

Review Article

CHALLENGES OF EU INTEGRATION AND COLLECTIVE SECURITY IN KOSOVO: LOOKING BEYOND THE FREE TRADE AGREEMENTS

Ilir Zylfiu and Dukagjin Leka*

ABSTRACT

Background: Collective security is among the main principles guiding today's international law. This is particularly relevant for a country like Kosovo, whose statehood is contested by several countries, including Serbia, which has violated collective security through various actions. The primary purpose of this paper is to analyse the impact of collective security on Kosovo's integration into the EU, particularly in relation to the implementation and progress of free trade agreements with the EU, such as the Stabilisation and Association Agreement (SAA) and the Central European Free Trade Agreement (CEFTA).

Methods: This paper employs a systematic review of theoretical studies and research. Several sources of theoretical literature regarding Kosovo's EU integration, free trade agreements, regional cooperation in the Western Balkans, and the Stability Pact have been reviewed, and based on this evidence, conclusions have been formulated.

Results and Conclusions: The paper's relevance lies in the fact that it addresses issues of security, economic, political and legal nature. There is a noticeable lack of theoretical evidence on this topic within the Kosovar academic world. Therefore, this paper is particularly relevant, as it integrates these fields. The study of European integration and the effects of free trade agreements in post-conflict countries is of particular importance for countries like Kosovo and other Western Balkan states.

1 INTRODUCTION

Historically, the Western Balkans, particularly Kosovo, have had a fragile history, forcing international forces to intervene to ensure collective security and protect the well-being of the region's population.¹ Even in recent decades,² the issue of humanitarian intervention has been contested.³ It is thought to have reached a peak in the case of Kosovo, where it drew global attention. In contrast, the failure of intervention in Syria—where conflict continues even today—has been deemed ineffective, contributing to ongoing humanitarian catastrophes on a scale unseen since World War II.⁴ The intervention in Kosovo, therefore, has caused a great stir and debate around the globe.

Typically, discussions have centred on banning the use of force, which is key to the debate regarding humanitarian intervention as a means to protect human rights, as opposed to humanitarian intervention being viewed as a violation of state sovereignty or an instrument of political or military influence. Indeed, the Kosovo case continues to be a subject of debate, even 23 years after it took place.⁵ Despite these discussions, the EU began to commit to ensuring collective security by stabilising the region through trade agreements. An important date is 1999 when the European Union proposed the launch of the Stabilisation and Association Process for the Western Balkan countries.⁶ At this moment, it was declared by the European Council that all countries included in the Stabilisation and Association Process would be considered as potential candidates for membership in the European Union.⁷

With the signing of the Free Trade Agreements (FTAs) and the intensification of efforts to embrace the integration process with the EU, the document preceding the SAA marked the beginning of the liberalisation phase with the countries of the region. In 1999, the Stability Pact for South-Eastern Europe and the EU began the process of achieving two interdependent goals: regional stabilisation and integration and European integration of the Western Balkan countries.

1 Inis L Claude, 'Collective Security as an Approach to Peace' in Phil Williams, Donald M Goldstein and Jay M Shafritz, *Classic Readings and Contemporary Debates in International Relations* (3rd eds, Thomson Wadsworth 2006).

2 Richard Grieveson, Mario Holzner and Goran Vukšić, 'Regional Economic Cooperation in the Western Balkans: The Role of Stabilization and Association Agreements, Bilateral Investment Treaties and Free Trade Agreements in Regional Investment and Trade Flows' (2021) 59(1) *Eastern European Economics* 3, doi:10.1080/00128775.2020.1846130.

3 René Värk, 'Terrorism as Threat to Peace' (2009) 16 *Juridica International Law Review* 216.

4 Alba Ripoll Gallardo and others, 'Yemen's Unprecedented Humanitarian Crisis: Implications for International Humanitarian Law, the Geneva Convention, and the Future of Global Health Security' (2016) 10(5) *Disaster Medicine and Public Health Preparedness* 701, doi:10.1017/dmp.2016.50.

5 Adom Getachew, 'The Limits of Sovereignty as Responsibility' (2019) 26(2) *Constellations* 225, doi:10.1111/1467-8675.12387.

6 Joseph S Nye, *Understanding International Conflicts: An Introduction to Theory and History* (7th edn, Pearson 2008).

7 Hans Köchler, *Humanitarian Intervention in the Context of Modern Power Politics: Is the Revival of the Doctrine of "Just War" Compatible with the International Rule of Law?* (IPO 2001).

The promotion of foreign trade was developed through two main initiatives: Stabilisation and association agreements, and free trade agreements (FTAs) between the beneficiary countries of the Stability Pact.⁸ Facilitated by the EU, the countries in this region have strengthened regional cooperation, particularly in trade exchange within free trade areas such as CEFTA. The CEFTA agreement includes Southeast European countries such as Kosovo, Albania, North Macedonia, Montenegro, Serbia, Bosnia and Herzegovina and Moldova. Its creation aimed to facilitate the procedures of the states aspiring to membership in the EU, as well as to create a market economy, eliminating obstacles to the development of mutual trade between its member states. Kosovo signed the agreement in 2006 under the United Nations Mission in Kosovo (UNMIK).⁹

When discussing FTAs, it should be noted that in addition to the economic aspect, partner countries must also engage in political, strategic and institutional reforms. In addition to the costs, the reforms to be undertaken constitute the greatest costs, both in monetary and material terms, as well as in human terms. Nevertheless, they are essential to implement and consolidate to generate a direct, significant and possibly immediate impact on the country's economic development. Despite these efforts, trade between the countries of the region remains below its potential, and in some cases, the implementation of bilateral agreements has been unsatisfactory.¹⁰

Among the factors that have influenced this situation are structural economic factors that have driven profound geographical and sectoral changes in trade; historical factors, including wars and occasional ethnic conflicts; infrastructure problems, especially those related to transport; the small size of the regional economies;¹¹ low per capita incomes across the region; complex concession structures; asymmetries in trade preferences; differences in legal systems; and persistent issues in border management and bureaucratic customs procedures.¹²

The effect of humanitarian intervention on collective security remains a controversial topic¹³ and a highly significant issue in international law. The 78-day military intervention

8 Gazmend Qorraj and Gezim Jusufi, 'The EU Stabilization and Association Agreement for the Western Balkans: Between Challenges and Opportunities' (2018) 24(81) Croatian International Relations Review 51, doi:10.2478/cirr-2018-0003.

9 Gazmend Qorraj, 'Towards European Union or Regional Economic Area: Western Balkans at Crossroads' (2018) 64(1) Naše Gospodarstvo/Our Economy 11, doi:10.2478/ngoe-2018-0002.

10 Gazmend Qorraj and Gezim Jusufi, 'Does EU trade integration support export promotion in the Western Balkans' (2021) 8(1) InterEULawEast 75, doi:10.22598/iele.2021.8.1.5.

11 Ardian Kastrati, 'The Role of Civil Society in the European Integration Process in Kosovo: EU Mechanisms and Instruments for NGO Sector Development' (Proceedings of the 37th International Academic Conference, Budapest, 5-8 June 2018) 49, doi:10.20472/IAC.2018.037.009.

12 Burim Mexhuani, 'The Prospects and Challenges of Kosovo's Accession to the EU in Light of the EU's Policies and Priorities' (2023) 5 Frontier in Political Science, art 1197359, doi:10.3389/fpos.2023.1197359.

13 ICISS, *The Responsibility to Protect: Report of the International Commission on Intervention and State Sovereignty* (IDRC 2001).

undertaken by NATO against Yugoslavia was justified as an effort to protect the Albanian population, who at the time were disappearing or being deported by Serbian authorities. This marked the first time in NATO's history that it directly engaged in war with a sovereign state.¹⁴

NATO's main strategy was to stop violence in Kosovo and, as a consequence, prevent the possibility of another humanitarian catastrophe, similar to the earlier conflict in Bosnia and Herzegovina. According to Rustemi, Hasani, Jusufi and Mladenović,¹⁵ these strategies are reproducible in identifying, collecting, critically evaluating, and synthesising relevant issues on a specific topic. The main methods used for synthesising and comparing studies or research are the synthesis of textual narration and comparative analysis. Textual narrative synthesis uses many approaches and methodologies, producing extensive knowledge.

Notably, there are significant literature gaps, particularly a marked lack of studies on this issue. The theoretical and conceptual framework applied in this study draws on various papers, such as those authored by Gazmend Qorraj.¹⁶ The rest of this paper is structured as follows: Section 2 reviews the relevant literature; Section 3 analyses the methodology employed; Section 4 presents the results and discussion; and Section 5 concludes the paper.

2 METHODOLOGY

This paper is grounded in a systematic review of theoretical studies and research, with a particular focus on collective security, EU integration, trade liberalisation, and trade agreements in the Western Balkans. Additionally, a narrative synthesis was employed to summarise and analyse the evidence of other papers. The primary aim is to provide readers with a clear understanding of these key concepts and illustrate how they should be used within academic research discourses.

It should be emphasised that the primary objectives of this review are to examine the development of economic cooperation following the 1999 humanitarian intervention in Kosovo and to assess its impact on interethnic reconciliation. The methodology employed is a theoretical review of relevant literature on the subject. Analysis and synthesis methods are applied, and through their use, the study aims to achieve its objectives.

The research methodology consists of a systematic review of studies and research related to the topic. This paper concludes that the lack of collective security—particularly orchestrated

14 Iain King and Whit Mason, *Peace at Any Price: How the World Failed Kosovo* (Cornell UP 2006).

15 Visar Rustemi and others, 'Social Media in Use: A Uses and Gratifications Approach' (2021) 26(1) *Management* 201, doi:10.30924/mjcmi.26.1.12.

16 Gazmend Qorraj, 'Economic Cooperation as a Way Toward Reconciliation and EU Integration for Kosovo and Serbia' in Leandrit I Mehmeti and Branislav Radeljić (eds), *Kosovo and Serbia: Contested Options and Shared Consequences* (University of Pittsburgh Press 2016) 196, doi:10.2307/j.ctt1qv5n21.16.

terrorist acts such as the Banjska terrorist attack in 2023—greatly harms EU integration processes, free trade, economic cooperation, and corporate image. The relevance and significance of this study lie in these findings.

3 LITERATURE REVIEW

3.1. Free Trade Agreements in the Western Balkans

According to Holta Kora-Bako,¹⁷ despite being called “Free Trade Agreements,” they are in fact trade agreements that either eliminate customs duties or reduce them. These agreements have clear objectives in terms of contributing to the removal of trade barriers, stimulating the harmonious development and expansion of world trade, the gradual elimination of restrictions on trade in goods and the establishment of equal competitive conditions for trade in goods. Additional objectives include the promotion of trade and cooperation between the parties and third countries, the expansion and deepening of economic cooperation among the parties, and the increase in the standard of living of their populations. These goals aim to create favourable conditions for the further promotion of investments—particularly the development of joint investments in these countries/regions.

Dennis Appleyard and Alfred Field¹⁸ claim that the degree of economic integration varies according to the type of trade agreement in force. At the initial level, Preferential Trade Agreements reduce trade barriers between members. Such preferential trade is usually limited to the entry of trade flows from less developed countries, and is often non-reciprocal. An FTA is a reciprocal agreement where trade barriers, usually tariffs, between participating nations are abolished, meaning all members must remove tariffs on products they trade with each other. However, each member may apply independent tariffs on trade with other non-member countries. More broadly, trade barriers are reduced over time, but in most cases, not all trade is completely free of national barriers. A prominent example of such an FTA is the North American Free Trade Agreement (NAFTA).

In a customs union, trade barriers among members are eliminated, meaning that all tariffs between them are removed. Participating nations also adopt a common foreign trade policy, such as a Common External Tariff (CET),¹⁹ which is applied uniformly to imports from non-member countries. A customs union is equivalent to an FTA plus a common foreign trade policy.²⁰

17 Holta Kora (Bako), ‘Trade Liberalization, Impact on Economic Growth: The Case of Albania’ (PhD thesis, University of Tirana 2015).

18 Dennis R Appleyard and Alfred J Field, *International Economics* (McGraw-Hill Higher Education 2016).

19 Vladimir Ristanović, ‘International Trade Flows of the Balkan States’ (2022) 73(1184) *The Review of International Affairs* 5, doi:10.18485/iipe_ria.2022.73.1184.1.

20 Ilir Zylfiu and Dukagjin Leka, ‘Political Representation of the Albanian Minority in Serbia’ (2023) 24(196) *Quality Access to Success* 63, doi:10.47750/QAS/24.196.08.

All Western Balkan countries are in the accession process, a process referred to as the “Stabilisation and Association Process.” The agreements concluded under this framework are known as “Stabilisation and Association Agreements”. A key prerequisite for entering this process was the creation of political and economic stability in the region. This area has historically been a hotspot for various conflicts and violent wars, particularly among former federal units of the former Yugoslavia, as well as countries outside it, including Albania, which experienced significant transformation following the fall of its totalitarian regime. Within this context, Kosovo appears in this group as a specific and complex case in the broader history of the European integration process, often described as *sui generis* due to its unique circumstances.²¹

3.2. Security, Regional Cooperation and Integration in the Western Balkans

The issue of regional cooperation and participation in regional initiatives appears particularly problematic in the case of Kosovo, with the main obstacle being Serbia. The initiation of dialogue between the parties became a necessary step. Beyond the normalisation of relations, the need to fulfil specific criteria for membership—commonly referred to as preconditions for the continuation or initiation of the accession process—also emerged. One of the key EU foreign policy engagements of the EU in the Western Balkans has been to mediate the dialogue between Kosovo and Serbia, aiming to normalise relations. These talks have been led directly by the EU High Representative for Foreign Affairs and Security Policy.²²

The EU has previously faced challenges regarding issues of regional cooperation and good neighbourly relations. A notable example is Cyprus's membership in the EU. Cyprus had long-standing relations between its Turkish and Greek communities, which were complicated by the involvement of Turkey and Greece—both NATO members. The unification and normalisation of relations between them became a criterion for Cyprus's EU membership process.

As Katarzyna Gajewska²³ notes, the avoidance of trade barriers and the promotion of free movement in Europe remain central objectives of EU integration. The future of trade

21 Dukagjin Leka, Selim Daku and Gezim Jusufi, ‘Regional cooperation and Free Trade Agreements in Western Balkans: Opportunities and Obstacles’ (2022) 17(7) International Journal of Sustainable Development and Planning 2239, doi:10.18280/ijstdp.170724; Dukagjin Leka and Gezim Jusufi, ‘The Stabilization and Association Agreements in the Western Balkans as a Tool for Trade Promotion and Regional Reconciliation’ (2024) 6(1) Corporate Law & Governance Review 38, doi:10.22495/clgrv6i1p4.

22 Senada Nezirović and others, ‘Stabilisation and Association Agreement between the Western Balkan Countries and the European Union’ (2022) 12(2) Journal of Geography, Politics and Society 36, doi:10.26881/jpgs.2022.2.05.

23 Katarzyna Gajewska, *Transnational Labour Solidarity: Mechanisms of Commitment to Cooperation with the European Trade Union Movement* (Routledge 2009) doi:10.4324/9780203878354.

cooperation among Western Balkan countries will depend on the creation of organisational structures and their action. These structures and actions show the longevity of the cooperation. Gajewska analyses the dynamics of interaction and action, describing them as mechanisms that foster transformation, even in the presence of underlying differences. Within this framework, two primary factors are identified: the creation of a ritual towards an identity in formation, and the process of learning through interaction.

Essential to this trade cooperation between these countries is the creation of sustained interaction and joint action. These are necessary both for the construction of a shared cooperative trade identity and for mutual learning derived from the cooperation itself. However, trade integration in the Western Balkans remains limited due to several general problems, including the lack of a corporate governance framework, the development of small trade in the country and its fragmentation, and partial privatisation processes.²⁴

Among these countries, Kosovo is the country that suffers the most from insecurity and unresolved conflicts, thus hindering EU integration. Kosovo is characterised by three levels of opposition. The first stems from Serbia, which maintains a territorial claim over Kosovo. The second layer consists of EU member states, five of which refused to recognise Kosovo. The third reflects a broader ideological opposition from some countries around the world that view Kosovo's declaration of independence as a unilateral decision and a possible precedent for other countries.

It is important to clarify that the conclusion of the SAA is not related to, or equates to, obtaining the status of a candidate country for EU membership. Signing the SAA does not imply acceptance of the status of a candidate country. In fact, some countries—such as Croatia and Serbia—acquired candidate status before their SAAs entered into force. Kosovo is the most recent country to have signed the SAA and remains the only one that has not yet applied for candidate country status.²⁵

The primary objective for both parties to the agreement should be its implementation. While the full implementation of the SAA does not guarantee Kosovo's immediate membership in the EU, it constitutes a critical transition in the country's reform process within the SAP. For Kosovo and other countries, the SAA has served as a central "roadmap" of their journey towards EU membership. There have been instances where signatory countries, after initiating implementation, have requested changes or extensions to the implementation timeline.

The success of negotiations and negotiators ultimately depends on whether the agreements reached are fully implemented. Today, many agreements remain unfulfilled despite being

24 Jelena Trivić and Łukasz Klimczak, 'The Determinants of Intra-Regional Trade in the Western Balkans' (2015) 33(1) *Proceedings of Rijeka Faculty of Economics* 37.

25 Jędrzej Paszkiewicz, 'Regional Cooperation in Western Balkans: A View from Inside the European Union: The Premises and Obstacles' [2012] (Spec) *SDU Faculty of Arts and Sciences Journal of Social Sciences* 149.

formally concluded. Meanwhile, the SAA signatory countries, like Kosovo, have adopted an action plan—officially known as the National Program for the Implementation of the SAA—to ensure practical follow-through. This has been facilitated by establishing responsible institutions tasked with overseeing the agreement's implementation.

A unique feature of Kosovo's SAA is the explicit requirement for the improvement of stable relations with Serbia and the enhancement of collective security. Notably, this request was not made in Serbia's SAA. The EU has emphasised that the normalisation of relations must be achieved through an agreement binding the parties. The core challenge lies in the fact that the 1999 war between Serbia and Kosovo did not conclude with an agreement but was halted by NATO intervention and the introduction of the UN international mission (UNMIK), following an agreement between NATO and the Yugoslav Army.²⁶

It is for this reason that the EU has included in Kosovo's SAA a provision calling for a "permanent agreement" to complete the process of normalisation. Like other SAAs signed with Western Balkan countries, Kosovo's SAA primarily addresses trade-related matters. Its objectives include the free movement of goods, services, and capital, and the promotion of fair competition.

Its purpose is to build capacities for the creation of an open and competitive market with the common internal market of the EU. While political attitudes on Kosovo's final status may change within the framework of this Union, the SAA offers a strategic opportunity for Kosovo to advance its economic and trade development with the EU. In doing so, Kosovo can strengthen its position in the wider EU market.²⁷

The issue of budgetary and financial coverage represents an important factor during the accession phase, particularly in relation to the implementation of the SAA. This includes the execution of foreseen measures and reforms across various areas. As primarily a trade and economic agreement, the SAA requires proper and realistic planning, especially as it facilitates a country's transition towards full market liberalisation with the EU. This presents a particular challenge for states like Kosovo, which have limited national income and are heavily dependent on imports and trade revenues.

Džogović, Cucović, Ajdarpašić and Hamzagić²⁸ note that in July 2006, the Council of the European Union adopted Council Regulation (EC) No. 1085/2006, establishing an Instrument for Pre-Accession Assistance (IPA). This instrument replaced previous programmes and financial instruments such as PHARE, CBC, ISPA, SAPARD, and CARDS. The bulk of these funds go primarily to economic development and legal reform in Kosovo.

26 Aferdita Tepshi and Arjan Qafa, 'The European Union and Albania, the Relations between them' (2015) 6(3) *Mediterranean Journal of Social Sciences* 358, doi:10.5901/mjss.2015.v6n3p358.

27 Maurice Schiff and L Alan Winters, *Regional Integration and Development* (World Bank Trade & Development Series, OUP 2003) doi:10.1596/0-8213-5078-1.

28 Suada A Džogovic and others, 'The Effects of IPA II pre-Accession Assistance Instruments in Bosnia and Herzegovina, Kosovo, and Turkey' (2021) 26(2) *Management* 245, doi:10.30924/mjcmi.26.2.14.

According to Suada Ajdarpasic and Gazmend Qorraj,²⁹ although the European Commission allocates these funds to Kosovo, their implementation is primarily overseen by the EU itself, acting as the principal monitor. In most cases, these dedicated funds are spent on capacity building within local institutions through the support of international ones.

To qualify for this financial assistance, countries—including Kosovo—must achieve certain specific objectives outlined by the EU, such as:

- ✓ Political reforms: Strengthening institutions and democracy, ensuring an independent and efficient judiciary, upholding the rule of law, protecting fundamental human rights and freedoms, fostering regional cooperation and good neighbourly relations, promoting reconciliation and peace building, combating corruption and organised crime, reforming public administration, supporting civil society, improving border management and migration policies, and enhancing social dialogue and partnerships.
- ✓ Sustainable economic development: Establishment of EU economic standards, functional market economy, fiscal and economic governance, competition, promotion of employment and job creation, promotion of social and economic inclusion (especially for vulnerable groups), integrated education system, preservation of cultural heritage, infrastructure, technological and innovative developments.³⁰
- ✓ Legal harmonisation: Aligning national legislation with the EU *acquis* and fostering regional integration and cooperation among IPA II beneficiary countries.

To achieve these objectives, the EU allocated a financial package of 698,668,000 euros for the period 2014–2024.³¹

As a result, all countries aspiring to EU membership must continuously work toward achieving market economy standards and strengthening their competitiveness, with pre-accession assistance serving as a critical support mechanism. Kosovo's economy remains highly dependent on imports, and a large percentage of its budget revenues are provided by the collection of customs duties. Therefore, any transfer of a centralist economy to an open market economy, or to a capitalist economy, presents several challenges, especially as such systems require compliance with complex standards governing the EU's internal market.

An additional illustration of Kosovo's international challenges is its failed bid for UNESCO membership in 2015. Despite agreements reached during the EU-mediated Brussels talks,

29 Suada Ajdarpasić and Gazmend Qorraj, 'The impact of the EU programs in the Western Balkans' (2020) 7(1) *InterEULawEast* 65, doi:10.22598/iele.2020.7.1.4.

30 Safet Beqiri, 'Challenges of the Western Balkan Countries in the European Union Membership Process: The Case of Kosovo' (PhD thesis, University of Tirana, Institute of European Studies 2018).

31 Gezim Jusufi and Suada Ajdarpasić, 'The impact of EU programmes on financing higher education institutions in Western Balkans – Evidence from Kosovo' (2020) 12(1) *LeXonomica* 107, doi:10.18690/lexonomica.12.1.107-128.2020.

which stipulated that Serbia would not obstruct Kosovo's participation in regional and international organisations, Kosovo's application was blocked, largely by Serbia and its allies. The failure to secure membership by two votes underlines the ongoing difficulties Kosovo faces in securing full international recognition and participation.³²

For this reason, an agreement was reached regarding regional representation and cooperation, allowing Kosovo to participate in regional forums and international initiatives with a footnote status regarding its political status. However, Serbia has continued not to implement this agreement and to hinder Kosovo's membership in various international organisations.³³ Despite these challenges, in 2016, Kosovo successfully became a member of several international sporting organisations, including UEFA and FIFA. Serbia's lobbying efforts to prevent Kosovo's admission into these bodies—despite their apolitical and sporting character—highlight its ongoing resistance. These actions have further undermined collective security in Kosovo.³⁴

3.3. Trade Liberalisation

Two of the most comprehensive factors that have influenced the trade balance and economic growth are certainly the free trade agreements (FTAs) concluded by these countries and the characteristics of the economy, which include internal and external factors. The implementation of various trade policies must also comply with multilateral, regional and bilateral FTAs, as well as obligations under the World Trade Organisation (WTO) agreements.³⁵ The importance and benefits of trade liberalisation can be understood through contemporary trade theories and derivatives of these theories, particularly those based on comparative advantage, competition, trade openness, and globalisation. Indeed, nearly all developed countries are members of at least one regional trading bloc.³⁶

It can therefore be concluded that economic integration and FTAs directly affect trade liberalisation. Developing countries have an obligation to liberalise their trade policies and practices of openness under bilateral, regional and multilateral agreements. Trade is also

32 Behxhet Mustafa and others, 'Natural Heritage in the Republic of Kosovo: Looking for Potential UNESCO Sites' (2018) 63 *Landscape Online* 1, doi:10.3097/LO.201863.

33 Christopher M Jackson, 'The EU and Rule of Law Development in Kosovo: EULEX, Domestic Spoilers, and a Two-Level Commitment Problem' (2020) 42(7) *Journal of European Integration* 955, doi:10.1080/07036337.2019.1703967.

34 Fadil Osmani, Dukagjin Leka and Gezim Jusufi, 'Regional Economic Cooperation in the Western Balkans: Promoter or Inhibitor of EU Integration of this Region' (2022) 13(1) *Advances in Business-Related Scientific Research Journal* 68.

35 Gezim Jusufi and Bashkim Bellaqa, 'Trade Barriers and Exports between Western Balkan Countries' (2019) 65(4) *Naše Gospodarstvo/Our Economy* 72, doi:10.2478/ngoe-2019-0021.

36 Peter Van Elsuwege, 'Legal Creativity in EU External Relations: The Stabilization and Association Agreement between the EU and Kosovo' (2017) 22(3) *European Foreign Affairs Review* 393, doi:10.54648/EERR2017032.

one of the determinants of growth, especially in developing countries.³⁷ One of the principal advantages of trade liberalisation is the elimination of tariff barriers between countries, which fosters increased trade flows and market access.

Undoubtedly, the free trade movement has become a buzzword for almost all economic, political, journalistic and administrative opinion across countries. Contracts in economic and financial agreements with foreign firms, as well as Foreign Direct Investment (FDI), provide access not only to new knowledge embodied in traded products and physical capital but also to efficient business management rules and practices.³⁸ All of this shows that economies are creating a functional connection between them and are getting to know and understand each other better, enabling social cohesion.

Many scholars, such as Katerina Tosevska-Trpcevska,³⁹ assert that open economies tend to outperform closed ones, with open policies contributing significantly to economic development and growth. Nonetheless, many commentators fear that, in both the short and long term, trade liberalisation may be detrimental to the poorest agents in the economy. All countries that pursue economic integration as part of trade liberalisation have a wide variety of goods and services from which they can choose. Entering this process will benefit the country by allowing it to obtain goods and services at a very low cost. This process also supports tariff reductions and competitive pricing, ultimately benefiting distributors and consumers. The ultimate goal of economic integration is the expansion of global trade.

This vital strategy is primarily employed to mitigate the adverse effects of political instability and human conflicts, both of which can hinder regional development. For developing countries in particular, it also serves as a mechanism to attract greater volumes of foreign direct investment (FDI). When firms engage in FDI—whether through new operations or by merging with enterprises in the country where they invest—they can evolve into international enterprises. This creates a favourable situation for firms, businesspeople, and economies involved in the process, as the primary impact is reflected in economic growth indicators that reflect the increase in well-being and living standards. This is especially relevant for transition economies considered as developing countries. However, studies clearly show that developed countries often reap even greater benefits from opening up markets with developing countries.

Models for trade liberalisation predict that such policies will have a positive impact on collective security, global economic development, the welfare of participating countries, and

37 Vladimir Medak (ed), *Effects of Stabilization and Association Agreements and CEFTA 2006 on WB 6 European Integration and Regional Cooperation: Achievements and Ways Forward* (European Movement in Serbia 2018).

38 Gezim Jusufi and Fatos Ukaj, 'Turkey's Trade with Western Balkans: Looking Beyond the Turkish Foreign Policy' (2021) 8(2) *InterEULawEast* 133, doi:10.22598/iele.2021.8.2.7.

39 Katerina Tosevska-Trpcevska, 'Analysis of the Effects of the Stabilization and Association Agreement over the External Trade of the Republic of Macedonia' (The 17th International Conference of the International Trade and Finance Association, Miami, Florida, 16-20 May 2007).

consequently, poverty alleviation—key priorities of the international community. This explains why numerous studies have focused on assessing the expected benefits of trade liberalisation on national economic development. The primary empirical tools used in these assessments include partial equilibrium models (Partial Equilibrium Model, PEM), gravity equations (Endogenous Gravity Theory, EGT), and computable general equilibrium models (CGEMs), applied both to individual countries and multi-country contexts.

Dani Rodrik, Arvind Subramanian, and Francesco Trebbi⁴⁰ argue for the priority of institutions in explaining economic growth under conditions of complete collective security. They estimate that the effect of trade on income is almost always insignificant, although positively related to effective institutions. Trade reforms in general, and FTAs in particular, are often seen as vehicles for implementing other reforms that improve the investment environment and attract FDI from developed countries, potentially enabling technology transfer and productivity gains. This is particularly relevant for countries that are secure and free of frozen conflicts.

Andreas Waldkirch⁴¹ highlights that foreign investment and FTAs are also subject to sovereign risk. FTAs can serve as a mechanism to achieve higher sustainable levels of FDI. Horst Raff⁴² argues that FTAs influence the geographic allocation of FDI, as governments may adjust external taxes and tariffs to attract investment. Whether this raises or lowers welfare has been shown to depend on the relative size of the efficiency gains from integration and the revenue losses associated with tax competition. These findings reinforce the idea that welfare gains from trade and FDI are context-specific and generally higher in economies with already integrated domestic economies.

FDI has the potential to generate employment, increase productivity, transfer skills and new technology, increase exports, and contribute to the long-term economic development of developing countries. Traditional trade theory has focused on the efficiency gains from trade by focusing on the concept of comparative advantage.

Global free trade is expected to increase the prosperity of all nations, representing a recent success for competitive liberalisation. The risk of regional agreements evolving into two hostile blocs outside a global framework is excluded. In this sense, through globalisation, any risk of conflict is put to an end by engaging both countries in a multilateral cooperative enterprise. Companies within free trade zones compete with one another, and this competition encourages productive restructuring.

40 Dani Rodrik, Arvind Subramanian and Francesco Trebbi, 'Institutions Rule: The Primacy of Institutions Over Geography and Integration in Economic Development' (2004) 9 *Journal of Economic Growth* 131, doi:10.1023/B:JOEG.0000031425.72248.85.

41 Andreas Waldkirch, 'The "New Regionalism": Integration as a Commitment Device for Developing Countries' (2006) 21(2) *Journal of Economic Integration* 397, doi:10.11130/jei.2006.21.2.397.

42 Horst Raff, 'Preferential Trade Agreements and Tax Competition for Foreign Direct Investment' (2004) 88(12) *Journal of Public Economics* 2745, doi:10.1016/j.jpubeco.2004.03.002.

Multinational corporations tend to invest in countries with a sound business climate—where costs, delays, and risks are minimised. Investors seek a predictable and acceptable return (profit) on their investment: as the saying goes, “Money is cowardly”.

3.4. Central European Free Trade Agreement (CEFTA 2006)

Following criticism from various authors that Regional Trade Agreements had not yet yielded significant benefits for the economies of the Balkan countries,⁴³ the Central European Free Trade Agreement (CEFTA 2006) was created. It was on 19 December 2006 in Bucharest by Albania, Bosnia and Herzegovina, Kosovo, Moldova, Serbia, Montenegro, Macedonia, and Croatia, and entered into force in November 2007. At that point, all bilateral agreement previously concluded by Albania with countries in the region were consolidated into the multilateral CEFTA agreement.

The main objectives of CEFTA include eliminating trade barriers among member states, expanding trade in goods and services and promoting investment, ensuring adequate protection of intellectual property rights by international standards, and harmonising provisions on trade-related issues such as competition rules and state aid. It also establishes clear and effective dispute settlement procedures.

CEFTA goes beyond being a simple tariff agreement; it is, in fact, a multidimensional instrument. From a political perspective, CEFTA is part of the broader efforts by the countries of the region and the European Union (EU) to create a regional market that fosters economic development and contributes to increased security and political stability in the Balkans. In fact, CEFTA is a pre-accession instrument to the EU: every former communist country that has become a member of the EU today is now part of CEFTA.

Economically, CEFTA supports development in the region by liberalising and developing trade. Global experience has proven that countries that close their doors to trade close their doors to development. In the Western Balkan countries, challenges such as collective security, organised crime, and corruption continue to delay full implementation of the SAA.

Kosovo's accession to CEFTA has, in particular, encouraged Albania to turn from a once unknown European country into a factor of stability and an example of dynamic economic development in the Western Balkans. Politically, Kosovo's participation in CEFTA places it within a regional cooperation mechanism that promotes economic development, political stability in the region, increased collective security, while also enhancing Kosovo's negotiating power vis-à-vis the larger countries in the region.

43 Bartłomiej Kaminski and Manuel de la Rocha, *Stabilization and Association Process in the Balkans: Integration Options and Their Assessment* (Policy Research Working Paper no 3108, The World Bank 2003) doi:10.1596/1813-9450-3108.

4 RESULTS AND DISCUSSION

One of the main reasons for the creation of the European Community—and its later transformation into the European Union—was to build good neighbourly relations and overcome disputes between them. In addition to preventing conflicts and divisions, the EU also aims to promote economic and political development within a common legal and political framework. Initially, the European Community had a primarily economic character. In addition to the Copenhagen criteria and other criteria set for each country based on their characteristics, this process is shaped by both internal and external influences, which can either accelerate or hinder a country's path to membership.

Currently, the official EU candidate countries are Albania, North Macedonia, Serbia, Montenegro and Turkey. The potential candidates are Bosnia and Herzegovina and Kosovo. However, the EU is currently not prepared to admit countries with inter-neighbourhood disputes or territorial claims, and even less so to transfer those problems within the framework of the European Union. This problem has specifically emerged with Serbia's claims to the state of Kosovo; therefore, before their membership, the issue of their mutual, or reciprocal, acceptance must be resolved.

Despite internal challenges, the Western Balkans cannot be separated from the EU integration process. This is not only for long-term development and stability of the region but is also essential for the EU's own security.

In areas such as freedom, security, and justice, Kosovo has been called upon to strengthen its rule of law institutions further and ensure their effective implementation. In other words, strengthening the state and building sustainable institutions have been set as conditions for meeting all European standards, enabling Kosovo to become a member of the EU in the future.

5 CONCLUSION

The process of European integration has recently become more complex and challenging. The rapid increase in the number of EU member states has contributed to internal insecurity and growing scepticism about further enlargement. This scepticism was further intensified by the outcome of the United Kingdom's referendum to leave the EU (Brexit). The Western Balkans region remains fragile due to its turbulent past.

Economic and trade developments are key factors influencing the EU enlargement process. As a recommendation, it can be said that the removal of trade barriers and the creation of a common or single market contribute to the increase in demand for deepening integration. Positive outcomes in internal trade and economic exchange are often reflected in growth in GDP, trade volumes, and direct investment.

Despite the political will for integration by all parties, collective insecurity and frozen conflicts hinder economic integration. Kosovo is not the only point of contention for Serbia; ongoing disputes with other countries, such as Bosnia and Herzegovina—particularly concerning Republika Srpska—and Croatia, also remain problematic. This problem caused by Serbia has become an international problem.

Although the region, despite the large financial assistance it has received from the West, has struggled to foster a unified political vision among political elites and civil society that would drive the reforms necessary for rapid transformation. Nevertheless, with EU support, the countries of the region have made progress in certain areas—most notably in establishing integrated border management systems. This cross-border cooperation, particularly among institutions such as border police, customs, and food and veterinary agencies, marks a step toward deeper institutional coordination and stability.

REFERENCES

1. Ajdarpašić S and Qorraj G, 'The impact of the EU programs in the Western Balkans' (2020) 7(1) *InterEULawEast* 65, doi:10.22598/iele.2020.7.1.4.
2. Appleyard DR and Field AJ, *International Economics* (McGraw-Hill Higher Education 2016).
3. Beqiri S, 'Challenges of the Western Balkan Countries in the European Union Membership Process: The Case of Kosovo' (PhD thesis, University of Tirana, Institute of European Studies 2018).
4. Claude IL, 'Collective Security as an Approach to Peace' in Williams P, Goldstein DM and Shafritz JM, *Classic Readings and Contemporary Debates in International Relations* (3rd eds, Thomson Wadsworth 2006).
5. Dzogovic SA and others, 'The Effects of IPA II pre-Accession Assistance Instruments in Bosnia and Herzegovina, Kosovo, and Turkey' (2021) 26(2) *Management* 245, doi:10.30924/mjcmi.26.2.14.
6. Gajewska K, *Transnational Labour Solidarity: Mechanisms of Commitment to Cooperation with the European Trade Union Movement* (Routledge 2009) doi:10.4324/9780203878354.
7. Getachew A, 'The Limits of Sovereignty as Responsibility' (2019) 26(2) *Constellations* 225, doi:10.1111/1467-8675.12387.
8. Grieveson R, Holzner M and Vukšić G, 'Regional Economic Cooperation in the Western Balkans: The Role of Stabilization and Association Agreements, Bilateral Investment Treaties and Free Trade Agreements in Regional Investment and Trade Flows' (2021) 59(1) *Eastern European Economics* 3, doi:10.1080/00128775.2020.1846130.

9. Jackson CM, 'The EU and Rule of Law Development in Kosovo: EULEX, Domestic Spoilers, and a Two-Level Commitment Problem' (2020) 42(7) *Journal of European Integration* 955, doi:10.1080/07036337.2019.1703967.
10. Jusufi G and Ajdarpašić S, 'The impact of EU programmes on financing higher education institutions in Western Balkans – Evidence from Kosovo' (2020) 12(1) *LeXonomica* 107, doi:10.18690/lexonomica.12.1.107-128.2020.
11. Jusufi G and Bellaqa B, 'Trade Barriers and Exports between Western Balkan Countries' (2019) 65(4) *Naše Gospodarstvo/Our Economy* 72, doi:10.2478/ngoe-2019-0021.
12. Jusufi G and Ukaj F, 'Turkey's Trade with Western Balkans: Looking Beyond the Turkish Foreign Policy' (2021) 8(2) *InterEULawEast* 133, doi:10.22598/iele.2021.8.2.7.
13. Kaminski B and de la Rocha M, *Stabilization and Association Process in the Balkans: Integration Options and Their Assessment* (Policy Research Working Paper no 3108, The World Bank 2003) doi:10.1596/1813-9450-3108.
14. Kastrati A, 'The Role of Civil Society in the European Integration Process in Kosovo: EU Mechanisms and Instruments for NGO Sector Development' (Proceedings of the 37th International Academic Conference, Budapest, 5-8 June 2018) 49, doi:10.20472/IAC.2018.037.009.
15. King I and Mason W, *Peace at Any Price: How the World Failed Kosovo* (Cornell UP 2006).
16. Köchler H, *Humanitarian Intervention in the Context of Modern Power Politics: Is the Revival of the Doctrine of "Just War" Compatible with the International Rule of Law?* (IPO 2001).
17. Kora (Bako) H, 'Trade Liberalization, Impact on Economic Growth: The Case of Albania' (PhD thesis, University of Tirana 2015).
18. Leka D and Jusufi G, 'The Stabilization and Association Agreements in the Western Balkans as a Tool for Trade Promotion and Regional Reconciliation' (2024) 6(1) *Corporate Law & Governance Review* 38, doi:10.22495/clgrv6i1p4.
19. Leka D, Daku S and Jusufi G, 'Regional cooperation and Free Trade Agreements in Western Balkans: Opportunities and Obstacles' (2022) 17(7) *International Journal of Sustainable Development and Planning* 2239, doi:10.18280/ijstdp.170724.
20. Medak V (ed), *Effects of Stabilization and Association Agreements and CEFTA 2006 on WB 6 European Integration and Regional Cooperation: Achievements and Ways Forward* (European Movement in Serbia 2018).
21. Mexhuani B, 'The Prospects and Challenges of Kosovo's Accession to the EU in Light of the EU's Policies and Priorities' (2023) 5 *Frontier in Political Science*, art 1197359, doi:10.3389/fpos.2023.1197359.
22. Mustafa B and others, 'Natural Heritage in the Republic of Kosovo: Looking for Potential UNESCO Sites' (2018) 63 *Landscape Online* 1, doi:10.3097/LO.201863.

23. Nezirović S and others, 'Stabilisation and Association Agreement between the Western Balkan Countries and the European Union' (2022) 12(2) *Journal of Geography, Politics and Society* 36, doi:10.26881/jpgs.2022.2.05.
24. Nye JS, *Understanding International Conflicts: An Introduction to Theory and History* (7th edn, Pearson 2008).
25. Osmani F, Leka D and Jusufi G, 'Regional Economic Cooperation in the Western Balkans: Promoter or Inhibitor of EU Integration of this Region' (2022) 13(1) *Advances in Business-Related Scientific Research Journal* 68.
26. Paszkiewicz J, 'Regional Cooperation in Western Balkans: A View from Inside the European Union: The Premises and Obstacles' [2012] (Spec) *SDU Faculty of Arts and Sciences Journal of Social Sciences* 149.
27. Qorraj G and Jusufi G, 'Does EU trade integration support export promotion in the Western Balkans' (2021) 8(1) *InterEULawEast* 75, doi:10.22598/iele.2021.8.1.5.
28. Qorraj G and Jusufi G, 'The EU Stabilization and Association Agreement for the Western Balkans: Between Challenges and Opportunities' (2018) 24(81) *Croatian International Relations Review* 51, doi:10.2478/cirr-2018-0003.
29. Qorraj G, 'Economic Cooperation as a Way Toward Reconciliation and EU Integration for Kosovo and Serbia' in Mehmeti LI and Radeljić B (eds), *Kosovo and Serbia: Contested Options and Shared Consequences* (University of Pittsburgh Press 2016) 196, doi:10.2307/j.ctt1qv5n21.16.
30. Qorraj G, 'Towards European Union or Regional Economic Area: Western Balkans at Crossroads' (2018) 64(1) *Naše Gospodarstvo/Our Economy* 11, doi:10.2478/ngoe-2018-0002.
31. Raff H, 'Preferential Trade Agreements and Tax Competition for Foreign Direct Investment' (2004) 88(12) *Journal of Public Economics* 2745, doi:10.1016/j.jpube.2004.03.002.
32. Ripoll Gallardo A and others, 'Yemen's Unprecedented Humanitarian Crisis: Implications for International Humanitarian Law, the Geneva Convention, and the Future of Global Health Security' (2016) 10(5) *Disaster Medicine and Public Health Preparedness* 701, doi:10.1017/dmp.2016.50.
33. Ristanović V, 'International Trade Flows of the Balkan States' (2022) 73(1184) *The Review of International Affairs* 5, doi:10.18485/iie_ria.2022.73.1184.1.
34. Rodrik D, Subramanian A and Trebbi F, 'Institutions Rule: The Primacy of Institutions Over Geography and Integration in Economic Development' (2004) 9 *Journal of Economic Growth* 131, doi:10.1023/B:JOEG.0000031425.72248.85.
35. Rustemi V and others, 'Social Media in Use: A Uses and Gratifications Approach' (2021) 26(1) *Management* 201, doi:10.30924/mjcmi.26.1.12.

36. Schiff M and Winters LA, *Regional Integration and Development* (World Bank Trade & Development Series, OUP 2003) doi:10.1596/0-8213-5078-1.
37. Tepshi A and Qafa A, 'The European Union and Albania, the Relations between them' (2015) 6(3) *Mediterranean Journal of Social Sciences* 358, doi:10.5901/mjss.2015.v6n3p358.
38. Tosevska-Trpcevska K, 'Analysis of the Effects of the Stabilization and Association Agreement over the External Trade of the Republic of Macedonia' (The 17th International Conference of the International Trade and Finance Association, Miami, Florida, 16-20 May 2007).
39. Trivić J and Klimczak Ł, 'The Determinants of Intra-Regional Trade in the Western Balkans' (2015) 33(1) *Proceedings of Rijeka Faculty of Economics* 37.
40. Van Elsuwege P, 'Legal Creativity in EU External Relations: The Stabilization and Association Agreement between the EU and Kosovo' (2017) 22(3) *European Foreign Affairs Review* 393, doi:10.54648/EERR2017032.
41. Värk R, 'Terrorism as Threat to Peace' (2009) 16 *Juridica International Law Review* 216.
42. Waldkirch A, 'The "New Regionalism": Integration as a Commitment Device for Developing Countries' (2006) 21(2) *Journal of Economic Integration* 397, doi:10.11130/jei.2006.21.2.397.
43. Zylfiu I and Leka D, 'Political Representation of the Albanian Minority in Serbia' (2023) 24(196) *Quality Access to Success* 63, doi:10.47750/QAS/24.196.08.

AUTHORS INFORMATION

Ilir Zylfiu

Assistant professor, Faculty of Political Sciences, University for Business and Technology UBT, Prishtina, Kosovo.

ilir.zylfiu@ubt-uni.net

<https://orcid.org/0000-0001-6506-5938>

Co-author, responsible for writing, conceptualization, investigation, data curation, formal analysis, methodology, Writing – original draft, resources, software, project administration, funding acquisition, and supervision.

Dukagjin Leka*

Vice-Rector for International Affairs, "Kadri Zeka" University, Gjilan, Kosovo.

dukagjin.leka@uni-gjilan.net

<https://orcid.org/0000-0002-4228-4828>

Corresponding author, responsible for writing, conceptualization, data curation, Writing – review & editing, validation, visualization, funding acquisition, and methodology.

Competing interests: No competing interests were disclosed.

Disclaimer: The authors declare that their opinion and views expressed in this manuscript are free of any impact of any organizations.

RIGHTS AND PERMISSIONS

Copyright: © 2025 Ilir Zylfiu, Dukagjin Leka. This is an open access article distributed under the terms of the Creative Commons Attribution License, (CC BY 4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

EDITORS

Managing editor – Mag. Bohdana Zahrebelna. **English Editor** – Julie Bold.

Section Editor – Dr. Harun Halilovic. **Ukrainian language editor:** Lilia Hartman.

ABOUT THIS ARTICLE

Cite this article

Zylfiu I and Leka D, 'Challenges of EU Integration and Collective Security in Kosovo: Looking beyond the Free Trade Agreements' (2025) 8(3) Access to Justice in Eastern Europe 501-21 <<https://doi.org/10.33327/AJEE-18-8.3-r000107>>

DOI <https://doi.org/10.33327/AJEE-18-8.3-r000107>

Summary: 1. Introduction. – 2. Methodology. – 3. Literature Review. – 3.1. *Free Trade Agreements in Western Balkans*. – 3.2. *Regional cooperation and integration in Western Balkans*. – 3.3. *Trade liberalization*. – 3.4. *Central European Free Trade Agreement (CEFTA 2006)*. – 4. Results and Discussion. – 5. Conclusion.

Keywords: *Trade liberalisation, regional cooperation, Western Balkans, financial assistance.*

DETAILS FOR PUBLICATION

Date of submission: 29 Dec 2024

Date of acceptance: 22 Apr 2025

Online First publication: 18 Jun 2025

Last Publication: 18 Aug 2025

Whether the manuscript was fast tracked? - No

Number of reviewer report submitted in first round: 2 reports

Number of revision rounds: 1 round with major revisions

Technical tools were used in the editorial process:

Plagiarism checks - Turnitin from iThenticate <https://www.turnitin.com/products/ithenticate/>

Scholastica for Peer Review <https://scholasticahq.com/law-reviews>

АНОТАЦІЯ УКРАЇНСЬКОЮ МОВОЮ

Оглядова стаття

ВИКЛИКИ ІНТЕГРАЦІЇ ДО ЄС ТА КОЛЕКТИВНОЇ БЕЗПЕКИ В КОСОВІ: ПОГЛЯД ЗА МЕЖИ УГОД ПРО ВІЛЬНУ ТОРГІВЛЮ

*Ілір Зилфіу та Дукаджин Лека**

АНОТАЦІЯ

Вступ. Колективна безпека є одним з основних принципів, якими керується сучасне міжнародне право. Це особливо актуально для такої країни, як Косово, державність якої оспорується кількома країнами, зокрема Сербією, яка порушила колективну безпеку різними діями. Основною метою цієї статті є аналіз впливу колективної безпеки на інтеграцію Косова до ЄС, особливо, що стосується впровадження та прогресу угод про вільну торгівлю з ЄС, таких як Угода про стабілізацію та асоціацію (УСА) та Центральноєвропейська асоціація вільної торгівлі (ЦЕАВТ).

Методи. У цій статті використовується систематичний огляд теоретичних досліджень та наукових праць. Було проаналізовано кілька джерел теоретичної літератури стосовно інтеграції Косова до ЄС, угоди про вільну торгівлю, регіональне співробітництво на Західних Балканах та Пакт стабільності, і на основі цих даних було сформульовано висновки.

Результати та висновки. Актуальність статті полягає в тому, що в ній розглядаються питання безпеки, економіки, політики та правового характеру. У академічному світі Косова помітний брак теоретичних даних із цієї теми. Тому ця робота є особливо актуальною, оскільки вона об'єднує ці галузі. Дослідження європейської інтеграції та наслідків угод про вільну торгівлю в постконфліктних країнах має особливе значення для таких країн, як Косово, та для інших держав Західних Балкан.

Ключові слова: лібералізація торгівлі, регіональне співробітництво, Західні Балкани, фінансова допомога.