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Master's Thesis

Comparison of EU Candidate Countries and Their Socio-Economic Impacts of EU Membership

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DIPLOMA THESIS ASSIGNMENT

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Economics and Management
Economics and Management

Thesis title

Comparison of EU candidate countries and possible socio-economic impact of joining EU

Objectives of thesis

This thesis paper focuses on the several EU candidate countries in the Balkans: Turkey, Montenegro, Serbia, and Albania, their comparison in several areas, and their possible socio-economic impacts of joining the EU on national and EU level.

1. Defining the history and relation of the specific EU candidate countries to the EU.
2. Identifying the possible outcomes and impacts of their accession to the EU.
3. Comparing the specific EU candidate countries in different areas.
4. Creating a future scenario for the accession to EU on national and on EU level.

Methodology

This diploma thesis will be divided into three parts.

The first part will be a theoretical one and will be based on the analysis of documents. The second part of the thesis will be own analysis. The candidate countries' socio-economic scales will be compared. The scenarios will review socio-economic impacts after joining the EU.

The final part will summarize the findings.

The proposed extent of the thesis

60 – 80 pages

Keywords

Turkey, Serbia, Montenegro, Albania, European Union, impacts, criteria, economy, social

Recommended information sources

Bobeva, Daniela. 2021. "Nominal, Structural and Real Convergence of the EU Candidate Countries' Economies." Journal of Central Banking Theory and Practice 10(3): 59–78.

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Declaration

I declare that I have worked on my master's thesis titled "Comparison of EU Candidate Countries and Their Socio-Economic Impacts of EU Membership" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the master's thesis, I declare that the thesis does not break any copyrights.

In Prague on 30.11.2022   _____

Mustafa Melih Akyol

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Comparison of EU Candidate Countries and Their Socio-Economic Impacts of EU Membership

Abstract

In this thesis, the comparison of selected EU candidate countries Turkey, Serbia, Montenegro, and Albania will be made. Political systems and history of the candidate countries' recent years will be examined as well as their data for the several aspects.

The indicators such as GDP, GDP growth rate, GDP per capita, HDI, GNI index, Gini index, inflation, exports and imports have been examined and analysed to compare Turkey, Serbia, Montenegro, and Albania with each other. It can be concluded from the analyses and forecasts that the candidate countries are progressive, but they are still behind the EU average when compared. These selected candidate countries are improving slowly behind the EU, and they are expected to grow in the future as well.

Keywords: Turkey, Montenegro, Serbia, Albania, European Union, Economy, Development, Forecast, Candidate, Balkans

Srovnání Kandidátských Zemí EU a Jejich Socioekonomických Dopadů Členství v EU

Abstrakt

V této práci bude provedeno srovnání vybraných kandidátských zemí EU Turecka, Srbska, Černé Hory a Albánie. Budou prozkoumány politické systémy a historie posledních let kandidátských zemí, jakož i jejich údaje z několika aspektů.

Ukazatele jako HDP, míra růstu HDP, HDP na obyvatele, index lidského rozvoje, index HND, Gini index, inflace, vývoz a dovoz byly zkoumány a analyzovány za účelem vzájemného srovnání Turecka, Srbska, Černé Hory a Albánie. Z analýz a prognóz lze usoudit, že kandidátské země jsou progresivní, ale ve srovnání s průměrem EU stále zaostávají. Tyto vybrané kandidátské země se za EU pomalu zlepšují a očekává se, že porostou i v budoucnu.

Klíčová slova: Turecko, Černá Hora, Srbsko, Albánie, Evropská unie, Ekonomika, Rozvoj, Prognóza, Kandidát, Balkán

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List of abbreviations

GDP: Gross Domestic Product

HDI: Human Development Index

GNI: Gross National Income

EU: European Union

US: United States

NATO: North Atlantic Treaty Organisation

USA: United States of America

1 Introduction

European Union has been one of the most important organisations in the world since its establishment. Many of the world's economically strongest countries are part of the European Union for decades. Organisation's transition into European Union has made impact around the world since year 1951 under the name of "European Coal and Steel Community". The reason of the founding of this community goes even further back, to make the 'United Europe' become a real project. After the WWII, many countries in Europe have suffered economically and socially. Therefore, the continent was searching for a solution to keep the peace in and around them.

When the organisation started to take its current form, they realised they were not only integrating inside Europe, but also creating a union which can be economically more independent in the world. With current 27 states, European Union is one of the biggest in terms of consuming. The EU is characterized by a very diverse culture, filled with a diverse set of languages and cultural faiths. (Dobson 2003) The European market consists of nearly 500 million people, which makes European Union a great trade partner. Around 6% of the world population is in European Union, with a nominal GDP of US$ 17.1 trillion as of 2021 and around 18% of global nominal GDP alone (IMF, 2021).

As the years go by, the new members join the European Union and as a result of compliance with the criteria of accession and rules. Since the countries in Europe mainly think European Union can impact them positively in terms of economy, justice, and more, they apply for candidateship. Turkey, Albania, Montenegro, and Serbia are four of these candidates; Turkey has gained the candidate status in 1999, Albania in 2014, Serbia in 2012, and Montenegro in 2010. Their application procedures and processes have gone by and almost every year they are trying to meet the criteria to join the EU. As the Balkans are still an area of interest of the European Union to integrate the European communities, the Balkan countries also believe that the accession of EU will positively impact them in terms of politics and most importantly economically.

These candidate countries which are Turkey, Montenegro, Serbia, and Albania are improving themselves in many aspects, but they are still behind the EU average in many areas. If their recent years are analysed, the predictions for the near future can be made. Via

this way, conclusions about their EU candidacy and future-membership can be understood with the knowledge of their historical backgrounds with socio-economic terms.

The main objectives of this research are to understand the political background of the Balkan countries, to understand why the European Union is interested in the Balkans, to analyse the data of the selected candidate countries, to compare the countries in terms of economy, and to create a scenario how the EU would be affected if they had accession.

2 Objectives and Methodology

2.1 Objectives

This thesis paper focuses on the several EU candidate countries in the Balkans: Turkey, Montenegro, Serbia, and Albania, their comparison in several different areas, and their possible socio-economic impacts of joining the EU on national and EU level. The main objective here is to observe which candidate country is performing better among the candidates and to observe which country is more suitable for EU membership.

1. Defining the history and relation of the specific EU candidate countries to the EU.
2. Identifying the possible outcomes and impacts of their accession to the EU.
3. Comparing the specific EU candidate countries to each other in different areas.
4. Creating a future scenario for the accession to EU on national and on EU level.

2.2 Methodology

This thesis consists of several different parts: first the analysis of the documents in the literature review will be conducted – this part focuses on the history of the political changes in the Balkans and why that area is important for Europe and for the European Union; second the comparison of the selected candidate countries will be conducted in several different areas. All the data used in this thesis will be retrieved from the official sources such as World Bank and United Nations.

Comparisons will focus on the countries' period after 2000 and the forecasting will focus on the upcoming years. The purpose of this decision is to see the stability of the countries in the recent years and what they are capable of in the near future.

The indicators used to make the comparison between Turkey, Serbia, Montenegro, and Albania are:

- GDP
- GDP growth
- GDP per capita
- Inflation

- GNI index

- Gini index

- Exports of goods and services (% of GDP)

- Imports of goods and services (% of GDP)

- HDI

Additional to the comparison between the candidate countries, indicators used for the comparison made with the EU are:

- HDI

- GDP per capita

- GNI index

For forecasting, the Double Exponential Smoothing method with 95% confidence level has been used on Minitab program. This method is general smoothing method, and it provides short-term forecasts when your data have a trend and do not have a seasonal component. The calculation observes level and trend of the data.

3 Literature Review

The European Union is a political and economic union of 27 countries located in the European semi-continent. This cooperation, which was formed based on the United Europe goal which has been identified with the previous European integration declarations in terms of political thought, provided economic cooperation and development to the region. After this cooperation and development, the wars in Europe have stopped, until the Bosnian War. Having experienced bloody wars until 1945, Europe provided its first cooperation with the European Coal and Steel Association, which was established in 1951. The theory of European integration has commenced with the European Coal and Steel community (Alter, 2006). The European Coal and Steel Community was established in 1951 by the states of Germany, France, Italy, Belgium, Netherlands, and Luxembourg in line with the Schuman Doctrine. The common use of coal and steel, which is the raw material of the war, by the states that fought wars between them, created an essential ground for peace in the region.

After the fall of the Berlin Wall, the unification of the two Germanys on November 3, 1990, the liberation and democratisation of the Central and Eastern European countries from Soviet power changed the political composition of Europe. Determined to strengthen their ties, the Member States began negotiations on a new Treaty, the main features of which were agreed at the European Union Summit held in Maastricht on 9-10 December 1991. The Treaty of Maastricht started to be applied by 1 November 1993. With this treaty, it was decided to complete the monetary union by 1999, establish European citizenship and establish standard cooperation policies in foreign and security, justice, and home affairs.

In 2004, the most enormous enlargement wave in the history of the European Union took place, and ten new countries (Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovakia, and Slovenia) joined the European Union. In 2007, the number of EU members increased to 27 with the accession of Bulgaria and Romania. With the accession of Croatia in 2013, the number of European Union Member States reached 28. The current number is 27 since the UK left the Union. There are also official candidates: Turkey, Serbia, Montenegro, and Albania. The oldest candidate is Turkey, since the other candidate countries are socially and economically less significant.

3.1 EU-Turkey Relations

The 62-year strength support of Turkey and the European Union has followed a fluctuating path since July 31, 1959. Problems such as not being able to lift the visa exemption have been always obstacles on the way. It is possible to state the agenda of the EU with Turkey has never been easy. Contact of Turkey with the European Union was realised when Turkey applied for partnership with the European Economic Community in 1959. Adnan Menderes, the Prime Minister of Turkey in that year, made the application for membership to the Community on behalf of Turkey and stated that "Turkey took the first step towards Europe". Nevertheless, Turkey's political strategies, differences between the cultures, religious and linguistic differences always made the candidateship so much harder than any other country.

Turkey-EU relations followed a fluctuating course from the 1970s to the mid-1980s due to political and economic reasons, and relations were suspended after the military coup of 12 September. The relations between the European Union and Turkey have worsened in the wake of the military interventions in Turkey in 1971 and 1980 regarding the suspension of economic and military assistance by the EU to the Turkish government (Yesilada, 2002). However, relations have been revived since 1984, with Turkey's opening up process. In 1987, Turkey applied for full membership to the Union without waiting for the completion of the processes envisaged in the Ankara Agreement. The European Union expressed that it is not appropriate to accept a new member without completing its internal integration. In 1996, the Customs Union between Turkey and the EU entered into force. The Customs Union is seen as one of the most important stages of the partnership relationship for Turkey's goal of integration with the European Union. It has brought a different dimension to Turkey-European Union relations. The inclusion of Turkey in the first Regular Report series prepared by the Commission for 12 candidate countries on November 4, 1998, was described as the approval of Turkey's application (Uysal, 2001). The turning point of Turkey-EU relations was the Helsinki Summit held in 1999. At this summit, Turkey's candidacy was officially approved, and it was clearly and unequivocally stated that Turkey is in an equal position with other candidate countries. In this direction, the Accession Partnership Document has been prepared for Turkey.

In Turkey, reforms have accelerated in the process of membership to the European Union, and reforms that expand the scope of fundamental rights and freedoms, strengthen and secure existing regulations in areas such as democracy, the rule of law, freedom of thought, expression, and human rights have continued. As a result of the passing of reforms and harmonisation laws by the Parliament, another turning point was experienced in terms of Turkey-EU relations in 2004, and the Brussels Summit was held. At the summit, it was stated that Turkey adequately met the political criteria, and it was decided to start negotiations for full membership to the EU. The membership negotiations, which started in 2005, are still continuing with opened chapters. However, the differences cannot be ignored. European Union consists of states that have Christianity for most of the population. Meanwhile, Turkey consists of mainly of Muslims. Due to historical conflicts and different perspectives on the continent, European communities have developed a different vantage point towards the other religions and cultures when the Turkish – European relationship has been observed. When we add the European – Ottoman wars into this topic, it is seen that the Turks, in general, have been seen as the outer source for the European communities. It is not only left with that, but Turkey's population also is one of the biggest in Europe after Russia. In a scenario of Turkey joining the EU, Turkey would have the highest number of chairs in the Parliament along with Germany due to EU's laws. Any proposal can be mainly rejected by Turkey, and just even because of this reason, Turkey's membership to the EU can be held on stand-by.

Besides those reasons, Turkey's political situation makes the situation not harder but impossible. Turkey's greatest challenge is its stable governance (Adaman, 2007). The current government of Erdoğan is totally far away from the ideologies of the current EU states. Erdoğan's anti-Turkish and many anti-democratic laws make the EU think Turkey is not a suitable candidate even though it is an official candidate along with other small Balkan states. These situations are both acknowledged by both sides. Neither of the sides want full membership even though it will be beneficial for everyone. Turkey was promised visa exemption since 2015, the most beneficial thing for Turks as millions of them currently live in various EU states. Turkey has visa exemption for EU citizens; however, it is not the same for Turks, making the situation harder. Also, Turkey is one of the biggest partners of the EU and other European countries in terms of trade and tourism as Turkey is one of the most

visited countries on earth. However, this situation is also getting worse because of the current government's anti-democratic actions. The current controversial situation between the EU and Turkey does not seem to ease anytime soon. However, after all those phases, neither Turkey could give up on its candidateship, nor the EU could entirely reject Turkey's application (Uysal, 2011).

The most significant two obstacles on the way are the current Turkish government's anti-democratic form and the EU's attitude towards it. There indeed appears to have been positive developments in EU-Turkey relations after 2000s. (Arıkan, 2006). Even though the membership of Turkey will lift Turkey's economy and social construction upwards, Turkish citizens know well that it will not happen anytime soon. Does the EU want to accept a country into its parliament that can reject any proposal by the power of the number of chairs? Even if everything is resolved, the real question will remain as it is. The Turkish presidential election will be held in 2023. Turkish citizens hope to vote for a better and more democratic government since most of the population is not satisfied with the current government's behaviour in different national and international topics and problems. Even though there may not be a full membership in the next ten years, Turkish citizens mostly care about good relationships, visa exemptions, and a more democratic government supported by the EU. The EU holds a different strategy towards Turkey, to keep Turkey in the EU's orbit with close relations (Arıkan, 2006). However, by 2023, things may change, and candidateship will be reviewed.

3.2 EU's Attitude Towards Western Balkans

The Balkan peninsula is a part of the European sub-continent. The nations and their countries which arose for the last 1500-2000 years have been seen as Europeans. There are cultural, ethnic, and linguistic similarities between many Balkan countries and have always been due to their Indo-European linguistic ancestry. Slavic countries, consisting of Serbia, Montenegro, Macedonia, Bulgaria (became Slavic later), Croatia, Bosnia Herzegovina, and Slovenia, are cumulated in Southern Slavic countries. Their languages are so similar – even some of them use the same language – and they are culturally bonded to each other.

Meanwhile, Romania, Albania, and Kosovo are three separate countries. However, Albania and Kosovo share a common ancestry, like many Southern Slavic countries. Romania does not share linguistic similarities – if you exclude Moldova – with any other Balkan country, because they speak a language that is a branch of Romance languages. Therefore, Slavic culture is the most dominant culture in the Balkan peninsula.

These countries have been under Turkish control for many centuries, and so they have become even more mixed during the Turkish reign in the Balkans. Due to the anti-assimilation style of the Ottoman Empire during the medieval age, most of the Balkan populations have managed to keep their cultures and languages until today. Despite having three major religions in the peninsula – Islam, Orthodoxy, Catholicism – and countless wars with each other, Balkan countries were usually backed up by the Orthodox Russians and Catholic Western Europeans through the 17th century. Orthodox Greeks' cultural influence shaped the politics of Serbia and Bulgaria; Muslim Turks' cultural influence shaped Albania and Kosovo; and Catholic Western Europeans' cultural influence shaped Slovenia and Croatia the most in the Balkan peninsula – but it should not be forgotten that the Turks have culturally influenced the Balkans for over 1500 years as well. After the fall of the Ottomans and Austro-Hungarians, the nations gained independence. However, these nations were culturally, economically, and historically so insignificant that they always fell under the control of other major powers such as Italians and Germans and could not keep their independencies for a long time.

The necessity of inclusion of the Balkan countries, which remained behind the "Iron Curtain" after the World War II, into the European Economic Community in the future has been expressed. After the end of the socialist order, the relations between the EU and the Balkan countries developed rapidly in all areas. In contrast, the collapse of the socialist regime in the Federal Socialist Republic of Yugoslavia caused ethnic problems. As a result of this situation, both Slovenia and Croatia declared their independence on 25 June 1991 (Tontu, 2006). The European Union started to create a new enlargement agenda that included the Western Balkan countries, when the enlargement of Central and Eastern Europe was coming to an end, and the enlargement process was assumed to be completed with the full membership of Turkey (Dağdemir, 2004). However, the destabilisation of the candidate countries brought the situation to a dead end.

3.3 Yugoslavia's Collapse and the Aftermath

When the European Union is viewed from socio-political, socio-economic, and socio-cultural perspectives, it is the only organisation that has succeeded in being united in economic, political, and legal fields. The EU can manifest as the most successful organisational model of the last centuries and human history. The organisational success of the EU is also the fact that it has ended the rivalries and the race for superiority in the balance of power between France and Germany, which has been going on for centuries in Continental Europe. The EU is an organisation that has succeeded in making peace, unity, coexistence, and integrative to make people forget the ruins and sufferings of the continent left over from the second world war. With this perspective, the EU is in the position of a historical and global organisation that can carry the integrative identity it has built-in the European geography as an example to distant geographies.

After Tito, known as the founder of communism in Yugoslavia, died on May 4, 1980, it can be said that Yugoslavia did not experience any instability as a country. After Tito's death, the Presidents of the six republics that made up Yugoslavia ruled the state with the rotation system and maintained stability through collective leadership. After Tito's death, one of Yugoslavia's most important internal issues has been the Kosovo issue, which has emerged since 1986. Kosovo, which has an autonomous state status under Serbia, has also tried to become a republic, especially, to get rid of the yoke of Serbian nationalism. If other issues that gave trouble to Yugoslavia after the Kosovo issue are mentioned; It can be emphasized that there is nationalism between Slovenia and Croatia. Nationalism and democratisation developments in Soviet Russia also affected Yugoslavia, a socialist country outside the hegemony of Soviet Russia. In particular, communist regimes in East Germany, Bulgaria, and Romania were on the verge of collapse in a few months towards the end of 1989. These developments indicated that Yugoslavia would face difficulties in the coming years as a country that hosts different ethnic nations and accelerates the process of nationalism and democratisation (Armaoğlu, 1994).

We can say that the most important effect of the end of the Cold War period on the Balkans is the functioning of state structures. With the disintegration of the Federal Republic

of Yugoslavia, which covers approximately 70% of the Balkan geography, many problems have come to the fore. The balance that allows different ethnicities, languages, and religions to live together in the middle part of the Balkans has been disrupted. Nations living together in the Balkan culture have tended to create state structures divided into different borders to protect their own identities. As a result of this orientation, it caused the formation of a chain of nationalism-based regional conflicts that affected the whole geography in the middle of the Balkans. In this context, it can be emphasized that besides Albania, which maintains its independent structure, Croatia, Macedonia, and Slovenia gained their independence in 1991, Bosnia and Herzegovina in 1992, Montenegro and Serbia in 2006, and Kosovo in 2008 (Dalar, 2008).

3.4 EU's Focus on Western Balkans

The EU, in April 1997, envisioned incentives that would act as an anchor by bringing countries closer to the EU politically and economically in order to ensure security and stability in the region, by developing reconciliation and cooperation among the countries of the region and adopting European values such as democracy, rule of law and human rights. Additionally, the EU has developed the "Regional Approach" which includes its policy. In contrast to the Central and Eastern European countries, which promised membership, provided that they fulfilled the Copenhagen Criteria, the Western Balkan countries were not given the perspective of membership in the union. Instead, they were offered the opportunity to develop contractual relations with the EU through rewards such as commercial concessions and financial aid. Thus, it was aimed to ensure post-conflict stability and prosperity in the region (Özgöken & Batı, 2017). The EU's first comprehensive approach to the Western Balkans policy is the "Royaumont Process". Twenty-seven countries, which came together in Royaumont, France, on 13 December 1995 under the leadership of the EU, accepted the Declaration of "The Process of Stability and Good Neighbourhood Relations in South-East Europe". The Declaration referred to in the Final Declaration of the Madrid Summit in Spain was stated as satisfactory by the EU. Looking at the content of the Royaumont Process, Bosnia-Herzegovina, Serbia-Montenegro, Macedonia, Croatia,

Slovenia, which formed the former Yugoslavia, and Albania, Hungary, Bulgaria, and Romania, which are neighbours to these countries, as well as Turkey, EU member states, Russia and the United States joined.

3.4.1 The Importance of the Balkans and the EU

The Balkans are of great importance for both the EU and Turkey. This importance is great not only in terms of geopolitical and historical ties, but also in terms of being a transit route, in other words, commercial relations. The countries in this geography have close ties with Turkey as they have been under the Ottoman rule for many years. This is also important for the EU. Because some of the countries in the same geography have become EU members, and some are on the way to membership. World War I started in the Balkans, this region felt all the material and moral weight of the Second World War. As in the past, EU countries are also closely interested in the area and apply special programs for this region. Foreign trade or international economic policy is one of the important tools of general economic policy. The foreign trade policy and the country's general economic behaviour must be compatible since one can lead the fall of the other. Direct and indirect foreign economic policies of countries with a significant share in the world economy can seriously affect other countries (Seyidoğlu, 2015). In this respect, the position and practices of the EU are of great importance for the region.

The Balkans also play a vital role in Turkey's access to this important market. In this respect, examining the EU, Turkey, and the Balkan countries within this tripartite structure is useful. Although the EU has enough economic power to compete with the USA, it cannot implement an effective policy in the face of crises both within NATO and in various regions of the world, due to its lack of sufficient military power and especially strategic transportation vehicles. One of the reasons for this is that the EU has two different decision-making mechanisms regarding foreign relations. On the one hand, the supranational decision-making power of the European Commission and the Council of Ministers on the EU's foreign economic relations. On the other hand, the decision of foreign policy and security issues through intergovernmental negotiations creates a dilemma. The Common Foreign and Security Policy (CSFP) decision-making process remained weak due to the presidential system that changes every six months. While the EU takes economic and

financial measures rapidly, it can play a limited role in politics. This distinction in the external representation of the EU confused third states and made it difficult to understand the transparency and predictability of the EU (Jorgensen, 2002). This situation has changed with the introduction of the High Representative for Foreign Affairs and Security with the Lisbon Treaty.

3.4.2 EU's Trade Policy in the Balkans

Some EU members see Turkey as a culturally part of the Islam-centred east. For this reason, they do not immediately say yes to the full membership of Turkey, which they see as an indigestible country. However, they want to keep the relations suspended as much as possible by considering the costs of saying no. French President Sarkozy and German Chancellor Merkel proposed the most practical formula to create a special status called a privileged partnership that connects Turkey to the union but leaves the EU free and flexible (Ağca, 2010). The EU's Common Commercial Policy is contained in Article 23 of the treaty establishing the European Community. The article underlines that the Community is based on a Customs Union where all products circulate freely. On the other hand, the Customs Union includes import and export customs duties and other taxes with equivalent effect, as well as the application of a common customs tariff against third countries. In this context, the Customs Union, which aims the free movement of products, requires harmonisation in the fields of trade and competition policy, as well as the abolition of customs between member countries and the application of a Common Customs Tariff against third countries. The Customs Union was established in 1968 between EU members. As of 1 January 1993, a single market was established to completely liberalize trade by removing the non-tariff barriers that continue despite the Customs Union.

The EU's Western Balkans policy includes Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia, and Kosovo. The main purpose of the Association Agreements is to bring the countries that intend to join the EU into commercial, economic, and political cooperation with a certain intensity and to bring them to a certain consistency before the accession process starts. In this way, those countries get acquainted with the EU, enter into relatively intense cooperation, and the economic, legal, and political conditions/environment of that country are brought closer to the level of EU countries. In

this way, the first steps of the participation perspective are taken. Thanks to these agreements, the EU can also demand those countries and request these to be done before the accession perspective. If Turkey is excluded, all countries that have signed an Association Agreement with the EU have succeeded in entering the EU, albeit through different processes (Tezcan, 2015). To enhance regional commerce and give new options for commercial operators, cross-origin cumulation laws have been suggested between the EU, the Western Balkans, and Turkey. This system offers participating parties favourable terms for other partner origin material used to manufacture end products for sale to the EU, the Western Balkans, and Turkey.

The EU has also initiated a system of privileged preferences that will facilitate the access of agricultural and industrial products of these countries to the EU market to contribute to economic restructuring by stimulating trade in the Western Balkan countries (Şahin, 2013). The EU launched independent trade preferences for Western Balkan countries in 2000, which were extended in 2005 and 2011 to continue until 2015. Because of this preferential arrangement, practically all exports to the EU are exempt from taxes or quantity limitations. With preferred tariff quotas, only wine, calf meat, and seafood may enter the EU. This regime significantly increased the exports of the Western Balkans to the EU, and in 2013 the EU became the region's largest trading partner. It has a share of 73% in imports and 80.1% in exports (Eurostat, 2015).

3.4.3   Importance of Turkey in the Balkans

Turkey has the potential to elevate its position as a geographically central country between Europe, Asia, and Africa to an economic and cultural centre. Europe's values system based on democracy and human rights will be a factor that strengthens this potential, not weakens it. Because this system of values will provide the most suitable environment for the development of free will and abilities. It can be said that there is a very strong interdependence between Turkey and the EU. Its population of around 80 million is the most important factor reinforcing Turkey's geopolitical power. Both the large-scale economic relations have reached, and security considerations cause the interdependence between the EU and Turkey to increase gradually. Turkey: With its qualified and crowded population,

democratic institutions, free-market system, efforts to complete the transportation infrastructure quickly, and being a transit country in oil and natural gas transportation, it increases its potential to be an economic centre of attraction every year. The high economic growth rates and the increase in foreign capital in recent years confirm this. Despite the bad economic situation occurring in and around Turkey, the country has always managed to find its way.

After the internal conflicts in Yugoslavia, the importance of Turkey's historical and cultural ties with ethnic groups in the Balkans emerged, and Turkey undertook important tasks to re-establish peace in the Balkans. In this framework, Turkey signed bilateral trust and security-building agreements with Albania, Bulgaria, and Macedonia to ensure stability in the Balkans, pioneered the creation of the Southeast Europe Multinational Peacekeeping Force, and subsequently led the creation of the Southeast Europe Brigade. According to Davutoğlu, Turkey's attention was always fixed on Ottoman influence and dominance in the area (Vracic, 2017). It has also participated in peacekeeping operations in the Western Balkans since 1995. Turkey's former Prime Minister Davutoğlu claims that Turkey is a Middle Eastern, Balkan, Caucasian, Central Asian, Caspian, Mediterranean, Gulf, and Black Sea nation that can concurrently exert influence in all of these regions and, as a result, has a worldwide strategic role (Vukovic, 2010).

The EU is Turkey's number one trade partner. According to the European Statistical Institute (Eurostat) data, in the first half of 2015, Turkey imported € 41 billion from the EU and exported € 30.2 billion to the EU. Thus, Turkey has surpassed Norway with a total trade volume of 71.2 billion € and has become the EU's 5th largest trading partner. Free movement of products is one of the main issues of the EU acquis.

Turkey has been in the Customs Union since 1 January 1996 (1/95 within the framework of the Association Council Decision No. 3); it has abolished customs duties, quotas, and equivalent measures on all industrial products against the EU. The industrial shares of processed agricultural products have been reset, and the protection over agricultural shares continues. Regarding the harmonisation of technical legislation, which is important for the free movement of products, with the Association Council decision numbered 2/97, it has been accepted to undertake the technical legislation of the EU, and significant progress has been made in this regard.

3.4.4 Trade in the Balkans

It is useful to evaluate the economic and commercial relations between Turkey and the Balkan Countries according to 1990, which is a "milestone" date. 1990, the first year following the process that started with Gorbachev's Glastnost and ended with the fall of the Berlin Wall, constitutes a "milestone" in this sense. The Turkish Language Association defines the "Balkans" as "the region that includes Croatia, Serbia, Montenegro, Slovenia, Albania, Macedonia, and Bosnia Herzegovina, Bulgaria, Romania, Greece and Thrace – The European part of Turkey". A generally positive picture is seen in Turkey's relations with these countries. This positive picture stems from Turkey's liberal economy and export-based development model implementation after the January 24, 1980, decisions, and its strong economic structure following the 2001 internal crisis and the Balkan countries' opening-up policies after 1990. The Trade and Cooperation Agreement served as the foundation for cooperation between Western Balkan nations and the EU in the early 1990s, particularly after 1992 (Sela & Shabani, 2011). In its enlargement towards the Balkans, the EU primarily aimed to ensure its external security by preventing the spread of instability. In this context, after the accession of Romania and Bulgaria, the Western Balkans, where wars took place, concentrated. In addition to this situation, the fact that Romania and Bulgaria have a coast to the Black Sea forced the EU to include the Black Sea, which was not among the prioritised. In this context, the EU published its policy called "Black Sea Synergy - A New Regional Initiative" in 2007 and then adopted the "Danube Strategy" covering eight EU countries and six non-EU countries in April 2011.

The European Union, notably Germany and Italy, is the region's primary partner (Pere & Ninka, 2017). When the old data is checked, according to what was provided in 2003, before many candidates joining the EU, Balkan countries made $197,013 million in imports and $122,651 million in exports, with a foreign trade deficit of $74,363 million. The ratio of exports to imports is 62.3%. It is seen that the trade volume of the Balkan countries is relatively low when compared to the 1.402,000 million $ imports and 1,318,000 million dollars exports of the EU. In addition, the foreign trade of EU countries is much more balanced. The ratio of exports to imports in the EU is 94.1%. While foreign trade per capita in the EU is $5,947, it is $2,385 in the Balkan countries. From this, it is possible to conclude

that EU countries are much more integrated with world trade. On the other hand, this shows that the Balkan countries have a great development potential if integrated with world trade.

Southeast European countries are far behind the EU average in terms of employment, per capita income, and foreign direct investment. The basis of the strategy is to provide employment and welfare increase in the European perspective. During the global and European debt crises, 800,000 people were unemployed, and public debt doubled in the Western Balkans. The protests that have arisen in recent years stem from social and economic inequalities, so the solution lies in economic recovery. The Southeast Europe 2020 Strategy aims to work with regional governments to develop national action plans, ensure regional stability, guarantee democracy and human rights, and promote regional integration. The content, implementation, and technical details of the strategy are the holistic, inclusive, rational, and sustainable growth of the strategy and, the governance of growth. The preparation phase of the strategy is to consider the EU membership perspectives of the countries in the region. The strategy, built on this five-pillar structure, will be implemented as six core areas of activity (skills and mobility, investment, inclusion, innovation, resource efficiency and connectivity). For each pillar of the strategy, the relevant ministries will develop strategies at the national level and then turn them into regional action plans. Among the potential risk areas, the most basic risk strategy is voluntary. However, ensuring the applicability of the strategy with the indicators to be developed and published for each country and the incentives to be activated by the European Commission are among the primary objectives.

Until to its debut, only Bulgaria and Romania were considered membership candidates, having negotiated Europe Agreements with the Central European nations in the early 1990s (Barrett, 2022). The 2000s coincided with a period in which strong growth performance was displayed for the EU member Balkan countries. Between 2000 and 2005, the average growth rates of Greece, Bulgaria, Croatia, and Romania were 3.9%, 5.5%, 4.3%, and 5.2%, respectively. The main determinants of this development are macroeconomic stability, increased foreign direct capital flows, remittances, and successes in reforms for EU integration. Although Bulgaria and Romania, which joined the EU in 2007, faced some problems, EU structural fund and membership protected the countries. Table 1 shows the

Total General Government Revenue for the Balkan EU countries between 2009 and 2013 where the new members have had access to the EU membership.

Table 1. 2009 – 2013 Total Government Revenue

TIME	2009	2010	2011	2012	2013
GEO (Labels)					
European Union - 27 countries (from 2020)	44,6	44,5	45,1	46,1	46,6
Bulgaria	35,2	33,2	31,9	34,1	37,4
Greece	38,9	41,7	44,7	47,6	49,5
Croatia	43,1	42,4	41,5	43,3	43,3
Romania	30,3	33,1	34,1	33,8	33,3

Source: Eurostat

3.4.5 Political System in the Balkans

Yugoslavia was a country established by the Versailles Peace Treaty concluded at the end of the First World War. According to the great powers' decision, this country was founded on the lands of Bosnia-Herzegovina, Croatia, Slovenia, and Adriatic, taken from the Kingdom of Serbia, the Kingdom of Montenegro and the Austro-Hungarian Empire, and its administration was given to the Karacorcevic dynasty of Serbia. Although the interests of the great powers were most influential in the establishment of the country, the political current called "South Slavism" also made an important contribution. The name of Yugoslavia at the time of its establishment was "Kingdom of Serbs-Croats-Slovenes". The communists who existed in the region before the Soviet Revolution in 1917 were quickly and officially organized among themselves after the establishment of the kingdom, and the

"Communist Party of Yugoslavia" (YKP) was established with the encouragement and permission of the Soviet Union. This party emerged as the third party in the first elections in Yugoslavia.

However, when one of its members assassinated the Minister of Interior, it was declared illegal, and its members began to be arrested. Meanwhile, when the nations in the country could not agree, King Alexander I suspended the constitution in 1929 and gathered all the powers in his hands. The political consequences of this were manifested as the deepening of the existing Serbian dominance in the country, the escalation of Serbian nationalism, and the silencing of the opposition, their imprisonment or exile. The attack, which started with Hitler's bombing of Belgrade in April 1941, ended this state with the surrender agreement signed on April 17, 1941. The struggle against the civil war and occupation that started after that ended only in 1945 and the Federated People's Republic of Yugoslavia (YFHC) (Second Yugoslavia) was established under Tito's administration.

After this period, it was predicted that bureaucratic centralism would increase ethnic nationalism in the country due to the ethnic structure of Yugoslavia, which hosts nations that have experienced different historical, cultural, sociological, and economic processes. The reflection of this approach in the economic field was self-management, and the reflection in the political field was decentralized practices (Uzgel, 1992). In short, these practices have been a product of the search for bonding with the democratic aspect of socialism, which gained momentum with the opening of Yugoslavia to the West. Self-government led to rapid economic growth in the 1950s and 1960s. However, although it was originally envisaged to unite nations in line with class interests with self-government, unification at the national level has taken place.

On the other hand, each Yugoslav republic implemented its own educational and cultural policy with its decentralized management approach. Thus, a Yugoslav supra-identity could not be developed in Yugoslavia. In addition, thanks to the decentralized structure, each republic established its own economy and the economic integration in the country remained weak, inequality and differences between the republics increased.

After declaring its independence until the end of the 1990s, Croatia, which Franjo Tudjman ruled, entered a new democratisation trend with the end of the vicious nationalist policies of the Tudjman administration. Beginning in the early 1990s, and particularly after

1992, the Western Balkan nations' ties with the EU were set up in accordance with the Trade and Cooperation Agreement (Sela & Shabani, 2011). Following the end of the conflict in BiH in 1995, the EU made its initial steps to stabilise the territory through the Roayaumont Process (Sela & Shabani, 2011). At the beginning of the 2000s, Croatia, which showed developments in fundamental human rights and political freedoms, successfully carried out the EU process that started in 2005 and became a full member of the EU in 2013. Although there were some problems in the fair trial of war criminals who were involved in the ethnic war of the early 1990s, and in guaranteeing the rights of Serbian and Roman minorities, we can say that Croatia's overall democratic record is good. Corruption is one of the main problems in the country right now. The centre-right Croatian Democratic Union (HDZ), who ruled Croatia for many years after independence, HDZ prime minister Ivo Sanader was sentenced to 9 years in 2014 for embezzling millions of dollars from state coffers. Although there have been improvements in the rights of ethnic minorities in recent years, it is clear that there is still a need for improvement in these issues.

On the other hand, Slovenia was the earliest in the disintegration process of Yugoslavia. It emerges as a country that has behaved well and has been able to keep itself away from political turmoil. Slovenia, which became a full member of the EU in 2004, is the first country to achieve this among the successor countries of former Yugoslavia. Another important tool used by the EU in its relations with the Western Balkans is the European Partnership. The European Partnership, launched in March 2004, is an SAP initiative that defines the concepts, goals, and terms of the agreement between the EU and Western Balkan nations (Sela & Shabani, 2011). Slovenia stands out as the most democratic country among the Balkan states, although it has some border tensions with Croatia, problems with the rights of ethnic minorities, and corruption. Among the successor countries of former Yugoslavia, Serbia is the country that comes closest to these two countries. However, issues such as the failure to bring war and genocide criminals such as Radovan Karadzic and Ratko Mladic to justice for extended periods and the failure to prosecute, and the non-recognition of the independence of Kosovo, which was an autonomous region under Serbia in the Yugoslavia period, which was declared in 2008, are among the issues that stain Serbia's international record. Serbia, whose status as a full membership candidate to the EU was approved in 2012, still continues to work on this issue. Serbia, which had a generally

positive image in the 2000s in its democratisation scorecard, has been the target of criticism from the national and international communities in recent years due to the increasing pressure on the media and civil society by the populist and conservative Serbian Innovative Party (SNS) governments led by Aleksandar Vucic and full support of Russia.

Montenegro abolished its confederation with Serbia in 2006, and Kosovo's democratisation scorecard, which declared its independence in 2008, paint similar pictures. While the Socialist Democracy Party (DPS), which has been in government in Montenegro since the transition to the multi-party system in 1990, generally fails in the fight against corruption, the pressure on the opposition continues. While similar problems arose in Kosovo, the balance-control system is weakened by interference from the executive. Macedonia, the southernmost member of former Yugoslavia (newly known as North Macedonia according to the Prespa Treaty with Greece in 2018), displays a democratic outlook very close to Montenegro and Kosovo. Due to corruption, repression of the opposition and weak checks and balances, these three countries maintain their democratic regimes in a "semi-free" status.

Finally, Turkey is one of the countries with lands in the Balkans, experiencing a regression in democratisation. The fact that the Justice and Development Party, which came to power in 2002, abandoned its reformist approaches in its first period, and the government's adopting a majoritarian understanding of democracy and an increasingly authoritarian structure have damaged the communities in Turkey. Especially following the 2010 Constitutional Referendum and the 2013 Gezi Protests, they paid less and less attention to the opposition voices. These mistakes caused the country to become one of the least democratic countries in the region. So much so that, according to the latest trends of Freedom House (2014), the country has even regressed from its current "semi-free" position to a "non-free" status. Serious erosion in the balance-control mechanisms, authoritarian practices in the media, civil society, and academia, and the regression in fundamental rights and freedoms play a vital role in this. Whether the increased hopes for democracy with the last local elections will come true will be seen in the coming years.

4 Practical Part

In this section, the comparison of the specific EU candidate countries – Turkey, Serbia, Montenegro, and Albania – will be done. For this section, the data from the official sources for the period between the years 2000 and 2021 have been used. Data analysis for these countries will be conducted with 8 economic indicators and the HDI index. The following indicators are cumulated: GNI index, Gini index, GDP-related indicators, inflation, imports and exports, and HDI index. First, the comparisons and then the forecasts will be made.

4.1 Comparison of the EU Candidate Countries

Comparison of the EU candidate countries is important to see which country is capable of progress in which area. The analysis of the data extracted from the official sources will give us the insight to see the performance of the countries.

EU-candidate countries are still developing; thus, they have a deficiency in some areas. The candidate countries must fulfil the main criteria before entering the EU. The economy is important to many areas of society. It can help improve living standards and make society a better place. Economics is similar to science in that it can improve living standards and make things worse. It depends partly on society's priorities and what we consider most important.

Then the question is, how do you understand a country's economy? A country's GDP (gross domestic product) is a measure of the size of its economy. A country's most traditional economic analysis relies heavily on economic indicators such as GDP and GDP per capita. GDP, while generally beneficial, only includes economic activity in which money is exchanged.

4.1.1 GNI Index

Table 2. 2005 – 2021 GNI Index (current thousand US$) of EU Candidate Countries

	Turkey	Serbia	Montenegro	Albania
2005	500,938,380	27,049,351	2,282,062	8,214,104
2006	551,073,025	31,527,111	2,767,363	9,158,292
2007	675,059,191	41,831,111	3,723,496	109,752,962
2008	762,860,024	50,760,930	4,612,753	12,946,374
2009	641,615,765	44,499,542	4,166,797	11,852,739
2010	770,477,397	40,930,426	4,114,214	11,807,765
2011	831,513,950	47,365,226	4,581,082	12,894,104
2012	873,968,372	41,878,044	4,156,885	12,228,065
2013	949,165,170	46,496,559	4,552,822	12,996,539
2014	930,744,474	45,266,925	4,654,832	13,349,419
2015	854,632,642	37,809,807	4,143,541	11,521,808
2016	860,511,859	38,446,563	4,415,191	1,205,383
2017	847,836,161	41,320,166	4,956,348	13,051,480

2018	766,527,975	48,055,905	5,571,828	15,137,993
2019	748,179,380	48,729,123	5,604,482	15,200,249
2020	710,564,689	51,693,913	4,856,800	14,881,636
2021	803,239,713	60,658,609	5,932,243	18,010,445

Source: World Bank Databank

GNI (Gross National Income) is calculated by summing up the total amount of money earned by a nation's businesses and people inside and outside of the country's borders. Higher the GNI index, better for a country and its citizens. In the table above, it is observed that every EU candidate country has increased their GNI since 2005 until 2021. Albania has increased around US$ 10 million, Montenegro has increased around US$ 3.7 million, Serbia has increased around US$ 33.6, and Turkey has increased around US$ 302.3 million. This states that Turkey is the best performing country in terms of GNI among the specific EU candidate countries. Despite the GNI is correlated with the population, Turkey has had a performance above the other candidate countries in the Balkans.

4.1.2   Gini Index

Table 3. 2012 – 2019 Gini Index of EU Candidate Countries

	Turkey	**Serbia**	**Montenegro**	**Albania**
2012	40.2	39.9	41.2	29
2013	40.2	39.5	39	
2014	41.2	40.5	38.8	34.6
2015	42.9	40.5	39	32.8
2016	41.9	38.8	38.5	33.7

2017	41.4	36.2	36.9	33.1
2018	41.9	35	36.8	30.1
2019	41.9	34.5		30.8

Source: World Bank Databank

Gini index is a coefficient: a statistical calculation that measures the distribution of national income in a country among its citizens. It was developed by the statistician and sociologist Corrado Gini and published in an article in 1912. The Gini coefficient is the most popular method used to measure equality/inequality in income distribution in all countries. The Gini coefficient takes values between 0 and 1. If it is zero, it means that the national income in the country is shared equally by each individual, and when it is one, only one person earns all the national income in the country. The numbers above are considered as multiplied by one hundred to put down into percentages. The data for Albania's 2013 and Montenegro's 2019 are missing.

When the data is checked, the numbers are expected to go lower since being close to 0 implies the better income share in the population. It is observed that; Albania has increased until 2014, but started to drop successfully until 2018, Montenegro has decreased until 2019 overall, Serbia has decreased until 2019 as well – however Turkey has increased. Also, the biggest number is owned by Turkey with 0.419 among the other countries. This states that Turkey has not improved the situation regarding income distribution and has the worst situation compared to other EU candidate countries.

4.1.3 GDP (current US$)

Table 4. 2000 – 2021 GDP (current US$) of EU Candidate Countries

	Turkey	**Serbia**	**Montenegro**	**Albania**
2000	274,302,959,053	6,875,845,987	984,297,589	3,480,355,258

2001			
	201,751,148,417	12,960,538,724	1,159,869,246	3,922,100,794
2002			
	240,253,216,295	17,120,906,918	1,284,685,051	4,348,068,242
2003			
	314,592,428,076	22,482,365,322	1,707,710,053	5,611,496,257
2004			
	408,876,042,652	26,141,968,161	2,073,234,418	7,184,685,782
2005			
	506,308,311,477	27,683,225,959	2,257,174,481	8,052,073,539
2006			
	557,057,829,051	32,482,070,360	2,721,903,149	8,896,072,919
2007			
	681,337,335,022	43,170,990,616	3,680,711,744	10,677,324,144
2008			
	770,462,156,204	52,194,221,469	4,545,674,528	12,881,353,508
2009			
	649,272,568,774	45,162,894,381	4,159,330,370	12,044,208,086
2010			
	776,992,599,947	41,819,468,692	4,143,033,276	11,926,922,829
2011			
	838,762,755,164	49,258,136,129	4,544,516,982	12,890,764,531
2012			
	880,556,375,780	43,309,252,921	4,087,725,813	12,319,830,437
2013			
	957,783,020,853	48,394,239,475	4,465,771,673	12,776,220,507
2014			
	938,952,628,604	47,062,206,678	4,593,852,089	13,228,147,516
2015			
	864,316,670,331	39,655,958,843	4,054,728,173	11,386,850,130

2016			
869,692,960,366	40,692,643,373	4,376,929,572	11,861,199,831
2017			
858,996,263,096	44,179,055,280	4,856,602,179	13,019,689,337
2018			
778,471,901,665	50,640,650,221	5,506,944,403	15,156,432,310
2019			
761,004,425,605	51,514,222,382	5,542,201,151	15,401,830,754
2020			
719,954,821,683	53,335,016,425	4,780,722,122	15,131,866,271
2021			
815,271,751,724	63,068,134,601	5,809,170,962	18,260,043,500

Source: World Bank Databank

GDP stands for Gross Domestic Product; it is the monetary value of all final goods and services produced within the borders of a country in a given time. GDP is usually taken for one year. Final goods and services, on the other hand, are the value remaining after deducting the intermediate goods used for production from the total goods and services produced. Since 2000, Turkey has increased its GDP around US$ 541 billion until 2021 – proving it is the best among the candidates. Serbia comes second with around US$ 56 billion. Serbia is followed by Albania with US$ 15 billion. Montenegro is the worst with smallest amount of increased – with the fact it is the newest country. Turkey, as the most developed country among them is no surprise with the highest increase of GDP but GDP can be seen in various aspects.

4.1.4 GDP per capita (current US$)

Table 5. 2000 – 2021 GDP per capita (current US$) of EU Candidate Countries

	Turkey	Serbia	Montenegro	Albania
2000	4,337.48	914.79	1,627.07	1,126.68
2001	3,142.92	1,727.28	1,909.60	1,281.66
2002	3,687.96	2,283.85	2,106.64	1,425.12
2003	4,760.10	3,005.43	2,789.16	1,846.12
2004	6,101.63	3,502.80	3,380.17	2,373.58
2005	7,456.30	3,720.48	3,674.62	2,673.79
2006	8,101.86	4,382.62	4,425.68	2,972.74
2007	9,791.88	5,848.48	5,976.39	3,595.04
2008	10,941.17	7,101.04	7,367.75	4,370.54
2009	9,103.47	6,169.11	6,727.11	4,114.13
2010	10,742.77	5,735.42	6,688.48	4,094.35
2011	11,420.56	6,809.16	7,328.93	4,437.14
2012	11,795.63	6,015.95	6,586.72	4,247.63
2013	12,614.78	6,755.07	7,188.86	4,413.06
2014	12,157.99	6,600.06	7,387.87	4,578.63
2015	11,006.28	5,588.98	6,517.19	3,952.80
2016	10,894.60	5,765.20	7,033.44	4,124.06
2017	10,589.67	6,292.54	7,803.36	4,531.02
2018	9,454.35	7,252.40	8,850.38	5,287.66
2019	9,121.52	7,417.20	8,909.89	5,396.22
2020	8,536.43	7,730.69	7,694.63	5,332.16
2021	9,586.61	9,214.99	9,367.02	6,494.39

Source: World Bank Databank

When the GDP of a country is divided per person living in that country, per capita income is obtained. Likewise, when the gross domestic product of a country is divided by the number of people living in that country, GDP per capita is calculated. Measurements of national income and per capita income are important. National incomes show the economic power of countries. National income per capita is one of the factors that determine the level of development of a country. In international comparisons, national income is usually shown in US dollars. As the table shows, when the 2021 data is compared with each other, it is visible that, except for Albania, the other countries are not apart. Except for the economic crisis that occurred in 2008, there has been no regular decrease in numbers. Each candidate, except Turkey has improved their GDP per capita. The reason of the fall in Turkish GDP per capita is related to the economic stagnation happening in the recent years – with the value loss of the Turkish Lira and the population increase, the GDP per capita is going down since its peak in the year 2013, except the small irregular increases along the way.

4.1.5 GDP per capita Growth (annual %)

Table 6. 2000 – 2021 GDP per capita Growth (annual %) of EU Candidate Countries

	Turkey	Serbia	Montenegro	Albania
2000	5.32	6.47	3.28	7.63
2001	-7.15	7.06	0.69	9.31
2002	4.89	6.48	1.50	4.85
2003	4.25	4.61	2.07	5.92
2004	8.29	9.28	4.24	5.96
2005	7.56	5.85	4.03	6.07
2006	5.62	5.52	8.43	6.57
2007	3.80	6.87	6.66	6.79
2008	-0.38	6.11	7.03	8.33
2009	-6.03	-2.34	-6.00	4.05
2010	6.92	1.14	2.55	4.22
2011	9.51	2.85	3.12	2.82

2012	3.09	-0.20	-2.81	1.58
2013	6.66	3.39	3.45	1.19
2014	3.17	-1.13	1.68	1.99
2015	4.33	2.31	3.33	2.52
2016	1.64	3.88	2.93	3.48
2017	5.79	2.65	4.70	3.90
2018	1.45	5.07	5.10	4.28
2019	-0.43	4.89	4.10	2.52
2020	0.70	-0.28	-15.21	-2.93
2021	10.07	8.25	12.64	9.55

Source: World Bank Databank

As stated before, GDP is one of the most important indicators to understand the economic performance of a country. GDP growth reveals the changes happening in the value of all the goods and services provided and produced by a country while accounting for price rise and fall. Due to inflation getting higher in most of the countries, Turkey is one of the leaders in this aspect. Since GDP growth rate is directly affected by the country's inflation rate, the fluctuations in the table for Turkey's data can be observed. As expected, the GDP growth rate cannot be regularly increasing or decreasing – it changes every year – so it cannot be linear. The real change is shown in the GDP and GDP per capita data. Surprisingly Albania is the only country from the selected candidates with no negative growth rate after the 2008 crisis.

4.1.6   Inflation, Consumer Prices (annual %)

Table 7. 2006 – 2021 Inflation, Consumer Prices (annual %) of EU Candidate Countries

	Turkey	**Serbia**	**Montenegro**	**Albania**
2006	9.60	11.72	2.92	2.37
2007	8.76	6.39	4.35	2.93

2008	10.44	12.41	8.76	3.32
2009	6.25	8.12	3.47	2.27
2010	8.57	6.14	0.65	3.63
2011	6.47	11.14	3.45	3.43
2012	8.89	7.33	4.15	2.03
2013	7.49	7.69	2.21	1.94
2014	8.85	2.08	-0.71	1.63
2015	7.67	1.39	1.55	3.50
2016	7.78	1.12	-0.27	-0.37
2017	11.14	3.13	2.38	2.06
2018	16.33	1.96	2.61	2.03
2019	15.18	1.85	0.36	1.41
2020	12.28	1.58	-0.26	1.62
2021	19.60	4.09	2.41	2.04

Source: World Bank Databank

Inflation is the general and constant increase in prices throughout the economy. In this respect, inflation is a measure of how expensive a certain set of products or services has become, usually over a 1-year period (but in many cases much longer than 1 year). Therefore, inflation also relates to the decrease in the buying power of a specific currency over a certain period of time.

Inflation affects the currency directly, therefore, the society and the government will be affected immediately. The rise of inflation is the fall of the currency; therefore, the governments must stop the inflation from rising since the citizens' buying power will suffer.

Table 7 above shows the inflation rates for the candidate countries throughout the years. Montenegro and Albania are the two countries which have the lowest inflation rates during the 2006 – 2021 years. In the recent years, they have not even gone beyond 4% which can be considered successful. When Serbia is checked, it had relatively worse inflation rates compared to Montenegro and Albania. But since 2013, Serbia has not gone beyond 4% at all, except the 2021 inflation rate. These numbers can be still considered as great numbers.

And the last country Turkey had the worst inflation rates among the candidates throughout the years. Since 2006, the lowest inflation rate of Turkey has been 6.25%, which is still a bigger rate when the others' average rates are considered. The huge inflation increase after 2016 has set the Turkish economy into a worse place where the citizens' buying power is almost vanished. The latest 19.6% inflation rate is still lower than the latest announced rate of the country. In this aspect, Turkey is the fastest and the top country whose currency is to lose value.

4.1.7 Imports of Goods and Services (% of GDP)

Table 8. 2000 – 2021 Imports of Goods and Services (% of GDP) of EU Candidate Countries

	Turkey	Serbia	Montenegro	Albania
2000	22.47	13.71	51.11	43.34
2001	22.69	35.86	61.99	45.16
2002	22.88	36.77	59.87	47.58
2003	23.22	38.02	46.99	46.17
2004	25.20	49.09	58.09	44.83
2005	24.27	45.05	61.08	47.86
2006	26.37	47.47	77.43	49.06
2007	25.96	48.32	85.74	54.95
2008	26.98	50.24	92.82	52.15
2009	23.42	39.67	65.09	49.85
2010	25.50	44.48	62.74	48.56
2011	30.31	45.81	64.31	51.98
2012	28.47	49.63	68.09	47.57
2013	28.73	48.07	61.43	46.96
2014	28.56	50.15	59.98	47.19
2015	26.56	52.22	60.57	44.53
2016	25.24	53.34	63.07	45.83
2017	29.72	57.06	64.50	46.62

2018	31.40	59.06	66.73	45.24
2019	30.01	60.94	65.00	44.97
2020	32.48	56.52	61.01	37.25
2021	35.82	62.25	62.71	43.90

Source: World Bank Databank

Imports of goods and services correspond to the value of all goods and services received from the rest of the countries in the world. According to the World Bank data, the imports of goods and services (% of GDP) in the world matched at 28.08% in 2021. The percentages cannot exactly be interpreted in a way but most of the time – the lower the better. All four candidate countries (table 8) are above the average 28.08% mark, however the lowest among them is Turkey with 35.82%. Smaller and less developed countries may naturally have the higher percentages, but this indicator cannot exactly prove anything.

For example, Luxembourg is one of the smallest countries in terms of population, but it is one of the most developed countries in terms of economy. Its imports of goods and services (% of GDP) value was 176.7% in 2021 due to the country's inability to produce everything on its own. Except Turkey, other candidate countries have a small population; meanwhile, Turkey has around eighty million citizens. There are many factors to be interpreted to conclude anything from the data, but it gives an insight about the import of goods and services (% of GDP) being high can indicate a relatively dependent economy. What can be concluded from above is that Turkey has a smaller percentage due to being a bigger economic force with a bigger population to maintain its needs somehow more than the other countries.

4.1.8 Exports of Goods and Services (% of GDP)

Table 9. 2000 – 2021 Exports of Goods and Services (% of GDP) of EU Candidate Countries

	Turkey	**Serbia**	**Montenegro**	**Albania**
2000	19.88	8.78	36.81	20.12

2001	27.18	20.69	38.42	21.33
2002	25.11	20.09	35.36	20.95
2003	23.01	23.15	30.61	20.85
2004	23.62	25.14	42.02	22.22
2005	21.88	27.96	43.55	23.01
2006	22.39	29.44	40.56	25.21
2007	21.89	27.29	43.00	28.25
2008	23.57	28.44	39.52	25.30
2009	23.37	26.35	34.33	25.24
2010	21.19	32.26	37.04	27.98
2011	22.99	33.00	42.35	29.24
2012	24.36	35.84	43.67	28.94
2013	23.79	39.85	41.34	28.92
2014	25.21	42.08	40.14	28.21
2015	24.53	45.18	42.12	27.27
2016	23.08	48.52	40.60	28.98
2017	26.04	50.47	41.06	31.57
2018	31.15	50.43	42.88	31.57
2019	32.60	51.01	43.85	31.30
2020	28.66	48.24	26.00	22.70
2021	35.40	54.40	43.04	30.62

Source: World Bank Databank

There are many indicators and factors in GDP, and exports is one of them. Exports of goods and services correspond to the value of all goods and services provided to the rest of the countries in the world. According to the World Bank data, the exports of goods and services (% of GDP) in the world matched at 29.06% in 2021. As well as imports of goods and services which was mentioned before, exports of goods and services cannot really conclude anything on its own, it can only be evaluated with distinct factors. However, if a

country has a small percentage of exports of goods and services of its GDP, it means the country is not producing enough materials or not providing enough services to the other countries. Before concluding anything, other percentages in the GDP of a certain country should be checked to determine whether the percentage of exports of goods and services can carry a strong meaning in terms of economy of the country.

As mentioned before, GDP of Turkey is much bigger than the other candidate countries. Therefore, even a small percentage of exports of goods and services of the country's GDP can have a bigger value than the other candidates' values (table 9). We see Serbia and Montenegro have higher percentages than Turkey and Albania in year 2021. As Turkey has the best value for this aspect, it still cannot indicate something alone to understand a country's economic strength. It can be concluded that if the country's export percentage is bigger than the import percentage, the country may have a stronger or more stable economy than other economies. In this case, including Turkey, the other countries' export percentages of their own GDPs are not exceeding their import percentages. However, Turkey's rate for 2021 is almost 1, which means they import just a bit more than what they are exporting.

4.1.9   HDI Index

Table 10. 2003 – 2021 Human Development Index of EU Candidate Countries

	Turkey	**Serbia**	**Montenegro**	**Albania**
2003	0.69	0.711	0.756	0.696
2004	0.695	0.723	0.764	0.7
2005	0.7	0.734	0.767	0.711
2006	0.71	0.746	0.776	0.718
2007	0.717	0.754	0.787	0.73
2008	0.721	0.765	0.8	0.736
2009	0.728	0.766	0.8	0.741
2010	0.749	0.767	0.808	0.754
2011	0.762	0.777	0.811	0.766

2012	0.769	0.78	0.812	0.778
2013	0.799	0.785	0.817	0.785
2014	0.809	0.788	0.819	0.792
2015	0.817	0.794	0.822	0.795
2016	0.823	0.8	0.824	0.798
2017	0.833	0.802	0.83	0.802
2018	0.839	0.808	0.834	0.806
2019	0.842	0.811	0.837	0.81
2020	0.833	0.804	0.826	0.794
2021	0.838	0.802	0.832	0.796

Source: United Nations Development Program, Human Development Reports

Human Development Index is a single index, calculated with couple factors such as the life length, literacy rate, and level of life. The index is between 0 and 1. The index being close to 0 means the country is not developed enough – so the closer to 1, the better. Every candidate since 2003 until 2020 had their HDI increasing. After the COVID pandemic, there was a stagnation and HDI numbers went down. The numbers are not too far from each other, even though it is well known that the index changes in insignificant amounts. 0.8 is the limit for the number to be categorised between 'High' and 'Very High'.

Turkey, Serbia, and Montenegro are in the 'Very High' category, unlike Albania (table 10). Albania's fall after the pandemic has impacted the country and its citizen in the negative way. For other countries, it is around 0.01 fall; but for Albania that number is 0.016 which is in reality an enormous difference. After the pandemic, the candidate countries have started to improve themselves slowly. On the other hand, Turkey with 0.838 has the best score among the candidates, proving the country is more developed than the others.

4.2 Possible Scenarios of EU Membership and Its Socio-Economic Effects

In the previous section, the selected candidates' data have been analysed in several aspects. Eight tables were related to economic performance, and one table was related to general life performance. For the most tables, it can be concluded that the best performing country among the candidates was Turkey – leading in several aspects.

This section will focus on the possible future outcomes of the countries in case of EU accession. Before creating the EU accession forecasts; Human Development Index, GDP per capita, and GNI index for the selected candidate countries will be forecasted for the next 10 years from the year data is set as origin value to see if they will perform better or worse with their current situation. Due to a decrease in 2020 because of the pandemic, the forecasting for Human Development Index will begin as of 2020 instead of 2022 since future predictions will change. The immediate huge decrease in 2020 can disturb the forecasting method. Since as of 2022, the countries are expected to have higher values than 2021, but the forecasts can perceive the future predictions as decrease in numbers. Therefore, instead of considering the unusual and surprising decrease, the predictions will be created as if nothing massive has happened in 2020.

For forecasting all tables, the optimal ARIMA, with 95% confidence interval have been used with the Double Exponential Smoothing forecasting method. Double Exponential Smoothing method is used for data which has trends. This method is useful only when there is no seasonal change. Since the forecasts for the upcoming years are not correlated to any season, Double Exponential Smoothing method is useful for the forecasting of the data. Double Exponential Smoothing uses an active trend factor that works well when the data have repeated movements, shifts in the trend, or even reverses in the trend.

Table 11. 2020 – 2029 Human Development Index forecast for EU candidate countries

	Turkey	Serbia	Montenegro	Albania
2020	0.850	0.815	0.841	0.814
2021	0.858	0.819	0.845	0.819

2022	0.867	0.823	0.848	0.823
2023	0.875	0.827	0.852	0.827
2024	0.883	0.831	0.856	0.832
2025	0.892	0.835	0.860	0.836
2026	0.900	0.839	0.863	0.841
2027	0.908	0.843	0.867	0.845
2028	0.917	0.847	0.871	0.849
2029	0.925	0.851	0.875	0.854

Table 12. 2022 – 2031 GDP per capita (current US$) forecast for EU candidate countries

	Turkey	**Serbia**	**Montenegro**	**Albania**
2022	9,845.6	9,638.3	9,464.6	6,837.97
2023	9,979.8	9,973.7	9,775.5	7,069.83
2024	10,114	10,309.2	10,086.4	7,301.68
2025	10,248.2	10,644.7	10,397.4	7,533.54
2026	10,382.4	10,980.1	10,708.3	7,765.39
2027	10,516.7	11,315.6	11,019.2	7,997.25
2028	10,650.9	11,651.1	11,330.2	8,229.1
2029	10,785.1	11,986.6	11,641.1	8,460.95
2030	10,919.3	12,322	11,952	8,692.81
2031	11,053.5	12,657.5	12,262.9	8,924.66

Table 13. 2022 – 2031 GNI index (current thousand US$) forecast for EU candidate countries

	Turkey	**Serbia**	**Montenegro**	**Albania**
2022	811,572,980	63,163,128	5,924,135	12,263,786

2023			
	822,631,816	64,436,723	6,097,432	11,167,712
2024			
	833,690,652	65,710,318	6,270,729	10,071,638
2025			
	844,749,487	66,983,913	6,444,026	8,975,563
2026			
	855,808,323	68,257,508	6,617,323	7,879,489
2027			
	866,867,159	69,531,103	6,790,620	6,783,415
2028			
	877,925,995	70,804,698	6,963,917	5,687,340
2029			
	888,984,831	72,078,293	7,137,213	4,591,266
2030			
	900,043,667	73,351,889	7,310,510	3,495,192
2031			
	911,102,502	74,625,484	7,483,807	2,399,117

After the forecasting is complete for the above-mentioned data, it was observed that only Albania for GNI index forecast has a trend downwards, which caused the forecasting for the country to have less Gross National Income in the future. This situation can be predicted; however, it is pretty unlikely to happen since we cannot define nor expect the entire future to be forecasted only with the data we analysed.

It can be concluded that the selected candidate countries are expected to perform well in the future in the areas of GDP per capita, Gross National Income, and Human Development Index. However, according to the criteria of EU accession, it is predicted that these countries will not have EU accession in the near future. Therefore, the projections of 'impact of the EU accession' will be created as if Turkey, Serbia, Montenegro, and Albania

have joined the EU. The predictions and forecasting to find out the impacts of the EU accession for these selected candidate countries will be carried out in several aspects.

In this part of this section, the future predictions and forecasts for these selected candidate countries will be generated with the data of EU average for these aspects. GDP per capita for the entire EU average, GNI index for the entire EU average, and HDI value for the entire EU average will be analysed together with the candidate countries' data as if the candidate country is in the EU. This forecasting style will show how the EU accession scenarios would happen. Since it is not possible to fully determine the future case scenarios with just interpreting the data, but the forecasting will show how the impact could be in the future.

When the data of the EU for the period 2000 – 2021 is taken, the forecasting for the next 10 years is made.

Table 14. 2023 – 2031 GDP per capita (current US$) forecast for the EU

	EU	EU with candidates
2023	41,055.70	36,945.25
2024	41,723.50	37,559.54
2025	42,391.40	38,173.92
2026	43,059.20	38,788.21
2027	43,727.00	39,402.51
2028	44,394.80	40,016.80
2029	45,062.70	40,631.18

2030	45,730.50	41,245.47
2031	46,398.30	41,859.76

Source: World Bank Databank

As seen in table 14, it is expected that the GDP per capita in the EU will increase with no surprise – will reach forty-six thousand US dollars. The numbers are very high compared to the candidate countries' forecasts for the same years. And if the selected candidate countries were in the EU as of 2023 altogether, the current situation would be different. The EU average for the GDP per capita would be less than the EU average without the candidates. It is clear that the candidate countries would negatively impact the EU level since their GDP per capita values are much lower than the EU average already.

Table 15. 2023 – 2031 GNI index (current million US$) forecast for the EU

	EU	**EU with candidates**
2023	18,395,907	16,051,414
2024	18,712,936	16,327,904
2025	19,029,964	16,604,393
2026	19,346,992	16,880,882
2027	19,664,021	17,157,372
2028	19,981,049	17,433,861
2029	20,298,077	17,710,351
2030	20,615,106	17,986,841
2031	20,932,134	18,263,330

Source: World Bank Databank

It can be concluded from the table 15 that the GNI index for the candidate countries are lower than the EU average and if they were in the EU as of 2023, the average of the EU's GNI index would be lower than if they have not had accession. The average of the EU with candidates included is directly affected by the decrease of Albania's GNI index forecast decrease. As it is not expected to see a steep fall for the Albania's GNI value in the next 10 years, the prediction cannot be fully independent, and can be further from the expectations or reality.

Table 16. 2023 – 2031 Human Development Index forecast for the EU

	EU	EU with candidates
2023	0.904	0.897
2024	0.906	0.899
2025	0.908	0.901
2026	0.910	0.903
2027	0.912	0.906
2028	0.913	0.908
2029	0.915	0.910

Source: United Nations Human Development Program, Human Development Reports

The Human Development Index for the EU has been created by summing up each country's data, and the sum was respectively distributed for each year depending on the number of countries in the EU. Therefore, all of the data in the table 16 calculated accordingly. It can be concluded that the candidate countries will have a negative impact on EU's HDI value for the upcoming years, however it is expected that the EU will have a

bigger HDI value in the long term due to candidate countries' accession. They can bring the values higher, which benefits the EU and the candidate countries.

5 Results and Discussion

In this thesis, the relation between Turkey and the EU, the importance of the Balkans for the EU, political background of the Western Balkans, EU's trade policy towards the Balkan countries, and the importance of Turkey for the EU and for the Balkans have been analysed and examined in the literature review part.

In the practical part, the data of Turkey, Montenegro, Serbia, and Albania for the period 2000 – 2021 have been analysed in terms of economy and development. The different indicators have been used to analyse to understand the countries' performances in these areas and to see what they are able to achieve in the near future.

When the GNI index for the candidates has been analysed, it can be seen that Turkey and Serbia had a downwards trend as of 2013. The decrease for Montenegro and Albania has not been very big, except the big drop of Albania's index in 2016. Turkey can be seen as the strongest candidate in terms of gross national income due to its development and the population.

Despite some gaps for Montenegro in 2019 and Albania in 2013, the Gini index can show the inequality between the rich and the poor parts of the society in these countries. Turkey is leading in Gini index as well, however the greater the number, worse the outcome. It can be concluded that among these candidates, Turkey has the most inequality in the society and the numbers have not gone less than 40.2 since 2012, which is an alerting situation for the country's poor parts as there is a huge gap. Other candidate countries seem to be improving their index and eliminating the inequality even though it is slowly. The analysis concludes that Albania is the best among these four candidates.

Since GDP also depends on the population, it is no surprise that the candidate countries with higher population are also higher in terms of GDP. Following the 2001 crisis, Turkey's GDP increased by 7.9 percent in real terms in 2002, 5.8 percent in 2003, and 8.9 percent in 2004 (Apak & Uçak, 2006). Turkey is also leading in terms of GDP in this aspect, especially the massive gap between Turkey and Serbia – the second highest among them – proves that Turkey is stronger. However, there is an unavoidable fact that GDP in 2021 for Turkey is much lower than what it has got in 2013. This signals that Turkey went downhill in terms of economy after 2013. GDP per capita is one of the backers of this fact – when it

was year 2013, Turkey had US$ 12,615 GDP per capita and then it decreased to US$ 9,587 in 2021 instead of increasing. But when the other countries' data have been analysed, we see the trend of the GDP per capita is positive and upwards. So, it can be concluded here that even though Turkey seems as the strongest one in terms of economy for GDP, there is a decline in development.

There has been research about Serbia's EU accession in 2019, and forecasting has been done for this research. The study was administered by Reinhard Neck and Klaus Weyerstrass, and published under the name "Macroeconomic Effects of Serbia's Integration in the EU and the Euro Area". According to the simulation results, when compared to the baseline, real GDP is 3% higher in the model with EU membership by 2040, and 3.4% higher when Serbia additionally joins the Eurozone in 2023. The average real GDP growth rate in the baseline scenario is 3.0%, 3.1% in the EU membership scenario, and 3.2% in the Eurozone accession scenario (Neck & Weyerstrauss, 2019).

Inflation is one of the main indicators to analyse the strength of a nation's currency power. It is observed that in 2021, all of the selected candidate countries have had higher inflation rates than 2020. 2021's inflation rate has been affected by the Covid pandemic which has occurred in 2020 as well, but except Turkey, every other candidate had low and acceptable inflation rates in 2021. When the inflation rate for Turkey is observed as of 2006, it can be seen that it has never gone below 6% annually, meanwhile the other candidate barely reached 6% mark, except Serbia – which had low inflation rates since 2013. Montenegro and Albania are the best among the candidates for keeping the inflation rate low, meanwhile Serbia has an acceptable rate, and Turkey unfortunately has positive trend for the inflation rate and in reality, it creates a massive negative impact on society's purchasing power and the state's currency – which is bad for the economy.

Imports and exports are parts of every country. In the modern world, not every country can maintain only with the products they produce or services they provide. Therefore, it is important to import and export to keep on developing. Regarding imports and exports of goods and services distribution in GDP, it can be concluded that the lower percentages of import and higher percentages of export are better. Turkey is the only country to maintain the balance in the recent years; meanwhile, Albania, Serbia, and Montenegro have higher import percentages. This analysis can lead to the idea that these countries are

not exporting enough goods and services; therefore, they are economically not balancing the trade, which can cause the budget imbalance and debts. Since these percentages are projected via the same amount of GDP for each country, having a higher import rate would positively impact their GDP and budget. We can conclude that Turkey performs better in terms of trading with its partners.

And one of the most important indicators for a country's development is Human Development Index. Human Development Index consists of metrics of health, education, and economy. The break after the Covid pandemic has caused the HDI of the candidate countries to decrease abnormally, as well as other countries. HDI of every candidate country except Albania is considered as 'Very High', and of Albania is considered as 'High' since the mark is 0.8. every country has successfully continued to increase their HDI values until 2021. However, when the pandemic came, there has been a decrease and the biggest decrease among these candidates belongs to Albania with 0.16 fall. Another surprising point is in 2003, Turkey had the lowest HDI score among all of them, but with the right development plans it had prevailed. At the moment, Turkey has the highest HDI score. In terms of socio-economic development, Turkey is the leader.

When the comparisons are made, Turkey can be seen as the best candidate in terms of economy and development. Despite the economic downfall of the Turkish economy, in the Balkans it is still a great force and a great candidate. The mistakes made in freedom and justice system, wrong economic management in the recent years, and politically distancing from the EU have made Turkey an unstable and unreliable candidate.
Each candidate is expected to improve its situation in the near future. By 2029, according to the forecasts, Turkey is expected to reach at least 0.92 for Human Development Index, meanwhile others are expected to stay below 0.9 points. GDP per capita leader among the candidates was Turkey and it is expected to have the highest number until 2024, and by 2031, Turkey will be surpassed by Serbia and Montenegro. This concludes that Serbia and Montenegro's GDP per capita growth is higher than Turkey and Albania's. Gross national income leader Turkey seems to stay that way. Turkey, Serbia, and Montenegro have a positive and upwards trend, meanwhile the performance of Albania since 2000 seems to have a negative trend overall. Hence, Albania is predicted as if it will have a very low GNI index by 2031. This prediction is unreliable and most probably unrealistic since GNI of each

country is expected to increase in the long run despite having negative and downwards trends.

The EU average is expected to perform way above any candidate in the near future. The predictions for 2031 for the EU average for GDP per capita is US$ 46,399; but if the candidate countries were in the EU and if their performances were to continue like the way they were predicted, the EU average would be lower than the forecasted EU average, around US$ 4500. GNI index for the EU average is much higher than the candidate countries, yet it is forecasted that by 2031 the EU average with the candidates will reach the number of the EU average of 2023. This shows that the EU accession will slow down the EU. By the Minitab projections, the EU average for Human Development Index is estimated at 0.904, and if the candidates were in the EU, it would be 0.897. By the year 2029, the EU average is estimated at 0.915 with its current speed, and if the candidate countries were in the EU, it would be 0.910. it can be concluded that the EU would grow its HDI point faster with the candidate countries. Nevertheless, in the end, it is predicted that the EU will be beneficial for the candidate countries, and they will be beneficial to the EU as well.

6 Conclusion

The political backgrounds, history, and economics of the selected candidate countries in the Balkans have been examined, and the data for these selected countries for the period 2000 – 2021 have been analysed to make comparisons and to make forecasts to see whether they will be beneficial for the EU and if they will be developing steadily in the short run.

After making comparisons of their data, what can be concluded from this thesis are:

- Turkey is the most socially and economically advanced candidate in the Balkans
- Despite political distances with some candidates, they will be able to thrive the EU and themselves clearly in the long run
- Despite the low population and low development index, Montenegro has great potential in terms of growth
- Turkey will remain as the most advanced one among the candidates
- Albania and Serbia are growing slowly, further away from the EU average

Although Turkey has the greatest potential to become a full member among the candidates, the Turkish government's distant political situation, bad economic management, and social injustice in Turkey make the country lose its potential, and Turkey furthers away from its spot. On the other hand, Albania and Montenegro are politically aligning with the EU terms more than Serbia. These countries are expected to grow more in the near future. With adjusted political positions and more robust economies, their benefit to the EU with the membership will be undeniable; also, the benefits the EU will bring to the candidates in socio-economic terms will be solid and important.

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