Integration and Economic Globalization: 
Analysis of Selected Western Balkans’ Countries

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ABSTRACT  Integration and globalization are two social phenomena which are not shown only in modern societies, instead have been present since the earliest times. The purpose and intent of both of them remains the same, however the difference between integration and the globalization at early time and today is in the form and intensity of their occurrence. Advantages and the benefits of economic cooperation are numerous for integrated member countries, but two of them to be singled out are: the promotion of economic growth and growth of human welfare. When we talk about the economic cooperation among member states we have in mind not only the implementation of international trade as one of the most common economic activities, but also other activities which have recently been more numerous, such as: the provision of international services, loan and lending, the harmonization of trade policies, taxes, adoption and implementation of international conventions and rules, foreign direct investment flows, the functioning of international capital markets, the issue of ownership etc. Regional economic integration is realized in different forms and different levels. Depending on their intensity they can be: a free trade area, customs union, common market, economic union and political union. Shortly after Second World War, economist Haberler named this period as “integration period”. End of the last century and the beginning of this century culminated in the establishment of these integrations. Undoubtedly, the gains and the benefits of integrating these countries exceed integration economic reasons and a number of them also have in mind the political reasons as well. Globalization is a social phenomenon, for some it is a social process, which has also affected the way of functioning of the country and the whole world in general. In countries where the globalization influence is great, the benefits are greater, and vice versa in countries where the globalization influence and his presence is small, the benefits are limited. There are different opinions regarding the impact of globalization on a society. A number of them support it, while a number of others are against it. Since our countries are countries with open economies to the global economy, they cannot avoid this phenomenon. It is understandable and also ability of our countries to try to profit as much as they can from the positive side of the process of globalization. By using different economic methods, in this paper I will try to focus on the study of the impact of these two phenomena in the economic development of countries in general. Special treatment will be given to regional trade and foreign direct investment.

KEY WORDS  Integration, globalization, world trade, Albania, Kosovo, Macedonia, Balkans

JEL CODES  F10, F14, F65, O24
1. Economic Integration as part of Globalization

Economic integration is not a new phenomenon in the world, but it has been present since ancient times. Its origin is found in the ancient time, but the first genuine economic integration is the integration called “The German Customs Union” or otherwise known as the Zollverein that was established in 1818 (Encyclopedia Britannica, 2012).

However, a greater development of regional economic integration happened in the second half of the 20th century. From this time onward economic integration represents not only a phenomenon which occurs worldwide, but it has turned into an ongoing process that is very important for the development of national economies. In the modern economy there is almost no country in the world that would not be interested in joining any economic integration, either at a regional or even at a global level.

Economic integration represents a cooperation of economic activities between two or more countries for the purpose of accelerating their economic development. By collaboration of economic activities, we include all the possibilities of economic activities that can be undertaken by member countries. So here we are not dealing only with the trade exchange of member countries, but also with other economic activities, such as: foreign direct investment, provision of credit, borrowing, harmonization of trade policies, taxes, various forms of ownership, legislative policy international rules, etc.

Undoubtedly, the main activity of economic cooperation in the past, but also nowadays, is trading that has a special place among the member states. Other economic activities that are undertaken by member countries that we mentioned above started to appear recently. These activities in new times are getting ever richer and are present in various forms. The essence of all theories of international trade is that international trade is in favor of economic development of all countries involved in international trade. Specialization and the international division of labor increased the total amount of global production, and increased welfare of the population.

The year 1957 is rightly called the year of global economic revolution, because in this year in Rome, Italy signed the Agreement for the establishment of the European Economic Community. The beginning of the second half of the twentieth century was rightly called the “integration period” by the economist Haberler. That is the time when many countries, especially African and Asian ones become decolonized and independent. The actuality and intensity of the establishment of regional economic integration did not stop at the ending of the same century. Instead, this process of economic integration not only continued, but deepened and intensified even more, and today represents one of the most actual topics and main concerns in the world.

The number of regional economic integration in the world constantly increases and currently 180 are in force (WTO, 2012). Of course this number is relative, and the intensity of their operation is different. Some of them are very active, others operate with less intensity, but there are also the ones that do not function at all and that abolish their activity.

2. World Globalization as an Irreversible Process

During the last three decades in the field of social sciences, the topic of globalization has been an actual topic, but also a topic which has been treated more controversial. In the past fifty years the publication of different scientific titles and projects which examine the process of globalization has not stopped, rather they have reached their circulation record number.

A number of authors claim that the processes of economic globalization precede other social processes. "The dynamics of globalization is driven by economic forces, but its most lively effect is
felt in politics" (Müller, 2003). The theoretical basis of globalization is the economic theory that is based on neoliberalism, which means it is a dynamic social process that targets the liberalization of international trade of goods and services. Economic globalization is characterized by free action of corporations outside the state borders with the main goal of profit maximization.

In economic theory, in terms of globalization there are numerous opinions presented. Most support this process, but there are others who criticize. The former, optimists, support globalization and see the future of the world full of hope and enthusiasm, but the other party, the pessimists talk with concern and skepticism about the future of the world.

In general, economists are in favor of globalization. They support globalization for many reasons (increased production, free movement of goods and services, technological development, and improvement of the welfare of the population), but there are those who have serious objections to the interpretation and application of globalization, especially international financial institutions such as the International Monetary Fund and the World Bank.

Thus the opinion about globalization is divided and we can say that globalization has its own advantages and disadvantages. It has "good things" and "bad things". Denial of the achievements in globalization would be conservative, as well as neglecting problems that are rightly pointed out by antiglobalists.

The process of globalization should be studied on a real scientific and objective basis. All its positive and negative sides must be made obvious. If any condition imposes only one side of the medal, than it can easily be turned into an ideology. For the meaningful science every fundamentalism, in this case the fundamentalism of free market of optimists and protectionist of neokkeynesian ones is not scientific and unacceptable. Of crucial importance is the fact of how this process is administered and managed and how able the countries are to benefit from this process. Most of the countries that "suffer" from globalization are those countries that are not involved in the process of globalization itself. The process of globalization has certainly a segment of society which is not doing well such as the emergence of the global financial crisis which certainly has its faults and requires correction and overcome this problem zone. A solution is found in better management of international finance, reformation of international financial institutions and better governance of them. The world needs a 21st century capitalist system, the need for a new government, creating even new financial institutions, and new economic thoughts in order to achieve a sustainable economy and increase the welfare of humanity. The main determinants of economic globalization are: international trade liberalization, development of foreign direct investment, capital markets development, regional economic integration, and the development of technology and the increasing role of international financial institutions.

All the above-mentioned determinants have their impact on the development of economic globalization. The importance and their weight is outstanding. Everything has had its own development rhythm and its impact. An undeniable fact is that these have a cohesive connection between each other which means that their development is related to one another.

2.1. International Trade

The liberalization of international trade is one of the main determinants of globalization. There are different opinions of economists in terms of interdependence between foreign trade liberalization and economic growth. Almost everyone agrees that the economic growth of a country depends greatly from the opening of the economy to the world economy. Many share the opinion that the system of free market economy along with international trade are among the
2.1.1. The Trend of International Trade

Today there is no dilemma that the development of international trade is the "engine of a country’s economic development ". It stimulates the growth and welfare of the population. If we refer to statistical indicators we will see that in almost all of the periods global merchandise trade has been growing larger than the GDP of the world level. Such a thing can be seen from the figure 1.

![Figure 1: Increase in the volume of world trade goods and GDP, 1998-08](image)

Source: WTO, 2011
From the graphics above, it can be seen that the growth pattern of export of goods has doubled almost each year and is almost twice as great as the growth rate of the global GDP.

### 2.1.2. The Trends of International Trade in Albania, Kosovo and Macedonia

The development of international trade has become a condition and a priority to the economic development of Western Balkan countries. On the following table is given an overview of the international trade of these countries.

<table>
<thead>
<tr>
<th>Table 1. External trades cope of Western Balkan countries, 2011 (in milion USD)</th>
<th>Albania</th>
<th>Kosovo</th>
<th>Macedonia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exchange volume</strong></td>
<td>7.056</td>
<td>5.523</td>
<td>11.462</td>
</tr>
<tr>
<td><strong>Export</strong></td>
<td>1.875</td>
<td>1.294</td>
<td>4.455</td>
</tr>
<tr>
<td><strong>Import</strong></td>
<td>5.181</td>
<td>4.229</td>
<td>7.007</td>
</tr>
<tr>
<td><strong>Trade deficit</strong></td>
<td>3.306</td>
<td>2.935</td>
<td>2.552</td>
</tr>
<tr>
<td><strong>imp-ex cover in %</strong></td>
<td>36.2%</td>
<td>30.6</td>
<td>63.6</td>
</tr>
</tbody>
</table>

*Source: World Bank, 2012*

From the table we can see that Albania's total trade exchange in 2011 was 7,056 million USD of which 1.875 million USD were export and $ 5,181 import. Export import coverage is 36.2%, which is a very small coefficient. This tells us that Albania in foreign market, exports less goods and services than it does import. The situation is not better in Kosovo. Coverage of imports by exports was only 30.6%, while that of Macedonia is better, such as 63.6%. This shows that Kosovo and Albania are not only more closed to the global economy, but also that the structure of trade exchange is unfavorable.

Such a conclusion can be supported by the analysis of the share of exports and imports in Gross Domestic Product in 2011 by Albania, Kosovo and Macedonia. This economic indicator tells us how a country's economy is open to international trade. The most favored are those have a leveled export and import. Share of exports in GDP in Albania is 30%, 20% in Kosovo and in Macedonia 49%. In the first two countries this percentage is lower than in the EU member states where the percentage reaches 42%. Despite this the share of imports in GDP of these countries is much higher in these countries, 51% in Albania, and 66% respectively in Kosovo. This indicator in the average level of the EU member states is 42%. Unfortunately our countries have much greater import than export, which does not help our economic development. This situation has made, that these countries for years now, show the trade deficit in the balance of payments, and that each of them every year exceeds the figure of two billion dollars. Large trade deficit of a country exposes its economy to global crisis.

<table>
<thead>
<tr>
<th>Table 2. Share of exports and imports in GDP, 2011</th>
<th>Albania</th>
<th>Kosovo</th>
<th>Macedonia</th>
<th>EU</th>
<th>Euro zone</th>
<th>OECD</th>
<th>WORLD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>% of export in GDP</strong></td>
<td>30</td>
<td>20</td>
<td>49</td>
<td>42</td>
<td>43</td>
<td>25</td>
<td>28</td>
</tr>
<tr>
<td><strong>% of import in GDP</strong></td>
<td>51</td>
<td>66</td>
<td>72</td>
<td>41</td>
<td>41</td>
<td>25</td>
<td>28</td>
</tr>
</tbody>
</table>

*Source: World Bank, 2012*
Trade ratio between states of Albania, Kosovo and Macedonia is very interesting and should be treated with special care. If we refer to the statistical data we will find the following statement.

Table 3. Exchange, export and import of Albania with certain countries, 2011 (in millions of USD)

<table>
<thead>
<tr>
<th></th>
<th>Exchange</th>
<th>Import</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount %</td>
<td>Amount %</td>
<td>Amount %</td>
</tr>
<tr>
<td>1. Albania</td>
<td>7.056</td>
<td>1.875</td>
<td>5.181</td>
</tr>
<tr>
<td>2. Kosovo</td>
<td>131</td>
<td>97</td>
<td>34</td>
</tr>
<tr>
<td>3. Greece</td>
<td>645</td>
<td>95</td>
<td>550</td>
</tr>
</tbody>
</table>

Source: INSTAT, 2012

Trade exchange between Albania and Kosovo in 2011 was 132 million USD. Albania exports in the same year in Kosovo were 97 million USD, while imports from Kosovo seized an amount of 34 million USD. Albania’s positive trade balance was USD 63 million. Although the trade between these countries in the last five years has increased fivefold, derived values show that even this year the total amount of trade exchange between these two countries is still very low and far from the possible potential. The participation rate among these countries in the overall rate represents only 1.9%, exports by 5.1% and imports by 0.7%. Albania in relationship to Kosovo has a positive trade balance of 63 USD million. Two neighboring countries made by the same folk to exchange goods between themselves symbolically, even less than Asian countries.

On the other hand if we look at the exchange of Albania with Greece in the same year we will see that it is a total amount of 645 million USD where the export is 95 million USD, while imports were 550 million USD. Participation of trade exchange between these countries in the global exchange is 9.1%, exports by 5.1 and imports by 10.6%. Albania in relation to Greece has a negative trade balance in the amount of $ 455million.

An identical unfavorable situation for integration among the Albanian population is happening with trade exchange between Kosovo and Serbia. This can be seen from the table below.

Table 4. Exchange, export and import of Kosovo with certain countries, 2011 (in millions of USD)

<table>
<thead>
<tr>
<th></th>
<th>Exchange</th>
<th>Import</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount %</td>
<td>Amount %</td>
<td>Amount %</td>
</tr>
<tr>
<td>1. Kosovo</td>
<td>2.811</td>
<td>319</td>
<td>2.492</td>
</tr>
<tr>
<td>2. Albania</td>
<td>131</td>
<td>34</td>
<td>97</td>
</tr>
<tr>
<td>3. Serbia</td>
<td>261</td>
<td>7</td>
<td>254</td>
</tr>
</tbody>
</table>

Source: INSTAT, 2012

The trade exchange between Kosovo and Serbia is two times bigger than with Albania, whereas even more unfavorable is Kosovo’s import of goods, which with Serbia in 2011 reaches an amount of 247 million USD. The situation would be even more difficult and cumbersome to Kosovo if last year, the northern border for the import of goods from Serbia had not been blocked. Can the trade exchange between Albania, Kosovo and Macedonia increase? No matter that in the recent years the economic cooperation between Albania, Kosovo and Macedonia has significantly
increased (in the five past years it has increased fivefold), yet it is still quite low. Now that there are no political and legal barriers, Albanian economic cooperation must grow and be much larger. It should also produce wider assortment of products and services from both countries in order to be able to offer more to each other.

### 2.2. Foreign Direct Investment and Economic Development

Foreign direct investments (FDI) are investments carried out by individuals or foreign firms of production factors outside borders in order to achieve profit. FDI also circumpasses acquisitions of existing firms in the host country by foreign buyers. Foreign direct investments are undoubtedly one of the main factors which promote the development of the world economy towards economic globalization. The market along with FDIs is known as the motor force of economic growth and strong force global integration. IDH's have a great importance in the development and improvement of economic progress of our country not only for the flow of capital, but also to increase employment, increase production, export, advance the process of production, technology, transfer, and to use optimal production capacity. A very important issue in terms of FDI is that the host country benefits from FDI. So the interest and benefit of the host country should be given special attention, because foreign investors have one main goal, that of maximizing their profit. Therefore, they focus on economic branches where they can get most profit, such as banking, telecommunications and transport. In the recent years, in the market of these countries over 70% of FDI have been concentrated in the banking sector and communication sector.

FDI serve as a complement to domestic investment and these are welcome, especially when these are scarce in the economic development of a country. All countries are in need of FDI regardless of their level of economic development. In Western Balkan countries FDI inflows lately give effort to attract FDI, but their level is not satisfying. These countries still have a need for more foreign direct investment. The table below gives the trend in the period of 2007-2011.

**Table 5. FDI inflows of Western Balkan countries, 2007-2011, in million USD**

<table>
<thead>
<tr>
<th>Country</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>662</td>
<td>958</td>
<td>964</td>
<td>1.109</td>
<td>742</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>2.071</td>
<td>982</td>
<td>240</td>
<td>231</td>
<td>432</td>
</tr>
<tr>
<td>Kosovo</td>
<td>603</td>
<td>537</td>
<td>408</td>
<td>457</td>
<td>546</td>
</tr>
<tr>
<td>Macedonia</td>
<td>699</td>
<td>587</td>
<td>197</td>
<td>207</td>
<td>409</td>
</tr>
<tr>
<td>Monte Negro</td>
<td>934</td>
<td>960</td>
<td>1.527</td>
<td>760</td>
<td>401</td>
</tr>
<tr>
<td>Serbia</td>
<td>3.432</td>
<td>2.996</td>
<td>1.935</td>
<td>1.340</td>
<td>2.700</td>
</tr>
</tbody>
</table>

*Source: World Bank, 2012*

As you can see from the table above foreign direct investment from 2007 up to 2011 indicate a slow growth. In all Western Balkan countries except Albania from 2007 to 2011 the volume of FDI is reduced. Even in these countries the volume of FDI in 2011 did not reach the volume of FDI States in 2007, the year before the onset of the global economic crisis. This confirms the coherence and impact of the global economic crisis by the European Union to the Western Balkan countries. Greater slowdown is happening in Macedonia, which at the same time is the country with less foreign direct investment; however from this perspective the country that stood out the best is Albania, which in these times of turbulence in terms of FDI had a stable trend.
The main reasons for such an outcome are essentially: corruption, weak state institutions, insecurity of property and capital, political and economical instability etc.

Usually in economically developed countries the share of FDI in GDP is around 20%, while the indicator fails at analytical countries reaching nearly 10%. Increasing the share of FDI in the future will help greatly to the economic development of these countries. A more detailed coverage in this area will be given as follows, starting with Albania.

Table 6. The share of FDI in GDP in Albania, 2007-2011

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>10.705</td>
<td>12.969</td>
<td>12.119</td>
<td>11.858</td>
<td>12.959</td>
</tr>
<tr>
<td>FDI</td>
<td>662</td>
<td>958</td>
<td>965</td>
<td>1.109</td>
<td>1.200</td>
</tr>
<tr>
<td>% e FDI in GDP</td>
<td>6.1</td>
<td>7.4</td>
<td>8.0</td>
<td>9.3</td>
<td>9.2</td>
</tr>
</tbody>
</table>


Although the share of FDI increased from year to year, it is still small and does not exceed not even 10% of the GDP.

Table 7. The share of FDI in GDP in Kosovo, 2000-2011

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>4.677</td>
<td>5.641</td>
<td>5.434</td>
<td>5.583</td>
<td>6.446</td>
</tr>
<tr>
<td>FDI</td>
<td>603</td>
<td>537</td>
<td>408</td>
<td>457</td>
<td>546</td>
</tr>
<tr>
<td>% e FDI in GDP</td>
<td>12.9</td>
<td>9.5</td>
<td>7.5</td>
<td>8.2</td>
<td>8.5</td>
</tr>
</tbody>
</table>

Source: World Data, 2012
In the recent years the share of FDI in GDP in Kosovo has been also below 10%.

Table 8. The share of FDI in GDP in Macedonia, 2000-2011

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDI(mil)</td>
<td>331</td>
<td>356</td>
<td>145</td>
<td>221</td>
<td>303</td>
</tr>
<tr>
<td>% GDP</td>
<td>4.0</td>
<td>3.6</td>
<td>1.5</td>
<td>2.4</td>
<td>3.0</td>
</tr>
</tbody>
</table>


Macedonia stands even worse off in the share of FDI in GDP. It even circles around 3-4% that does not give an opportunity to the country's economic growth.

The FDI growth in countries such as Albania, Kosovo and Macedonia should be a priority in the future. Its investment even within their own countries should be intensified and deepened. FDI with each other are not numerous yet, except some projects by private companies such as commercial, hotel and service ones. These countries have numerous interests for the implementation of much larger projects and with a common interest. It is enough to just mention the energy power system which is already insufficient for the entire region.

3. Inter-Albanian Integration and Beyond of the Albanian

Enviable geographical position of the Albanian territories and non-political and economic stability of the Albanian state in the past have encouraged people to covet neighbor robbery and partition of the Albanian territories. Albania's communist system, one of the most wild in Europe, not only adversely affected the country's economic development, but it also destroyed the country spiritually and left deep traces to Albanian people, thus making them isolated from the world. From this common prison, Albanians began to move out of the country only in the last decade of the last century.

Integration of the Albanians was welcomed by European and world civilization, but it was difficult and full of surprises. Economic integration required a lot of work and certain prerequisites and standards. Construction of roads, harbors opening, renovation and construction of airports, electricity grid was necessary. Albania, Kosovo and Macedonia, as well as many other countries in their development policy during the transition period have had their membership priority in the framework of the Euro-Atlantic structures and the development of international trade.

By many polls and surveys made, it shows that in these countries, most of the Albanian population is in favor of integration and membership in regional and global integration. It is said that the integration of the country is in favor of economic development and the welfare of the population growth. However the globalization indices for these countries show that these places haven’t achieved obvious results in the integration and development of the globalization. Based on the globalization coefficient calculated by the Swiss Institute in Zurich, Albania is ranked 82th out of a total of 202 countries listed, with a total of 58 points, while on the basis of economic criteria it occupies 67th place with 65 points. Other criteria, political and social indices are much weaker than economic.

All these three countries in almost all their governments over these past twenty years of transition have formed the Ministry of Integration. The purpose and mission of this ministry is to make technical running and coordination of the integration process in the European Union.
countries. Their task is to develop integration policies, the approximation of national legislation with the European Union and the implementation of the recommendations of the EU regarding the fulfillment of membership criteria. Under these ministries many documents and national strategies for integration have been designed and approved in a government level too.

Under these documents, plans and agreements that Albania and Macedonia signed together, it is necessary to mention the most important ones that have to do with integration: Stabilization and Association Agreement, the Interim Agreement on Trade and Trade Cooperation, the European Partnership, U.S. Partnership National Strategy for Development and Integration, etc. In 2008 at the Bucharest Summit, Albania was invited to become a member of NATO, while at this stage Albania is still pending and with good chances to win the status for candidate of EU. Macedonia this statute has won since 2006, but its status is blocked by the southern neighbor to join both NATO and the EU. Kosovo this year makes the first steps towards EU integration.

Establishment of Free Trade Area within the Western Balkan countries is no longer just an idea, but a process that is initiated and about to become reality. Such a step would help considerably increase trade exchange, attracting foreign direct investment and economic development of these countries. Albania, Kosovo and Macedonia are signatories of CEFTA. CEFTA is a forum of former socialist countries that show interest to intensify relations between each other. Although this integration faces many problems, especially different blocks made by Serbia and Bosnia and Herzegovina to Kosovo, yet the establishment and functioning of CEFTA is a good experience where members state benefit in export growth, FDI and the economical cooperation.

Another important step towards integration in the global economy that Albania and Macedonia have made is in the case of membership within the World Trade Organization. OTB has today represents only an institution and one of the most component organizations for organizing and facilitating international trade. Membership of this organization has many advantages and benefits, among which should be mentioned the possibility of making free trade along with more than 160 countries worldwide. Kosovo has just started negotiations for its membership in the WTO.

In 2009 Macedonia met all the conditions that were set by the EU for the free movement of citizens within the EU states. Albania won this chance a year later too and Kosovo is in the first steps of this movement. Free movement of citizens in these countries is one of the most important prerequisites for contacting and doing business in a global market with more than 500 million potential customers. Acquisition of the "Schengen visa" enabled businessmen, professors, researchers with Albanian citizenships to meet, discuss, negotiate and cooperate freely with their counterparts in most Western European countries.

That all Western Balkan countries have signed a number of free trade agreements among themselves. Such agreements have included the complete elimination of all customs and other quantitative restrictions on trade between the contracting parties. Except the full liberalization, these contracts have foreseen the regulation of many other issues, such as: technical barriers to trade, sanitary and phyto sanitary measures, regulation of origin of goods, antidumping and compensation data, protective measures of import growth, public procurement, etc.

In these years in the market not at all unknown to foreigners, foreign companies began to settle down from around the world. Thus, in these regions companies of communication technologies started working like "Vodafone", "AMC", "Eagle Mobile" "Konad", "Net", "One" which without a doubt they helped and continue to help the economical and business development. Information Technology reached the level of the European countries and exceeded the biggest communication problem within and out of these places. The number of Internet users
in Albania, Kosovo and Macedonia increases more and more each day whereas the digital network came along the latest, interconjunction, between Albania and Kosovo with fourfold increased Internet speed. The development of the transport sector helps enough the increase of mobility of people, goods and services. It also offers markets, stimulates the economic growth and integrates the economy of the region and beyond.

Road transport was rehabilitated and built in many regions of the country. Today's transport from north to south and from east to west and about the entire Albanian coast is much improved, but there is still much that needs to be done. Capital work not only nationally important but even more, is "The Way of the nation", which includes most parts of Albania and Kosovo. Not less important for the integration of inter-and wider roads are: "Road of Arber" "Road of Elbasan" which is still being constructed. The preparation of projects are in perspective for other roads like the ones that link Pristina with Skopje, Tetovo Prizren, Ohrid Ring, Prishtina with Presevo Valley etc. The road which is crucial for the Albanian space integration with the region and the world is undoubtedly the construction of the Corridor 8. The construction of this road in the future should be insisted the most from the governments of these three countries, because this route is vital for these spaces. Understood in this segment of the economy there is still much work to be done in the future, especially rail transport.

Water transport represents another important segment of economic development. Albania to the sea ports of Durres, Vlora and St. Gjinit has ideal conditions for the development of water transport and its integration with the world. Expansion, renovation, rehabilitation and modernization of the Albanian seaport are one of the priorities in the development of the economy. New lines should be added not only for the transport of goods and people (especially tourists) within the state, but also abroad. Importance and proper care will surely be given the training and specialization of seafarers and sailors.

Air transport also during the last two decades has progressed. Construction of the Tirana International Airport in other cities would encourage further economic development of the country and connecting the country with the world. Free movement of people and goods will probably increase even more.

Tourism is a very important sector for Albania and Albanians in general. In the development of tourism, especially the use of the Albanian coastline, the country has comparative advantage that should be used maximally. Construction of "Nation Road" significantly increased the number of tourists, especially from the Albanians of Kosovo. The shortening of the way up the coast and saving time are good indicators for this sector of Albania's economic prospects. In 2010 the number of tourists who entered Albania amounted to 2.5 million tourists.

Convenient geographical position of Albania, Kosovo and Macedonia enables them to be treated as special strategic locations. At this crossroad of the Balkans and Europe many major roads are passed connecting East and West, North and South. This geographical area has become ground suitable for different plans transmission lines underground oil pipeline and gas international character such as that of Western Nabucco and Trans Adriatic Pipeline - TAP. These transition lines convey natural gas from the Caspian states resources to Western European consumer countries. Also of particular importance are the passages of electricity transmissions that link the North Europe with the South through the pan European projects. Construction project for interconjunction current energy system linking Kosovo with Albania is a project of great importance not only for these two countries, but also the wider region. Real economy of Albania, Kosovo and Macedonia during these years of transition has been favored by the EU, which means
that the products and services of these countries have tried to offer European consumers without customs tariffs and other trade barriers. However, their relationship and integration with the world is not at the right level. If we analyze several indicators of globalization (the opening of the national economy to the global economy) will notice that they almost all are in favor of integration compared with the European and global levels.

Another important indicator of Albanian integration into the global economy is the sum of remittances or income from Albanian emigration. Thus in 2010 in Bangladesh, this value amounted to USD 1,200 million, in Kosovo in the same year was 931 million USD, while in Macedonia it amounts to 1,500 million USD. These funding amounts are welcomed and very important to the economy of these countries. Currency inflows which come from the migrated population used to cover payments deficit in the balance of payments of these countries. The lacks of these tools will certainly make it harder for the economic stability of these countries. However, these sources of the balance of payments are not reliable sources. Easily these sources of funds may be exhausted and the economy of these countries can incur great harm. Also it is important that these tools are used to implement various programs for the development of small business and entrepreneurship that will boost the economy as a whole.

Economic freedom or otherwise known as the business environment is an important indicator for the integration and globalization of the economy. Indicator in question is very important for the freedom of doing business. The indicator includes a number of elements among which the most important are: property rights, corruption, government spending, fiscal freedom, business freedom, freedom of workers, monetary, trade, investment and financial. According to this indicator Albania in 2012 was ranked 57th in the country. In this year compared to a year ago, its position is exacerbated in 9 out of a total of 10 elements. Elements where deterioration is bigger are corruption and unemployment. Similarly it is with Kosovo, but with even lower ranking and Macedonia in this direction has a better ranking. It is ranked on the 43rd of the total 179 places.

Regarding the stability of the national currency we can only talk about the Albanian lek, after Kosovo ever since its independence uses the euro as its national currency, Macedonia denar has bound (fixed) to the euro. At first glance, the depreciation of the Albanian Lek appears to be small, e.g. Three years ago, the euro was equivalent to 120 lek, while today it is equal to 140 lek. Yet year after year it grows and negatively affects borrowers of loans in foreign currencies, entrepreneurs and ordinary citizens, because their purchasing power decreases.

4. What can be done in the Future for a Better Integration?

Integration and globalization of our countries in the future will surely increase having in mind the development of the free market, the process of European integration and the pressure of global economies. However, the Albanian factor must push this process through its activities and concrete actions. Moreover Albanian people along regional and global integration should work much more for national unity. Membership and entry of Albanians in regional and global integration as a united nation gives greater weight and importance in international economic and political position. At the end of the day, all countries get united, after they have consolidated their national cause.

Problems should be asked and analyzed objectively in order to overcome these problems as soon as possible. Firstly the structure of the economy that these places have should be changed. It should suit the requirements and needs of the market. From the past half-century all the three
economies have developed the heavy industry and agriculture. This economic structure inherited without favorable market should be reformed and adapted. Albanians also as consumers of products and services need to change the psychology of evaluation that has to do with its products manufactured by them. Action Initiative "Buy Classifieds" should be intensified in order to change the mentality of our products.

Each country has to find who are the country's comparative advantages and specialize in the manufacture of such products and services. Thus all these countries producing the same products and offer those the same services will be avoided. Coastal tourism is undoubtedly one of the economic sectors where the country has comparative advantage. It should focus more on the development of this branch to modernize and set up on a regional scale construction of road infrastructure should continue as in those with a national and international level. This should be within the common strategy of the three countries, because, not only various international funds can be used, but also the communication and transportation of goods will reduce the cost of products and services.

Farming this vital branch of the economy can be developed in the framework of a common policy, especially when we take into account different geographical landscape and climate of that region. Crops cultivated in the early season of the year, can easily be replaced with those who cultivated later in Kosovo plateau.

Also launched initiatives for the establishment of the integration of the Western Balkan countries (Albania, Kosovo, Macedonia and Montenegro) similar as that of the Benelux integration. "Balkan Benelux" would be an integration level free trade zone where goods and services would be exchanged without any barriers (tariffs customs and other non tariff barriers). This level of integration will surely increase the cooperation between Member States and encourage other countries to join in the future.

The common strategy should be developed even in other areas of the economy; especially the common interest is the construction of telecommunication systems, power system where Albania has exceptional conditions for the construction of power plants, and Kosovo in the construction of power plants. This complementarily will not only create strong prerequisites for the development of the region, but will transform the countries into big exports of the electricity that the region needs.

5. Conclusions

The time in which we live in is full of radical changes in the economy and society. It is characterized by three main concepts: the opening of the country to the world economy, integration and interdependence. Openness of the economy means how open the economy of a country interacts with the global economy. Integration has to do with the level of integration that the country has achieved, and interdependence makes a condition that shows how countries dependent on each other. Globalization is a process that has changed many things in our daily lives. This process is multidimensional and contradictory and as much as it is full of hopes, it is also full of unexpected consequences.

Key determinants of globalization are: the rapid development of international trade, high turnover of capital outside the national borders, the discovery and implementation of the large number of innovations, development of technology, especially information technology, the integration of countries, reducing costs transport and communication, education and training of human capital etc.
Globalization is a process, which is present in all spheres of social life, but it is more evident in the economy. Running for greater profit is one of the objectives of that globalization. This can be achieved if there is market liberalization, integration and technology development sites.

Although there are contradictions and antagonisms, globalization is the dominant force in world economic development. It has changed and continues to change the society of the world and living standards in general. Globalization developed the technology the best way ever, especially the information technology that made the connection between university-technology and industry that resulted in a great productivity. Movement of capital, labor, goods and services in Asia, America and Europe are all fulfilled thanks to technology development. We are convinced that without the help of electronic chips, fiber optics, screens and software’s economy would not have reached this level of development. The challenges of globalization in the future will be: to ensure that the fruits of globalization are in the all countries, to convince developing countries that globalization through trade liberalization will increase their standard of living, reduce the gap between rich and poor, to increase the number of employees, especially in developing countries (Selimi, 2010).

Albanians, one of the oldest people of the Balkan Peninsula should join this global trend in order to benefit as much from the fruits of this global process. Future generations will pay any delay made in this direction. Their integration should be going in two parallel lines: both nationally as well as internationally. Economic cooperation should be a priority, because economic integration processes preceded all other integration processes at regional and global level.

References