

The Importance of Globalization in the Economic Integration of the Countries in the Region: The Case of Kosovo

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Abstract

Globalization represents an unavoidable phenomenon in the history of mankind, which is making the world smaller and smaller by increasing the exchange of goods, services, information, knowledge and cultures between different countries. Globalization is a process that has changed a lot in our everyday lives. This multidimensional and contradictory process brings to life the hopes and achievements that life can bring to it. The rush for greater competition is one of the main objectives of globalization. Such a thing can only be reached with market liberalization, economic integration and technology development. It is important for us to benefit from globalization. Therefore, during this paper we will discuss the importance of globalization for the integration and development of countries in the US and as a case study for Kosovo. Globalization is an unstoppable process for Kosovo, and a hope for integration and development that will impact on economic development and integration into the European Union. Following the Declaration of Independence of Kosovo on 17 February 2008 and the entry into force of the Constitution of the Republic of Kosovo on 15 June 2008, the same objectives, more than before, were introduced in Kosovo. Like other transition countries, Kosovo also declared membership in the EU not only objective of foreign policy, but

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also a strategic social and state goal. The definition of this decision puts Kosovo at the forefront of the transition, reform and harmonization process with EU criteria.

Key words: Globalization; economic development; integration; investments, liberalization;

1. Introduction

Globalization, in its essence, describes and marks no more than a world that is characterized by link networks that overcome multi-continental areas. Despite this, globalization marks the rise or fall in globalization. It focuses on the forces, dynamism or speed of these changes. Globalism, therefore, describes the reality of being interconnected, and globalization includes the speed at which these links are increased or reduced. Here we will deal with the concept of globalization, although for the same phenomenon we often encounter the term globalization, especially we find it to be used as a trend or tendency that strongly supports the process of globalization (Nye, 2002). The rapid development of the world trade and highly dynamic exchange of various goods and services year by year marks the greatest growth dynamism, so these powerful components of the world economy objectively determine the exercise of pressure on countries not so powerful, forcing them to undergo trade liberalization by reducing or eliminating foreign exchange customs and by simplifying border and transit procedures for goods and capital, but also by creating common markets, free markets, free zones customs, integration structures between states etc. In the current electronical economy, fund managers, banks, corporations, investors and other structures, with just a push of a button, can transfer powerful amounts of money from one point to other points in the world, even at most distances remote. Today, global goods, services and capital circulate astronomical amounts of several trillion dollars a day (2009).

2. Education as a tool to benefit from globalization

Modern experience shows that globalization, the most evident phenomenon of the XXIst century, does not spontaneously distribute progress or welfare or punish regression and poverty but needs to be

sought or eliminated through policy and strategic solutions from any country (Bilalli, M., 2009). Avoiding or simply seeking protection from it is not considered an intelligent solution because it means depriving yourself of the effects and opportunities that modern capitalism offers. Globalization is a consequence of the revolution of information and communication technologies as well as of the free trading system is the development of knowledge of economy and knowledge of management. The international competition growth resulting from this process is much stronger than the classical competition of goods and products the world has faced so far. Its confrontation is closely linked to an innovative permanent process based on profound scientific knowledge and quality education, and above all in the ability to distribute and absorb them to large scale for many social groups and categories (Civici, 2015).

2.1. Characteristics of globalization

Globalization/internationalization has been identified with a number of trends, many of which could have been developed since World War II. These include a greater international flow of goods, money, information and people, and include the development of technology, organizations, legal and infrastructure systems that allow and enable such a move. Below we will mention the key features of this process manifested in economic, cultural, juridical and technological life.

- **At the economic globalization level appears in:** the growth of international trade to a much faster pace than the rise of world economy, the increase in international capital flows, including foreign direct investment, the linkage of international agreements that have triggered the establishment of organizations such as WTO (World Trade Organization) and economic cartels such as OPEC - developing global financial systems, enhancing the role of international organizations such as WTO, WIPO, IMF, dealing with international transactions, increasing economic practices such as outsourcing and offshoring business processes from one country to another) from multinational corporations (Civici, 2015).
- **At the cultural level, globalization appears in:**
 - the ever increasing international cultural exchange,
 - the spread of multiculturalism as well as the best individual acceptance in cultural diversity, for example through the export of

films Hollywood and Bollywood. However, imported culture can easily replace local culture by causing the reduction of diversity (Neziri, 2008).

3. The basic elements of the economic development process

Globalization at the beginning of the 21st century is a call for nations, enterprises, jobs and people's lives. The transnational flow of ideas, knowledge, people, goods, capitals are creating new economic direction and tremendous development. It is a matter of particular concern to economies and societies in transition that, in harmony with their economic, civilizational, cultural heritage and natural and productive specificities, promote such development which will be linked to the development of the contemporary global trend that, at the same time, within them to strengthen their contribution to these trends. The current experiences of the new, post-socialist European states are clearly indicating that many regressions are likely to be developmental and economic regression, even when the situation is pending growth and progress. The economic and political spheres are gradually redefined, so mutual relations are no longer relatively comparable. For now it can be verified that the modernization process itself relativizes the concepts and norms, initiates institutional reform and opens up a series of social and individual problems (Selmani, 2006, p.87-92)

3.1. Regional Cooperation as a European Integration Process

The European Union through the Stabilization and Association Process and the Stability Pact for South East Europe has supported the countries of South East Europe in their path towards European reforms and standards that aim to be integrated into European structures. The European Union has managed through these processes and mechanisms to orient the countries of the region on the European agenda, in order to, at the same time, fulfill the criteria of the European Partnership to improve their inter-ethnic relations. The main goal was to help these countries in the region, learn how to co-operate between themselves if they claim to be more integrated into European Union structures. Within the framework of regional relations and in support of these relations, their contribution has been given by the European Union member states, other countries such as the US, but also international financial institutions as well as other

international institutions. This support was in the form of providing their own experiences, financial support, but also by coordinating activities and different strategies among these different partners (G.Qorraaj, 2012, p.14)

3.2. How to Understand Economic Development in Contemporary Conditions and Conditions

The economic growth created in the economic resonance - to produce, sell, to spend more than others, the most likely to be more efficient, is created in the indisputable economic inactivity of creationism and guided by the race for maximizing profits has created polarization with the rich and poor countries and the increasingly economic and technological gap between them and in the illusion of its infinite race has heightened the mystification of growth, hyper-production of commodities and the service, the impatient of the consuming society, the cult of the national states, and their wealth or poverty (Qorraaj, 2012, p.14)

3.3. How to achieve the economic development of transition countries

Smaller countries have a specific problem in the globalization process. The underlying problem is that they are adapted to external circumstances. For transition countries this problem is more complicated, globalization has in general introduced new development rules in the national economy. For countries in transition, there are a number of problems to be solved. In addition to standard problems, the problems of the transitional countries are related to the regular solution of the development strategy. Transition economies also make the issue of global market opening and their integration into regional integration (EU, EFTA, CEFTA, etc.) important to the differences between large and small countries. Transitional countries had to undertake a number of measures to establish initial market structures and relevant institutions.

The main goals have been:

- Privatization of state-owned enterprises
- Restructuring of enterprises
- Market liberalization and prices
- Market capitalization
- Financial Stability
- Reversing local currency convertibility
- Development of institutions to support the market orientation of national economies (Selmani, 2006, p.92-98)

4. Globalization and Balkan regionalization process

All of our historical knowledge proves that when it comes to the question or idea of the extent of Europe under one roof, which would unite the majority or majority of states and peoples, sociological evidence is more or less intertwined with the jubilation of prejudices that they had or have individuals, groups or countries and peoples throughout their social affection. The concept that is today found on the Eurocrats green tables, however, is not a new date; this idea of union or reunion is as old as Europe itself. When we emphasize how Europe itself is, our allusion is undoubtedly a sign of antiquity (Selmani, 2006, p.92-98). However, what distinguishes the current qualification for a common Europe, for most competent people, i.e. architects of this roof, is undoubtedly the idea of peace, security, general progress for countries that are, or claim to be, tomorrow in this vortex. The foundations of the current idea or effort we are listening to every day in the media, scientific literature, in the sphere of politics and the economy, for a common and unique Europe, undoubtedly had been thrown during World War II but decisively with the act of the collapse of the Berlin Wall, and especially of the beginning of the expansion of the globalization process throughout the southeastern part of Europe, i.e. in the part that post-communist states are experiencing the fever of the transition process - the idea for a common climax has begun intensified at a faster pace than ever before in the history of the continent (Selmani, 2006, p.92-98).

4.1. Globalization of Transition Countries - Kosovo Case

Finally, we have a new phase in the globalization of Western state power. Paradoxically, this is in development, despite the lack of a clear political will by Western leaders to develop their state institutions into clear mechanisms of global leadership and management. Western leaders have developed a growing rhetoric of global responsibility, but there is a great reluctance to create real or thoughtful resources for the development of global institutions and the forms of global social change that can provide greater stability. The biggest beneficiaries of globalization are undoubtedly state-of-the-art economies and technology. This benefit comes from their power to determine relationships with other states and the process of globalization itself. Kosovo is a country that offers many opportunities for investment, has a good strategic position, is a country in the Eurozone,

which has the youngest population in Europe and has low and cost-effective labor taxes. The banking system is one of the most stable in the region and the privatization of public enterprises is in progress that brings many great opportunities for foreign investors. Today, Kosovo has more than 3,000 foreign and mixed-owned companies. This investment has spread across a wide range of business sectors, as well as public-owned investments as government-sold assets as part of the privatization program. In addition, Kosovo enjoys the recent involvement in free customs access to the European Union and the United States through the EU. Economic growth and development all stem from the accumulation of physical capital (investment), human capital (labor) and technological advancement (Third World Economic Trends & Analysis, 2009.)

In addition to fiscal measures, the supply of infrastructure such as good roads, power and water are among the most prerequisites for attracting foreign investors and lowering the cost of production. For years, I have been criticized by international mechanisms for an unfavorable business environment, and according to economic affairs experts, it has not yet managed to improve the business climate.

4.2. Kosovo towards the process of global integration

As globalization is known as a term, terminology is old and the term associated with globalization is found since ancient times. We are talking about the time of old Babylon, then the various ways of trade with ancient China and many other civilizations which we will not be able to summarize in a few lines, but there are other thoughts that this term exactly starts somewhere around approximately 400 years ago. As it is, when we talk about globalization and global integration processes today, we must first of all take into account the concept or definition of globalization itself (its processes), to understand it better, then to see the relationship between of Kosovo, challenges and processes of global integration. We have seen above all that globalization is coarse; according to author Nye (2002) globalism in its essence describes and marks no more than a world that is characterized by links networks that transcend multi-continental areas. From a logical point of view we can conclude that there is not yet an adequate term that would specifically specify this term, but this term roughly gives a dimension related to networking in multi-continental areas. However, the question is: What correlative relationships can there be between the globalization process and Kosovo?

The answers will also be in different dimensions and different approaches; however, globalization must always be looked at in both respects. So this process should be looked at in an analytic dioptr from both a positive and a negative position in order to undertake a deeper analysis of this process. In particular, Kosovo as a new country has a prospect in the midst of Europe's Old Lady, and is certainly part of the global integration processes. According to renowned sociologist Anthony Giddens, globalization is usually elaborated in four aspects: political, economic, cultural-social and military. Therefore, in this context, Kosovo as a new state should be focused precisely in these areas, especially in economic terms, with the fact that economic globalization itself has to do with the creation and verification of the rules of a single world market that would benefit in many respects the Kosovo state itself. Thus, large transnational and transactional companies manage global processes in their breakaway contracts and economic ties with all countries, with countries that have multilateral relations and have mutual interests.

Therefore, Kosovo to be a member of organizations and in step with the current global processes must first create favorable conditions for the promotion of the state, and then continue with the other chain, such as creating favorable policies for investors, then creating a more favorable economy, etc. An illustrative example can be obtained, for example there are special conditions and criteria to open one from license to service quality. All of these elements, as well as other elements, actually show a brief reflection on the linkage between a state in this case to Kosovo and globalization as a process which has become an indisputable process in philosophical and sociological discourses in the 21st century (Kamberi, 2011).

4.3. Kosovo and global integration processes

Kosovo so far has had the opportunity with all its capacities to do so to become part of the great umbrella in the global processes. And when talking about these processes, we are talking about integration and membership in many internationally renowned mechanisms, organizations, associations and other, with a special character, such as the IMF, UN, WB, NATO, EU, etc. Therefore, Kosovo's membership in these important organizations is undoubtedly of a multi-dimensional character. With the one hand, Kosovo strengthens its position as a new state, a country that provides a Euro-Atlantic perspective and proves as it has

proven to be a factor of stability and has broken the many prejudices of many skeptics, while on the other side, apart from the political character that includes many elements, there are other characters such as economic, cultural, social, that would develop a stable economy, alleviate unemployment, decrease poverty rate, stimulation of investors, promotion of cultural values, etc. Currently, Kosovo as a state even though it is a member of the IMF and WB, it should be vigilant to take appropriate steps in the management of the work (criteria set by the EU) on the one hand and on the other to make an effort to join the UN because membership in this important organization would open doors for other global and integrative processes.

4.4. Integrating economic development in our country

Kosovo's integration in these global processes would undoubtedly pave the way for a sustainable economic development, because the economy today is considered a determinant criterion in the world of postmodernity, in the world of modern capitalism, so a state that has a stable economy (since the state engine is undoubtedly the economy) then economic development would have correlative effects with developments and social changes in the country and beyond. These dimensions, but also other dimensions, undoubtedly constitute a particular range in the role of the global integration processes of Kosovo which needs such integration that would further promote itself. So we tried to reflect on the aspects and positive dimensions of these processes in short terms, but on the other hand there are negative aspects in some such processes, because above all globalism can be considered as a process that one hand gives and with the other gets it! (Kamberi, 2011).

5. Conclusion

- It can be concluded that the world is growing rapidly and developing into a single world unit, to be known as the global village, the process of globalization is a direct function of national development. In addition, globalization is the trend of investment funds and businesses to move beyond domestic and national markets to other markets around the globe, allowing them to become interconnected with different markets. Globalization supporters say it helps developing countries, engaging with industrialized countries much

faster by boosting employment and technological advances, as is the case with Asian economies that are often highlighted as examples of globalization success. It is clear that industrialized countries will benefit fully from taking advantage of the opportunities offered in the areas of the major trade-to-capital markets (economic bases) and will tend to move from relatively weak countries, because they are strong and developed. Countries that do not have a strong institutional framework and solid social policies and networks to cope with external negative impacts will inevitably suffer the negative effects of globalization. External factors, such as global trading environments, are crucial for creating greater opportunities by introducing barriers to economic growth in a country. Globalization of economics, science and technology requires a very high degree of culture development. Kosova duhet të jetë e gatshme që fillimisht të përfundoj me sukses periudhën e tranzicionit, periudhë kjo, e cila Kosovës i është dashur më shumë kohë sesa vendeve tjera të rajonit dhe i ka sjellë probleme;

- The European Union must continue its support towards Kosovo and not use double standards for Kosovo;
- Kosovo's institutions must make constant efforts to fight corruption, which as a black mark is increasingly emerging as a Progress Report by the European Commission;
- Also, Kosovo's institutions should be more committed to reforms such as public administration (central and local), bearing in mind the fact that this administration is highly introduced into political area and overburdened;
- The current aspect of the normalization of relations between Kosovo and Serbia needs to be revised and the future position should be revised especially at the common border management point.

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