the grouping to new countries are also described. The process of EU enlargement by the WB6 countries in the light of the current problems of the EU concludes the considerations in this chapter.

**Chapter II** contains a description of key issues related to the political and economic situation of the countries of the WB6 region, which affect the pace of preparations for EU accession and its realization. An analysis of the main determinants of socio-economic development was carried out and selected indicators characterizing the economic situation of Albania were presented.

**Chapter III** is devoted to the analysis of Albania's integration with the EU and economic relations with other countries in the region. The chapter analyzes the progress of the intra-regional integration process and preparations for Albania's integration with the EU. The types have been analyzed and structure of Albania's pre-accession financing by the EU. Albania's trade with the EU was discussed and the comparative advantages of exports of goods and services to the EU were calculated.

**Chapter IV** concerns the perspective of the accession of the WB6 countries to the EU, with particular emphasis on Albania, the benefits of this process from the point of view of citizens of individual countries, Albanian entrepreneurs and experts, politicians and representatives of institutions dealing with Albania's accession process. The research tools were: a questionnaire and an in-depth individual interview (IDI). The author's own research was supplemented by the results of the annual survey of WB6 countries as part of the Balkan Barometer.

**Chapter V** attempts to identify and estimate the macroeconomic effects of the integration strategy and measure the socio-economic development of the WB6 and EU countries in the action process. An analysis of SMR measures and institutional, structural and economic convergence processes in the WB6 region was made. Potential costs are presented and benefits for Albania from accession to the EU. The last fragment of the work contains a scenario analysis of Albania's integration with the EU.

The conclusion of the doctoral dissertation includes a summary of the conducted theoretical-cognitive and empirical research, as well as synthetic answers to research questions and verification of research hypotheses posed in the work.

The results of the research showed that although Albania has made important steps towards integration with the European Union, it still faces a number of significant social, economic and political.

The undertaken analyzes confirmed that the historical experience and political conditions of Albania and the WB6 countries hinder the process of integration with the EU. The process of preparation for accession did not significantly change the position of the surveyed countries in terms of the level of economic development. In addition, the pace of integration of the countries of the region, including Albania, is determined by the current political conditions and moderate progress in domestic reforms, which means that the process has been going on for over twenty years and the prospect of integration is prolonged over time.

Democratization and reforms of the Albanian economy and the WB6 countries have been supported by EU funds from the beginning of the activities aimed at integrating the region with the EU. It should be emphasized, however, that Albania, despite significant EU funds under IPA II, used them only in 32.8% (as of 2021). Albania's economy does not fully represent a model of a competitive economy that could cope with open and integrated EU markets. However, progress has been made in this regard in recent years.

Social sentiment regarding integration is positive, however, the changing attitude to EU accession in individual WB6 countries should be emphasized, which results from many years of and protracted preparations for full integration with the EU. Entrepreneurs are optimistic about accession. Institutional, economic and structural convergence is taking place in the Western Balkan countries, but it is gradual and differentiated in individual countries.

The problems raised in the work are the central place in the scientific interests of the doctoral student. An integral part of the dissertation are also appendices included in the annex, presenting detailed research results.

**Key words:** *Economic integration, European Union, Albania, Western Balkans, real convergence, Synthetic Measure of Development, competitiveness of the economy.*

02.06.2023v.  
Gert Dergoshi  
