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ICTs and innovation for competitiveness: Evidence for Western Balkans vis-à-vis the European Union*

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Abstract

The aim of this paper is to evaluate how well-prepared the Western Balkans (Albania, Macedonia, Montenegro and Serbia) are to join the EU in terms of competitiveness and to clearly identify the set of EU countries that would represent a 'real benchmark' when trying to assess the region's competitiveness. In 2010, the Europe 2020 strategy was proposed as a means of focusing the EU and its Member States on the main task of improving competitiveness and creating conditions for smart, sustainable and inclusive growth. As candidate countries for EU membership, Western Balkans are expected to act in accordance with these goals. Hence, this paper implements the Global Competitiveness Index 2015-2016 and a set of supplemental data analysis tools to assess both the level of competitiveness and the region's relative position vis-à-vis the EU member states. The results clearly show that the EU is far from a homogenous entity in terms of competitiveness, whilst the candidates expose a competitiveness profile similar to that of Central and Eastern Europe. Overall, the Western Balkans trail behind the EU-28 countries in building a knowledge-intensive economy and are significantly outdistanced in laying the foundations for 'smart growth', as the European economies press ahead.

Key words: GCI, ICTs, innovation, Western Balkans, EU

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