Financial Literacy and Knowledge of EU Financial Infrastructure and Institutions in the Western Balkans

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Abstract: - The EU integration process and accession policy has been one the most widely discussed and articulated issues in all Western Balkans (WB) countries, up to the point of being a uniform strategic objective of all governments, throughout the region. At the same time, it has been one of the few topics on which all political parties have built an unconditioned consent-sus, a unique trait of Balkan politics and attitude. Notwithstanding this fact, the general information and the financial literacy and knowledge about the lengthy EU accession and integration process in the Western Balkans, have been almost out of sight, or active public discussion. The survey analysis, undertaken as a regional one (including Albania, Kosovo, North Macedonia, and Bosnia & Herzegovina), aims to assess the level of financial literacy and knowledge of WB (student) youth, about the EU Financial Infrastructure and Institutions, including the integration & accession process and financial policies. The analysis uses a logistic regression model to have a quantitative evaluation of the level of financial literacy and knowledge of WB (student) about EU Financial Infrastructure and Institutions. Results show that students in the Western Balkans show a different understanding of EU levels of financial literacy and knowledge about EU Financial Infrastructure and Institutions and the EU accession process, itself. It concludes that the understanding of the EU chapters and policies increases upon three variables Study cycle, Related EU courses, and Related study programs. Students of higher study cycles (on behalf of this analysis, master students compared to bachelor students) have a better understanding of EU levels of financial literacy and knowledge. For more, the probability of a good understanding of the country's economic integration chapters to the EU is higher for individuals who have master's degrees, and for individuals who have finished Related EU courses and Related study programs. The article highlights gaps in EU integration knowledge among Western Balkan students, emphasizing the need for tailored educational programs, improved curriculum content, and increased financial literacy to support EU aspirations.

Key-Words: - Financial literacy & knowledge, EU Integration, accession process, EU chapters, Western Balkans, EU Financial policies, institutions, students.

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1 Introduction

The EU integration & accession for all countries in the Western Balkans region has been viewed not as simply a legal, political social and economic, and cultural harmonization process, but as the most important lever to catch up with the development of one of the most advanced economic blocs in the world. By being historically the least developed part of Europe, EU integration has been always considered and set out undisputedly the most strategic objective of all countries in the Western Balkan region, although being quite complex and very difficult one to accomplish. Despite this fact, the everyday reality witnesses the clear fact that the general information and financial literacy & knowledge about the lengthy EU accession and

integration process in the Western Balkans, have been almost out of sight, throughout the WB region; it is not a hot discussion topic in media, politics, or professional discussions and happenings in this regard. Moreover, there is a lack of substantial evidence regarding concerted efforts by national governments and other stakeholders to enhance financial literacy and understanding of EU Financial Infrastructure and Institutions among the public in the Western Balkans. Such initiatives could serve as effective tools in facilitating the EU accession process for these countries.

On the other hand, national governments in the WB region seem to be not investing a great deal in increasing public awareness of the public about the challenges and commitments their country faces in the long journey of EU accession and integration. It is easily evidenced that, throughout all WB countries, there is no institutional (be it governmental or private) initiative to promote or disseminate useful and helpful information about EU Financial Infra-structure and Institutions, the overall integration and accession process, along respective financial policies. This makes the whole EU integration process even more challenging and demanding, especially within the public and societies with modest levels of financial literacy and financial inclusion.

This article makes a significant contribution, beyond alternative studies, by providing empirical evidence of varying levels of understanding of the EU integration process among Western Balkan students, revealing critical knowledge gaps that demand targeted educational interventions. Utilizing the "Kruskal-Wallis" test, uncovers statistically significant differences in perceptions of EU integration across nationalities, emphasizing the need for tailored educational programs to foster a cohesive understanding of EU policies. The findings show that a substantial majority of students seek more information on EU financial institutions and integration chapters, indicating a pressing need for enhanced curriculum content and resources. Logistic regression analysis identifies key determinants of understanding EU integration, notably the positive correlation between higher academic levels and enrollment in EU-related courses, suggesting pathways to improve financial literacy. Ultimately, this article lays the groundwork for future research and policy development aimed at enhancing EU integration education, empowering students to engage actively with their countries' EU membership aspirations.

2 Literature Review

In a broader perspective, financial literacy and knowledge are a time-long debated issue, especially after economic and social events, like economic and financial crises, economic reforms, or in the eve of significant leaps, an economy or society makes regarding entering international or regional organizations, forums, etc. Typically, the last financial and economic crises of 2007 – 2008 turned out to be a real litmus, in terms of displaying the special role and impact of financial literacy and knowledge on the overall well-being of the public. In the aftermath of the global financial crisis, financial literacy has gained further international recognition, as a critical life skill for individuals, [1]. Additionally, the global economic crisis of 2007–2008 underscored the critical need for improved financial literacy. The goal of financial literacy is to equip consumers with the knowledge and skills necessary to avoid financial decisions that could harm their well-being and undermine the stability of the economic system, [2]. Without a solid understanding of basic financial concepts, individuals are ill-prepared to make informed decisions regarding financial management, [3]. Furthermore, a recent OECD survey highlights that significant segments of the population lack the financial literacy and resilience needed to manage their day-to-day finances effectively, [4]. This is especially concerning during the ongoing crisis brought about by the COVID-19 pandemic, which is expected to exert significant economic and financial pressure on individuals, challenging their ability to maintain financial stability.

As per the importance of financial education in the society and economy, numerous authors have shed light on it, by giving varying and comprehensive definitions and explanations about it, and the way it practically affects the well-being of individuals as consumers and financial decision-makers in society. Nowadays both financial literacy and education concepts are used interchangeably, and, throughout this document, we will use both in the broad sense of the previous definitions, [5]. A simpler definition considers financial literacy as "an ability to read, analyze, manage, and talk about personal financial conditions influencing material welfare", [6]. Another definition states that financial literacy involves an individual's ability to acquire essential knowledge and skills to make decisions with an awareness of the possible financial consequences, [7]. Moreover, they emphasize that financial literacy is crucial for: (i) individual consumers of financial services; (ii) the soundness and efficiency of the financial system; and (iii) the

overall economy. Furthermore, financial education plays a vital role in creating a more just and equitable financial system by enhancing access to financial services for marginalized groups. It also empowers consumers to make knowledgeable choices, helping them safeguard themselves against fraudulent activities, [8]. Likewise, the primary function of financial literacy is to influence financial behavior, which in turn can lead to an improvement in financial well-being, [9].

The OECD offers what is likely the most thorough definition of financial education, characterizing it as "the process through which financial consumers and investors increase their comprehension of financial products, principles, and risks. By means of information, guidance, and/or impartial counsel, they cultivate the abilities and confidence needed to identify financial risks and opportunities, make informed decisions, know where to find help, and take effective steps to enhance their financial well-being", [10]. As a result, financial education goes beyond simply providing financial information and advice, which should be regulated—as is often the case—to safeguard financial clients (i.e., consumers involved in contractual relationships).

In today's context, it is increasingly vital for consumers to acquire and apply financial literacy to make sound financial decisions in their daily lives. Financial literacy encompasses understanding and effectively utilizing fundamental financial concepts in economic decision-making. A critical determinant of an individual's ability to make informed financial choices is their level of financial literacy, which significantly impacts both everyday financial decisions and long-term planning, [11], [12]. Insufficient financial knowledge can result in poor financial decisions, posing significant risks to both individuals and communities, [13]. Without a solid grasp of financial concepts and an understanding of available options, individuals are more likely to overpay for financial services, accumulate debt, harm their credit scores, and misallocate resources by over-investing in certain financial products while under-investing in others.

To summarize, financial education and knowledge are complex and ongoing processes, with no straightforward solution for addressing this issue at a national level. Ensuring adequate financial literacy across the general population, including specific groups such as the younger generation, remains a challenging task without a one-size -fits-all approach, [14].

3 EU Financial Literacy & Knowledge: Where do we Stand and Why it Matters for WB Countries?

The EU integration and accession process for all WB countries has always been a complex issue and challenge for all WB countries, since the fall of Communism in Eastern and Central Europe. Being the least developed part of the ex-communist camp, it has lagged other most developed ex-communist countries, in their way towards the European Union, mainly due to objective and subjective issues. In this regard, the long and complex course of all WB countries towards the EU integration has posed numerous challenges, for WB countries as well as for the EU itself. Unfortunately, the EU integration and accession process by WB countries is perceived as an everlasting, perpetuating and unreachable target from the public in all WB countries, due to the considerable time-lapse, since the fall of Communism, and the obvious development gap between them and EU bloc. This has been in part because of the lack of any information and awareness campaign, either by WB countries' governments or by EU representative offices themselves, operating in those countries, regarding the technical and political process of EU enlargement and integration In this context, political leaders and citizens of the Western Balkans face the crucial task of overcoming challenges to achieve their countries' full EU membership, paving the way for a prosperous future. Their efforts must focus on collaboration and commitment to realizing this goal for the benefit of their nations. No alternative exists; thus, EU accession should be regarded as a realistic and attainable goal in the near future, [15]. It is essential for the Western Balkans to focus on this objective to ensure their progress and prosperity.

The regional cooperation and also the cooperation between WB and the EU, was emphasized in the Berlin Process Summit 2023 in Tirana. The areas of cooperation include trade, transport, energy, and digital ties. Also, as part of 2023 Tirana Civil Society and Think Tank Forum, the thematic Working Group, among other things recommended:

- The establishment of regional research platforms aims to promote collaboration and create an environment that encourages the exchange of ideas and innovative solutions.
- Enhancing capacity development through "learning by doing" methods, along with investments in Vocational Education and Training qualifications, internships, and

professional exchanges, is essential for building skills and expertise in the region, [16].

To attain EU accession, it's imperative that the public, particularly the younger generations, are thoroughly educated about this intricate process. This can be achieved through proactive efforts to promote financial literacy and provide knowledge about EU integration and the accession process. In this context, there is a significant gap in the literature regarding financial education and literacy related to EU integration, making it challenging to establish a robust body of international experience on this subject, [14]. Furthermore, it seems that such a special part of the financial education process is not part of any national strategy, throughout the WB countries, although an advocacy strategy for the EU Integration of the Western Balkans has been previously proposed in this regard for all WB countries, [17]. It reveals that although the public support for EU integration in each country is relatively resolute and strong, citizens do not seem to be well informed on these topics, or the European integration process is perceived as something solely in the hands of the politicians that they cannot influence. Also, young people generally support their countries joining the EU but are unsure when that might happen, [18].

Nevertheless, the literature indicates that financial literacy regarding EU financial infrastructure and institutions is lacking among students at Albanian universities. The findings reveal a troubling and significant deficiency in financial literacy among Albanian youth concerning EU markets, institutions, financial infrastructure, and policies. Additionally, these students appear to be inadequately informed about the complexities of the EU integration process, viewing EU integration as a motivation to leave Albania in search of opportunities in more developed EU countries, [14].

This survey aims to contribute to two key areas. First, it seeks to enrich the limited literature on financial literacy and knowledge within the context of EU integration. Second, it assesses the level of financial literacy and knowledge among youth in the Western Balkans, particularly students, regarding EU financial infrastructure and institutions. This assessment is notable as it represents the first effort to evaluate this issue in a regional context, providing valuable insights into the financial awareness of young individuals in relation to EU integration.

4 Data Design and Methodology

This survey is a structured questioning, which consists of fixed questions in a particular order and predefined response options for most questions. The questions and answers are designed to generate robust data collection. This survey is based on a careful approach of combining the form of the question (how the question is designed) and content (what is the expected response). The survey is designed with composite questions. Each statement can be agreed or disagreed with. The basic principle is to use the findings clustered in different subgroups and compare the responses from the subgroups, [19]. The subgroups consist of four western Balkan countries: Albania, Bosnia & Herzegovina, Kosovo, and North Macedonia.

The questionnaire is designed using a combination of cognitive and evaluative questions. The first one relates to actual circumstances. It measures the knowledge about key financial institutions in our country, while evaluative questions perceive the respondent's opinion about financial literacy and knowledge on EU Integration and Policy in the Western Balkans. Questions about opinions are often less specific than questions about actions, making evaluative questions more difficult to formulate than cognitive questions. Hence, most of the questions are designed as categorical and some as interval questions. For instance, some questions related to the weight of credits a program has dedicated to the EU integration process, are categorized as interval, [20]. In overall, the questions meet the general requirements regarding formulation: (i) questions are designed not to bias the respondent's opinion; (ii) questions are neutral, (iii) questions are one dimensional.

Respondents are also tested for their responsibility in filling the questionnaire. Control questions are crossed and combined aiming to select only the correct responses.

4.1 Data Sampling

The gross sample is reduced to a net sample. According to the filter (or control questions alignment) some of the responses are dropped out, due to unreliable answers, which come from three main reasons: (i) respondents' willingness to answer; (ii) respondent's ability to answer; (iii) respondents' understanding of the questions, [21].

Since sample includes respondents from 4 different countries, speaking different languages, the questionnaire was served in different languages to lower the drop out ratio coming from 3 reasons mentioned above, or to increase the comprehension

of the questions and therefore lead to better statistical results.

Regarding the sample size, having the approximate number of students in each of the countries, retrieved from Europe Higher Education database and using Yamane's formula for sample size:

$$n = \frac{N}{1+N*e^2} \quad (1)$$

For the margin of error of e = 0.05, it turns out that Albania, Bosnia & Herzegovina, Kosova should generate 398 responses and North Macedonia 397 responses to generate a robust analysis. The initial data sample was 1369 responses. Albania, Kosova and North Macedonia were able to fulfill the required number of responses, meanwhile Bosnia and Herzegovina had a limited number of responses. Considering consistency of the respondents an important driver of the ' credibility, some of the responses were dropped out of the data collection. The final data consisted of 1307 observations.

4.2 Methodology

The aim of this study is to evaluate the financial literacy and knowledge of Western Balkan students on EU institutions and the integration process.

4.2.1 Research Questions

1. Are there differences between countries taken into consideration regarding a better understanding of EU chapters?
2. Which variables affect on the good understanding of the country's economic integration chapters to the EU?
3. Which of the following countries provides more EU knowledge in the university curriculum.

The first section of the analysis provides an overall analysis of how the financial literacy and knowledge of students of WB related to: (i) the EU integration process, (ii) EU financial Institutions, (iii) EU integration chapters, (iv) the economy and market performance toward meeting the EU targets.

5 Data Analysis

The questionnaire is designed to evaluate the knowledge of students of the four Western Balkan countries on the EU integration process. More than 67 per cent of respondents (67.8%) were students of Bachelor study programs.

Not all students are expected to have the same level of knowledge about the EU integration process. Considering that the level of information students get from their study program varies from one program to another, students were also asked to select the field where their study program lies. This categorization of study programs is designed referring to the ISCED Manual (The International Standard Classification of Education (ISCED)). In Graph 1 is presented the percentage of participants in the survey, according to study programs.

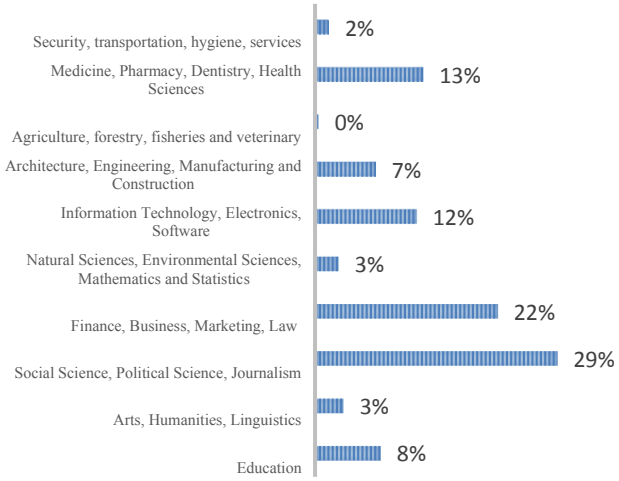

Fig. 1: Categorization of study programs

More than 50 per cent of the respondents were students of Social Sciences, Political Sciences, Journalism and students of Finance, Business, Marketing and Law. This is the most targeted category of students, who are expected to have a higher correlation with knowledge of the EU integration process.

Survey shows that most bachelor students are not able to judge how well their country is performing towards EU integration. 87,7 per cent of bachelor students claim that there is a need for more information about EU financial institutions and 87,2 per cent of them claim that there is a need for more information about EU integration chapters.

Approximately, 8 out of 10 students claim that EU financial institutions are different from the ones we have and see in our country. Most of the students (89,1%) are interested in having more information about EU financial institutions, but the information they get from the courses dedicated to EU policies is not sufficient.

Among Albanian students, 9 out of 10 claimed that there is a need for more information about EU financial institutions and how they work.

In overall student's state that they are interested in the EU integration process but lack information

regarding European Financial Institutions and especially integration Chapters.
64,6% of students state that their home university provides courses related to European integration policies (the responses are balanced among three of the countries considered: Albania, Kosova and North Macedonia. Less than half of these students have claimed that the weight of EU related courses counts for more than 10%.

Apart from the overall analysis, this study also provides a detailed comparative analysis among each country. To have a better understanding of:

1. how countries perceive EU policies and integration
2. if countries are reaching the European targets, a nonparametric test is conducted.

To answer the two points above, the nonparametric "Kruskal – Wallis" H test is done. The Kruskal-Wallis H test, proposed by "Kruskal - Wallis" in 1952, is a rank-based nonparametric test that can be used to determine if there are statistically significant differences between two or more groups of an independent variable on a continuous or ordinal dependent variable. This test is used when the assumptions of one-way ANOVA are not met. In this case, the data are qualitative, both on nominal or ordinal scale. Table 1 presents the results after performing Kruskal-Wallis test on variables: "I have a good understanding on EU chapters" and "My country is far from reaching the European targets", which are measured in nominal scale.

Table 1. "Kruskal – Wallis" test result

Null Hypothesis	Test	Sig.	Decision
1. The distribution of: "I have a good understanding of EU chapters" is the same across categories of nationality	Independent samples "Kruskal-Wallis" test	0.000	Reject the null hypothesis
2. The distribution of: My country is far from reaching the European targets is the same across categories of nationality.	Independent samples "Kruskal-Wallis" test	0.000	Reject the null hypothesis

As p-value is 0.000, smaller than 0.05, according to the "Kruskal-Wallis" test, the null hypothesis is rejected. Hence, we conclude that:

(1) The distribution of ***I have a good understanding on EU chapters*** is not the same across categories of Nationality: Albania, Bosnia & Hercegovina, Kosovo, and North Macedonia.

(2) The distribution of ***My country is far from reaching the European targets*** is also not the same across categories of nationalities.

For more, from all pairwise comparisons in case of question (1) results that each country differs from the other, while in case of question (2) results that only the distribution between Albania and Kosovo is the same, all other pairs of distributions are different. Albania and Kosovo share commonalities in their efforts toward EU Integration, due to similarities in the historical and social context and aspirations for EU membership.

To have an in-depth conclusion and analysis on the variables effect on the good understanding of the country's economic integration chapters to the EU, a logistic regression is used.

The Logistic Regression Model is used when the dependent variable is binary or dichotomous, with values coded as 0 and 1. The event of interest is denoted by 1, while the alternative outcome is coded as 0. In models where the dependent variable is quantitative, the objective is to estimate the expected or mean value based on the independent variables. Conversely, for qualitative dependent variables, the focus shifts to estimating the probability of the event y=1 occurring. This distinction is why regression models that deal with qualitative responses are known as Probability Models. By using these models, researchers can analyze the likelihood of specific outcomes based on various predictors, facilitating informed decision-making in fields such as medicine, marketing, and social sciences. Overall, Logistic Regression is a valuable tool for understanding binary outcomes and their associated probabilities. As our variable of interest, good understanding of the country's economic integration chapters to the EU, has two categories, we can model it using logistic regression. We code the dependent variable good understanding of the country's economic integration chapters to the EU with 1 when the answer is yes and with 0 when the answer is no.
In the Logit Equation, the probability that the desired event will occur is:

$$P(y=1|\ X_i) = \frac{e^{\beta_0+\beta_1 X_1+\beta_2 X_2+\cdots\beta_n X_n}}{1+\ e^{\beta_0+\beta_1 X_1+\beta_2 X_2+\cdots\beta_n X_n}} \quad (2)$$

To estimate the parameters in the equation above, we employ the Maximum Likelihood Estimation Method using sample data. If the predicted probability of the event y=1 exceeds 0.5, we classify it as 1; if it falls below 0.5, we classify it as 0.

After the estimation of the model, are obtained the below results regarding the significance of the model and the parameter's estimates.

From Table 2, as the p value is .000, smaller than significance level α=0.05, we conclude that the model is statistically significant.

Table 2. Omnibus Tests of Model Coefficients

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	65.047	4	.000
	Block	65.047	4	.000
	Model	**65.047**	**4**	**.000**

The Table 3 presents the estimated equation of the logistic regression model with good understanding of the country's economic integration chapters to the EU as the dependent variable and Gender, Study cycle, Related study program, Related EU courses as the independent variables.
From the Table 3, the estimated logistic equation is:

$$P(y=1|\text{ Gender, study cycle, study program, EU courses}) = \frac{e^{-0.6-0.006\,gender+0.489\,study\,cycle+0.076\,study\,program+0.815\,EU\,courses}}{1+e^{-0.6-0.006\,gender+0.489\,study\,cycle+0.076\,study\,program+0.815\,EU\,courses}}$$

Table 3. The output table from the estimation of logit equation

Variables in the Equation

		B	df	Sig.	Exp(B)
Step 1[a]	Gender	-0.006	1	0.374	0.994
	StudyCycle	.489***	1	0.000	1.631
	RelatedStudyProgram	.076***	1	0.000	1.078
	EU related Courses	.815***	1	0.000	2.258
	Constant	-0.6	1	0.000	0.549

a. Variable(s) entered on step 1: Gender, StudyCycle, StudyProgram, EU_courses.

Also, only Gender is a statistically insignificant variable, as the p-values for the Study cycle, Related Study Program, and EU-related courses in this regression are p=0.000<0.05, meaning that these variables have a statistically significant effect on a good understanding of the country's economic integration chapters to the EU. The gender variable does not have a significant impact in this context, as it may not be a critical determinant in understanding the integration process. For more, the probability of a good understanding of the country's economic integration chapters to the EU is higher for individuals wtho have master's degrees.

To be more specific, those with higher study cycles (e.g., master's degree) are 1.631 times more likely to have a good understanding of the country's economic integration chapters to the EU; students enrolled in study programs related to integration are 1.078 times more likely to have a good understanding and lastly, Individuals who have taken EU-related courses are 2.258 times more likely to have a good understanding of the country's economic integration chapters to the EU.

Based on classification table, is calculated the confusion matrix as below, which enables to conclude about sensitivity and specificity of the model.

Table 4. The confusion matrix based on classification table

	Predicted No	Predicted Yes
Actual No	91,610 (TN)	108,606 (FP)
Actual Yes	58,627 (FN)	166,126 (TP)

In Table 4, the explanation of the cells is:

- TN (True Negative) = 91,610 (correctly predicted "No")
- FP (False Positive) = 108,606 (incorrectly predicted "Yes" when it should have been "No")
- FN (False Negative) = 58,627 (incorrectly predicted "No" when it should have been "Yes")
- TP (True Positive) = 166,126 (correctly predicted "Yes")

From Table 4, the values of sensitivity and specificity are:

Sensitivity (True Positive Rate) = $\frac{166,126}{58,627+166,126}$ = 73.9%

Specificity (True Negative Rate) = $\frac{91,610}{91,610+108,606}$ = 45.8%

So:

Sensitivity (True Positive Rate): 73.9%
Specificity (True Negative Rate): 45.8%

These results suggest that the model is better at correctly predicting those who have a good understanding of EU chapters (73.9% sensitivity), but it struggles to correctly identify those who do not (45.8% specificity).

6 Discussion

The findings of this study provide valuable insights into the understanding and awareness of EU integration among students in the Western Balkans, highlighting significant gaps in knowledge that require attention. With over 67% of respondents identified as Bachelor students, a substantial proportion of this demographic is expected to possess foundational knowledge of EU policies.

However, the results indicate that a considerable majority of these students lack sufficient understanding of EU financial institutions and integration chapters. This gap is particularly concerning, as 87.7% of respondents indicated a need for more information in these critical areas.

The application of the "Kruskal-Wallis" test reveals statistically significant variations in perceptions of EU integration across different nationalities, indicating that knowledge and understanding are not uniform among students from Albania, Kosovo, Bosnia and Herzegovina, and North Macedonia. This finding underscores the importance of tailoring educational interventions to address these disparities and promote a more cohesive understanding of EU policies within the region.

Furthermore, the logistic regression analysis identifies key determinants of students' understanding of EU integration, revealing that higher study cycles and enrollment in EU-related courses are positively correlated with a robust understanding of integration chapters. Notably, gender did not emerge as a significant factor in this context, suggesting that educational strategies should prioritize enhancing curriculum content rather than demographic considerations.

These results emphasize the necessity for educational institutions to develop targeted initiatives aimed at increasing awareness and understanding of EU financial institutions and the integration process. By addressing these deficiencies, educators can empower students to engage actively with their countries' EU aspirations, thereby fostering a more informed and proactive citizenry essential for successful EU integration. The study contributes to the existing literature by providing empirical evidence of the current state of financial literacy related to EU integration among Western Balkan students, serving as a basis for future research and policy development in this critical area.

7 Conclusion and Recommendations

This article finds that countries have different understandings of EU chapters and Financial Knowledge of EU Financial Infrastructure and Institutions in the Western Balkans. The analysis is based on 4 pillars: (i) EU integration process, (ii) EU financial Institutions, (iii) EU integration chapters, (iv) economy and market performance toward meeting the EU targets.

Regarding the first pillar, 71,8 per cent of the respondents' state that their country's integration process is perceived to be too far. The "Kruskal – Wallis" test confirms that the perception on how far the country is from reaching the European targets is the same across the four countries taken into analysis.

Regarding Financial Institutions, 8 out of 10 students claim that EU financial institutions are different from the ones we have and see in our country. In addition, they state that most of them (89,1%) are interested in having more information about EU financial institutions, the information they get from the courses dedicated to EU policies is not sufficient.

On behalf of EU Chapters, results that the distribution of I have a good understanding on EU chapters is not the same across categories of nationality. Nevertheless, there is a need for more information provided in native languages, to increase the level of knowledge and understanding of country's economic integration chapters to the EU.

In the framework of economy and market performance toward meeting the EU targets, most of respondents claimed that their countries economic situation is far from reaching the EU targets, but on the other hand students claim that there is a need of stakeholders' inclusion to inform and explain the economic integration to the EU.

EU University programs should include modules or courses supporting financial literacy and knowledge of EU integration policies.

There is a need for information sessions on the role and type of European financial institutions and integration chapters, which should be adapted into their native language (approximately 8 out of 10 students claim this fact). The young generation needs more information regarding the economic performance of their country towards European integration process. Albania's youth need greater awareness of their country's economic performance related to EU integration, especially concerning specific chapters, to foster responsibility in advocating for necessary reforms and improvements for membership.

From all variables considered, three of them are statistically significant: Study cycle, Related EU courses and Related study programs. The probability of good understanding of the country's economic integration chapters to the EU is higher for the individuals that have master's degree, for individuals that have finished Related EU courses and for individuals that have finished Related study programs.

7.1 Recommendations

To increase the Financial Literacy and Knowledge of EU Financial Infrastructure and Institutions in the Western Balkans, countries should:

- Organize round tables and seminars/webinars for students aiming to increase their understanding of the EU Integration process. Stakeholders could pay attention to visual informative campaigns for students.
- Provide translated information on EU integration chapters in native languages.
- Universities should pay more attention to modules and/or courses related to EU policies and integration process.

In the light of the Berlin Process, is necessary to promote cooperation among academia in the region and to foster an inclusive research environment.

Declaration of Generative AI and AI-assisted Technologies in the Writing Process

During the preparation of this work the authors used ChatGPT in order to improve the readability and language. After using this tool/service, the authors reviewed and edited the content as needed and take full responsibility for the content of the publication.

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Conflict of Interest

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