

Society

Policy Brief: WB6 economies must grow quickly to catch up with their EU peers

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EU flag; Photo: Pixabay

VIENNA – Every change affecting the Western Balkan reforms and convergence dynamics towards the EU must be designed by taking into account the “space”, meaning territory, the local institutions that have the capacity to implement the reform forward, and the people, recommends [Policy Brief: “Convergence of the Western Balkans towards the EU: from enlargement to cohesion”](#), published within the WB2EU Network.

The enlargement dynamics and in-built connectivity with the EU provide the rails along which the Western Balkans will develop.

However, in an ever-changing world, we must be aware of competing models of development that

According to the Policy Brief recommendations, people (civil society organizations, small and medium-sized enterprises, academia, or other interest groups) have to be at the center of all policies to ensure democratic institutions.

Ardian Hackaj, the author of the Policy Brief and the Director of Research at the Cooperation and Development Institute (CDI), stated that there is a gap between the Western Balkans and EU member states in human capital, infrastructure quality, the structure of the economy, and local institutions. He added that all of these factors condition the growth of the countries in the region, while the speed of WB6 convergence towards the EU defines the pace of the enlargement process.

“All WB6 countries are fully engaged in progressing in the main reform areas that are transforming their institutions, developing their economies, and improving the quality of life of their citizens, and the European Union, through its enlargement mechanism and funding, is supporting them to make these necessary advancements. But on their way to membership, WB6 economies must grow quickly to catch up with their EU peers, and local infrastructure must be upgraded and extended,” writes Hackaj.

He stressed that during the COVID-19 pandemic, it became evident that to make medical equipment and supplies available to their population, Western Balkans national institutions were forced to closely and quickly coordinate with each other.



space, as defined by the endowment of the territory in production capability and connective infrastructure (transport, energy, and data). Second are the local 'institutions,' which, in a simplified definition, would be the 'structures and mechanisms of social order and cooperation governing the behavior of a set of individuals' materialized in the array of both public and privately owned organizations. The way domestic institutions are set up, function, and deliver defines the efficiency of policy-making and increases or hampers any endowment that a country has in infrastructure or production capability. The third element is the local 'people,'" the author explains.

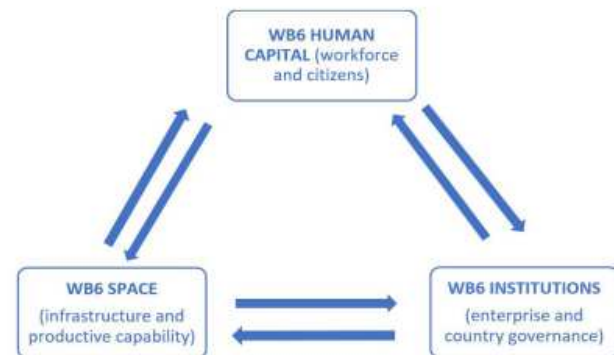


Photo: WB2EU

According to the Policy Brief, these three elements can be represented in a triangle where the nodes of space, people, and institutions permanently interact with and impact each other. It is added that once the Western Balkans is seen as an integral part of a system, the interconnectedness between roads, global value chains, institutional good governance, and levels of education becomes evident.



The challenge for policymakers is to identify

without negatively impacting the rest of the triangle.

“To be realistic, the impact assessment of any intervention should include the three nodes, even if the planned action happens only in one of them. For the change to be durable, we need to factor in the induced change, resilience, and sustainability in each node and, at the same time, the resilience of the whole triangle,” the author said.

According to the Policy Brief, the Western Balkans Six (WB6) countries maintain significant interactions with the European Union. It is added that the EU serves as the only third actor with an official permanent linking mechanism to all WB6 nations through the enlargement process.

The author cites two prominent examples of this interaction: the extension of the EU Trans-European Transport and Energy Networks in the WB6 and the participation of the WB6 economy in EU value chains.

It is said that a substantial portion of the WB6's total goods trade, about 73%, is with the EU, and a significant proportion of their banking systems is foreign-owned, primarily by banks from countries like Germany, Italy, France, Austria, and Greece.

The author underlined various proposals to enhance EU assistance in the region, including “the reinstatement of an EU Agency for Reconstruction and Development,” the establishment of a “joint regional Western Balkan





According to the Policy Brief, the EU's next target in the WB6 is the capacity-building of public institutions.

The Policy Brief is published in the framework of the WB2EU project. The project aims at the establishment of a network of renowned think-tanks, do-tanks, universities, higher education institutes and policy centres from the Western Balkans, neighbouring countries and EU member states that will be most decisive for the enlargement process and Europeanisation of the region in the upcoming years. The WB2EU project is co-funded by the European Commission under its Erasmus+ Jean Monnet programme.

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