

CHALLENGES OF SUSTAINABLE ECONOMIC DEVELOPMENT IN ALBANIA

*Eglantina Hysa, PhD., Associate Professor*⁸⁷

*Egla Mansi, Msc.*⁸⁸

Abstract:

After the post-communism transformation, implementation of free-market organizations, and progression of living standards, post-transition countries like Albania, seem to highly depend on good governance. As such in this paper, we are going to discuss the main factors hindering back the development of Albanian's economy. More specifically the relationship of the number of population, trade, governance, inflation, remittances, wages and labor. This article adopts a qualitative methodology approach. The duration period of the following analysis will start from the post-transition phase 2000 until 2019. We noticed that population, FDI, remittances and good governance were the main factors hindering the development of Albania's economy. On the other hand, factors like labor and trade had no significant impact on our case. The limitations of the study consisted of the lack of data before 1990, as there is no information and finding a solution as to why Albania is still a developing country.

Keywords: *Trade, Labor, Population, Good Governance, Sustainable Development.*

JEL classification: *O11, P27*

Introduction

Albania is found in the Western Balkan region, a region with different ethnicities. In the Western Balkan region, Albania is found to have the lowest ethnic diversification, of about 98% of the population is Albanian (Hysa, 2020). Albania during the last past decades has experienced a major transformation, in terms of economy. It emerged from an insufferable isolated form of extreme communism in 1990 and entered to a new form of democratic government while trying to adjust their position in the world market. The transition was dramatic, as the economy short-after under 3 periods of transition. The first being the 1990-1997 crisis, which became a major obstacle in terms of growth as the pyramid schemes and conflicts caused chaos in the country (Korovilas, 2010). After 2000, the GDP per capita reflected an even smaller share of GDP compared with developed countries. After 2000, the country's GDP started to double. The second crisis consists of economic growth instability as it grew from remittances, FDIs and mostly construction (Petersen, 2012). This rapid yet unstable growth lasted up until the global financial crisis. And the third crisis happened during 2008-2013 where Albania experienced not only lower growth but also failed to determine strategies to prevent economic failure (Sufaj, 2015). However, are these the only reasons why Albania has been performing worse over the years? The aim of this paper is to offer an insight as to why the economy is still underdeveloped. As we will observe later in the paper, the growth rates of GDP of Balkan, in general, have been higher than some European countries, especially before the World Crisis, logically the impact would show a higher level of development in the economy but also in society. Yet, the binding constraints have been setting back Albania from converging into a

⁸⁷ *Epoka University, Tirana/Albania, ehysa@epoka.edu.al*

⁸⁸ *Epoka University, Tirana/Albania, emansi15@epoka.edu.al*

developed country. According to the Government of Albania (2013), the main obstacles are **Lack of productive knowhow**: Limited diversification in the private sector area. The strongest sources of investments have been FDIs and skilled immigrants. **Rule of Law**: Corruption in the bureaucracy and judiciary institutions; policy reversals and risk of investments. New businesses are faced with these three sensitive problems when wanting to diversify their investment in this economy. **Transportation infrastructure and education**. The first constraint has been an issue at all times. Despite the fact that it has improved these recent years, connectivity with other countries and transportation costs stay an issue. On the other hand, education in Albania in terms of investment stays the lowest in the region, with only 2.3% of the country's GDP according to the Ministry of Finance (2018), the lowest amongst the OECD countries. Investment is low quality causing quantity and quality of skilled labor force to be competent enough to face the world market.

However, economic growth and development are more than just high GDP, it includes many other factors such as the standard quality of nations, high quality of life, education, health, lifespan and more.

The structure of this paper is as follows: Section 2 will consist of a Literature Review, where we will discuss the main policies and address the issues of the main reasons why developing economies have difficulty in moving forward. In Section 3 there will be the Methodology part, where we will compare each variable and find the relationship, they form with each other. How they have affected the slow back of this economy and then compare it with other OECD countries. Section 4 will consist of Results and Discussion, future strategies to implement and address some specific macroeconomic constraints.

Literature Review

Post-communist countries all seem to share the same issues. They have difficulties transitioning from centralized economies into an open market. Highly unstable political conditions affect many pillars of a country such as high inflation, fall in GDP, rise in unemployment, worsening of social values and more. During the first years of the post-communist government, two inclinations tend to show: immigration to western Europe or other OECD countries and remittances. In Albania, the mass movement of people consisted of skilled labor that hurt the economy the most when it came to evolve in the technological and service sector of the economy.

Trade Policies Toward Less Developed Countries

According to Krueger (1980), developing countries have commonly used either an inward-looking set of policies; they restrict imports and encourage the growth of domestic import-substitution industries otherwise they have encouraged an export-promotion policy. According to her, the second policy has boosted the economy to more rapid growth. In the case of Western Balkans, they have implemented import restrictions on some products, in order to boost local industries. Despite the fact that Albania has chosen the second type of policy, this theory doesn't refer to this case.

However, in general, Western Balkans share the same policies and are very similar to each other, that is why the World Bank, (2017), has offered a free trade agreement with these countries. As referred to the study of Feruni and Hysa (2020), trade agreements have positively effected the Albanian GDP. According to Qorraj and Jusufi (2018), this trade agreement would only benefit institutional reforms rather than trade creation and economic perspective, as Albania lacks comparative advantage. It would only create lesser opportunities to local firms who cannot keep up.

On the other hand, different authors state that despite the fact that trade has its own gains, it is not a stating factor for development. Krueger (1980) states that Heckscher-Ohlin model should not be a representative for all countries. The model states that there are only two goods, where one is left out, and the activity in the production of tradable can be undertaken until the international marginal rate of transformation (IMRT) is the same as the domestic marginal rate of transformation (DMRT); there is no production in lines where DMRT is greater than international price ratio. Yet, this does not suggest the relative importance on the export/import section has been merged, so we can't proclaim that a country's growth rate comes only from the export earnings. The 4 Asian tigers are called a miracle when it comes to development. And their basic policies focused on export policies, established ports, which facilitated their way of becoming the world's wealthiest nations (Winkler, 2017). At the same time period, these policies weren't that effective for Turkey, Colombia, India and Argentina. So, we can say that there is not a strong link between export performance and growth rates.

Labor Policies

Labor is another factor that contributes to economic development. One of the main turning points in China's economic development was the labor force. Surplus labor that came from agricultural employment in the countryside is not skilled enough to handle the modern economy. This concept has a close relationship with Albania since they both came from a communist economic policy. According to Garnaut and Song (2006), labor became scarce and valuable, this caused real wage to increase and the real exchange rate increased as well. Causing a chain reaction towards more capital-intensive industrial sectors, that required more technological advancements at the cost of labor-intensive sectors. Minami (1973), followed the Lewis Model where it states that rapid economic growth is driven by the presence of 'surplus' labor in the traditional and rural economy as it transitions into urban areas. These changes apparently put pressure on wages as this movement causes an increase in capita land or other sources. This causes the marginal productivity of labor to increase thus the trend of incomes follows as well in the rural sector. Labor supply of rural areas becomes inelastic and therefore it needs income incentives in order to produce movements of labor in the rapidly growing modern economy.

Auzina-Emsina (2014) links labor productivity and economic growth during the periods of post-crisis. The author compares the recent trends of labor productivity and economic growth in post-crisis periods with trends in crisis and pre-crisis. After conducting several types of researches, the author argues that the relationship is either weak or there are no relations between productivity and growth in pre-crisis and post-crisis. Nonetheless, the author argues that what will determine the outcome after the crisis, is how well productivity increases during the period of crisis.

Dritsakis, Stamatiou (2016) ran bounding tests based on the long-run relationship between inflation, unemployment with economic growth. Their empirical results revealed that in the short run, even in the long run there is no direct relationship between unemployment and economic growth, as well as no direct causality running from inflation and economic growth. They based their research on Okun's law, where it states that there is an inverse relationship between output and unemployment. Okun's law state there is a rule of thumb type of analysis, where there should be a 4% increase in the GDP, in order to have a 1% decrease in unemployment. Despite the fact that unemployment and inflation are considered the main factors of growth, the results show otherwise.

Population Growth: Different Point Of Views

Population growth during the early stages of literature portrayed insignificance regarding economic growth. Neo-Malthusian antinatalist arguments stated that population growth was not a factor in constraining economic growth as voiced by Ehrlich (1971). It was Kelley (2001) who shed light on this matter that noticed that a decline in OECD countries appeared to slow the development of the economy. However, different papers tell different results. Klasen and Lawson (2007) examine the link between population and growth in Uganda, a less developed country. Despite the fact that the country has worked on reducing poverty and currently has the highest population growth, the link between the two factors is weak. There are not strong evidences to conclude that even more, this high population growth in fact puts a break in the per capita growth. It seems that population

growth has only a significant impact on developed countries and less relationship in less developing countries. Taking the case of Africa, India and China where the population combined is more than 3 billion and their GDP is almost the same or even higher than developed countries, yet they lack the basic human conditions. Fengler (2010) states that despite the successes of these countries, population does not necessarily cause economic growth.

Regarding longevity, does greater life expectancy is related to economic development? Authors Acemoglu and Johnson (2006) exploited the international health innovations and improvements that started in 1940. They ran many tests regarding mortality based on various diseases around the world. Their results were that changes made in life expectancy impact the population, a 1% increase in life causes an increase of about 1.5% in the population. However, no real changes in total GDP over a lifespan of 40 years. They stated that there was no evidence of changes to increase life expectancy would lead to an increase in GDP per capita. Meaning that despite the efforts to fight health conditions in less developed countries is significant and effective; they are not the root that causes poverty in some of these nations.

The last significant factor that has an effect on economic development is the demographic age structure. Zhang (2014) studied the framework of the age structure of 28 Chinese provinces. They discovered that changes in age structure are closely related to provincial growth rates. From the period of 1995-2005, the shifts in size and internal demographic of the working-age population, account for nearly 1/5 of the increase in GDP per capita. Furthermore, shifts in age structure across different provinces explain the 1/8 of inter-provincial wage disproportion.

FDI And Remittances

During early 2000 have been a great support for the Albanian economy. A study by Fayissa and Nsiah (Fayissa & Nsiah, 2010) research the impact of FDI and remittances in the framework of growth through the period from 1980-2004 in 36 African countries. They discovered that both factors play a major role in having a positive impact on the economic growth. They provide an alternative way of financing investments and help in overcoming liquidity issues. In developing countries, such as Albania, remittances take a wholesome part of international capital flows and they even surpass FDI (Guliano & Ruiz-Arranta, 2009). In fact, a study by World Bank (2006) infers that remittances have experienced higher growth than FDI. Another study done by Shera and Meyer (2016) show the effect of remittances in the Balkan Region, Albania is one of them. According to them, during the period of 1999-2013, there was an increase in remittances which represented more than 10% of GDP. Suggesting that there is a positive relationship between growth and remittances.

Law Policies Regarding Good Governance

This factor includes many subcomponents where the main is good governance, political stability and low violence, government efficiency, corruption control and law enforcement. A study of Governance and economic development of Western Balkan countries by Pere (2015), the results from the analysis she conducted showed that economic development in terms of governance could only be interpreted in a long term. There was no significant relationship between the two of them, at least for the period of 1996-2012. An article from the Reuters (2018), says that Western Balkan countries would take almost 200 years to catch up with EU standards. They base their analysis on a forecast scenario with two outcomes, a positive and pessimistic one. The pessimistic scenario would mean that WB can reach up only in 2220, while the optimistic one states that WB can catch up in 40 years, by 2053.

Methodology And Analysis

In the previous section, we discussed generally the main factors that would cause economic development and growth. In this section, we will provide graphs and data in order to understand

what causes the main setbacks and prolongs the Albanian economy to transit from a developing economy to a developed one. The main factors we will discuss are GDP growth rate, trade, labor, population, remittances and rule of law; all these data are taken from the period of 2000 up until 2017.

In order to conduct a proper econometric regression analysis, we would need at least 30 variables, however, there is a lack of information, so it would be biased and unclear to state where the problem lays. That is why we notice the shifts in trends over the years and notice how the economy has performed. Furthermore, we will compare some of these results with the growth of neighboring countries.

Analysis of Trends

Gathering information provided from Bank of Albania, World Trade in Economics and World Bank, we will notice 3 main variables interacting with each other, such as GDP growth, unemployment and remittances in % of GDP, in Figure 1. We observe these factors first, as we consider them to be the main macroeconomic factors that indicate how the economy is performing. As we conclude from the theories that when remittances fall, the growth will decline too, as they share a positive direct relationship; causing a rise in unemployment as well, especially during the post-crisis period where it rises again. Remittances played an important part in the Albanian economy, as it depends on immigration. We notice that when remittances started fluctuating after the crisis, the GDP growth was affected by it, unemployment too. This is also supported by the study of Vladi and Hysa (2019). Suggesting that it goes on par with the theories mentioned above, it is a significant variable in determining growth and development.

GDP, Remittances and Unemployment

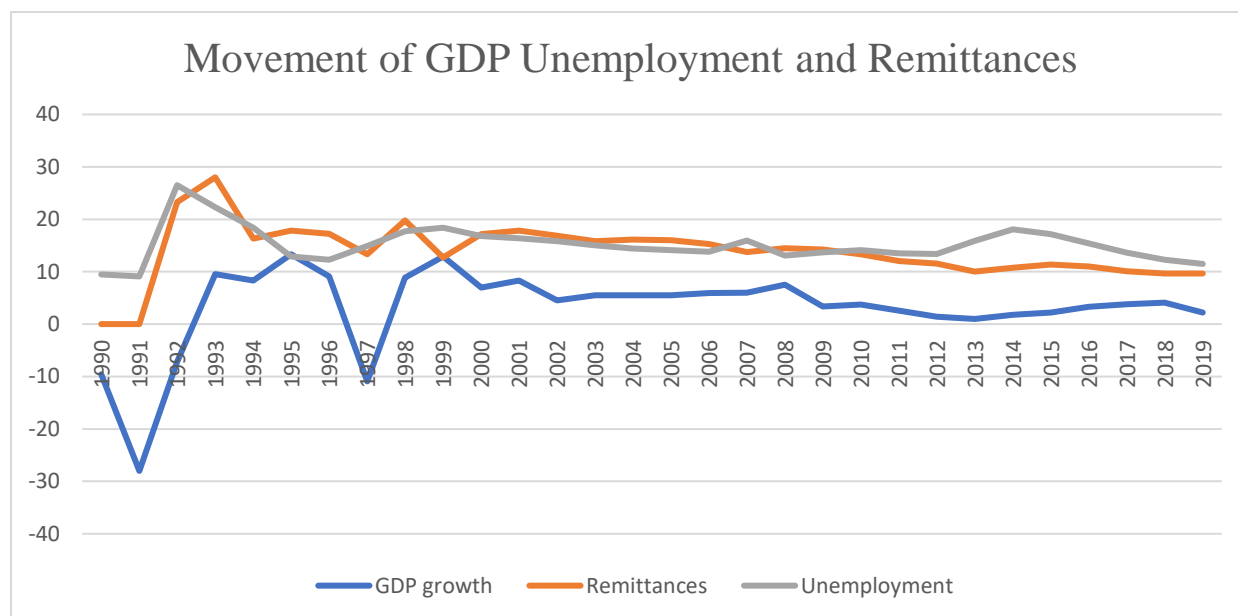


Figure 1: Movement of GDP, unemployment and Remittances in % of GDP

Source: World Bank, 2020

Trade Relationships: A Historical View

Another factor that affects growth is Trade. Albania is mainly an importing country in the three sectors of the economy. Despite being once focused on agriculture, the lack of technology and

open economy it failed to keep its status (Berhani and Hysa, 2013). As we notice from Figure 2, there are fluctuations during the period of 1990 to 2000, and then it seems to have a parallel relationship between exports and imports. However, it doesn't conclude that it's a setback or progress in terms of economic development. Developed countries like Norway, Sweden import more than they export, the difference stands in the fact that these countries have found their comparative advantage. Focusing on one industry and developing in that. The economy should at first focus on export-promotion policy or domestic-import policy, taking notice of how this would affect the local market. The only indicator which would affect helping the economy grow is by finding in which sector it performs best.

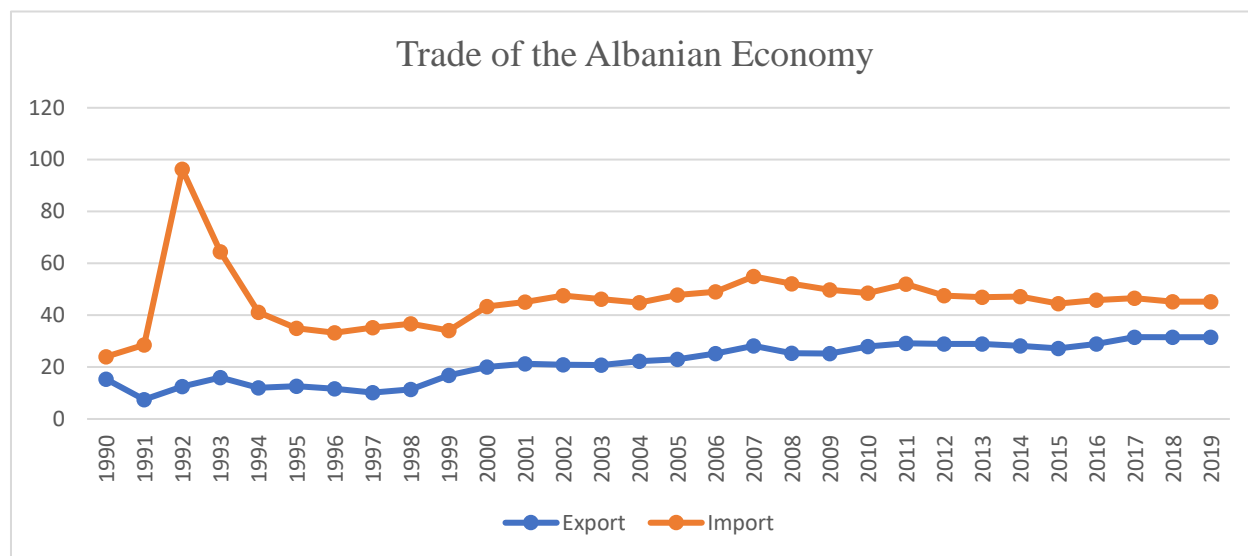


Figure 2: Trade of the Albanian economy over the period between 1994-2014

Source: World Bank, 2020

Because Albania's rich in natural resources, it would make sense that the sector of extracting industry is the most profitable one. The next sector contributing to both GDP and employment in the Construction sector, with almost an increase of 40%. Followed by electricity with a growth of 25% and Others, which is mostly retail with a growth of 44%. However, if we compare these data with newer ones we notice a shift in growth.

We notice that there is a sharp decline in every sector of the economy, mainly because of the global crisis and a shift in the political agreements during these years. The implementation of higher taxes and restrictions caused many setbacks in some sectors. In Tourism, the prices increased and drove many firms out of business. In manufacturing, we have FDI and because of tight laws and unaffordable tariffs caused them to pull out of the Albanian economy. This brings us to another section suffering from these declines, unemployment and wages.

Wages and Income Distribution

The average monthly wages have increased over the years in every sector, which shows that the economy is evolving when compared to itself. Yet it still stands at the lowest paying region in Europe with a minimum wage of 24,000 ALL, suggesting that with a family of 3 the daily pay is 260 ALL, still above the world's poverty line. Following the theories in the Literature Review, we would say that with the rise in wages the one who would be impacted is inflation. In the case of Albania, as seen in Figure 3, the theory stands only in the first stages of 2000-2003 where we notice an increase in wages and a sharp increase in the inflation rate with approximately 7.7%. Throughout the years the inflation rate has continued to stay stable despite the rise in average wages.

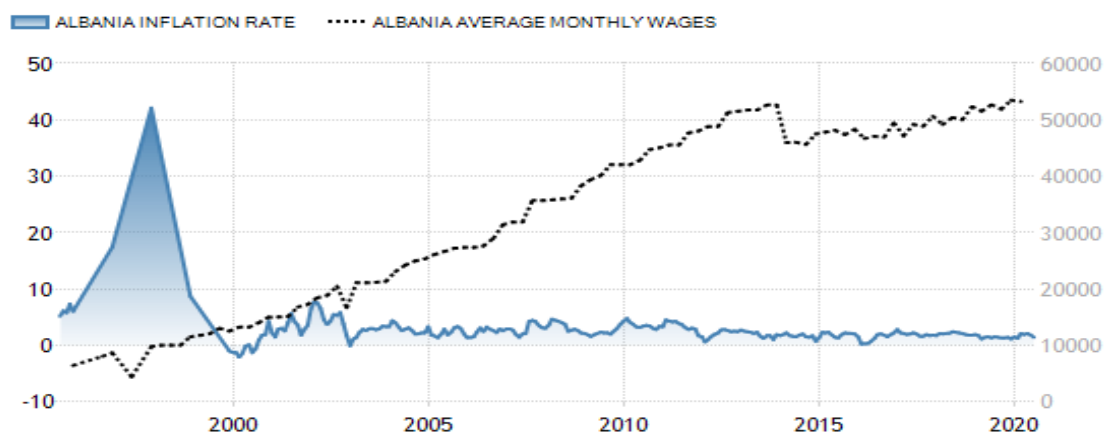


Figure 3: The relationship between inflation rate and average monthly wages in Albania, 200-2018

Source: Trading Economics, 2020

If we compare that and the GINI coefficient of Albania, which stands at 33.2 in 2017, and income distribution we would say that Wage is not a significant factor withholding Albania from development. In Table 4 we show a summary of income distribution and in Figure 4 the GINI coefficient from 2000-2013.

From the percentages, we observe that only 1.43% of the population lives on \$2 a day which is acceptable. If we were to divide the distribution into classes, from the table we would say that there is a fair and the gap is not high between the lowest class and highest class, with the most percentage belonging to the middle-income class. In the Figure below, the GINI coefficient backs this conclusion and shows us that the inequality in Albania does not contribute to the factors hindering development.

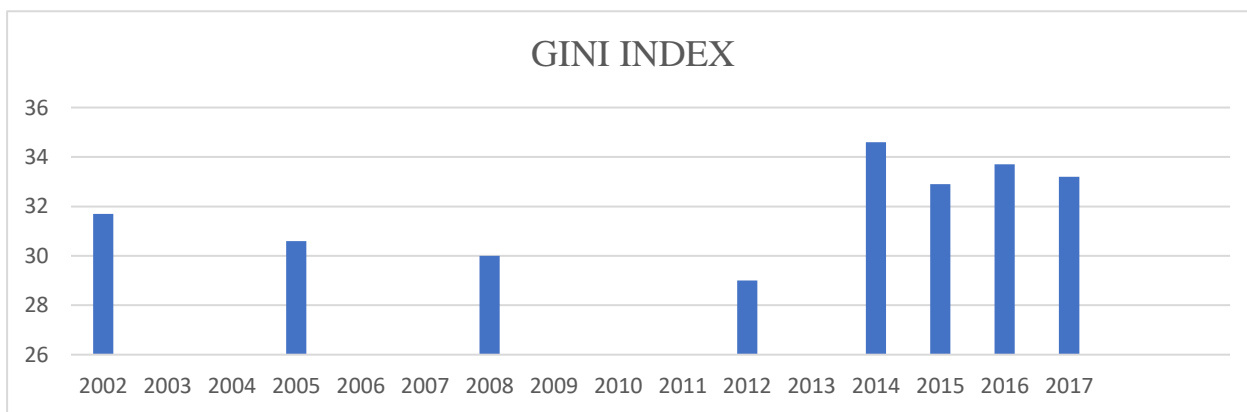


Figure 4: GINI coefficient for Albania in 2013

Source: World Bank, 2020

Population and Demography

Population growth and distribution of demographics is another factor that contributes to development. Currently, the population is almost 3 million. Considering the theories where the high number does not cause causality, it proves the relationship between population and GDP growth. An increase in the population does not necessarily mean an increase in GDP, as observed in Figure 3. We also need to consider the distribution of the number of people and the age construct.

The city with the most density remains the capital of Albania. This has caused an overall increase in the region's local budget.

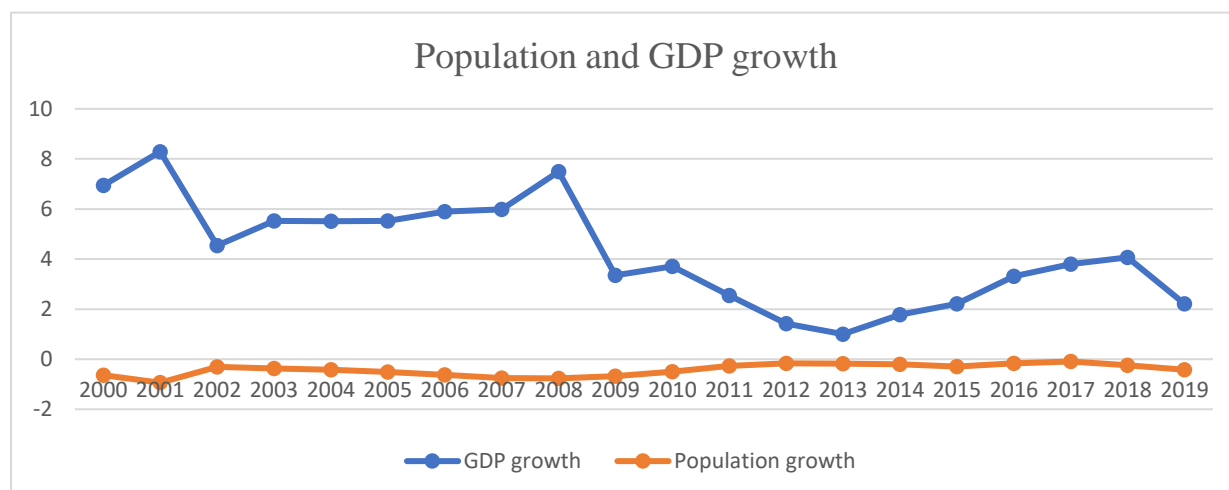


Figure 5: Relationship between GDP growth and population growth

Source: World Bank, 2020

POPULATION

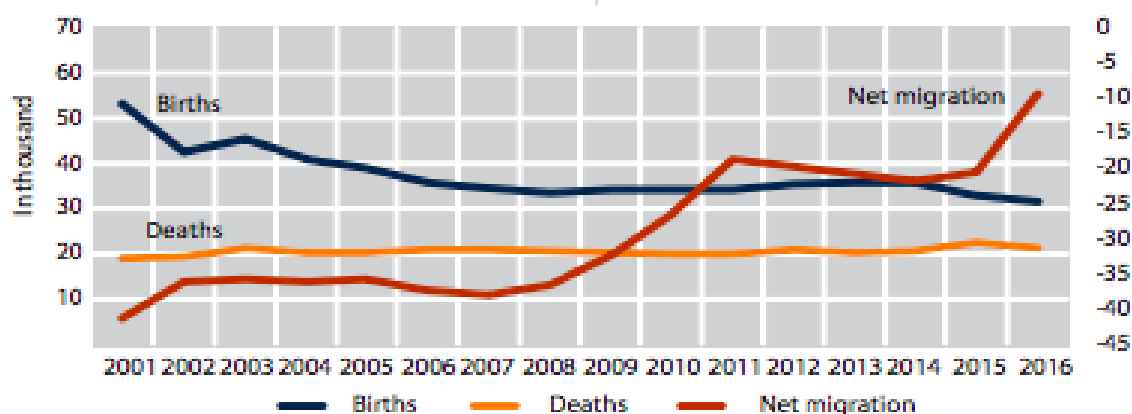


Figure 6: Population Growth, Births, Deaths and Migration

Source: INSTAT, 2016

During 2016 the number of births exceeded the number of deaths by 11 thousand; however, this difference is decreasing over the years. On the other side, the net migration still remains negative (The difference between emigrants and immigrants is diminished by 54% when paralleled with last year.)

The number of elderly people has increased, resulting in an aging population. The age group 60-79-year-old holds about 17% of the population, 7% more than in 2016. The age group of 80+ underwent from 1.3% in 2001 to 2.4% in 2017. While the group 0-14 shows a declining trend with only 18% in 2017, the same as in 2011.

As we mentioned before, the capital of Albania holds 30% of the population followed by Fieri (11%), Durres (10%) and Elbasan (10%). During 2001-2017, the trend of the number of the population seems to decrease in other prefectures and move toward urban areas such as Tirana, Durres and Vlore. On the other hand, Gjirokaster seems to have the lowest population with only 2.3% of the population. In figure 6, there is the population pyramid that shows how the population leans more on labor force and elder generation than the young generation which shows a sign of developed countries (Ibrahimaj, 2017). However, in future generations, this will decline our development as well. The economy will not be able to fill in-demand occupations which brings us to a decline in productivity. Eventually, the labor costs will increase as well and expansion in terms of business and international competitiveness will be delayed.

As we will notice in the next table, the reason there is a decline in the population is the high mean age at birth with approximately 27 per both genders and the average fertility rate is at most 2 children per family. Telling us that women are focusing more on their career and professional side and less on being mothers. Other than that considering Life expectancy and health factors, the age in both males and females is 80 and 76 on average which shows that quality of life is good and close to developed countries and during the past years it has increased. In this sector, we would say that Albania follows the high standard of life. Also, the Marriages and Divorces rate does not appear to be problematic as per 1000 inhabitants we have in average 8 marriages and 1,7 divorces.

Good Governance Indicators

The last factor that contributes the most in Albania's setback is governance and bureaucracy. We have taken this indicator in account given that good governance is directly related to the human development (Hysa and Cela, 2019), thus having direct and positive effects in the economy. We will observe the 6 indicators from the World Bank. The ranking is of 230 countries on the bases of percentiles. This suggests that the better the ranking, the more positive is considered the manifestation of that country. Furthermore, the World Bank evaluates each indicator from -2.5 (Bad performance) to +2.5 (good performance). If we were to evaluate Albania based on the ranking, out of 230 on average the country stands at 50 in ranking which tells us that it is performing well as a country. Nonetheless, based on the index valuation we notice a different side.

As we observe from Figure 7, **Rule of Law** indicator evaluates law enforcement. It is without a doubt the worst indicator out of the six. It shows a slight improvement in 2014-2016 with a value of -0.39 only to increase again in 2018. When compared to the ranking with an average of 40, they belong to 35-55% of 230 countries analysed. It still remains better out of the total, however, it performs worse when compared with developed countries. So it remains a setback on Albania's development. **Corruption Control** goes hand in hand with law enforcement as it is quite problematic with an average of -0.6, even higher than the first and the ranking stands at 33 meaning that it is better with only 33% of countries. **Voice and accountability** generally show positive signs with a rising trend, the highest value 0.2 in 2017 and the lowest 0.02 in 2012. **Political stability** overall shows good signs. The country suffered a decrease in 2011 but that only reflected the revolutions, the indexes improve as the times pass. **Governance stability** shows negative signs with slight positive trends in recent years, yet the ranking (55) seems to increase over time meaning that the country still hasn't found the right balance when it comes to governance efficiency. **Regulatory quality** has a ranking of 60 on average and an index valuation of 0,2. It has kept the same trend from 2010 to 2017. It has not shown any signs of improvement.

The trend can be observed better through Figure 7, the movement shows no stability as it increases and decreases through a period of 16 years. The Good governance indicators show the weaknesses of their introduction and implementation. We should underline: gaps in law enforcement, levels of corruption, weak legal system, property rights and judicial impartiality. There is insufficient cooperation between the government and the parliament. They lack in regulatory impact analysis.

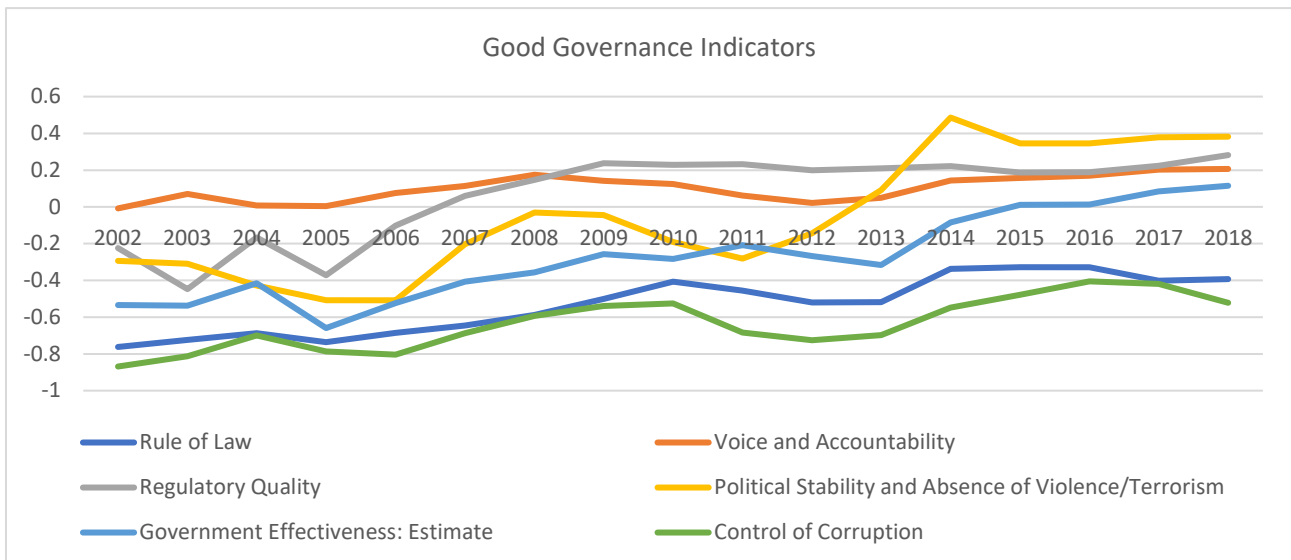


Figure 7: Good Governance indicators, a trend (2002-2018)

Source: World Bank, 2020

ANALYSIS AND DISCUSSION

To summarize all the findings in the paper, comparing each variable, we come to a certain conclusion. To understand why an economy still stands at a developing stage and why it doesn't evolve is difficult to find the roots. However, taking in the factors above, we conclude that Remittances, Unemployment and GDP have a close relationship with each other. High remittances in Albania boosted new businesses therefore the employment rose upwards quickly and that enhanced the GDP of Albania during the period of 2000-2008. After that, the World Crisis had a huge impact on the economy as FDI and remittances started to slow down since most of the population lived abroad.

Trade had another impact in the case of Albania. It appeared to fluctuate a lot in a decade. Almost every sector of the industry had lowered profits and many businesses were out of the market in a short period of time. This instability caused high unemployment and therefore a drop in the GDP of the country.

Wages and income distribution is the third factor taken into consideration. In the literature review, the only issue that stood by raising wages was that inflation would also rise and cause more problems than solving the issues. However, from the trend during 2000-2017, the wages rose abruptly eventually enhancing the development of Albania's population. This rise, fortunately, did not have a direct relationship with inflation, as we observed that it remained constant during the last 17 years. Furthermore, the gap between the rich and poor is not high, and the most percentage is occupied by middle-income families. Therefore, wages and income does not significantly cause a drawback on the economy.

Regarding the population factor, health and longevity seem to be on the positive end of the spectrum, on the downside the population is shrinking as it is the birth rate is dropping every year. This is because women are focusing more on their career compared to the past years also because of immigration of the working-capital of the country. This has caused a downside in the development of Albania. However, population growth had no impact on GDP growth.

The last but the most important factor is good governance. The valuation and stability of the government have not increased over the years. There is little trust and corruption is high (Hysa, 2011a, Hysa 2011b). The high levels of corruption in Albania, are continuing to be so because of the existing problems with the rule of law (Pici et al., 2014). On the positive side, violation, voice and accountability have continuously improved over the years.

CONCLUSION

From observing the trends during the past 20 years in Albania regarding certain factors influencing the economy, we notice that we lean more on the developed countries rather than developing countries. In a way that most theories of developed countries come on par with Albania's economy. FDI and remittances were highly significant, suggesting that low investment has an impact on the state's health; it depends on it. Population growth has declined over the years and this decrease has not affected for good the development in Albania. The fall in the working force and emigration is contributing to slow growth. Wages, however, do not have a significant impact. The biggest factor contributing to slow economic development continues to be good governance, as there is no trust in how the law is executed. The index valuation is low, and it needs to improve more with time, in order to have stability. Education, health and other social factors do not have a significant effect on growth, compared to economic reasons. Despite all, it was very difficult to pinpoint an exact factor that contributes to slow economic development as some theories stood true for us and others did not.

Limitations of this study were two, the first is that it is difficult to measure economic development and how to improve it, in order to pass from one scale into an upper one. The second was a lack of data. To go beyond 30 years, in order to have a clearer picture of Albania, it is very difficult as the country was in a communist regime.

Bibliography

- Acemoglu, D., & Johnson, S. (2006). Disease and Development: The Effect of Life Expectancy on Economic Growth. the National Bureau of Economic Research .
- Government of Albania. (2013). Growth binding constraints of Albanian Economy. Project Syndicate.
- Auzina-Emsina, A. (2014). Labour productivity, economic growth and global competitiveness in post-crisis period. Latvia: Procedia- Social and Behavioral Sciences.
- Berhani, R., & Hysa, E. (2013). The Economy of Albania Today and then: The Drivers to Growth. In The 4th International Conference on European Studies (p. 598).
- Dabrowski, M., & Myachenkova, Y. (2018). The (economic) ties that bind: The western Balkans and the EU. Buregel Organization.
- Dritsakis, N., & Stamatiou, P. (2016). The Effects of Unemployment on Economic Growth in Greece. An ARDL Bound Test Approach. Romanian Journal of economic.
- Fayissa, B., & Nsiah, C. (2010). The Impact of Remittances on Economic Growth and Development in Africa. The American Economist .
- Fengler, W. (2010, April 15). Can rapid population growth be good for economic development? Retrieved from WorldBank: <http://blogs.worldbank.org/africacan/can-rapid-population-growth-be-good-for-economic-development>
- Feruni, N., & Hysa, E. (2020). Free Trade and Gravity Model: Albania as Part of Central European Free Trade Agreement (CEFTA). In Theoretical and Applied Mathematics in International Business (pp. 60-90). IGI Global.
- Garnaut, R., & Song, L. (2006). The turning point in China's economic development. ANU Press.
- Guliano, P., & Ruiz-Arranta, M. (2009). Remittances, financial development and growth. Journal of development Economics.
- Hysa, E. (2011a). Corruption and human development correlation in Western Balkan countries. Euro Economica, (4 (30)), 148-157.
- Hysa, E. (2011b). Corruption and human development: Albania and EU-27. Social Studies Journal, 5(2), 43-52.
- Hysa, E. (2020). Impact of Cultural Diversity on Western Balkan Countries' Performance. Journal of Ethnic and Cultural Studies, 7(1), 20-40.
- Hysa, E., & Çela, A. (2019). Relationship between Governance and Human Development in European Countries: Panel Regression Analysis. In IAI Academic Conference, Rome (pp. 60-71).

- Ibrahimaj, D. (2017). Albania in Figures. INSTAT.
- Klasen, S., & Lawson, D. (2007). The Impact of Population Growth on Economic Growth and Poverty Reduction in Uganda. ResearchGate Journal.
- Korovilas, J. (2010). The Albanian Economy in Transition: The Role of Remittances and Pyramid Investment Schemes. Post-Communist Economies Journal.
- Krueger, A. O. (1980). Trade Policy and Economic Development: How We Learn. Nberg Organization.
- Krueger, A. O. (1980). Trade Policy as an input to development. Massachusetts: National Bureau of Economic Research.
- Meyer, D., & Shera, A. (2016). The impact of remittances on economic growth: An econometric model. *EconomiA*.
- Minami, R. (1973). The Turning Point in Economic Development: Japan's Experience . The Quarterly Journal of Economics.
- Ministria e Financave (2018). Buxheti i shtetit per arsimin.
- Pere, E. (2015). The impact of good governance in the economic development of Western Balkan countries. *European Journal of Government and Economics*.
- Petersen, L. (2012). Remittances and Inequality: A Case Study of Albania. Lund University.
- Pici, E., Pasmaciu, J., Hysa, E., Hoxhaj, J., & Hodo, M. (2014). Evaluation of millennium development goals process: Case of Albania. *Mediterranean Journal of Social Sciences*, 5(14), 33.
- Qorraj, G., & Jusufi, G. (2018). The EU Stabilisation and Association Agreement for the Western Balkans: Between Challenges and Opportunities. *Croatian International Relations Review*.
- Sufaj, D. (2015). Global Financial Crisis of 2007: The Case of Albania . Rome: MCSER Publishing.
- Vladi, E., & Hysa, E. (2019). The impact of macroeconomic indicators on unemployment rate: Western Balkan countries. In international firms' economic nationalism and trade policies in the globalization era (pp. 158-181). IGI Global.
- Winkler, J. (2017, July 3). The 4 Asian tigers economy growth. Retrieved from Docurex: <https://www.docurex.com/en/four-4-asian-tigers-economy-growth/>
- WorldBank. (2006). Global Economic Prospects. The World Bank.
- Zhang, H., Zhang, H., & Zhang, J. (2014). Demographic age structure and economic development: Evidence from Chinese provinces. Hong Kong: Department of Economics, The Chinese University of Hong Kong.