



Macedonia Towards EU Integration, In Front of Challenges of Economic Development

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ABSTRACT

Macedonia and its integration into the EU has a difficult road ahead of it, but even this time it will succeed when we compare the difficulties it went through. Once again, it will affirm its right and live equally with all the peoples of the Balkans and beyond. Macedonia's era of independence is characterized by reforms in education, health, trade, state administration, executive, legislature and judiciary, etc. Regional cooperation is a central element of the European Union's efforts to advance the reform process in the Western Balkan countries and to help the region achieve economic prosperity and political stability. In this paper, a special place is occupied by international trade, which is realized mainly in the currencies of large economies that are widely accepted as international means of payment, so Macedonia will pay attention to the economic development of the country. Other problems plaguing developing countries and Macedonia include volatile export markets, deteriorating trade conditions and limited access to markets in industrialized countries. In general, the paper addresses many areas that Macedonia needs to consider in order to integrate into the structures of the European Union. However, the pace, dimensions and scope of Macedonia's EU integration reforms are now addressed by the country's political elite, democratic institutions and its citizens.

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CHALLENGES AND ROADBLOCKS OF THE BALKANS ROAD TO THE EU

After the end of World War II, the countries of Western Europe from an economic point of view came out completely devastated. Therefore, in the first years after the war, Europe began to make efforts to unite in the spirit of solidarity with the aim of leaving behind the conflicts of the past, certainly the aim was to create the model of a generation in peace and economic development. This initiative was not so easy and to dispel these objections that posed a serious problem for the further journey towards the European Union with a "Political Declaration" under the definition of national sovereignty, the political and economic union of European states was required.¹ In this context De Goli presented the difficult economic and social situation of the countries of Western Europe and for the overcoming of which he demanded the formation of the "United States of Europe"². In the context of the creation of the "United States of Europe" we also quote Cercil; The structure of the United States of Europe should be such that small states are as important as large states³ which means that small countries have a place in this community. Under the influence of Cercil's idea, in May 1947, the "United Europe Movement" was created in London, which gathered prominent personalities around it, while in June in the same year, the French Council for a United Europe was established in France, which gathered prominent personalities of the time.⁴

The Balkan perspective towards this united Europe was presented as a bearer of a philosophy, of a historical reconciliation and lasting peace, where in both cases diplomacy was presented as an encouraging factor and supporter of these cooperative policies.

The Balkan specificity, which was characterized by a pronounced isolation for many years, and caused by various political circumstances, had further complicated its image in the face of European societies. The ongoing wars and conflicts that were in the region, had contributed to the creation of a negative perception and relations between nations and their populations, the reality of countries that had emerged from communist regimes, were with a fragile developing democracy and with a series of inter-ethnic wars and conflicts, even though they were small countries in size and population, they carried with them serious historical problems. The Balkan countries, which are economically weaker than all other EU countries, show a high level of unemployment, which may be accompanied by high emigration levels and the fleeing of citizens to the countries, which results in opportunities for them and better living standards.

The path of the Balkan countries towards the EU were also specific, where besides Croatia which managed to become a member of the EU (July 2013), while with the rest were dealing with a division into groups of countries, where Serbia and Montenegro, were considered to be moving towards the path of EU membership. The other group, consisting of Macedonia and Bosnia and Herzegovina, was found to be blocked for various reasons. Macedonia has been penalized for blocking bilateral relations with Greece, due to the naming issue. While Bosnia-Herzegovina, stuck in a difficulty of political functioning and finding consensus for advancement towards the EU, appears completely paralyzed. Albania with the acquisition of candidate status and the possibility of opening negotiations in a favorable period, can join the first group already distanced. Kosovo as an excluded case, despite the fact that five of the EU member states do not accept its recognition, through the progress in the

¹ Werner Wajdenfeld, Wolfgang Wessels, *Evropa prej A deri ne Zh, Doracak i integritet evropian 9perkthimi shqip*, Prishtine, 2004, fq 13-14

² Bashkim I. Zahiti ; *E drejta evropiane, Botimi I dyte, Prishtine, 2003, fq 9*

³ Dr. Skender Berisha; *Integritet Ekonomike Evropiane (ligjerata te autorizuar) Prishtine, fq 1*

⁴ Paskal Milo; *Bashkimi Evropian-ideja, integritet, identiteti e ardhmja "AIBPAPER", Tirane, 2023, fq, 20.*

normalization relations with Serbia, managed to mark a historic step through the Council decision of June 2013, which authorized the opening of negotiations for the signing of the SAA.

REPUBLIC OF MACEDONIA ON THE ROAD TO EU

Now that more than two decades have passed since the systemic changes that prepared the backwardness of the centralized economy, and especially judging by the current level of economic and social development of the country, it can be said unequivocally that as in many other countries of Central and Eastern Europe, Macedonia's experience with the transition has been really painful. As it is known, immediately after the fall of communism, the country's economy went into a difficult situation, sharp social problems appeared in the country, while emigration became a massive phenomenon.

After the declaration of independence in January 1991, the Republic of Macedonia clearly stated its membership in the European Union as one of its strategic interests. By realizing this determination, the Republic of Macedonia legitimized itself as a reliable partner and ally of the European Union, which went through a series of different stages in the development of relations, rapprochement and integration into the EU.

On January 15, 1992, the European Union formed the Arbitration Commission, chaired by the President of the French Constitutional Court, Rober Badinter. The Commission concluded that the Republic of Macedonia meets all the conditions for international accession and that the name does not pose a territorial threat.

However, due to Greece's opposition to the Republic of Macedonia being recognized by its constitutional name, the process of international accession and the establishment of diplomatic relations with the EU was delayed. Full diplomatic relations between the Republic of Macedonia and the EU were established in December 1995 when the mission of the Republic of Macedonia to the EU was opened.

The Republic of Macedonia has been a beneficiary of the PHARE Program since 1996, a program established by the EU to assist the reforms of the countries of Central and Eastern Europe, aimed at joining the EU.

In April 1997, the Agreement on Cooperation between the Republic of Macedonia and the European Union was signed, as well as the Agreement in the field of transport, and then on textiles. Then the European Union opened a representative office, respectively an office of the European Commission in the Republic of Macedonia.

In April 1998, the political dialogue between the Republic of Macedonia and the EU was held for the first time, while in March of the same year, the first meeting of the Council for Cooperation between the Republic of Macedonia and the EU was held. It functioned successfully leading to the establishment of the new body with the Stabilization and Association Agreement.

The European Commission in 1999, forms the new framework in which the EU develops cooperation with the countries of the so-called Western Balkans. (Republic of Macedonia, Bosnia and Herzegovina, Serbia, Montenegro and the Republic of Croatia), which was named the Stabilization and Association Process (SAP).

The European Commission Office was established in 2000 at the level of the European Commission Delegation.

The Council of Ministers of the European Union in December 2000 adopted a Decision (Normative)

establishing the CARDS program, as a program of assistance to the European Union, countries belonging to the stabilization and association process.

The former Yugoslav Republic of Macedonia is the first country to participate in the SAP, which signed the Stabilization and Association Agreement in April 2001.

On March 22, 2004, in Dublin, Republic of Ireland, the Government of the Republic of Macedonia submitted a formal application for membership in the EU, which confirmed the continuous and clear political determination for accession to the Union. With this, the Macedonian government has expressed the will of the state and its citizens to join the EU⁵

At the Brussels Summit on December 17, 2005, the Council of Europe decided that the Republic of Macedonia should receive the status of a candidate country for EU membership. Since then at the end of the year, the European Commission publishes regular reports on the progress of the Republic of Macedonia.

On October 30, 2007, a Financing Agreement was signed between the Government of the Republic of Macedonia and the Commission of the European Communities for the National Program for 2007 under the Instrument for Pre-Accession Assistance (IPA) and the Framework Agreement between the Republic of Macedonia and the European Communities on Cooperation Rules regarding financial assistance. The Republic of Macedonia is the first country in the region whose projects have been approved by the European Commission and the first country in the region to sign a Financial Agreement enabling the use of IPA funds.

On 1 January 2008, the Visa Facilitation Agreement and the Repatriation Agreement with the EU entered into force.

On 18 February 2008, the European Council approved the Pre-Accession Partnership for the country, renewing the previous European Partnership from 2006.

In February 2008, the dialogue on visa liberalization for the citizens of the Republic of Macedonia started.

In March 2008, the European Commission adopted a communiqué on the Western Balkans, which included provisions for the transition to the next stage of the pre-accession process. In May of the same year, the European Commission and the definitions, according to the blocks, which had to be fulfilled by the Republic of Macedonia, were precisely defined.

On March 12, 2009, the European Parliament adopted the Resolution on the Progress Report of the Republic of Macedonia in 2008, which proposes the start of EU membership talks.

On July 15, 2009, the European Commission, based on the implemented reforms and the achieved results, decided to submit a proposal for granting visa liberalization to the citizens of the Republic of Macedonia.

According to its report published on October 14, 2009, the European Commission decided to propose the opening of negotiations for the accession of the Republic of Macedonia to the European Union. The decision was adopted on the basis of the convincing progress achieved and the considerable work of key reform priorities, known as the 8 + 1 definitions, and in particular the fulfillment of the Copenhagen political criteria.

⁵ Musa Limani- Integritet Ekonomike Evropiane, Prishtine, 2008, fq.49

On December 1, 2009, after a long and arduous process of negotiations, after the unsuccessful referendum in France and the Netherlands, then also in Ireland, with a new attempt and with some concessions, the Lisbon Agreement entered into force. which, in addition to increasing the competencies of the European Union, the European Parliament and the national parliaments of the member states, paved the way for the reforms of the enlargement institutions with new EU member states, including the Republic of Macedonia.

On November 30, 2009, the European Council, at its meeting, adopted a decision on visa liberalization for the citizens of the Republic of Macedonia, valid from December 19, 2009.

The European Parliament, in its meeting held on February 10, 2010, voted on the Resolution on the Progress Report of the Republic of Macedonia in 2009, in which it asks the European Council, without further delay, at its Summit in March 2010, to approve the recommendation of the European Commission and to approve the decision to start accession negotiations with the Republic of Macedonia, noting that the clear prospect of EU membership is the main driving force for reforms in the country, extremely important for political stability and is the common goal of political actors and ethnic groups in the Republic of Macedonia.

Accession to the European Union

Each country that will become a full member of the European Union, expresses its intention by submitting an application for membership which it submits to the Council of the European Union. The Council obliges the European Commission to assess the ability to meet the criteria and conditions for state accession to the EU.

The criteria that every country must meet are known as the Copenhagen Criteria, and can be divided into political, economic and administrative. Regarding the political criteria, it is about the stability of institutions that will guarantee democracy, the rule of law, the protection of human rights and the respect and protection of the rights of minorities.

The criteria adopted by the Council of Europe at the Copenhagen Meeting in 1993 include the existence and functioning of a market economy, namely to be able to deal with market repression and the rules of the European economy, respectively to deal with the suppression of competition and the powers of the market within the Union. (economic criteria)

Also, each candidate country must be prepared to undertake all obligations and responsibilities in terms of accepting and fulfilling the goals of political, economic and monetary unity (criteria for creating *acquis communautaire*).

The so-called administrative criteria, known as the Madrid Criteria, set out at the 1995 Council of Europe Meeting, require that each candidate country be able to create the conditions for adapting the national administrative structure to the mechanisms that operate in the public administration of the EU. If the opinion of the Commission is positive, while the Council unanimously contains the approval of the negotiating framework, the negotiations for the entry of the new member are considered officially started (open).

A necessary precondition in the accession process is the adoption of a pre-accession strategy whose purpose is to prepare the country for future membership. The pre-accession strategy includes numerous documents and mechanisms such as the accession agreement, the stabilization and accession agreement, economic agreements and conventions, the European partnership, pre-accession assistance, co-financing by international financial institutions, participation in EU programs, the work of EU agencies,

adoption of the national program for the adoption of European norms and reports on progress towards political dialogue.

The first step in the negotiation process is the so-called screening, namely the analytical review and harmonization of the normative of the candidate country with the normative of the EU. Screening is implemented according to the thematic chapters, while based on the positive report for the completion of the screening for each chapter a negotiation process is further opened. It is preceded by the determination of the negotiating positions of the candidate country.

The European Commission continuously informs the Council of the European Union and the European Parliament on the progress in the negotiation process, while the reports of the candidate country serve as a special guide for the quality of the preparation for EU membership. During the negotiations, the candidate countries receive assistance from the EU to enable them to more easily reach the level of economic development of the Union.

When the negotiations for all chapters are completed, the Council of the European Union and the candidate countries, based on the conclusions of the negotiations, jointly formulate a draft agreement for accession to the European Union. The draft agreement must receive a positive opinion from the Commission. European Union and unanimous support from the European Parliament before being ratified by European Union member states. Upon completion of the ratification process of the accession agreement in all member states, the candidate country becomes a full member of the European Union.

The increased benefits of European integration

The high degree of interdependence of Macedonia's political and institutional developments with those of the country's economy does not leave much room for formulating specific recommendations on what Macedonia needs to do to benefit as much as possible from its European integration process. In any case, there is only one answer, which has already been proven by the member states before Macedonia in this union: the continuation of the reforms and the rigorous implementation of those undertaken earlier. And in this process is needed not only the preservation of the macro-economic stability of the country, but also a pragmatic and balanced treatment that takes into account both the benefits or opportunities created by the European integration process, but also the risks of this process. That is, the government should exercise its responsibilities with the aim of involving all various institutional actors and the public in this process, as well as raising their awareness step by step. An important element for the normal development of the European integration process remains the political climate in general and the political consensus on the key reforms that guarantee the success of the process. The political developments of the period after 2015 and especially during the last two years, characterized by a political stalemate and the introduction of pro-integration reforms in function of the political agendas of the parliamentary majority and minority, but not in the context of the country's rapprochement with the EU. in, have created an unnecessary additional cost as well as worsened the performance of the integration process in general. A positive sign was the Przino political agreement between them, but it is still uncertain whether electoral reforms, economic developments, institutional developments, market reforms as a whole along with legal reforms will take place in order to accelerate the country's European integration..

Macedonia took the biggest step towards membership in the global economy on the occasion of joining the World Trade Organization (WTO) in April 1993. Changes need to be made in terms of access to FDI as they include a percentage of less than 2% of GDP, with the exception of 2001 and 2007 which is a very small value compared to other countries.

Foreign direct investment in the country (in million US dollars)

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2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011
215.1	447.1	105.6	117.8	323.0	97.0	424.2	699.1	587.1	197.1	211.0	463.3	132.2

Source; www.nbrm.mk⁶

From the data in the table we can conclude that the performance of FDI has different trends. Most investments were sucked in 2007 (\$ 699.1 mil) and the lowest FDI level was recorded in 2005 (\$ 97 mil)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
6.0%	13.0%	2.8%	2.5%	5.9%	1.6%	6.5%	8.6%	6.0%	2.1%	2.3%	4.5%	0.9%

Source; www.nbrm.mk

The largest share of FDI in GDP was reached in 2001 with 13% which is the result of telecom sales and in 2007 with 8.6% while in other years we have a fluctuation of figures and with a not so great value. Theoretically foreign investments directives can contribute to increasing the well-being of both developed and developing countries.

The problems faced by the SEE countries and Macedonia.

Macedonia's economy went through a difficult transition process, due to the collapse of the Yugoslav common market, as well as the problems that Macedonia faced in international relations in the early years after independence. It should be noted exclusively the high political risk which was pervaded by investing in Macedonia, in war-skills, locked in its borders, economic blockade, inflation and instability, strained relations with Greece and the constant risk of escalation on interethnic relations, stability, change of economic and political system in unfavorable conditions, non-recognition of Macedonia as an investment territory in the period when all of Central and Eastern Europe were opened as investment territories. The government and the opinion of the citizens of Macedonia are that this country should be in the EU family as soon as possible. However, EU membership is not done willingly, but by meeting the conditions and criteria for accession to this economic integration; The development of democratic processes in the beginning was very slow, human rights violations (especially of Albanians), equality and human freedom, political and economic situation in countries, rule of law, the degree of corruption in institutional structures, organized crime and economic crime, drugs, prostitution, etc. Over the years, there is always an advancement in the Republic of Northern Macedonia in meeting the conditions and criteria set for EU membership)

However, the pace, dimensions and scope of Macedonia's EU integration reforms are now addressed by the country's political elite, democratic institutions and its citizens.

Conclusion

Macedonia, as a small country, declares and has one of its priority policies its integration into the EU, but this declaration, how much is implemented and executed, is another matter because even today it faces political and socio-economic problems that are still unresolved. These problems deepen in the country because it forgets that the time in which we live is with dynamism and great changes in all spheres of life, especially in the political sphere that many countries have overcome these problems very early. Macedonia is still in the period of transition and with problems that still continue; High unemployment, informal economy, corruption, inefficient courts, lengthy and non-transparent procedures, inter-ethnic tensions and other problems. Regional cooperation is a central element of the European Union's efforts to advance the reform process in the Western Balkan countries and to help the region achieve economic prosperity and political stability. Its political and operational configuration has

⁶ W.W.W. NBRM. MK.

evolved and is still evolving depending on the political and economic dynamics on the ground. Cooperation between countries and meeting the criteria in EU documents is the fastest way to join the EU, which shows that responsibility must be taken by each country individually, through regional cooperation and in cooperation with the EU.

Macedonia has no alternative but to actively pursue a political policy towards integration into global currents. This is undoubtedly achieved by increasing economic growth which depends on a large number of factors such as: increasing productivity, increasing accumulation, saving, investment, natural and human resources, increasing savings, protecting property, raising the quality of institutions such as and implementation of long-term structural economic reforms. So, Macedonia must provide quality products and services that the global market requires. It must develop those economic branches that have resources and to focus on building industrial capacities and quality services. Changes also need to be made in terms of access to FDI because they include a small percentage above 2% of GDP which is a very small value compared to other countries. The priority policy is to use European funds through the provision of projects for more efficient implementation of these funds.

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