PROPOSED COMPONENTS FOR CORRECTIVE MEASURES IN WESTERN BALKANS

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ABSTRACT

Over the past decade we have been testimons how Balkan countries have tried to be part of the EU. In most of the cases we have faced political stattenments, very different from each other (with respective to the countries). Most of these political statements are in the context that EU is facing its own internal issues, and it is not very focused on the enlargemnt policies. So, we find it very interesting in to see and analyze the economic achivement, the quality of governance just with in the region. The quality of governance and control over corruption were found to be positively and statistically significant. The significance of this indicator resulted to be more intensive in Romania, Greece and Albnaia. Regarding to the sensivity of this indictor Albania exceeds EU countries, such as Bulgaria and Croatia. The country with the greatest sensitivity to political stability and lack of violence, turned out to be Kosovo, Northern Macedonia, Serbia, Albania and Bosnia and Herzegovina, which are countries that are associated with constant ethnic tensions. It was found that some indicators proceed better in non-EU members rather than EU member states.

Key words: Public Participations, Control of Corruption, Political stability, EU member states and non-EU member states, Balkans.

INTRODUCTION

Over the past decade we have been testimons how Balkan countries have tried to be part of the EU. In most of the cases we have faced political stattenments, very different from each other (with respective to the countries). Most of these political statements are in the context that EU is facing its own internal issues, and it is not very focused on the enlargemnt policies. So, we find it very interesting in to see and analyze the economic achivement, the quality of governance just with in the region.

A state is blessed, by fate, when it has natural resources, effective institutions, economic freedom, personal freedom, healthy, educated, secure people and politicians who love their nation. Quality governance should be understood as a system of interaction of actors, political and institutional, using rationally, natural and human resources, without violating the principles of sustainable development in order to optimize the interests and potentials of their citizens.

Theoritically there are negative consequnces for countries that show low levels of quality of governance (Holmberg, Rothstein & Nasiritausi, 2009) or Norris 2012) as scholars. Also, epirical literature has found that countries which have high corruption or weak Rule of Law have also low levels of economic developments (Mauro, 2004). There are

a number of empirical studies on the quality of governance, in statistical analysis, we have chosen to address the components used by the World Bank in compiling periodic reports, comparing the results obtained between them, as well as identifying influential factors in order to propose corrective measures.

The basic objectives of the paper are: a) to observe either there are significant differences, between the quality of governance, in the Balkan countries, the ones which are members of the EU, with those aspiring to join EU. Only Slovenia is excluded from the data community, as there are obvious indicators of unlike other countries in the region, such as Greece, Romania, Croatia and Bulgaria. The averaged categorized indicators, with the above countries, was judged to undermine the objectivity of the study, as a contribution to the overestimation of the indicators. b) To investigation, if there are statistically significant correlations between the quality of governance and procedural democracy, economic growth, size of government, personal freedom, national prosperity, economic freedom, etc.

MATERIAL AND METHOD

The selected variables, in order to measure the quality of governance, are:

"Corruption Control"
Measures perceptions of the extent to which public power is exercised for private gain, including small and large forms of corruption, as well as the "capture" of the state by elites and private interests. The rating gives the country score in the overall indicator, in units of a normal standard distribution, i.e, ranging from approximately -2.5 to 2.5, practically the actual values are normalized in terms of the standard variable Z, which indicates the number of standard deviations, away from the mean, in a normal distribution with mean o and standard deviation 1.

Table 1. Control of Corruption

| Nr	Year	Albania	Bosnia and Herzegovina	Bulgaria	Croatia	Greece	Kosovo	Montenegro	North Macedonia	Romania	Serbia	Non EU Countries	EU Countries
1	2008	-0.59	-0.36	-0.25	-0.01	0.13	-0.63	-0.21	-0.19	-0.14	-0.31	-0.38	-0.07
2	2009	-0.54	-0.38	-0.21	-0.05	0.07	-0.58	-0.20	-0.13	-0.26	-0.31	-0.36	-0.11
3	2010	-0.53	-0.34	-0.19	0.06	-0.06	-0.62	-0.23	-0.08	-0.23	-0.29	-0.35	-0.10
4	2011	-0.68	-0.32	-0.22	0.06	-0.10	-0.61	-0.20	-0.09	-0.21	-0.27	-0.36	-0.12
5	2012	-0.73	-0.30	-0.23	0.01	-0.19	-0.65	-0.11	-0.04	-0.26	-0.33	-0.36	-0.17
6	2013	-0.70	-0.24	-0.27	0.12	-0.05	-0.65	-0.25	-0.05	-0.19	-0.30	-0.36	-0.09
7	2014	-0.55	-0.31	-0.25	0.22	-0.12	-0.49	-0.06	-0.02	-0.11	-0.23	-0.28	-0.07
8	2015	-0.48	-0.39	-0.26	0.25	-0.08	-0.54	-0.13	-0.26	-0.02	-0.27	-0.34	-0.03
9	2016	-0.41	-0.46	-0.17	0.20	-0.09	-0.41	-0.10	-0.29	-0.02	-0.32	-0.33	-0.02
10	2017	-0.42	-0.52	-0.16	0.19	-0.14	-0.50	-0.09	-0.31	-0.03	-0.38	-0.37	-0.04
11	2018	-0.52	-0.57	-0.15	0.13	-0.07	-0.52	0.02	-0.36	-0.12	-0.37	-0.39	-0.05

Source: World Bank data & Author
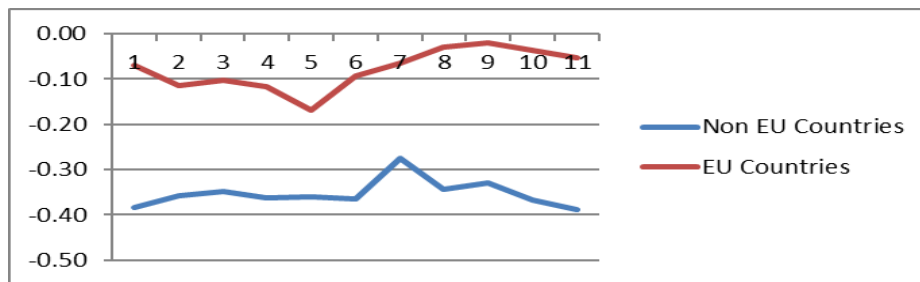
Figure. 1 Comparative Trend of Control of Corruption EU Countries vs Non-EU Countries

The corruption control indicator is negative, for each group, regions with less intensity are EU member states, however, this fact can be ignored, as EU member states, inevitably, are imposed by the effects of interaction between them, as a result of common rules, where among them we can mention the Maastricht convergence criteria, which, aim to limit the budget deficit, public debt, inflation, etc.In the period 2016- 2018, this indicator is observed

to deteriorate in both regions, the greatest intensity of deterioration is attributed to non-EU countries, which reaches a historic minimum in 2018. The only country that has indicators, slightly positive is Croatia, while all other countries have indicators of lack of control over corruption. In the optics of this indicator there are no objective differences between groups of countries, we can say without reservation that they are implicated in a corrupt regime.

Effective government

It measures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. The rating gives the country score in the overall indicator, in units of a normal standard distribution, i.e, ranging from approximately -2.5 to 2.5.

Table 2. Government Effectiveness

Nr	Year	Albania	Bosnia and Herzegovina	Bulgaria	Croatia	Greece	Kosovo	Montenegro	North Macedonia	Romania	Serbia	Non-EU Countries	EU Countries
1	2008	-0.36	-0.60	-0.05	0.57	0.59	-0.49	-0.03	-0.02	-0.32	-0.19	-0.28	0.20
2	2009	-0.26	-0.72	0.17	0.60	0.62	-0.41	-0.02	-0.05	-0.36	-0.04	-0.25	0.26
3	2010	-0.28	-0.74	0.11	0.62	0.56	-0.58	0.09	-0.09	-0.27	-0.05	-0.28	0.26
4	2011	-0.21	-0.74	0.11	0.56	0.51	-0.46	0.10	-0.11	-0.33	-0.09	-0.25	0.21
5	2012	-0.27	-0.46	0.14	0.71	0.32	-0.35	0.13	-0.07	-0.31	-0.10	-0.19	0.21
6	2013	-0.32	-0.43	0.16	0.70	0.46	-0.38	0.16	-0.05	-0.07	-0.09	-0.19	0.31
7	2014	-0.09	-0.45	0.08	0.69	0.40	-0.32	0.27	0.13	-0.03	0.09	-0.06	0.29
8	2015	0.01	-0.55	0.21	0.51	0.26	-0.41	0.16	0.12	-0.06	0.11	-0.09	0.23
9	2016	0.01	-0.39	0.30	0.49	0.23	-0.42	0.13	0.10	-0.17	0.08	-0.08	0.21
10	2017	0.08	-0.48	0.26	0.57	0.31	-0.40	0.18	0.15	-0.17	0.18	-0.05	0.24
11	2018	0.11	-0.62	0.27	0.46	0.34	-0.43	0.13	0.09	-0.25	0.11	-0.10	0.20

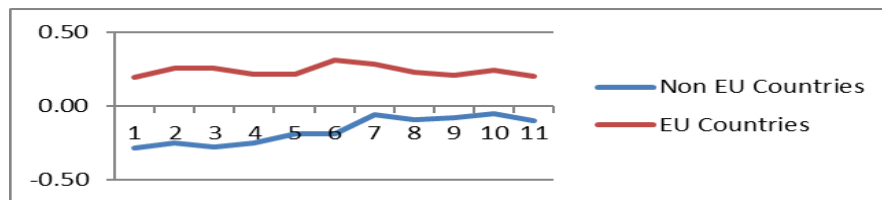*Source: World Bank data & Author*

Figure 2. Comparative Trend of Government Effectiveness EU Countries vs Non-EU Countries

The indicator of effective governance has followed a parallel trend, with a slightly positive approach in EU member states, however in recent years it has deteriorated, for both groups of countries, according to the classification given above, the country with the best performance is Croatia, whereas Romania has significantly more unfavorable indicators than Albania, Serbia, Northern Macedonia and Montenegro.

"Political stability and the absence of violence or terrorism"

Measures perceptions of the likelihood of political instability and / or politically motivated violence, including terrorism. The rating gives the country score in the overall indicator, in units of a normal standard distribution, i.e, ranging from approximately -2.5 to 2.5.

Table 3. Political Stability and Absence of Violence/Terrorism

Nr	Year	Albania	Bosnia and Herzegovina	Bulgaria	Croatia	Greece	Kosovo	Montenegro	North Macedonia	Romania	Serbia	Non-EU Countries	EU Countries
1	2008	-0.03	-0.54	0.37	0.57	0.27	1.01	0.77	-0.30	0.18	-0.54	0.06	0.35
2	2009	-0.05	-0.67	0.35	0.61	-0.21	0.43	0.82	-0.30	0.36	-0.48	-0.04	0.28
3	2010	-0.19	-0.69	0.36	0.61	-0.13	-1.04	0.58	-0.52	0.27	-0.42	-0.38	0.28
4	2011	-0.28	-0.82	0.30	0.62	-0.10	-1.04	0.57	-0.62	0.19	-0.28	-0.41	0.25
5	2012	-0.14	-0.54	0.38	0.61	-0.22	-1.04	0.60	-0.49	0.08	-0.22	-0.31	0.21
6	2013	0.09	-0.40	0.17	0.64	-0.17	-0.97	0.50	-0.42	0.18	-0.08	-0.21	0.21
7	2014	0.49	-0.02	0.08	0.62	-0.14	-0.34	0.22	0.26	0.05	0.18	0.13	0.15
8	2015	0.35	-0.40	0.02	0.59	-0.23	-0.20	0.14	-0.29	0.19	0.24	-0.03	0.14
9	2016	0.34	-0.40	0.08	0.66	-0.12	-0.28	0.28	-0.35	0.28	0.14	-0.05	0.22
10	2017	0.38	-0.35	0.33	0.69	-0.07	-0.25	-0.06	-0.25	0.06	0.09	-0.07	0.25
11	2018	0.38	-0.39	0.42	0.77	0.09	-0.61	0.11	-0.20	0.06	0.08	-0.10	0.34

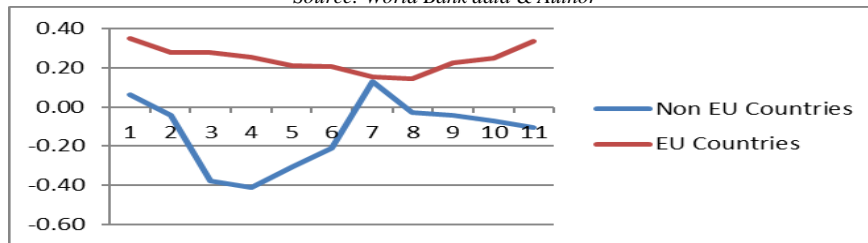*Source: World Bank data & Author*

Figure 3. Comparative Trend of Political Stability and Absence of Violence/Terrorism EU Countries vs Non-EU Countries.

The index of stability, politics and non-violence, in recent years, has followed a positive trend in EU member states despite the continuous deterioration in non-member countries, in member countries, the country with the best performance is Croatia, while in non-member countries Albania. The weakest permanence in member countries is attributed to Greece, while in non-member countries to Bosnia and Kosovo. From the point of view of this indicator, Albania and Montenegro perform better than Greece, which is a member country.

Rule of Law
Measures perceptions of the extent to which agents trust and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, and the likelihood of crime and violence. The rating gives the country score in the overall indicator, in units of a normal standard distribution, i.e. ranging from approximately -2.5 to 2.5.

Table 4 Rule of Law

| Nr	Year	Albania	Bosnia and Herzegovina	Bulgaria	Croatia	Greece	Kosovo	Montenegro	North Macedonia	Romania	Serbia	Non-EU Countries	EU Countries
1	2008	-0.59	-0.41	-0.11	0.09	0.86	-0.59	-0.08	-0.35	-0.01	-0.50	-0.42	0.21
2	2009	-0.50	-0.36	-0.04	0.16	0.65	-0.60	0.07	-0.26	0.05	-0.41	-0.34	0.21
3	2010	-0.41	-0.35	-0.07	0.20	0.63	-0.61	0.01	-0.26	0.05	-0.37	-0.33	0.20
4	2011	-0.46	-0.33	-0.11	0.22	0.57	-0.52	0.02	-0.24	0.06	-0.29	-0.30	0.18
5	2012	-0.52	-0.21	-0.09	0.25	0.43	-0.53	0.02	-0.22	0.04	-0.36	-0.30	0.16
6	2013	-0.52	-0.15	-0.10	0.29	0.47	-0.55	0.05	-0.20	0.13	-0.33	-0.28	0.19
7	2014	-0.34	-0.19	-0.05	0.32	0.36	-0.47	0.08	-0.05	0.17	-0.15	-0.19	0.20
8	2015	-0.33	-0.28	-0.10	0.20	0.27	-0.46	0.05	-0.19	0.16	-0.12	-0.22	0.13
9	2016	-0.33	-0.22	-0.06	0.41	0.11	-0.35	-0.01	-0.28	0.36	-0.16	-0.22	0.20
10	2017	-0.40	-0.21	-0.04	0.33	0.08	-0.42	0.01	-0.24	0.39	-0.19	-0.24	0.19
11	2018	-0.39	-0.23	-0.03	0.32	0.15	-0.37	0.10	-0.28	0.33	-0.15	-0.22	0.19

Source: World Bank data & Author
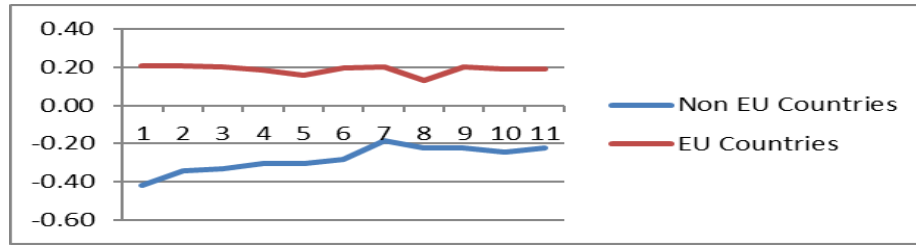
Figure 4. Comparative Trend of Rule of Law EU Countries vs Non-EU Countries

The Rule of Lawindicator has followed almost a constant but positive trend in the member states, where Croatia has the highest performance, followed by Romania, but Bulgaria results with negative historical indicators, like other non-member countries, from which it stands out. Albania with the highest degree of lack of rule of law. We are a non-member country on the verge of neutrality, regarding this indicator and with a better performance than Bulgaria is Montenegro.

Quality of Regulatory

Measures the government's perception of its ability to formulate and implement sound policies and regulations that allow and promote private sector development. The rating gives the country score in the overall indicator, in units of a normal standard distribution, i.e, ranging from approximately -2.5 to 2.5.m. In terms of regulatory quality, both groups of countries have slightly positive indicators, but the approximate trend stands out among them, due to the slight growth rate in non-member countries and the gradual decline in those members. In terms of poorer performance, the country with the best regulatory performance is Bulgaria. Northern Macedonia stands out, which in recent years has more favorable indicators than the average of EU member states, belonging to the region of Balkans.

Table 5. Regulatory Quality

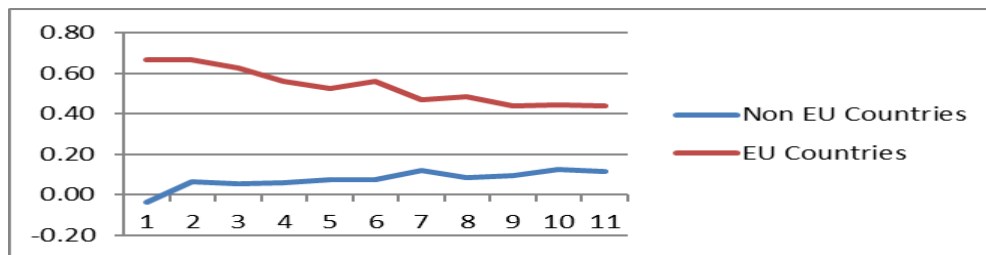| Nr	Year	Albania	Bosnia and Herzegovina	Bulgaria	Croatia	Greece	Kosovo	Montenegro	North Macedonia	Romania	Serbia	Non-EU Countries	EU Countries
1	2008	0.15	-0.15	0.70	0.51	0.88	-0.01	-0.13	0.22	0.58	-0.29	-0.04	0.67
2	2009	0.24	-0.09	0.67	0.56	0.84	0.11	-0.04	0.29	0.60	-0.13	0.06	0.67
3	2010	0.23	-0.09	0.65	0.57	0.64	-0.05	-0.07	0.32	0.64	-0.02	0.05	0.63
4	2011	0.23	-0.03	0.54	0.54	0.50	-0.12	-0.06	0.32	0.66	0.03	0.06	0.56
5	2012	0.20	-0.05	0.56	0.46	0.53	-0.02	0.02	0.35	0.55	-0.06	0.07	0.53
6	2013	0.21	-0.07	0.54	0.46	0.63	-0.02	0.07	0.33	0.61	-0.06	0.08	0.56
7	2014	0.22	-0.09	0.57	0.40	0.33	-0.15	0.13	0.48	0.58	0.14	0.12	0.47
8	2015	0.19	-0.20	0.56	0.36	0.41	-0.30	0.23	0.43	0.60	0.16	0.08	0.48
9	2016	0.19	-0.17	0.66	0.36	0.15	-0.19	0.22	0.44	0.59	0.06	0.09	0.44
10	2017	0.22	-0.15	0.63	0.42	0.24	-0.13	0.30	0.50	0.49	0.01	0.13	0.44
11	2018	0.28	-0.21	0.58	0.45	0.30	-0.28	0.36	0.52	0.45	0.01	0.12	0.44

Source: World Bank data & Author

Figure 5. Comparative Trend of Regulatory Quality EU Countries vs Non-EU Countries

Public participation
It measures perceptions of the extent to which the citizens of a country are able to participate in the election of their government, as well as freedom of expression, freedom of association and a free media. The rating gives the result of the place in the general indicator, in units of a normal standard distribution, i.e, ranging from approximately -2.5 to 2.5.

Table 6. Voice and Accountability

Nr	Year	Albania	Bosnia and Herzegovina	Bulgaria	Croatia	Greece	Kosovo	Montenegro	North Macedonia	Romania	Serbia	Non-EU Countries	EU Countries
1	2008	0.17	0.02	0.58	0.47	0.93	-0.31	0.24	0.20	0.51	0.28	0.10	0.62
2	2009	0.14	0.00	0.56	0.49	0.89	-0.12	0.24	0.17	0.46	0.34	0.13	0.60
3	2010	0.12	-0.08	0.53	0.48	0.90	-0.18	0.19	0.11	0.43	0.29	0.08	0.58
4	2011	0.06	-0.16	0.45	0.52	0.82	-0.24	0.21	-0.04	0.38	0.28	0.02	0.54
5	2012	0.02	-0.10	0.40	0.54	0.70	-0.22	0.22	-0.03	0.32	0.20	0.01	0.49
6	2013	0.05	-0.12	0.34	0.51	0.69	-0.25	0.18	-0.06	0.31	0.29	0.01	0.46
7	2014	0.14	-0.07	0.37	0.51	0.62	-0.20	0.16	-0.14	0.43	0.21	0.02	0.48
8	2015	0.16	-0.10	0.43	0.56	0.65	-0.15	0.14	-0.18	0.49	0.23	0.02	0.53
9	2016	0.17	-0.13	0.40	0.52	0.67	-0.15	0.08	-0.24	0.54	0.20	-0.01	0.53
10	2017	0.20	-0.21	0.38	0.51	0.71	-0.12	0.12	-0.14	0.52	0.12	0.00	0.53
11	2018	0.21	-0.24	0.32	0.50	0.86	-0.12	0.08	-0.01	0.46	0.00	-0.01	0.54

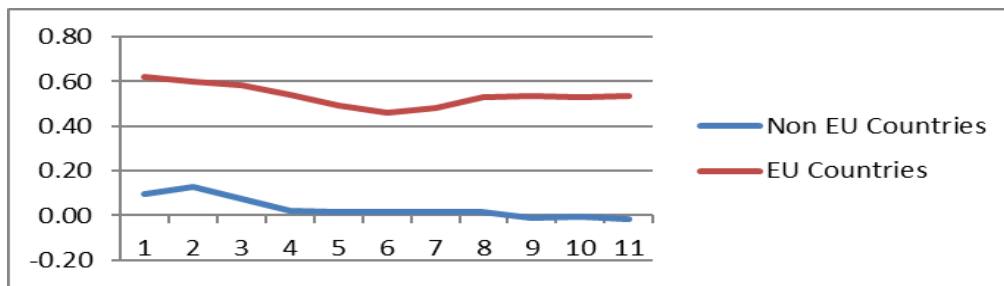*Source: World Bank data & Author*

Figure 6. Comparative Trend of Voice and Accountability EU Countries vs Non-EU Countries

This indicator is conceived as a representative indicator of procedural democracy, EU member states have a complete advantage over non-member countries.

The country with the most favorable trend is Greece, where the latter tends towards 1, in the value of the standardized variable. Kosovo, Bosnia and Herzegovina and Northern Macedonia have the weakest performance.

The trend of average indicators of non-member countries has a downward trend, despite a slight upward trend in member countries, but the gap between them is more than half the standard deviation.

Quality of governance
It is defined as the sum of above effects, averaged combined of 6 indicators.

Table 7. Quality of governance.

| Nr	Year	Albania	Bosnia and Herzegovina	Bulgaria	Croatia	Greece	Kosovo	Montenegro	North Macedonia	Romania	Serbia	Non EU Countries	EU Countries
1	2008	-0.21	-0.34	0.21	0.37	0.61	-0.17	0.09	-0.07	0.13	-0.26	-0.16	0.33
2	2009	-0.16	-0.37	0.25	0.40	0.48	-0.20	0.14	-0.05	0.14	-0.17	-0.13	0.32
3	2010	-0.18	-0.38	0.23	0.42	0.42	-0.52	0.10	-0.09	0.15	-0.15	-0.20	0.31
4	2011	-0.22	-0.40	0.18	0.42	0.37	-0.50	0.11	-0.13	0.12	-0.11	-0.21	0.27
5	2012	-0.24	-0.28	0.20	0.43	0.26	-0.47	0.15	-0.08	0.07	-0.14	-0.18	0.24
6	2013	-0.20	-0.24	0.14	0.46	0.34	-0.47	0.12	-0.07	0.16	-0.09	-0.16	0.27
7	2014	-0.02	-0.19	0.13	0.46	0.24	-0.33	0.13	0.11	0.18	0.04	-0.04	0.25
8	2015	-0.02	-0.32	0.14	0.41	0.21	-0.34	0.10	-0.06	0.23	0.06	-0.10	0.25
9	2016	0.00	-0.29	0.20	0.44	0.16	-0.30	0.10	-0.10	0.26	0.00	-0.10	0.27
10	2017	0.01	-0.32	0.23	0.45	0.19	-0.30	0.08	-0.05	0.21	-0.03	-0.10	0.27
11	2018	0.01	-0.38	0.24	0.44	0.28	-0.39	0.13	-0.04	0.15	-0.05	-0.12	0.28

Source: World Bank data & Author
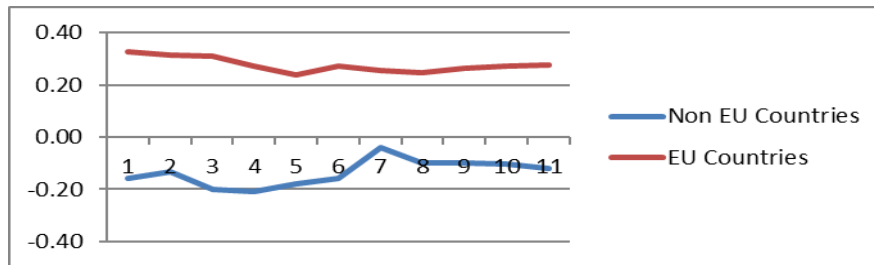
Figure 7. Comparative Trend of Quality of governance EU Countries vs Non-EU Countries

The trend of governance quality, according to indicators derived from the average sum of effects by regions, follows an almost constant but positive trend in member countries, as opposed to the declining trend in non-member countries. In terms of average indicators, the positive or negative contribution of certain countries, such as Croatia, is inevitably present in some of the above indicators, despite the diminishing effects caused by the indicators of Bosnia and Kosovo.

RESULTS

Statistically significant relation between variables in member and non-member countries in the Balkan region.
Statistical functions are derived using the smaller squares method, according to which the deviation of the actual values from the modeled ones is smaller.

$$S = \sum_{k=1}^{n} (Y - \acute{Y})^2 \ (min)$$

$$\acute{Y} = b_0 + b_1 x$$

$$S = \sum_{i=1}^{n} (Y_i - b_0 - b_1 X_i)^2 = \sum_{i=1}^{n} (Y_i^2 + b_0^2 + b_1^2 X_i^2) - 2\left(\sum_{i=1}^{n} (Y_i b_0 + Y_i X_i b_1 + X_i b_0 b_1)\right)(min)$$

$$S = \sum_{i=1}^{n} Y_i^2 + nb_0^2 + \left(\sum_{i=1}^{n} X_i^2\right)b_1^2 - 2\left(\sum_{i=1}^{n} Y_i\right)b_0 - 2\left(\sum_{i=1}^{n} Y_i X_i\right)b_1 - 2\left(\sum_{i=1}^{n} X_i\right)b_0 b_1 (min)$$

By deriving, partially deriving according to b_0 and b_1, the system of equation is obtained :

$$\begin{cases} \dfrac{\partial S}{\partial b_0} = 2nb_0 - 2\left(\sum_{i=1}^{n} Y_i\right) + 2\left(\sum_{i=1}^{n} X_i\right)b_1 = 0 \\ \dfrac{\partial S}{\partial b_1} = 2\left(\sum_{i=1}^{n} X_i^2\right)b_1 - 2\left(\sum_{i=1}^{n} Y_i X_i\right) + 2\left(\sum_{i=1}^{n} X_i\right)b_0 = 0 \end{cases}$$

$$b_1 = \frac{(\sum_{i=1}^{n} X_i)(\sum_{i=1}^{n} Y_i) - n(\sum_{i=1}^{n} Y_i X_i)}{[(\sum_{i=1}^{n} X_i)^2 - n(\sum_{i=1}^{n} X_i^2)]} = \frac{\overline{XY} - \frac{(\sum_{i=1}^{n} Y_i X_i)}{n}}{\overline{X}^2 - \frac{(\sum_{i=1}^{n} X_i^2)}{n}}$$

$$b_0 = \overline{Y} - \overline{X}b_1$$

Error ε is a variable, the case with mean 0, ie E (ε) = 0.
The variance of the error (ε), ϭ2 is the same for all values of x, therefore the variance of y is the same for all values of x and is equal to .2.
The values of ε are independent, i.e. the value of (ε), for a given value x is not related to the value of (ε) for another value x, so the value of y for a given value of x is not related to the value of y for another value x.
The error term is a randomly distributed random variable, consequently since y is a linear function of (ε) and y is normally distributed.

Table 8. Correlation between the quality of governance and control of corruption.

Nr	State	Regression	α	R^2	R	FValue	Fcrit
1	Romania	Ŷ=0.24+0.49X	5%	75.3%	86.8%	36.40	5.12
2	Greece	Ŷ=0.4+1.26X	5%	69.8%	83.6%	29.84	5.12
3	Albania	Ŷ=0.34+0.81X	5%	68.5%	82.8%	28.57	5.12
4	Bulgaria	Ŷ=0.35+0.73X	5%	55.1%	74.2%	20.02	5.12
5	Croatia	Ŷ=0.41+0.18X	5%	41.2%	64.2%	15.30	5.12
6	Bosnia and Herzegovina	Ŷ=-0.22+0.26X	5%	15.6%	39.5%	10.66	5.12
7	Kosovo	Ŷ=-0.05+0.55X	5%	12.8%	35.8%	10.32	5.12
8	Serbia	Ŷ=0.08+0.53X	5%	5.6%	23.7%	9.54	5.12
9	Montenegro	Ŷ=0.12+0.07X	5%	4.0%	19.9%	9.37	5.12
10	North Macedonia	Ŷ=-0.04+0.08X	5%	2.3%	15.0%	9.21	5.12

The quality of governance and control over corruption were found to be positively and statistically significant. The significance of this indicator resulted to be more intensive in Romania, Greece and Albnaia, with a correlation coefiecient over 0.8. Regarding to the sensivity of this indictor Albania exceeds EU countries, such as Bulgaria and Croatia, the countries with the lowest sensitivity, turned out to be Bosnia, Kosovo, Montenegro and Northern Macedonia, where the strength of the connection was less than 0.5 and the coefficient of determination (R2 <0.5), similar features but with higher intensity were identified in Bulgaria, in countries where the sensitivity is very high, the corruption control indicator should be treated with priority.

Table 9. Correlation between the quality of governance and "Government Effectiveness"

Nr	State	Regression	α	R^2	R	FValue	Fcrit
1	Albania	Ŷ=-0.03+0.57X	5%	86.96%	93.3%	69.00	5.12
2	Greece	Ŷ=-0.06+0.92X	5%	83.86%	91.6%	55.76	5.12
3	Serbia	Ŷ=-0.08+0.69X	5%	70.92%	84.2%	30.95	5.12
4	Bosnia and Herzegovina	Ŷ=-0.08+0.43X	5%	69.95%	83.6%	29.95	5.12
5	Romania	Ŷ=0.22+0.28X	5%	40.11%	63.3%	15.03	5.12
6	North Macedonia	Ŷ=-0.06+0.33X	5%	28.70%	53.6%	12.62	5.12
7	Croatia	Ŷ=0.38+0.08X	5%	5.32%	23.1%	9.51	5.12
8	Bulgaria	Ŷ=0.18+0.09X	5%	4.39%	21.0%	9.41	5.12
9	Kosovo	Ŷ=-0.25+0.27X	5%	2.57%	16.0%	9.24	5.12
10	Montenegro	Ŷ=0.112+0.0057X	5%	0.05%	2.1%	9.00	5.12

The quality of governance and the effectiveness of governance, turned out to be statistically significant in all countries of the region and in accordance with theoretical expectations, as each country had a positive correlation between the variables. Albania resulted as the country with the highest sessitivity in the effectiveness of governance,

followed by Greece, Serbia and Bosnia and Herzegovina with correlations above +0.8. It is noticed that Croacia dn Bulgaria have a low sesitivty with indicator, where as the lowes minimal positive intensity refers to Kosovo and Montenegro, which resulted in sensitivities on accession limits regarding government effectiveness.

Table 10. Correlation between the quality of governance and Political Stability
and Absence of Violence/Terrorism

Nr	State	Regression	α	R^2	R	FValue	Fcrit
1	Kosovo	Ý=-0.3+0.17X	5%	92.97%	96.4%	127.95	5.12
2	North Macedonia	Ý=0.02+0.25X	5%	90.82%	95.3%	98.04	5.12
3	Serbia	Ý=-0.04+0.32X	5%	90.48%	95.1%	94.57	5.12
4	Albania	Ý=-0.15+0.36X	5%	84.99%	92.2%	59.95	5.12
5	Bosnia and Herzegovina	Ý=-0.2+0.25X	5%	63.82%	79.9%	24.88	5.12
6	Bulgaria	Ý=0.14+0.22X	5%	58.06%	76.2%	21.46	5.12
7	Croatia	Ý=0.25+0.28X	5%	29.99%	54.8%	12.86	5.12
8	Greece	Ý=0.37+0.46X	5%	24.56%	49.6%	11.93	5.12
9	Montenegro	Ý=0.1+0.02X	5%	4.05%	20.1%	9.38	5.12
10	Romania	Ý=0.15+0.07X	5%	1.75%	13.2%	9.16	5.12

The country with the greatest sensitivity to political stability and lack of violence, turned out to be Kosovo, Northern Macedonia, Serbia, Albania and Bosnia and Herzegovina, which are countries that are associated with constant ethnic tensions and political instability, Albania, indirectly, from Kosovo and Northern Macedonia, therefore this trend is in line with expectations. The countries with the highest indifference regarding this indicator resulted, the EU member states, together with Montenegro, where as with the lowest intensity is Romani with a correlation of only 5.7%.

Table 11. Correlation between the quality of governance and Rule of Law.

Nr	State	Regression	α	R^2	r	FValue	Fcrit
1	Serbia	Ý=0.12+0.73X	5%	92.36%	96.1%	117.77	5.12
2	Greece	Ý=0.11+0.51X	5%	87.27%	93.4%	70.70	5.12
3	Croatia	Ý=0.36+0.27X	5%	76.59%	87.5%	38.44	5.12
4	Albania	Ý=0.31+0.97X	5%	67.01%	81.9%	27.28	5.12
5	Bosnia and Herzegovina	Ý=-0.17+0.57X	5%	52.52%	72.5%	18.96	5.12
6	North Macedonia	Ý=0.08+0.59X	5%	52.16%	72.2%	18.81	5.12
7	Romania	Ý=0.12+0.26X	5%	48.61%	69.7%	17.51	5.12
8	Montenegro	Ý=0.1+0.29X	5%	33.55%	57.9%	13.54	5.12
9	Bulgaria	Ý=0.25+0.7X	5%	24.78%	49.8%	11.96	5.12
10	Kosovo	Ý=-0.32+0.08X	5%	0.33%	5.7%	9.03	5.12

In the connection between the quality of governance and the rule of law, there was a strong connection of Serbia with a correlation of 0.961, followed by Greece with 0.934, followed by Croatia, Albania, Bosnia, Northern Macedonia, Romania, Montenegro, which conclude level with a positive correlation above 0.5. Countries with the lowest sensitivity to the rule of law regarding the quality of governance were Bulgaria and Kosovo, where the latter resulted in 0.057, but statistically significant, as the test according to criterion F, confirms the existence of connectivity.

Table 12. Correlation between the quality of governance and Regulatory Quality.

Nr	State	Regression	α	R^2	r	FValue	Fcrit
1	Serbia	Ý=-0.07+0.73X	5%	88.55%	94.1%	78.59	5.12
2	Greece	Ý=0.06+0.53X	5%	85.27%	92.3%	61.10	5.12
3	Bulgaria	Ý=-0.1+0.48X	5%	40.54%	63.7%	15.14	5.12
4	Croatia	Ý=0.51+-0.18X	5%	23.12%	48.1%	11.71	5.12
5	North Macedonia	Ý=-0.16+0.28X	5%	19.31%	43.9%	11.15	5.12
6	Albania	Ý=-0.28+0.78X	5%	6.51%	25.5%	9.63	5.12
7	Kosovo	Ý=-0.35+0.14X	5%	2.09%	14.4%	9.19	5.12
8	Bosnia and Herzegovina	Ý=-0.3+0.16X	5%	1.92%	13.9%	9.18	5.12
9	Montenegro	Ý=0.114-0.011X	5%	0.63%	-8.0%	9.06	5.12
10	Romania	Ý=0.21-0.08X	5%	0.77%	-8.8%	9.07	5.12

The quality of governance and regulatory quality were closely correlated positively with each other, in countries such as Serbia, Greece and Bulgaria, where the most intense connection is observed in Serbia with a correlation of + 0.941. Montenegro and Romania, resulted in negative trends, but with very low intensity. This fact, among others, confirms that there are other influential indicators in determining the quality of governance in these countries.

Table 13. Correlation between the quality of governance and Voice and Accountability

Nr	State	Regression	α	R^2	r	FValue	Fcrit
1	Greece	$\hat{Y}=-0.44+1X$	5%	68.32%	82.7%	28.41	5.12
2	Albania	$\hat{Y}=-0.28+1.3X$	5%	58.81%	76.7%	21.85	5.12
3	Romania	$\hat{Y}=-0.04+0.46X$	5%	44.16%	66.5%	16.12	5.12
4	Croatia	$\hat{Y}=0.2+0.45X$	5%	16.62%	40.8%	10.79	5.12
5	Bulgaria	$\hat{Y}=0.11+0.19X$	5%	15.92%	39.9%	10.70	5.12
6	Montenegro	$\hat{Y}=0.1+0.09X$	5%	4.03%	20.1%	9.38	5.12
7	Kosovo	$\hat{Y}=-0.32+0.22X$	5%	1.45%	12.0%	9.13	5.12
8	Bosnia and Herzegovina	$\hat{Y}=-0.31+0.1X$	5%	1.32%	11.5%	9.12	5.12
9	North Macedonia	$\hat{Y}=-0.06-0.07X$	5%	2.71%	-16.5%	9.25	5.12
10	Serbia	$\hat{Y}=0.02-0.44X$	5%	18.51%	-43.0%	11.04	5.12

This indicator was treated as the representative of procedural democracy and the countries with the highest sensitivity turned out to be Greece and Albania with correlations, respectively + 0.827 and + 0.767. Greece meets the theoretical expectations, the strong sensitivity of Albania to procedural democracy, can also be read as a projection of need, affecting very high sensitivity regarding the quality of governance. Northern Macedonia and Serbia, resulted in negative sensitivities regarding the quality of governance.

Table 14. The most Important Quality of Goverment factors.

Nr	Variable	Albania	Bosnia and Herzegovina	Bulgaria	Croatia	Greece	Kosovo	Montenegro	North Macedonia	Romania	Serbia
1	Control of corruption	83%	39%	74%	64%	84%	36%	20%	15%	**87%**	24%
2	Government Effectiveness	**93%**	**84%**	21%	23%	92%	16%	2%	54%	63%	84%
3	Political Stability and Absence of Violence/Terrorism	92%	80%	**76%**	55%	50%	**96%**	20%	**95%**	13%	95%
4	Rule of Law	82%	72%	50%	**88%**	93%	6%	**58%**	72%	70%	**96%**
5	Regulatory Quality	26%	14%	64%	48%	92%	14%	-8%	44%	-9%	94%
6	Voice and Accountability	77%	12%	40%	41%	83%	12%	20%	-16%	66%	-43%
	Maximal Correlation	93%	84%	76%	88%	93%	96%	58%	95%	87%	96%

CONCLUSIONS

In conclusion based on the results obtained, setting the correlation limit with over 0.5, priority factor, where to be addressed state policies and mechanisms for quality governance for western Balkan countries are as following:
Albania
Effective governance, expressed through the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
Political stability and lack of conflict, which is a measure of the perception and likelihood of political instability and / or politically motivated violence, including terrorism.
Corruption control, which measures perceptions of the extent to which public power is exercised for private gain, including small and large forms of corruption, as well as the "capture" of the state by elites and private interests.
Rule of law, an indicator which refers to the extent to which agents trust and respect the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, and the likelihood of crime and violence.

Public participation, as the measure to which the citizens of a country are able to participate in the election of their government, as well as freedom of expression, freedom of association and a free media.

Bosnia and Herzegovina

Effective government, quality of public services, quality of civil service, independence from political pressures, quality of policy formulation and implementation and credibility of government commitment to them.

Political stability and lack of conflict, which is a measure of the perception and likelihood of political instability and / or politically motivated violence, including terrorism.

Rule of law, an indicator which refers to the extent to which agents trust and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, and the likelihood of crime and violence.

Bulgaria

Political stability and lack of conflict, which is a measure of the perception and likelihood of political instability and / or politically motivated violence, including terrorism.

Corruption control, which measures perceptions of the extent to which public power is exercised for private gain, including small and large forms of corruption, as well as the "capture" of the state by elites and private interests.

Regulatory quality, which expresses the government's ability to formulate and implement sound policies and regulations that allow and promote private sector development.

Croatia

Rule of law, an indicator which refers to the extent to which agents trust and respect the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, and the likelihood of crime and violence.

Corruption control, which measures perceptions of the extent to which public power is exercised for private gain, including small and large forms of corruption, as well as the "capture" of the state by elites and private interests.

Political stability and lack of conflict, which is a measure of the perception and likelihood of political instability and / or politically motivated violence, including terrorism.

Greece

Rule of law, an indicator which refers to the extent to which agents trust and respect the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, and the likelihood of crime and violence.

Effective governance, expressed through the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

Regulatory quality, which expresses the government's ability to formulate and implement sound policies and regulations that allow and promote private sector development.

Corruption control, which measures perceptions of the extent to which public power is exercised for private gain, including small and large forms of corruption, as well as the "capture" of the state by elites and private interests.

Public participation, as the measure to which the citizens of a country are able to participate in the election of their government, as well as freedom of expression, freedom of association and a free media.

Kosova

Political stability and lack of conflict, which is a measure of the perception and likelihood of political instability and / or politically motivated violence, including terrorism.

Montenegro

Rule of law, an indicator which refers to the extent to which agents trust and respect the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, and the likelihood of crime and violence.

Northern Macedonia

Political stability and lack of conflict, which is a measure of the perception and likelihood of political instability and / or politically motivated violence, including terrorism.

Rule of law, an indicator which refers to the extent to which agents trust and respect the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, and the likelihood of crime and violence.

Effective governance, expressed through the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

I) Romania

Corruption control, which measures perceptions of the extent to which public power is exercised for private gain, including small and large forms of corruption, as well as the "capture" of the state by elites and private interests.

Rule of law, an indicator which refers to the extent to which agents trust and respect the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, and the likelihood of crime and violence.

Public participation, as the measure to which the citizens of a country are able to participate in the election of their government, as well as freedom of expression, freedom of association and a free media.

Effective governance, expressed through the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

J) Serbia

Rule of law, an indicator which refers to the extent to which agents trust and respect the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, and the likelihood of crime and violence.

Political stability and lack of conflict, which is a measure of the perception and likelihood of political instability and / or politically motivated violence, including terrorism.

Regulatory quality, which expresses the government's ability to formulate and implement sound policies and regulations that allow and promote private sector development.

Effective governance, expressed through the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

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