

Nov 7th, 9:00 AM - 5:00 PM

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Recommended Citation

Kora, Holta (Bako) and Gjoni, Albana (Karameta), "European Integration Process - Advantages of EU integration and the challenges that must withstand Albania" (2015). *UBT International Conference*. 8.

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European Integration Process - Advantages of EU integration and the challenges that must withstand Albania

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Abstract. Albania's integration into the European Union, is one of the biggest challenges in these 25 years. To become a member of the EU, Albania must meet the criteria set for all candidate countries for membership in the European Union, approved by the Copenhagen European Council in June 1993. These criteria have political and economic character that predict: justice, freedom and security, guaranteeing democracy, the rule of law, respect for human rights and minorities. To meet these criteria, Albania shall cooperate with the European Union. If the European Integration Process will be classified in several stages, each stage has maximum and minimum length. In this paper main objective is to give a brief, descriptive framework of the challenges that Albania have to face in the process of European Integration together with the advantages of this process and secondly we will list the institutions involved together with their role in the process of Integration. According to theoretical analysis it will conclude that starting from the current phase and the cases of other countries that have undergone the process of European integration, Albania's EU membership can occur after 2-12 years period from 2017 to 2027.

Keywords: European Integration, SAA, advantages, integration process, competitive markets

Entry

Even in sectors where Albania has comparative advantages, there are still problems: the competitiveness of these sectors is based on real factors or on the supply of cheap labor and the added value of export products is quite low.

The low level of diversification makes exports more vulnerable to changes in international market conditions, especially in crisis situations. The EU market is highly competitive and very demanding about the quality, safety and efficiency of supply. Also, these markets are constantly changing, and Albanian exporters must adapt to new market conditions and increasing international competition in these markets.

1. What advantages will gain Albania from integrating to EU?

However below are listed a number of advantages that EU integration brings to our country:

- All the countries that pursue economic integration have a very wide variety of goods and services from which they can choose. Albania's entry into economic integration will help in getting goods and services at very low cost, reduced tariffs and lower prices as for distributors and consumers as the ultimate goal of economic integration is to increase trade across world.
- Integration is a vital strategy for dealing with the effects of political instability and human conflicts that may affect a region. Various options available for the economic integration will help Albania in the liberalization and encouraging trade. This will create opportunities for higher employment of people from around the world, moving from one place to another in search of jobs.
- Economic integration is extremely useful for financial markets, it will help the Albanian government to obtain financial loans at low rate of interest.

- Economic integration helps Albania to increase the amount of money in foreign direct investment (FDI). Once firms start FDI through new operations or through the union, can become an international enterprises. So economic integration is a favorable situation for all firms, businessmen and economies involved in the process.

2. The challenges Albania have to face in the European Integration Process

The process of European Integration, beyond the benefits brings also a number of costs for the country. To achieve these benefits Albania must withstand the challenge that comes from the process of integration costs. There are several challenges that must be faced mainly the government and the Albanian state, but also other authors outside state structures in the progress of the integration process.

- **Strengthen public administration.** Public administration, has an essential role in the process of economic integration. It has a duty to implement the commitments undertaken by the Albanian government in the framework of this process. The European Commission, has been very skeptical about the ability of Albania's public administration to implement the SAA. It is known that without a Public Administration capable to understand the integration process and without the right professional will / conscience, the process of Albania's integration cannot progress.

- **Removal of customs duty.** Albania is a country in which the revenues from customs duties on imported products occupy a high percentage of the state budget, compared with the Member States of the EU or with other countries in the Balkan region. Specifically these revenues constitute 2% of gross domestic product (GDP). The SAA predicts the gradual reduction of customs duties on imported products until the complete removal of customs, in the tenth year after the entry into force of the agreement. Consequently increasingly less revenue will be coming in Albania by customs, until the contribution becomes zero. The challenge in this case is that if Albania would be able to replace customs contribution from other income. And if this replacement of incomes will generally cause economic decline, or will seriously damage certain categories of society.

- **Free competition.** Establishing a competitive market economy, Albania's commitments under the SAA, and in particular the commitment to create a zone of free trade between Albania and the European Community, implies the fate of the business community to be closely related to the country economy. The challenges of European integration between Albania and the European Community, facing also free competition, Albanian products will only be protected by their quality. So profits and losses of the business community will depend on the quality of products that will offer in the market. To overcome the challenge of free competition, Albanian economy should be directed towards those products where Albania has some competitive advantages in comparison with EU countries.

- **The standardization and certification of products.** Standardization and certification of products are two very important elements of trade with the EU. Albania in this field is behind and as a result, very few of Albanian products can enter into the European market. The challenge is, will be able Albania to lead the economy towards sectors where Albania has a comparative advantage in relation to the EU, will be able the government to improve the environment in which Albanian businesses operate and will the standardization and certification of Albanian products be realized to the proper time and degree? Products that need to be standardized and certified are those that are competitive in the European market. Besides large financial costs, besides expertise and good coordination of work on the translation and the approximation of legislation, this process can add another challenge, the one of inconsistency to the specific needs of Albania and the "solutions" proposed by European legislation.

The SAA. To our good fortune because we did not yet have achieved the conditions for such an agreement, the European Union adopted in 1999 a new initiative for 5 Balkan countries, Albania, along with 4 other countries that were, Macedonia, Croatia, Bosnia and Herzegovina and Yugoslav Federation Republic, called the Stabilisation and Association process. This agreement aims to help Albania in fulfilling the conditions it needs to join the EU. But it does not constitute a commitment to integration. This agreement aims to encourage the economic development of the country, supported by parallel assistance programs designed to help these countries to fulfill the obligations of the agreement.

3. Institutions, the main structures of Albania's integration process.

Institutions have an important role in the integration process, among them we have:

- **Inter-ministerial Committee for Integration.** Inter-ministerial Committee for Integration is the highest institutional structure, responsible for the management and monitoring of the whole process of integration in Albania. This Committee is chaired by the Prime Minister and composed of ministers and senior officials from other central institutions. Committee discusses strategy for European and Euro-Atlantic Integration and oversees their implementation by the Council of Ministers proposing the relevant interventions.

- **The Ministry of European Integration (MEI).** MEI carries out these activities: *coordinates and monitors:* Preparations of Albanian institutions and commitments undertaken by them in the framework of the Stabilisation and Association Agreement, the work between ministries and other central institutions to the design of national plans for the European Partnership, the performance of the process of aligning legislation with that of the European Union. It also helps ministries and other central institutions; to draft necessary legislation in order to meet the obligations. *Prepares:* methodological tools in order to facilitate the implementation of sectoral reforms; also designs, in collaboration with line ministries and other central institutions, the National Plan for the Implementation of the Stabilisation and Association Agreement, as well as oversees the implementation of the plan and other programs related to European Partnership. *Assesses:* Compliance of the draft normative acts proposed by line ministries and other central institutions to the EU legislation. Exchanges information and organizes periodical meetings at national, regional and international levels, in view of the European integration process. Monitors and reports on the implementation of the recommendations of the European Commission, issued from joint meetings with the EU, at different levels.

- **Technical Working Committee for the Implementation of the SAA.** Technical Committee for the implementation of the SAA, directs and coordinates policies to implement the obligations deriving from the process of European integration, also directs and coordinates the process of updating the National Implementation Plan of the Stabilisation and Association Agreement, evaluates and approves documents prepared by the Albanian Party, assesses and approves the Albanian's negotiating position during the negotiations with the community in the process of approximation of legislation.

- **European Integration Units.** EU units in line ministries are internal structure of line Ministries, designed to coordinate the process of European integration in the scope of the Ministry to which they belong, serving as bridges and coordination with units of European Integration in other line ministries and the Ministry of European Integration.

- **Parliamentary Committee of European Integration.** The Parliamentary Committee for European Integration has in focus of his work, issues of European integration mainly through the monitoring of compliance of the draft with the "acquis communautaire" and the drafting of reports about these draft laws for parliamentary committees.

- **Stabilisation Association Council** which is composed of representatives of both parties. Decisions of the Council are compulsory for the parties. Parties may address to the Council for disputes that may arise from the implementation of the SAA, and may require interpretation of its provisions.

- **The Stabilisation and Association Committee** - Stabilisation and Association Council on its activities, is assisted by a Stabilisation and Association Committee, which consists of representatives of the Council and the Commission of the European Union and representatives of the associated state. The Stabilisation and Association Committee may create subcommittees and other bodies to assist it in the performance of duties.

- **Stabilisation and Association Parliamentary Committee** - which is composed of members of Parliament and the European Parliament.

Conclusions

EU institutions play an important role in economic integration. Through liquidity and loans contributes to curbing inflation (IMF), through technical assistance develop the private sector (World Bank), through individual or world loans by developing the transport sector, the private sector and

energy (European Bank for Investime), and supporting Small and medium enterprises in their development (EBRD).

From 1991 until now customs duties on imports have been decreasing as a result they have influenced the growth of Albania's trade exchanges. From the findings of the European Commission after the entry into force of bilateral free trade agreements (FTA), trade between the countries was still modest. While after the creation of CEFTA, trade within the region was developed.

Implementation of the Free Trade Agreement with the countries of the CEFTA region, will have a positive impact in accelerating the process of integration into the European Union. Trade liberalization in all its dimensions is a very bold reform that puts the major challenges facing the Albanian economy, which must compete with the economies of the region and beyond.

The Albanian economy has undergone radical changes in the functional concept also in terms of infrastructure of its composition and thanks to its legal and institutional framework development. Ministry of Economy will deepen efforts to support private sector development, in terms of strengthening capacities of production companies, especially exporting companies, in order for them to be successful in international markets.

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