
CURRENT TREND OF SOCIOECONOMICS IN ALBANIA, KOSOVO, SERBIA, NORTH MACEDONIA, MONTENEGRO, BOSNIA AND HERZEGOVINA

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Abstract: The aim of this research is to analyze current socioeconomics in Albania, Kosovo, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina as well as to make a comparative analysis of these countries with Spain and Slovenia, basis in action for improvement of the growth and social condition in this countries, with pretend to detect wakened points for each country. The methodology of the research consists of primary and secondary data. We first reviewed the materials on what other authors have written about the field. We processed the data through the Stata program, in particular we used linear regression and correlation & covariance. Mainly, the results of this research will provide socioeconomic information and data in Albania, Kosovo, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina, Spain and Slovenia. Analyzing the indicators: educational, environmental, climatic, health, labor & protection, economic increase and poverties which explain the social development in the Albania, Kosovo, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina and comparison with two European countries (Spain and Slovenia) during for the period 2009-2019. In conclusion, we can say that the above-mentioned countries should work harder for the development of socio-economy in their countries.

Keywords: Western Balkan, Socioeconomics, Social development.

1. INTRODUCTION

The researches on socioeconomics, small in the numbers but very important not only for developing countries such as Albania, Kosovo, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina but also for developed countries such as Spain and Slovenia.

In order to realize the main purpose of the paper we analyzed current socioeconomics in the Albania, Kosovo, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina, compare with EU standards, this research also has its objectives as:

- To analyze weakened component of social economy and their impact that they brings in achieving rapid growth in the Western Balkan countries.
- To analyze the impact that the socioeconomics has in increasing the welfare of the people of these countries.

According to (Janus & Kelly, 2018) socioeconomics consists of companies, ventures, NGOs, institutions, cooperatives. (Bouchard & Rousselière, 2015) say that the sector that makes an important contribution to establishment of job, social law, social newness, social coherence, sustainable increase and socioeconomics evenness is the social economy. According to (Mazzei, Teasdale, Calò & Roy, 2020) the socioeconomic is related down the valid of the superiority of citizens, unanimity, governance democratic, and the reinvested profit to achieve the goals of sustainable development. While (Harrisson, Széll & Bourque, 2009) show the importance of the social economy resource. It seeks to find current settlement to socioeconomics or environment and to meet demand that have been incorrectly fulfill by the state and non-state enterprises. According to (Morley, 2016) social effect accountability over in 10 recent years has managed to prevail better examples to socioeconomics. While according to (Social Economy Europe, 2021) social economy contributes with about 7% to the world gross domestic product (GDP). The social economy is an opportunity and a driver enforcement of the sustainable development goals in Europe and global level. Currently, EU has 2.8 million socioeconomics organizations and enterprises, employing 13.6 million people and accounting for 8% of GDP. (Matković, 2019) says that the third sector is not developed in Albania, Kosovo, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina and talks about the possibility of work establishing in these countries thought this sector. Now, these countries are not well in terms of socioeconomics and faced with (poverty, poor education system, health problems and unemployment).

2. MATERIALS AND METHODS

In the methodology we have used various materials which relate to socioeconomics. The methods used in the research are: quantitative, qualitative, statistical and comparative methods. For this research we used second data which we received from the world bank. Whereas for model we used correlation and linear regression which we worked on with Stata software.

3. RESULTS

In this part we presented all the results of the research. The scope of this research is to analyze actual socioeconomics in Albania, Kosovo, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina as well as to make a comparative analysis of these countries with Spain and Slovenia.

3.1. Current trend of socioeconomics in Albania, Kosovo, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina

Regarding of socioeconomics sector in the Albania, Kosovo, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina, investigation throw reviewed literature shows that: The SE sector in Albania is nascent and estimated to have emerged since 2013 as part of CSOs and projects supported with foreign donor funding. Even with an unfavorable legislative, economic and institutional framework, Serbia has developed an emerging but notable social economy sector whose principal actors, by their volume, are the cooperatives which also employ the greatest number of people working in SE. As with the rest of the economy in Kosovo, the social enterprise sector is in the early stages of development. In North Macedonia, from the perspective of the wider social economy, the actors with a potential to grow into social enterprises are quite diverse and take several formal and informal forms. The social enterprise sector in Montenegro is relatively limited; with an estimated maximum of 30 organizations. In general, there is a lack of data-base or any comprehensive research on the size of the sector and the estimates are thus based on mapping exercises realized by several support organizations and interviews conducted during the study. In principle, social enterprises in Montenegro use the following legal forms: non-governmental organizations (NGOs); limited liability companies; sheltered workshops and agricultural cooperatives. In many of these states, most of the identified social enterprises are registered as NGOs (Rosandic & Kusinikova, 2018).

In spare of literature, the official data shows (presented in table below) in detail social economy in this countries.

Table 1. Socioeconomics indicators in the Albania, Kosovo, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina, Spain and Slovenia

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Social development											
Albania	64.1	62.9	63.6	64.3	61.2	62.5	63.8	64.4	64.8	64.7	64.6
Kosovo	-	-	-	-	-	-	-	-	-	-	-
Serbia	60.3	59.2	59.4	59.9	60.6	60.7	60.4	61.9	62.3	63.1	62.8
North Macedonia	68.5	68.6	67.6	67.4	67.3	68	67.7	67.8	67.8	67.5	67.3
Montenegro	55.8	55.8	55.8	56.5	56.7	58.9	59.4	60.7	61	62.8	62.8
Bosnia and Herzegovina	58.1	58.2	57.6	58.3	58.3	58.2	58.2	58.6	57.8	58.3	58.1
Spain	67.4	67.1	66.5	66.1	65.3	64.9	64.7	64.3	64.1	63.8	63.4
Slovenia	65.6	65.5	64.1	63.3	63.3	63.3	62.9	61.5	63.4	64.1	63.4
Economic growth											
Albania	3.8	-	-	3.62	3.5	3.9	3.4	3.9	3.8	4.2	3.8
Kosovo	3.5	3.3	4.4	2.8	3.4	2.7	3.5	3.4	4.2	4.2	4.4
Serbia	-	-	4.5	4.4	4.3	4.2	4.1	3.8	3.9	4.2	3.5
North Macedonia	-	-	-	-	3.6	3.3	3.9	2.4	0.2	2.7	2.9
Montenegro	-	-	-	-	-	1.8	3.4	2.9	4.7	4.4	2.9
Bosnia and Herzegovina	-	-	-	-	-	1.1	3.1	3.1	3.2	3.0	3.4
Spain	8.6	7.5	6.3	6.1	6.9	7.2	8.7	9.7	9.9	10.2	-
Slovenia	7.4	6.4	5.9	3.7	4.8	7.7	6.3	6.8	10.8	11.8	-
Education											
Albania	-	-	-	-	12.1	-	11.3	13.5	12.3	-	-
Kosovo	-	-	-	-	-	-	-	-	-	-	-
Serbia	10.4	10.1	10.1	9.2	-	8.7	8.8	8.6	9.2	8.80	-
North Macedonia	-	-	-	-	-	-	-	-	-	-	-
Montenegro	-	-	-	-	-	-	-	-	-	-	-
Bosnia and Herzegovina	-	-	-	-	-	-	-	-	-	-	-

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Spain	10.6	10.6	10.6	9.2	10.6	9.2	9.5	9.7	9.9	10.2	-
Slovenia	12.3	12.2	12.1	12.2	12.6	9.99	11.2	11.2	11.7	12.1	-
Climate change											
Albania	4.37	4.59	5.24	4.92	4.91	5.48	4.61	4.53	-	-	-
Kosovo	8.19	8.42	8.36	7.94	8.07	7.26	8.4	8.94	-	-	-
Serbia	45.9	45.7	49	43.8	44.6	37.4	43.9	45.2			
North Macedonia	8.69	8.6	9.3	8.81	7.85	7.53	7.09	7.05	-	-	--
Montenegro	1.63	2.42	2.4	2.21	2.15	2.1	2.24	2.01	-	-	-
Bosnia and Herzegovina	20.7	21.3	23.9	22.3	21.9	19.4	18.6	21.8	-	-	-
Spain	288	270	270	264	237	233	250	244	-	-	-
Slovenia	15.3	15.3	15.2	14.7	13.9	12.5	12.5	12.6	-	-	-
Environment											
Albania	28.4	28.3	28.3	28.3	28.2	28.2	28.2	28.1	-	-	-
Kosovo	-	-	-	-	-	-	-	-	-	-	-
Serbia	30.5	31	31	31.1	31.1	31.1	31.1	31.1	-	-	-
North Macedonia	39.4	39.6	39.6	39.6	39.6	39.6	39.6	39.6	-	-	-
Montenegro	58.5	61.5	61.5	61.5	61.5	61.5	61.5	61.5	-	-	-
Bosnia and Herzegovina	42.7	42.7	42.7	42.7	42.7	42.7	42.7	42.7	-	-	-
Spain	36.2	36.4	36.5	36.6	36.6	36.5	36.7	36.8	36.9	-	-
Slovenia	61.8	61.8	61.9	61.9	61.9	61.9	61.9	61.9	-	-	-
Healthy											
Albania	-	-	0.8	-	1.6	1.1	0.9	1.3	-	-	-
Kosovo	3.2	2.5	1.7	0.6	0.3	1	0.7	0.8	0.4	-	-
Serbia				5.3	5.8	6.9	6.6	6.4	5.4		-
North Macedonia	9.8	10.4	9.1	6.9	5.2	4.5	5.5	4.3	4.6	-	-
Montenegro	-	-	-	3.4	3.2	1.7	1.4		-	-	-
Bosnia and Herzegovina	-	-	-	-	-	-	-	-	-	-	-
Spain	0.8	0.7	1.1	0.9	1.2	0.8	0.9	1.2	0.7	-	-
Slovenia	-	-	-	-	-	-	-	-	-	-	-
Poverty											
Albania	76.2	76.6	76.9	77.3	77.6	77.8	78	78.2	78.3	71.9	71.2
Kosovo	69.6	69.9	70.1	70.5	70.8	71	71.1	71.3	71.6	-	-
Serbia	73.9	74.3	74.5	74.8	75.3	75.3	75.7	75.5	75.9	-	-
North Macedonia	74.5	74.7	74.8	75	75.2	75.3	75.4	75.5	75.6	75.7	-
Montenegro	74.8	75.2	75.5	75.8	76.1	76.3	76.5	76.6	76.7	76.8	-
Bosnia and Herzegovina	75.8	76	76.2	76.4	76.6	76.7	76.9	77	77.1	77.3	-
Spain	81.4	81.6	82.4	82.4	83.1	83.2	82.8	83.3	83.3	83.4	-
Slovenia	78.9	79.4	79.9	80.1	80.3	81.1	80.8	81.2	81.1	81.1	-

Source: World Bank, 2021

According to the data presented in the tables above we see:

- A slight increase in economic development in all Western Balkan countries, while the other two European countries have recorded economic growth two to three times higher. Economic growth in these states accelerated from year 2017 until 2019. Although unemployment fell in 2018 it still remains high for young people and women. Based on the above data, we note that social development has the same percentage in all Western Balkan countries without major changes neither in two European countries: Spain and Slovenia. To increase this percentage, states must invest in social development and through this sector improve the well-being of citizens. Citizens' well-being is achieved through poverty reduction and citizen support towards their achievement. European countries offer more support in terms of improving well-being to their citizens, while in these states citizens in front many obstacles until they achieve realize their dream and improve well-being for themselves and their family.

- According to the data presented in the table above, the six countries of the Western Balkans have recorded economic growth. Albania, Kosovo and Serbia stand at almost the same growth rate while the other three countries North Macedonia, Bosnia and Herzegovina and Montenegro have lower percentages. But if we compare them with Spain and Slovenia, these two countries marked greater economic growth compared to the WBC countries.
- Education is an essential right of every individual. Fortunately, in these states in recent years there has been an improvement in the level of education. Although progress has been made in terms of education, much work is needed to do not only in the aforementioned countries but everywhere in the world.
- Unfortunately, very little has been done for the environment in the Western Balkans. According to the data presented in the table, Albania is the best in terms of air pollution, although in recent years there has been degradation that is being done to this very important sector of the social economy. All countries are experiencing air pollution which is endangering the health of citizens. Bosnia and Herzegovina, Kosovo and North Macedonia have the worst situation in terms of environmental pollution.
- In terms of health in the both European countries are doing much better compared to the Western Balkan countries. The citizens of the Western Balkans and especially those of Kosovo face many difficulties in terms of healing as not only do they not find adequate healing in their country, but due to the non-liberalization of visas, they are unable to travel for healing in the EU countries and beyond. While, in Slovenia, health is not gratis (Department of Health and Social Care, Foreign & Commonwealth Office, and Foreign, Commonwealth & Development Office, 2019).
- The six countries of the Western Balkans have already achieved poverty reduction, but if we compare it with Spain, they are still far away in terms of poverty reduction. Even today, citizens in some Balkan countries face a shortage of basic living products. Poverty throughout the Balkan region may be due to ethnic conflict and war. Albania and Northern Macedonia stand better than the other four Western Balkan countries, approaching in percentage terms the two countries of the European Union, Spain and Slovenia.

3.2. Method of linear regression

Tab. 2. Results from the method of linear regression

Social Development	Coefficient	Standard Error	T	P > T	95% Coefficient Interval	95% Coefficient Interval
Economic Growth	-0.221251	0.0945456	-2.34	0.036	-0.4255045	-0.0169976
Education	-0.0844892	0.0696999	-1.21	0.247	-0.2350666	0.0660884
Climate Change	-0.0093552	0.0047835	-1.96	0.072	-0.0196893	0.0009789
Environment	0.3843198	0.1415735	2.71	0.018	0.0784688	0.6901709
Healthy	-0.5262866	0.2359233	-2.23	0.044	-1.035968	-0.0166052
Poverty	-0.4225548	0.1929254	-2.19	0.047	-0.8393448	-0.0057649
Social Protection & Labor	1.326285	0.1971382	6.73	0.000	0.9003939	1.752176
_constant	30.54888	15.74274	1.94	0.074	-3.461244	64.55901

Source: Author, 2021

The coefficient R-square is 95.77% showing a much highest connection among variable of dependent and variables of independent (EG, ED, CCH, EN, HE, POV, SPL). This coefficient shows that its value is 95.77%, variables of independent explain the variable of dependent of the Albania, Kosovo, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina, Spain and Slovenia during for the period 2009-2019.

The second variable of economic growth is significant but has a negative impact on social development, which is inconsistent with economic theory but taking into account that the WB countries don't sufficient economic development. If we have economic growth of 1% then social development for these countries will decrease by 0.22%. The third variable, Education is significant at the level of 10% but has a negative impact on social development, and this is proving to be contrary to economic theory but as we know education in these countries is not so qualitative. If for 1% we have growth in the economy then social development will decrease by 0.08%.

The fourth variable Climate Change is significant and has a negative impact on social development. Whether for 1% we have an increase in climate change then social development will decrease by 0.009%. The fifth environment variable is significant and this variable in social development has positive influence. Whether for 1% growth in the environment then for 0.38% will increase social development. The sixth variable Healthy is significant also in this

variable in social development has positive influence. Whether for 1% growth in Healthy then social development will mark an increase of 0.52%. The seventh Poverty variable is significant and has a negative impact on social development. If for 1% we have an increase in Poverty then for 0.42% social development will decrease. The eighth variable social protection & labor is significant after that in social development this variable has positive influence. If for 1% we have an increase in social protection & labor then for 1.32% will increase social development.

3.3. Correlation and Covariance

Tab. 3. Results from the method of correlation and covariance

	Social development	Economic growth	Education	Climate change	Environment	Healthy	Poverty	Social protection & labor
Social development	1.0000							
Economic growth	0.6459	1.0000						
Education	-0.4790	-0.0831	1.0000					
Climate change	0.1454	0.4747	0.6056	1.0000				
Environment	0.8019	0.6773	-0.4918	0.2825	1.0000			
Healthy	0.0649	0.4403	0.7498	0.8975	0.0482	1.0000		
Poverty	0.1568	-0.2892	-0.7700	-0.5283	0.3857	-0.7738	1.0000	
Social protection & labor	0.6639	0.7512	0.2451	0.7741	0.5584	0.7645	-0.4414	1.0000

Source: Author, 2021

In the table above we have the correlation & covariance. In terms of results positive value have: EN (0.80), EG (0.64) and SPL (0.66), Whereas ED has negative value (-0.47). This econometric model is stable as the error value has marked a decrease. Whereas, correlation for HE (0.06), CCH (0.14) and POV (0.15) these values are not negative but the error value may be overhead.

4. CONCLUSION

The socioeconomics condition in Albania, Kosovo, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina compared to European countries does not leave much to be desired. The wars that have taken place in these countries and the unstable political conditions have affected the situation of the social economy to be not good. The socioeconomics in these countries mainly remains unknown compared to European countries. None of the countries have a clear strategic direction of social economy further development, compared to European countries which are working more and more every day to promote the social economy in its economic and legislative sphere as an instrument for the development of the territory. As well in Europe, the social economy has been gaining more and more political visibility in these past years as a model that generates positive outcomes, notably in terms of employment and social cohesion across Europe. In overall, in Albania, Kosovo, Serbia, North Macedonia, Montenegro, Bosnia and Herzegovina from 2009 – 2019, we see an improvement in all the above indicators, but still this percentage is small compared to EU countries. As well, despite the lack of institutional understanding and unfavorable legislative, economic and institutional framework there are examples of successful social enterprises changing the perception towards the sector, and producing a greater social impact.

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