



MASTER THESIS | MASTER'S THESIS

Titel | Title

Europeanisation beyond Membership: The Influence of EU
Internal Market Law on Kosovo under the EU–Kosovo
Stabilisation and Association Agreement

verfasst von | submitted by
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angestrebter akademischer Grad | in partial fulfilment of the requirements for the degree of
Master of Laws (LL.M.)

Wien | Vienna, 2026

Studienkennzahl lt. Studienblatt | Degree
programme code as it appears on the
student record sheet:

UA 999 082

Universitätslehrgang lt. Studienblatt |
Postgraduate programme as it appears on
the student record sheet:

Europäisches und Internationales Wirtschaftsrecht
[Vollzeit Englisch]

Betreut von | Supervisor:

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Abstract (English)

This thesis examines the influence of EU Internal Market law on Kosovo under the Stabilisation and Association Agreement (SAA), asking to what extent the Agreement has functioned as an instrument of Europeanisation beyond membership. Drawing on Europeanisation theory and the external incentives model of EU conditionality, the thesis analyses the legal foundations of the Internal Market, the structure and distinctive legal nature of the EU–Kosovo SAA, and the implementation of Internal Market principles in four fields: competition law, public procurement, consumer protection and technical regulation. The Agreement is legally unique: it is the only Stabilisation and Association Agreement concluded on the European side by the Union and Euratom alone, without the participation of the Member States, drafted in status-neutral terms to accommodate the non-recognition of Kosovo by five Member States. The thesis finds that the SAA has served as an effective channel for transmitting Internal Market norms. A distinctive finding is that the Agreement expressly imports the EU’s interpretive criteria in only one field — competition, through Article 75 — while approximation elsewhere binds Kosovo to legislative outcomes but not to the EU’s interpretive standards. Kosovo has achieved substantial legislative approximation, exemplified by its 2022 competition legislation, yet implementation consistently lags behind adoption, as the still non-functional State Aid Commission required by Article 75(4) SAA illustrates. This asymmetry is explained by the comparatively low credibility of Kosovo’s membership perspective. The thesis concludes that Europeanisation beyond membership — and beyond recognition — is real but selective: deep where legal alignment is low-cost and visible, shallow where it requires administrative capacity and institutional change.

Abstract (Deutsch)

Die vorliegende Masterarbeit untersucht den Einfluss des EU-Binnenmarktrechts auf das Kosovo im Rahmen des Stabilisierungs- und Assoziierungsabkommens (SAA) und fragt, inwieweit das Abkommen als Instrument einer Europäisierung jenseits der Mitgliedschaft gewirkt hat. Gestützt auf die Europäisierungsforschung und das Modell externer Anreize der EU-Konditionalität analysiert die Arbeit die rechtlichen Grundlagen des Binnenmarkts, die Struktur und besondere Rechtsnatur des SAA zwischen der EU und dem Kosovo sowie die Umsetzung binnenmarktrechtlicher Grundsätze in vier Bereichen: Wettbewerbsrecht, öffentliches Auftragswesen, Verbraucherschutz und technische Regulierung. Das Abkommen ist rechtlich einzigartig: Es ist das einzige Stabilisierungs- und Assoziierungsabkommen, das von der Europäischen Union allein geschlossen wurde, und ist statusneutral formuliert, um der Nichtanerkennung des Kosovo durch fünf Mitgliedstaaten Rechnung zu tragen. Die Arbeit kommt zu dem Ergebnis, dass das SAA als wirksamer Kanal für die Übertragung von Binnenmarktnormen gedient hat. Ein zentrales Ergebnis ist, dass das Abkommen ausdrücklich nur in einem einzigen Bereich – dem Wettbewerbsrecht, über Artikel 75 – die Auslegungskriterien der EU übernimmt, während die Rechtsangleichung in den übrigen Bereichen das Kosovo zwar an legislative Ergebnisse, nicht aber an die Auslegungsmaßstäbe der EU bindet. Das Kosovo hat eine erhebliche legislative Rechtsangleichung erreicht, wie insbesondere das Wettbewerbsgesetz von 2022 zeigt; die Umsetzung bleibt jedoch durchgehend hinter der Rechtsetzung zurück, wie die nach Artikel 75 Absatz 4 SAA erforderliche, aber weiterhin nicht funktionsfähige Beihilfenkommission veranschaulicht. Diese Asymmetrie erklärt sich aus der vergleichsweise geringen Glaubwürdigkeit der Beitrittsperspektive des Kosovo. Europäisierung jenseits der Mitgliedschaft – und jenseits der Anerkennung – erweist sich somit als real, aber selektiv: tiefgreifend, wo Rechtsangleichung kostengünstig und sichtbar ist, oberflächlich, wo sie Verwaltungskapazität und institutionellen Wandel erfordert.

Contents

Chapter 1: Introduction	1
1.1 Background and Context.....	1
1.2 Research Problem	2
1.3 Research Question	3
1.4 Objectives of the Thesis.....	3
1.5 Methodology	3
1.6 Structure of the Thesis	4
1.7 Preliminary Argument	5
Chapter 2: Europeanisation beyond Membership.....	6
2.1 The Concept of Europeanisation.....	6
2.2 Europeanisation Beyond Membership.....	7
2.3 Legal Approximation as a Mechanism of Europeanisation.....	8
2.4 Conditionality and EU External Governance	9
2.5 Europeanisation in the Western Balkans	10
2.6 Relevance of Europeanisation for Kosovo	11
Chapter 3: The Legal Framework of the EU Internal Market	12
3.1 Introduction.....	12
3.2 The Legal Basis of the Internal Market	12
3.3 The Market Freedoms	14
3.3.1 Free Movement of Goods	14
3.3.2 Free Movement of Persons	15
3.3.3 Freedom of Establishment and Freedom to Provide Services	16
3.3.4 Free Movement of Capital	16
3.4 Competition Law and the Internal Market.....	17
3.5 Harmonisation and Approximation of Laws.....	18
3.6 The Internal Market as a Model for Europeanisation	19
3.7 Conclusion	20
Chapter 4: The EU–Kosovo Stabilisation and Association Agreement	21
4.1 Introduction.....	21
4.2 The Stabilisation and Association Process	22
4.3 Objectives of the EU–Kosovo SAA	23
4.4 Legal Approximation under the SAA.....	24
4.5 Trade Liberalisation and Economic Integration	25
4.6 Competition Policy and State Aid Control	26
4.7 Institutional Mechanisms and Monitoring	27
4.8 The SAA as an Instrument of Europeanisation.....	28

4.9 Conclusion	28
Chapter 5: Implementation of EU Internal Market Principles in Kosovo	30
5.1 Introduction.....	30
5.2 Competition Law and Market Regulation.....	30
5.3 Public Procurement Reform.....	31
5.4 Consumer Protection and Market Supervision	32
5.5 Technical Standards and Regulatory Approximation	33
5.6 Findings from European Commission Reports.....	34
5.7 Assessment of the Europeanisation Process	35
5.8 Conclusion	36
Chapter 6: Challenges and Limitations of Legal Alignment	37
6.1 Introduction.....	37
6.2 The Gap Between Legislative Approximation and Practical Implementation	37
6.3 Institutional Capacity and Administrative Challenges	38
6.4 Political Factors Affecting Europeanisation	39
6.5 Economic and Resource Constraints	39
6.6 Limitations of Europeanisation Beyond Membership	40
6.7 The Challenge of Acquis Complexity.....	41
6.8 Overall Assessment.....	42
6.9 Conclusion	43
Chapter 7: Conclusion.....	44
7.1 Introduction.....	44
7.2 Summary of Findings.....	44
7.3 Answer to the Research Question	45
7.4 Theoretical and Practical Implications.....	46
7.5 Limitations of the Research	46
7.6 Future Prospects.....	47
7.7 Final Conclusion	47
Bibliography	49

List of Abbreviations

CJEU — Court of Justice of the European Union

EC — European Commission

EU — European Union

IPA — Instrument for Pre-Accession Assistance

MEQR — Measure having equivalent effect to a quantitative restriction

MS — Member State

OJ — Official Journal of the European Union

SAA — Stabilisation and Association Agreement

SAC — Stabilisation and Association Council

SAP — Stabilisation and Association Process

SEA — Single European Act

TEU — Treaty on European Union

TFEU — Treaty on the Functioning of the European Union

Chapter 1: Introduction

1.1 Background and Context

In terms of regional economic integration, the European Union (EU) has created one of the most sophisticated systems available. The EU has established a legal and economic framework that regulates the free movement of goods, persons, services and capital between Member States. Although the Internal Market was initially intended to be a tool for EU Member State integration, its impact is increasingly extending beyond the Union's formal borders. The EU is now able to export legal norms, regulatory standards, and institutional models to neighbouring nations through a variety of legal tools, such as association agreements and enlargement programmes.¹

This external influence is particularly visible in the Western Balkans. Since the early 2000s, the EU has pursued a strategy of gradual integration of the Western Balkan states into the European political, legal and economic framework. Although these countries are not yet members of the EU, they have been encouraged to undertake extensive reforms aimed at approximating their domestic legal systems to the *acquis communautaire*. In this context, European integration is not limited to accession itself but includes a broader process through which EU norms shape domestic legal and institutional development.²

In this context, Kosovo is a particularly intriguing instance. Kosovo does not participate in the Union's decision-making processes or have the rights that come with membership, in contrast to EU member states. However, Kosovo has made major commitments to harmonise its laws with EU law under the Stabilisation and Association Agreement (SAA) between the EU and the country. These commitments extend to several areas that are directly connected with the functioning of the Internal Market, including competition law, consumer protection, trade regulation, technical standards, public procurement, and market supervision.³

¹ Sandra Lavenex and Frank Schimmelfennig, 'EU Rules Beyond EU Borders: Theorizing External Governance in European Politics' (2009) 16 *Journal of European Public Policy* 791, 791–793.

² Asya Zhelyazkova and others, 'European Union Conditionality in the Western Balkans: External Incentives and Europeanisation' in Jelena Džankić, Soeren Keil and Marko Kmezić (eds), *The Europeanisation of the Western Balkans: A Failure of EU Conditionality?* (Palgrave Macmillan 2019) 16–17.

³ Stabilisation and Association Agreement between the European Union and the European Atomic Energy Community, of the one part, and Kosovo, of the other part [2016] OJ L71/3 (SAA) arts 74–81.

The legal connection between Kosovo and the EU shows that Europeanisation can occur even in the absence of membership. Through legal approximation and regulatory convergence, Kosovo's internal laws, administrative structures, and public policy are increasingly influenced by EU law. This raises important questions regarding the nature, extent, and effectiveness of such an impact. It also provides an opportunity to look at how EU Internal Market law functions outside of the Union's formal borders.

The thesis seeks to contribute to this discussion by analysing how EU Internal Market law impacts Kosovo under the constraints established by the EU–Kosovo Stabilisation and Association Agreement. The thesis evaluates how much Kosovo's legal system has evolved as a result of adhering to Internal Market principles and concentrates on the legal mechanisms that facilitate Europeanisation rather than membership as a political process.

1.2 Research Problem

In EU legal and political scholarship, the idea of Europeanisation has been extensively debated. While considerable attention has been devoted to the impact of EU law on Member States and candidate countries, less attention has been paid to situations in which EU legal norms influence states that remain outside the Union's formal institutional structure.⁴

An interesting illustration of this kind of circumstance is Kosovo. Kosovo has committed to gradually bringing its legal system into compliance with EU norms through the Stabilisation and Association Agreement. The exact scope of this legislative change is still up for discussion, though. Despite the introduction of legislative reforms in several areas, questions remain regarding the practical impact of Internal Market principles on domestic regulation, the depth of legal approximation, and the efficacy of execution. Thus, the relationship between EU Internal Market law and Kosovo's legal Europeanisation process is the research question this thesis attempts to answer. More precisely, it aims to ascertain if the SAA has served as a successful tool for legal integration and whether the ensuing changes have made a significant contribution to convergence with the legal principles that underpin the EU Internal Market.

⁴ Claudio M Radaelli, 'The Europeanization of Public Policy' in Kevin Featherstone and Claudio M Radaelli (eds), *The Politics of Europeanization* (OUP 2003) 27–30.

1.3 Research Question

The central research question of this thesis is:

To what extent does the EU–Kosovo Stabilisation and Association Agreement promote the Europeanisation of Kosovo’s legal framework in the field of EU Internal Market law?

In order to answer this question, several subsidiary questions will be examined:

1. What is meant by Europeanisation beyond EU membership?
2. What are the principal legal characteristics of the EU Internal Market?
3. How does the EU–Kosovo Stabilisation and Association Agreement facilitate legal approximation?
4. Which areas of Kosovo’s legal system demonstrate the strongest influence of Internal Market law?
5. What challenges and limitations affect the effectiveness of legal alignment in Kosovo?

1.4 Objectives of the Thesis

The primary objective of this thesis is to analyse the influence of EU Internal Market law on Kosovo through the framework established by the Stabilisation and Association Agreement.

More specifically, the thesis aims:

- to explain the concept of Europeanisation beyond membership;
- to identify the legal principles underlying the EU Internal Market;
- to examine the legal obligations contained in the EU–Kosovo SAA;
- to assess the extent of Kosovo’s legal approximation with EU standards;
- to evaluate the effectiveness of implementation in selected fields;
- to identify challenges that limit deeper legal integration.

By pursuing these objectives, the thesis seeks to contribute to a better understanding of how EU law operates as a mechanism of external legal influence.

1.5 Methodology

This thesis employs a doctrinal legal research methodology. The research is primarily based on the analysis of legal texts, academic literature, policy documents, and institutional reports.

The main legal sources taken into consideration are the Treaty on the Functioning of the European Union (TFEU), the EU–Kosovo Stabilisation and Association Agreement and, where relevant, secondary legislation. The thesis additionally relies on academic research on internal market law, enlargement policy and Europeanisation.

The study also refers to European Commission reports on Kosovo in order to assess the degree of approximation achieved in particular sectors and the practical implementation of legal reforms.

Instead of using quantitative measurement, the methodology is qualitative in nature and concentrates on legal interpretation. The goal is not only to outline current legal regulations but also to evaluate their importance in relation to the larger Europeanisation process.

While the analysis is primarily doctrinal, Chapters Five and Six adopt a socio-legal, policy-evaluation lens to assess implementation. Competition, public procurement, consumer protection and technical regulation are used as operational proxies because they are the Internal Market fields most directly addressed by the SAA's approximation obligations.

1.6 Structure of the Thesis

Following this introduction, the thesis is divided into six substantive chapters.

Chapter Two introduces the concept of Europeanisation beyond membership and provides the theoretical framework for the analysis.

Chapter Three examines the legal foundations of the EU Internal Market, including its objectives, principles, and mechanisms of legal integration.

Chapter Four analyses the EU–Kosovo Stabilisation and Association Agreement and its role as the primary instrument of legal approximation between Kosovo and the European Union.

Chapter Five evaluates the implementation of Internal Market principles within Kosovo, focusing on selected areas of legal reform and regulatory convergence.

Chapter Six identifies the principal challenges and limitations that affect legal approximation and institutional implementation.

Finally, Chapter Seven presents the conclusions of the thesis and answers the research question based on the findings developed throughout the analysis.

1.7 Preliminary Argument

This thesis advances the following preliminary argument, to be tested in Chapters Four to Six: by promoting legal approximation in sectors closely related to the Internal Market, the EU–Kosovo Stabilisation and Association Agreement has greatly aided in the Europeanisation of Kosovo’s legal system. Even if legislative convergence has made significant progress, effective implementation is still uneven. As a result, Kosovo exhibits a type of Europeanisation that goes beyond membership that is significant legally but yet limited by practical and institutional constraints.

According to the thesis, the SAA has grown to be a significant tool for EU Internal Market law to have an impact beyond of the Union’s official borders. As a result, Kosovo offers a useful case study for comprehending how Europeanisation functions in non-member states and how legal integration can happen even in the absence of accession.

Chapter 2: Europeanisation beyond Membership

2.1 The Concept of Europeanisation

The concept of Europeanisation occupies a central position within contemporary scholarship on European integration. Although there is no universally accepted definition, the term is generally used to describe the process through which the European Union influences domestic political, legal, economic, and administrative systems.⁵ Europeanisation therefore concerns the transmission of norms, rules, values, and institutional practices from the European level to the national level.

The effects of EU membership on Member States were the main topic of early scholarly discussions of Europeanisation. Scholars looked more closely at how EU law and policy impacted national institutions and legal systems as European integration progressed. But as time went on, the idea grew outside of the membership framework. Researchers began to recognise that the European Union also exercises considerable influence over neighbouring states and candidate countries, even before formal accession takes place.⁶

In this broader sense, Europeanisation refers to a process of adaptation through which domestic actors modify laws, institutions, and policies in response to European incentives, requirements, and expectations. In the context of EU enlargement, such adaptation is often linked to conditionality and the prospect of closer integration with the European Union.⁷

For the purpose of this thesis, Europeanisation is defined as the process by which Kosovo's domestic legal system is influenced by EU legal norms and regulatory principles. The impact of EU Internal Market law and the processes by which legal approximation takes place under the EU–Kosovo Stabilisation and Association Agreement are given special consideration.

⁵ Ibid 30.

⁶ Zhelyazkova and others (n 2) 15–16.

⁷ Ibid 16.

2.2 Europeanisation Beyond Membership

Europeanisation is often associated with EU membership. However, membership is not the only channel through which the European Union exerts influence. In recent decades, the EU has developed a range of instruments that enable it to shape legal and institutional developments in non-member states.⁸

The most visible of these trends is in the Western Balkans. Before admission becomes a realistic possibility, countries in the region have been encouraged to bring their national legal systems into line with EU standards. The European Union seeks to promote legal and regulatory convergence beyond its formal borders through association agreements, financial assistance programmes, progress reports and political dialogue.⁹

The notion of Europeanisation beyond membership means that the EU can export legal norms without granting full membership rights.¹⁰ States that remain outside the Union may still adopt legislation inspired by EU rules, establish new regulatory institutions and adjust administrative practices. As a result, external governance does not produce the same outcomes everywhere. The degree of legal integration and regulatory convergence often depends on the particular relationship between the European Union and the third state concerned.¹¹

Kosovo represents a particularly significant example of Europeanisation beyond membership.¹² Kosovo is not a Member State and does not participate in EU decision-making structures. However, Kosovo has made extensive commitments to approximate its legal framework to EU standards through the Stabilisation and Association Agreement. Kosovo

⁸ Lavenex and Schimmelfennig (n 1) 791–793.

⁹ Zhelyazkova and others (n 2) 15–16.

¹⁰ Ibid.

¹¹ Lavenex and Schimmelfennig (n 1) 791–796.

¹² Zhelyazkova and others (n 2) 15, 19.

has undertaken commitments which are directly relevant to the development of its legal and regulatory system.¹³

Consequently, Europeanisation in Kosovo cannot be viewed solely from the accession angle. Rather, it has to be regarded as a continuous process of legal change, inspired by integration into the wider European legal system and approximation.

2.3 Legal Approximation as a Mechanism of Europeanisation

Legal approximation is one of the most important mechanisms through which Europeanisation takes place. Legal approximation is the process of harmonising domestic legislation with the relevant rules and standards of European Union law. The aim is not necessarily to create identical legal systems. Instead, the objective is to ensure that domestic rules remain compatible with the requirements and objectives of the EU legal order.¹⁴

Approximation plays a particularly important role in the enlargement process and in the EU's relations with neighbouring states. By encouraging legal convergence, the European Union seeks to create a predictable regulatory environment that facilitates economic cooperation and future integration.¹⁵

Legal approximation involves the adoption of new laws, the revision of existing laws, the reform of institutions and changes in administrative practices. This often requires a great deal of political and administrative commitment, especially in governments undergoing a wider legal and economic transition.¹⁶

One of the main goals of the Stabilisation and Association Agreement in the case of Kosovo is legal approximation. Kosovo aims to improve ties with the EU and get ready for more

¹³ SAA (n 3) art 74.

¹⁴ Frank Schimmelfennig and Ulrich Sedelmeier, 'Governance by Conditionality: EU Rule Transfer to the Candidate Countries of Central and Eastern Europe' (2004) 11 *Journal of European Public Policy* 661, 661–664.

¹⁵ *Ibid* 661–664.

¹⁶ *Ibid*.

extensive forms of integration by gradually aligning local laws with the *acquis communautaire*.¹⁷

Legal approximation matters for reasons beyond technical legal reform. It is part of a broader process of normative adaptation that increasingly aligns domestic legal systems with European regulatory standards.¹⁸

2.4 Conditionality and EU External Governance

The European Union encourages legal approximation by means of a mix of incentives and conditions. This approach is often referred to as conditionality. The principle of conditionality links progress in relations with the European Union to compliance with certain legal and institutional requirements.¹⁹

Conditionality has been a key element of EU enlargement policy. Candidate and potential candidate countries are expected to carry out reforms in the areas of democracy, rule of law, human rights and market regulation. Compliance with these standards can lead to closer political cooperation, financial assistance and further advancement in the accession process.²⁰

Closely connected to conditionality is the concept of external governance. External governance refers to the ability of the European Union to shape policy outcomes beyond its formal territorial boundaries.²¹ Through legal agreements, monitoring mechanisms, and institutional cooperation, the EU is capable of influencing domestic reforms in neighbouring states.

A good example of this type of governance is the Stabilisation and Association Process. Within the SAA context, the European Union defines expectations regarding legislative alignment, implementation and institutional development. The European Commission

¹⁷ SAA (n 3) art 74.

¹⁸ Lavenex and Schimmelfennig (n 1) 791–796.

¹⁹ Schimmelfennig and Sedelmeier (n 14) 662–665.

²⁰ Ibid.

²¹ Lavenex and Schimmelfennig (n 1) 791–793.

subsequently monitors progress and assesses compliance through regular reports and assessments.²²

For Kosovo, conditionality and external governance operate together. While legislative responsibilities under the SAA offer a defined framework for approximation, the possibility of further integration creates incentives for reform.

2.5 Europeanisation in the Western Balkans

The Western Balkans have become one of the most important regions for studying Europeanisation beyond membership.²³ Through the SAA framework, the European Union establishes expectations regarding legislative alignment and institutional development, while the Commission tracks implementation through annual Kosovo reporting and related reform instruments.²⁴

Europeanisation in the Western Balkans differs from Europeanisation within Member States in several respects. First, the process is largely driven by external incentives rather than participation in EU decision-making. Second, implementation often depends on domestic political conditions and administrative capacity. Third, legal approximation frequently occurs in contexts characterised by institutional reform and state-building.²⁵

Despite these challenges, the European Union has achieved considerable influence throughout the region. Legislative reforms in areas such as competition law, consumer protection, public procurement, and market regulation illustrate the broader influence of EU standards on domestic legal systems throughout the Western Balkans.²⁶

Many of these regional traits are shared by Kosovo. However, because of its unique relationship with the European Union and its relatively recent state-building process, it holds

²² SAA (n 3) arts 9, 126.

²³ Zhelyazkova and others (n 2) 15–16.

²⁴ SAA (n 3) arts 9, 126; Commission, 'Kosovo 2025 Report' SWD(2025) 752 final.

²⁵ Zhelyazkova and others (n 2) 17–19.

²⁶ Commission, 'Enlargement Strategy and Main Challenges 2010–2011' COM(2010) 660 final 3–4; Commission, 'Action Document (Kosovo) IPA II 2020: EU Acquis Approximation Facility' (2020) 3–5.

a unique position. Because of these characteristics, Kosovo is a particularly useful case study for analysing the practical effects of Europeanisation.

2.6 Relevance of Europeanisation for Kosovo

Understanding Europeanisation is essential for analysing the influence of EU Internal Market law on Kosovo. The concept provides the theoretical framework through which legal approximation and regulatory convergence can be understood.²⁷

The relationship between the European Union and Kosovo illustrates that legal integration can occur without formal membership.²⁸ Through the Stabilisation and Association Agreement, EU legal principles increasingly shape domestic legislation and institutional development. This influence is particularly visible in areas connected to market regulation and economic governance.

Thus, the conceptual basis for the study presented in this thesis is Europeanisation. It is feasible to evaluate how much Kosovo's legal system has changed as a result of interaction with the EU by looking at the mechanisms, incentives, and constraints of Europeanisation.

By analysing the legal underpinnings of the EU Internal Market and defining the principles that Kosovo is expected to approach under the Stabilisation and Association Agreement, the subsequent chapter expands on this theoretical framework.

²⁷ Lavenex and Schimmelfennig (n 1) 791–796.

²⁸ SAA (n 3) art 74; Lavenex and Schimmelfennig (n 1) 791–793.

Chapter 3: The Legal Framework of the EU Internal Market

3.1 Introduction

The Internal Market is one of the most significant achievements of European integration and constitutes the economic and legal foundation of the European Union. Since its establishment, the Internal Market has sought to eliminate barriers to trade and economic activity between Member States while simultaneously creating a coherent legal framework that facilitates cross-border interaction. The importance of the Internal Market extends beyond economic considerations. It represents a broader integration project through which common legal standards, regulatory approaches, and institutional mechanisms are developed and applied throughout the European Union. The Internal Market has therefore become one of the principal mechanisms through which legal and economic integration within the European Union is achieved. The Internal Market has also contributed to the development of a common regulatory environment in which economic integration is supported by increasingly harmonised legal standards.²⁹

Because it offers the legal model that Kosovo is anticipated to resemble inside the scope of the EU–Kosovo Stabilisation and Association Agreement, the Internal Market is especially pertinent for the purposes of this thesis. Therefore, assessing the degree of Europeanisation of Kosovo’s legal system requires an understanding of the legal underpinnings, goals, and tenets of the Internal Market.

This chapter looks at the Internal Market’s legal foundation, the four fundamental freedoms that form its foundation, the function of competition law, and the significance of law approximation and harmonisation. Together, these components create the legislative framework that affects Kosovo’s relationship with the European Union.

3.2 The Legal Basis of the Internal Market

While Article 3(3) TEU establishes the internal market as one of the Union’s objectives, Article 26 TFEU defines it as an area without internal frontiers in which the free movement

²⁹ Paul Craig and Gráinne de Búrca, *EU Law: Text, Cases, and Materials* (7th edn, OUP 2020) 637–642.

of goods, persons, services and capital is ensured, and mandates the adoption of measures for its establishment and functioning.³⁰ It provides the legal framework for measures aimed at eliminating barriers to cross-border economic activity and promoting market integration throughout the Union. The provision must be read together with the Treaty rules governing the four freedoms, which give practical effect to the Internal Market and form the basis of much of the Court of Justice's Internal Market jurisprudence.³¹ The development of the Internal Market has not depended solely on Treaty provisions, but has also been significantly shaped by the jurisprudence of the Court of Justice of the European Union, which has interpreted and expanded the scope of the four freedoms over time.³²

The Internal Market developed gradually through successive stages of European integration. While the original European Economic Community focused primarily on customs cooperation and economic integration, subsequent treaty reforms expanded the legal and regulatory dimensions of market integration. The Single European Act of 1986 played a particularly important role by establishing the objective of completing the Internal Market and providing additional legal mechanisms to facilitate harmonisation. The Act marked an important stage in the transition from a customs-based model of integration towards a more comprehensive Single Market characterised by deeper regulatory coordination among Member States.³³

Today, the Internal Market is not merely an economic space. It is a complex legal order supported by treaty provisions, secondary legislation, judicial interpretation, and regulatory cooperation. The functioning of the Internal Market depends not only on the removal of barriers but also on the existence of common rules capable of ensuring legal certainty and fair competition.³⁴

³⁰ Consolidated Version of the Treaty on European Union [2012] OJ C326/13 (TEU) art 3(3).

³¹ Consolidated Version of the Treaty on the Functioning of the European Union [2012] OJ C326/47 (TFEU) arts 26, 34–36, 45, 49, 56, 63.

³² Case 8/74 *Procureur du Roi v Benoît and Gustave Dassonville* [1974] ECR 837; Case 120/78 *Rewe-Zentral AG v Bundesmonopolverwaltung für Branntwein (Cassis de Dijon)* [1979] ECR 649.

³³ Single European Act [1987] OJ L169/1; Craig and de Búrca (n 29) 8–10, 643–654.

³⁴ Craig and de Búrca (n 29) 642–654.

For states seeking closer integration with the European Union, including Kosovo, the Internal Market serves as the primary reference point for legal approximation. Many reforms undertaken under the Stabilisation and Association Process are designed to bring domestic legislation closer to the standards required for participation in the Internal Market.³⁵

3.3 The Market Freedoms

The Internal Market is built upon four fundamental freedoms: the free movement of goods, persons, services, and capital. These freedoms constitute the constitutional core of the Internal Market and are intended to facilitate economic integration throughout the Union.³⁶

3.3.1 Free Movement of Goods

The free movement of goods aims to eliminate barriers that restrict trade between Member States. Articles 34 to 36 TFEU prohibit quantitative restrictions on imports and exports as well as measures having equivalent effect.³⁷

The Court of Justice of the European Union (CJEU) has played a decisive role in interpreting these provisions. In *Procureur du Roi v Dassonville*, the Court established a broad definition of measures having equivalent effect, holding that any trading rule capable of hindering intra-EU trade may fall within the scope of what is now Article 34 TFEU.³⁸ While the SAA does not incorporate Article 34 TFEU or the Court's MEQR jurisprudence as binding standards for Kosovo's authorities, the approximation obligation under Article 74 creates a strong incentive for domestic regulators to internalise Internal Market reasoning when assessing barriers to trade. Article 75 is the only SAA clause that expressly cross-refers to EU competition criteria and to the interpretive instruments of the EU institutions; Articles 79–81 also impose express approximation duties in public procurement, technical standards and consumer protection, but without importing the EU's interpretive standards.³⁹

³⁵ SAA (n 3) art 74(3); Schimmelfennig and Sedelmeier (n 14) 664.

³⁶ TFEU, arts 34–36, 45, 49, 56, 63.

³⁷ TFEU, arts 34–36.

³⁸ *Dassonville* (n 32).

³⁹ SAA (n 3) arts 74–75, 79–81.

The Court further expanded this principle in *Rewe-Zentral AG v Bundesmonopolverwaltung für Branntwein* (Cassis de Dijon), where it developed the principle of mutual recognition.⁴⁰ According to this principle, goods lawfully marketed in one Member State should generally be accepted throughout the Union unless a legitimate justification exists.

These principles are particularly relevant for Kosovo because trade liberalisation and regulatory alignment form important components of the EU–Kosovo SAA. The adoption of EU-inspired standards in areas such as product regulation and technical requirements contributes to greater compatibility with the Internal Market.⁴¹

3.3.2 Free Movement of Persons

The free movement of persons is primarily protected through Article 45 TFEU, which guarantees the free movement of workers within the European Union.⁴² The objective is to eliminate discrimination based on nationality and to facilitate labour mobility.

This freedom allows individuals to seek employment, reside, and work in another Member State under conditions comparable to those enjoyed by nationals of that state. Over time, the concept has developed beyond purely economic activity and has become closely linked to the broader concept of European citizenship.⁴³

Although Kosovo is not a Member State, reforms connected to labour standards, anti-discrimination measures, and employment regulation increasingly reflect European norms. Such developments illustrate the broader influence of EU legal principles beyond membership.⁴⁴

⁴⁰ *Cassis de Dijon* (n 32).

⁴¹ SAA (n 3) art 74.

⁴² TFEU, art 45; Catherine Barnard, *The Substantive Law of the EU: The Four Freedoms* (2nd edn, OUP 2007) 286–307.

⁴³ TFEU, art 21; Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States [2004] OJ L158/77.

⁴⁴ Commission, 'Kosovo 2025 Report' (n 24).

3.3.3 Freedom of Establishment and Freedom to Provide Services

The freedom of establishment, protected under Article 49 TFEU, enables individuals and businesses to establish themselves in another Member State on a stable basis.⁴⁵ Closely related is the freedom to provide services under Article 56 TFEU, which allows economic actors to offer services across borders without establishing a permanent presence.⁴⁶ Together, these freedoms seek to remove legal and administrative barriers that restrict cross-border economic activity and thereby contribute to the creation of a genuinely integrated European market.

These freedoms are particularly important in modern economies where services constitute a significant proportion of economic activity. The development of common regulatory standards facilitates cross-border business activity and contributes to the functioning of the Internal Market.⁴⁷

For Kosovo, approximation in these areas is relevant because the SAA encourages the creation of a legal environment that supports market-oriented economic development and regulatory convergence with EU standards.⁴⁸

3.3.4 Free Movement of Capital

Article 63 TFEU prohibits restrictions on capital movements and payments not only between Member States but also, as a rule, between Member States and third countries, subject to the derogations in Articles 64 to 66 TFEU. Capital is thus the only fundamental freedom that expressly extends to third countries - a feature of obvious relevance to a thesis on the external effect of Internal Market law.⁴⁹

⁴⁵ TFEU, art 49; Barnard (n 42) 308–311.

⁴⁶ TFEU, art 56; Barnard (n 42) 354–360, 368–388.

⁴⁷ Barnard (n 42) 354–356.

⁴⁸ SAA (n 3) art 74.

⁴⁹ TFEU, art 63.

The free movement of capital is essential for investment, financial integration, and economic growth. By facilitating the movement of financial resources, the Internal Market promotes greater efficiency and economic cooperation.⁵⁰

The significance of this freedom for Kosovo lies in its connection to economic modernisation, foreign investment, and integration into European economic structures. Reforms aimed at improving the business environment and strengthening financial regulation contribute indirectly to the broader process of Europeanisation. Nevertheless, while the free movement of capital is theoretically significant because of its express extension to third countries, the present thesis focuses on competition policy, public procurement, consumer protection, and regulatory approximation as indicators of the broader Europeanisation process in Kosovo.⁵¹

3.4 Competition Law and the Internal Market

Competition law occupies a central position within the Internal Market framework. Market integration would be ineffective if businesses were able to undermine competition through anti-competitive agreements or abuses of market power.⁵²

Articles 101 and 102 TFEU constitute the cornerstone of EU competition law.⁵³ Article 101 prohibits agreements and concerted practices that restrict competition, while Article 102 prohibits the abuse of a dominant market position. Competition law complements the free movement provisions of the Treaties by preventing private actors from recreating barriers to trade and market integration. While the free movement rules primarily address restrictions imposed by states, competition law addresses distortions arising from private conduct. Together, these mechanisms contribute to the maintenance of an open and competitive Internal Market.⁵⁴

⁵⁰ Barnard (n 42) 531–537.

⁵¹ SAA (n 3) arts 64–66.

⁵² Craig and de Búrca (n 29) 1013–1017, 1064–1068.

⁵³ TFEU, arts 101–102.

⁵⁴ Craig and de Búrca (n 29) 1013–1017.

Competition law serves multiple purposes. It protects consumers, promotes efficiency, encourages innovation, and prevents market fragmentation. In this sense, competition law supports the broader objectives of the Internal Market by ensuring that economic integration operates fairly and effectively.⁵⁵

Competition law is one of the most obvious examples of approximation in the situation of Kosovo. The effect of Internal Market principles on national regulatory systems beyond the Union is exemplified by the establishment of national competition rules modelled on EU norms.⁵⁶

3.5 Harmonisation and Approximation of Laws

The Internal Market cannot function solely through the removal of barriers. Significant differences between national laws may create obstacles to trade and economic activity even in the absence of explicit restrictions. Consequently, harmonisation has become an essential feature of European integration.⁵⁷

Article 114 TFEU provides the legal basis for the approximation of national laws that affect the establishment and functioning of the Internal Market, subject to the exclusions in Article 114(2) concerning fiscal provisions, the free movement of persons and the rights and interests of employed persons.⁵⁸ Article 114 TFEU has become the principal legal basis for Internal Market harmonisation measures within the Union. Kosovo's approximation obligations, by contrast, derive directly from Article 74 of the Stabilisation and Association Agreement, which requires the gradual alignment of domestic legislation with the EU acquis. Through harmonisation measures, the European Union seeks to create common standards in areas such as consumer protection, product safety, environmental regulation, and market supervision.

⁵⁵ Craig and de Búrca (n 29) 1014–1018.

⁵⁶ SAA (n 3) art 75.

⁵⁷ Craig and de Búrca (n 29) 649–651; Barnard (n 42) 567–568.

⁵⁸ TFEU, art 114.

Harmonisation contributes to legal certainty and reduces compliance costs for businesses operating across borders. At the same time, it strengthens consumer confidence and promotes consistent regulatory outcomes.⁵⁹

The relevance of harmonisation for Kosovo is substantial. The SAA explicitly encourages legal approximation in numerous fields connected to the *acquis communautaire*. Through the adoption of EU-inspired legislation, Kosovo seeks to align its legal order with the regulatory standards required for deeper economic integration with the European Union and eventual participation in wider European markets.⁶⁰

3.6 The Internal Market as a Model for Europeanisation

The Internal Market should not be viewed solely as an economic arrangement. It also functions as a model of governance that influences legal development beyond the European Union's borders.⁶¹

Through enlargement policy, association agreements, and legal approximation requirements, the European Union exports many of the principles underlying the Internal Market to neighbouring states. This process reflects the broader phenomenon of Europeanisation discussed in the previous chapter.⁶²

In Kosovo, the influence of the Internal Market can be observed in areas such as competition policy, consumer protection, public procurement, technical standards, and regulatory governance. Although Kosovo remains outside the Internal Market itself, many of its legal reforms are shaped by the objective of achieving greater compatibility with EU standards. Nevertheless, the SAA creates a framework through which many Internal Market principles are progressively incorporated into Kosovo's domestic legal order.⁶³

⁵⁹ Craig and de Búrca (n 29) 642–654; Barnard (n 42) 567–568.

⁶⁰ SAA (n 3) arts 74, 79–81.

⁶¹ Lavenex and Schimmelfennig (n 1) 791–796.

⁶² Lavenex and Schimmelfennig (n 1) 791–796; Zhelyazkova and others (n 2) 15–19.

⁶³ SAA (n 3) arts 75, 79–81.

Consequently, the Internal Market serves not only as an economic objective but also as a legal benchmark against which progress in approximation and Europeanisation may be assessed.⁶⁴

3.7 Conclusion

The legal underpinnings of the EU Internal Market were studied in this chapter, along with the main strategies for achieving market integration. The analysis showed that a combination of judicial interpretation, competition laws, treaty provisions, and harmonisation initiatives form the foundation of the Internal Market. When combined, these components form a thorough legislative framework that promotes economic integration across the European Union.

The chapter went on to show how the Internal Market serves as a crucial point of reference for non-member states looking to integrate more closely with the EU. Many of its concepts transcend the official boundaries of the Union through legal approximation and regulatory convergence.

A large portion of the approximation process mandated by the Stabilisation and Association Agreement for Kosovo is based on the legal and regulatory framework provided by the Internal Market. Therefore, evaluating the degree of Europeanisation within Kosovo's legal system requires an understanding of this framework.

The next chapter turns to the EU–Kosovo Stabilisation and Association Agreement and its role in transmitting Internal Market principles to Kosovo.

⁶⁴ Lavenex and Schimmelfennig (n 1) 791–796.

Chapter 4: The EU–Kosovo Stabilisation and Association Agreement

4.1 Introduction

The Stabilisation and Association Agreement (SAA) between the European Union and Kosovo constitutes the principal contractual framework governing relations between the two parties. Signed on 27 October 2015 and entering into force on 1 April 2016, the Agreement establishes the basis for political dialogue, economic cooperation, trade liberalisation, and legal approximation between Kosovo and the European Union.⁶⁵

The significance of the SAA extends beyond trade liberalisation and economic cooperation. Article 74(1) draws a deliberate distinction between two obligations of differing intensity: Kosovo shall endeavour to ensure that its existing law and future legislation will gradually be made compatible with the EU *acquis*, whereas it shall ensure that existing and future legislation is properly implemented and enforced. The approximation commitment is thus framed as a best-efforts obligation, while the implementation commitment is framed in strict terms. The approximation process is to begin early with fundamental Internal Market elements and trade-related areas, before extending to the remaining parts of the *acquis*. This staged approach reflects the European Union's broader strategy of promoting gradual legal convergence while taking account of domestic institutional and administrative capacities.⁶⁶

Before examining the substance of the Agreement, its distinctive legal nature merits attention. Unlike every other Stabilisation and Association Agreement concluded with the Western Balkan states, the EU–Kosovo SAA was concluded as an "EU-only" agreement, with the European Union and the European Atomic Energy Community as the sole contracting parties on the European side, without the participation of the Member States.⁶⁷ This departure from the mixed-agreement format was a direct consequence of the fact that five Member States – Cyprus, Greece, Romania, Slovakia and Spain – do not recognise Kosovo as an independent state, which made ratification by all Member States politically impossible. The Council

⁶⁵ SAA (n 3) art 1(2)(c)–(g), especially art 1(2)(d); Council Decision (EU) 2016/342 of 12 February 2016 on the conclusion, on behalf of the Union, of the Stabilisation and Association Agreement between the European Union and the European Atomic Energy Community, of the one part, and Kosovo, of the other part [2016] OJ L71/1.

⁶⁶ SAA (n 3) art 74(1)–(4).

⁶⁷ Peter Van Elsuwege, 'Legal Creativity in EU External Relations: The Stabilization and Association Agreement Between the EU and Kosovo' (2017) 22 *European Foreign Affairs Review* 393, 393–395.

Decision concluding the Agreement rests on a notable dual legal basis, combining Article 217 TFEU on association with the CFSP provisions of Article 37 TEU in conjunction with Article 31(1) TEU, and expressly states that it is without prejudice to the positions of the Member States and the Union on the status of Kosovo.⁶⁸

The Agreement itself is drafted in status-neutral terms. Its preamble records that it is without prejudice to positions on status and is in line with UN Security Council Resolution 1244 (1999) and the ICJ Advisory Opinion on Kosovo's declaration of independence, and the Agreement expressly provides that none of its terms constitutes recognition of Kosovo as an independent state by the Union or by individual Member States.⁶⁹ Far from being a technical detail, this legal architecture is significant for the argument of this thesis: it demonstrates the Union's capacity to construct instruments of legal integration around political obstacles that would otherwise block them. Europeanisation through the SAA thus operates not only beyond membership, but beyond recognition.

The following sections examine the legal structure and objectives of the EU–Kosovo Stabilisation and Association Agreement, with particular attention to the provisions that facilitate legal approximation and transmit Internal Market principles into Kosovo's domestic legal order.

4.2 The Stabilisation and Association Process

The Stabilisation and Association Process (SAP) was launched by the Commission Communication of 26 May 1999 on the stabilisation and association process for countries of South-Eastern Europe (COM(1999) 235 final). The communication forms the framework for relations between the European Union and South-Eastern Europe and introduces a strengthened approach built around stabilisation and association agreements.⁷⁰ That makes

⁶⁸ Council Decision (EU) 2016/342 (n 65).

⁶⁹ SAA (n 3) preamble and art 2.

⁷⁰ Commission, 'Communication on the Stabilisation and Association Process for Countries of South-Eastern Europe' COM(1999) 235 final.

the SAP a conditional integration framework: closer contractual relations are tied to legal approximation and the gradual adoption of EU rules before membership.⁷¹

The SAP was designed as a pre-accession framework rather than a conventional cooperation arrangement. It combines political conditionality, EU financial assistance, institutional cooperation, and legal approximation, while Stabilisation and Association Agreements function as the central contractual instruments within that framework.⁷²

The SAP therefore functions as both a foreign policy instrument and a mechanism of Europeanisation. Through legal obligations and political incentives, it encourages candidate and potential candidate countries to adopt European standards long before membership becomes possible.⁷³

The European Union's larger objective of fostering stability and legal convergence throughout the Western Balkans is reflected in Kosovo's involvement in the SAP. The SAA serves as the legal basis for Kosovo's continuing approximation process and constitutes the most developed phase of this partnership.⁷⁴

4.3 Objectives of the EU–Kosovo SAA

The Agreement pursues several interconnected objectives that reflect both economic and political considerations.⁷⁵

First, the Agreement seeks to strengthen political dialogue between Kosovo and the European Union. Political cooperation is intended to support democratic governance, the rule of law, and institutional development.⁷⁶

⁷¹ Ibid; SAA (n 3) art 74(1)–(4).

⁷² COM(1999) 235 final (n 70).

⁷³ COM(1999) 235 final (n 70).

⁷⁴ SAA (n 3) art 74; COM(1999) 235 final (n 70).

⁷⁵ SAA (n 3) art 1(2)(a)–(g).

⁷⁶ SAA (n 3) art 1(2)(c).

Second, the Agreement aims to promote economic integration. By gradually removing trade barriers and encouraging regulatory convergence, the SAA seeks to facilitate economic cooperation and improve Kosovo's participation in European markets.⁷⁷

Third, the Agreement promotes legal approximation. One of its central objectives is the gradual alignment of Kosovo's legislation with the *acquis communautaire*.⁷⁸ This objective reflects the broader philosophy of Europeanisation discussed in the previous chapters.

Fourth, the Agreement seeks to support Kosovo's transition towards a functioning market economy capable of coping with competitive pressures and market forces within the European economic space.⁷⁹

These objectives demonstrate that the SAA is not merely an international agreement governing trade relations. Rather, it functions as a comprehensive framework for political, legal, and economic transformation.

4.4 Legal Approximation under the SAA

One of the most important features of the SAA is its emphasis on legal approximation. The Agreement explicitly requires Kosovo to progressively align its legislation with European Union law.⁸⁰

Legal approximation under the Agreement is not intended to occur immediately. Instead, the process is gradual and structured, allowing Kosovo to adapt its domestic legal framework over time. This reflects the practical reality that approximation requires significant legislative reform, administrative capacity, and institutional development. That makes approximation under the SAA a long-term legal and institutional process rather than a one-off legislative exercise.⁸¹

⁷⁷ SAA (n 3) art 1(2)(f).

⁷⁸ SAA (n 3) art 1(2)(d).

⁷⁹ SAA (n 3) art 1(2)(e).

⁸⁰ SAA (n 3) art 74(1)–(4).

⁸¹ SAA (n 3) art 74(2)–(4).

In that it seeks to ensure compatibility between Kosovo's legal system and EU norms in areas pertinent to market regulation, the notion of approximation under the SAA is quite similar to the larger harmonisation process inside the EU itself. This is similar to the reasoning behind Internal Market harmonisation, which aims for functional compatibility with EU standards rather than identical regulations through legal approximation.

Approximation obligations cover a wide range of sectors, including competition policy, public procurement, intellectual property protection, consumer protection, technical regulations, state aid control, and market supervision. These sectors are closely connected to the functioning of the Internal Market and therefore play an important role in the Europeanisation process.⁸²

The legal significance of approximation extends beyond the adoption of legislation. Effective implementation and enforcement are equally important. Consequently, the success of legal approximation depends not only on legislative activity but also on institutional capacity and administrative effectiveness.⁸³

4.5 Trade Liberalisation and Economic Integration

Trade liberalisation constitutes one of the most visible aspects of the SAA. The Agreement establishes a framework for the gradual development of a free trade area between Kosovo and the European Union.⁸⁴

By reducing barriers to trade, the Agreement seeks to promote economic growth, increase competitiveness, and encourage foreign investment. Greater access to European markets provides opportunities for Kosovo's businesses while simultaneously exposing domestic industries to increased competition.⁸⁵

Trade liberalisation also encourages regulatory convergence. In order to participate effectively in European markets, domestic products and services must increasingly comply

⁸² SAA (n 3) arts 74–81 (esp arts 75, 79–81).

⁸³ SAA (n 3) art 74(1)–(4).

⁸⁴ SAA (n 3) art 20(1).

⁸⁵ SAA (n 3) art 20; see generally Title IV.

with EU standards.⁸⁶ Consequently, economic integration creates incentives for legal approximation.

The relationship between trade liberalisation and Europeanisation is particularly important. While economic cooperation may initially appear separate from legal reform, the two processes are closely interconnected. Market access often depends upon regulatory compatibility, making legal approximation a practical necessity for deeper economic integration.

4.6 Competition Policy and State Aid Control

Competition policy represents one of the areas in which the influence of EU Internal Market law is most visible.

The SAA requires Kosovo to develop competition rules compatible with those applied within the European Union.⁸⁷ This includes the prohibition of anti-competitive agreements, the prevention of abuses of dominant market positions, and the regulation of state aid.

Competition law serves a dual function. On the one hand, it promotes economic efficiency and consumer welfare. On the other hand, it facilitates market integration by ensuring that competition is not distorted.⁸⁸

State aid control is particularly important because excessive government support may undermine fair competition. The European Union therefore places significant emphasis on transparency and regulatory oversight in this field.⁸⁹

Notably, Article 75 goes further than a general approximation duty: anti-competitive practices are to be assessed on the basis of criteria arising from the application of the competition rules applicable in the EU, including Articles 101, 102, 106 and 107 TFEU and the interpretative instruments adopted by the EU institutions. This makes competition policy

⁸⁶ SAA (n 3) art 74.

⁸⁷ SAA (n 3) art 75.

⁸⁸ Craig and de Búrca (n 29) 1013–1018.

⁸⁹ TFEU, arts 107–108.

the one field in which the Agreement expressly imports EU-derived interpretive standards – the accurate counterpart of the claim, sometimes made too broadly, that the SAA binds Kosovo to CJEU jurisprudence generally.⁹⁰

The incorporation of competition principles into Kosovo’s legal system illustrates how Internal Market norms are transmitted through the SAA framework. It also demonstrates the practical operation of Europeanisation beyond membership.

4.7 Institutional Mechanisms and Monitoring

The effectiveness of the SAA depends upon the existence of institutional mechanisms capable of monitoring implementation and facilitating cooperation.

The Agreement establishes various bodies responsible for supervising its operation and promoting dialogue between Kosovo and the European Union. These mechanisms provide opportunities for consultation, evaluation, and policy coordination.⁹¹

In addition, the European Commission plays a significant role through its annual reports on Kosovo.⁹² These reports assess progress in areas related to legal approximation, institutional reform, economic development, and compliance with European standards.

Monitoring serves several important functions. It provides guidance for future reforms, identifies implementation challenges, and strengthens accountability. Through regular evaluation, the European Union is able to influence domestic reform processes without exercising direct legislative authority.

This system of monitoring and evaluation represents an important mechanism through which Europeanisation operates in practice.

⁹⁰ SAA (n 3) art 75(2).

⁹¹ SAA (n 3) arts 9, 126, 129 and 132.

⁹² Commission, 'Kosovo 2025 Report' (n 24).

4.8 The SAA as an Instrument of Europeanisation

The EU–Kosovo Stabilisation and Association Agreement can be understood as a practical example of Europeanisation beyond membership.

The Agreement promotes legal convergence without granting membership rights. Through obligations concerning legal approximation, regulatory reform, and institutional development, it encourages Kosovo to adopt standards derived from European Union law.⁹³

At the same time, the SAA illustrates the limits of Europeanisation. Although legislative alignment has progressed considerably, implementation often remains uneven. Differences in administrative capacity, political priorities, and institutional effectiveness continue to affect the pace and depth of reform.⁹⁴

Nevertheless, the overall impact of the Agreement on Kosovo's legal order is substantial. Many areas of domestic legislation have been influenced directly or indirectly by obligations arising under the SAA. Consequently, the Agreement functions as one of the principal channels through which Internal Market principles are transmitted beyond the European Union's borders.⁹⁵

4.9 Conclusion

The analysis undertaken in this chapter demonstrates that the EU–Kosovo Stabilisation and Association Agreement functions as more than a trade arrangement. Through its provisions on legal approximation, competition, public procurement, technical standards and consumer protection, the Agreement operates as a framework for legal and institutional transformation in Kosovo.

Through obligations concerning legal approximation, competition policy, trade liberalisation, and regulatory convergence, the SAA promotes the gradual integration of Kosovo into the

⁹³ Van Elsuwege (n 67) 408–409.

⁹⁴ Zhelyazkova and others (n 2) 24, 30; Gergana Noutcheva, 'Fake, Partial and Imposed Compliance: The Limits of the EU's Normative Power in the Western Balkans' (2009) 16 *Journal of European Public Policy* 1065.

⁹⁵ Commission, 'Kosovo 2025 Report' (n 24).

European legal and economic space. The Agreement therefore constitutes one of the most important mechanisms through which Europeanisation occurs in Kosovo.

The next chapter examines how those principles have been implemented in Kosovo and assesses the extent to which approximation has produced meaningful legal convergence.

Chapter 5: Implementation of EU Internal Market Principles in Kosovo

5.1 Introduction

The previous chapters examined the concept of Europeanisation, the legal framework of the EU Internal Market, and the role of the EU–Kosovo Stabilisation and Association Agreement as a mechanism of legal approximation. While these chapters established the theoretical and legal foundations of the thesis, the present chapter focuses on implementation. The central question is not whether Kosovo has undertaken obligations to align its legal framework with European Union standards, but rather the extent to which these obligations have been translated into practical legal and institutional reforms.

Implementation represents one of the most important dimensions of Europeanisation. Legislative alignment alone is insufficient if domestic institutions are unable to apply, enforce, and monitor the relevant rules effectively. Consequently, assessing the impact of EU Internal Market law on Kosovo requires an examination of both legal reforms and their practical operation.

This chapter therefore examines the implementation of selected Internal Market principles in Kosovo, focusing on competition policy, public procurement, consumer protection and regulatory approximation as indicators of the broader approximation process.

5.2 Competition Law and Market Regulation

Competition law represents one of the clearest examples of Europeanisation within Kosovo's legal system. As discussed in the previous chapter, the EU–Kosovo SAA requires the development of competition rules compatible with those applied within the European Union.

In response, Kosovo has adopted successive generations of competition legislation, most recently Law No 08/L-056 on Protection of Competition, which entered into force in June 2022 and replaced the 2010 framework with the express purpose of further aligning Kosovo's rules with the EU acquis.⁹⁶ The creation of domestic competition institutions reflects the

⁹⁶ Law No 08/L-056 on Protection of Competition, Official Gazette of the Republic of Kosovo No 14/2022.

broader objective of establishing a market economy based upon fair competition and regulatory transparency.⁹⁷

The influence of EU law is visible in both the structure and objectives of Kosovo's competition framework. Many of the concepts incorporated into domestic legislation mirror those found in Articles 101 and 102 TFEU.⁹⁸ This demonstrates the transmission of Internal Market principles through legal approximation.

However, implementation challenges remain. The most striking illustration concerns State aid. Article 75(4) of the SAA obliges Kosovo to entrust an operationally independent authority with the power to authorise and recover State aid. Yet nearly a decade after the Agreement's entry into force, the Commission's 2025 Report continues to identify the establishment of a functional State Aid Commission as a priority. This amounts to a continuing breach of a binding obligation under Article 75(4) SAA, rather than a mere implementation gap. Few examples capture more clearly the distinction between legislative approximation and effective institutional implementation identified throughout this thesis.⁹⁹

Effective competition enforcement requires institutional independence, technical expertise, sufficient resources, and consistent regulatory practice. While legislative convergence has progressed considerably, practical enforcement has often developed more slowly. Consequently, the gap between formal approximation and effective implementation continues to represent a significant challenge.

Nevertheless, the development of competition law remains one of the strongest examples of Europeanisation within Kosovo's legal order and illustrates the substantial influence of EU Internal Market principles.

5.3 Public Procurement Reform

Public procurement constitutes another important area of approximation. Within the European Union, procurement law plays a central role in promoting transparency,

⁹⁷ SAA (n 3) art 75(3); Law No 08/L-056 (n 96).

⁹⁸ Law No 08/L-056 (n 96); cf TFEU, arts 101–102.

⁹⁹ SAA (n 3) art 75(4); Commission, 'Kosovo 2025 Report' (n 24) 70.

competition, and non-discrimination. By regulating the expenditure of public funds, procurement rules seek to ensure equal treatment of economic operators and efficient use of public resources.¹⁰⁰

The EU–Kosovo SAA encourages the gradual alignment of procurement legislation with European standards. As a result, Kosovo has undertaken reforms aimed at improving transparency and strengthening regulatory oversight.¹⁰¹

Europeanisation is particularly important in this field, since procurement law directly concerns public administration and economic governance. Compliance with EU-inspired procurement standards requires not only legislative reform but also changes in administrative practice and institutional culture.

Progress has been achieved in the establishment of regulatory frameworks and oversight mechanisms. Nevertheless, implementation challenges continue to arise.¹⁰² Concerns about administrative capacity, monitoring and enforcement suggest that legislative approximation is not enough to guarantee practical effectiveness.

Despite these challenges, procurement reform remains an important indicator of Kosovo's commitment to legal convergence with EU standards.

5.4 Consumer Protection and Market Supervision

Consumer protection represents another area in which EU Internal Market law has influenced Kosovo's domestic legal framework. Within the European Union, consumer protection serves both economic and social objectives. It promotes consumer confidence, facilitates market participation, and contributes to the proper functioning of the Internal Market.¹⁰³

¹⁰⁰ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC [2014] OJ L94/65, art 18.

¹⁰¹ Law No 04/L-042 on Public Procurement in the Republic of Kosovo, as amended by Laws No 05/L-068 and No 05/L-092.

¹⁰² Commission, 'Kosovo 2025 Report' (n 24) 57.

¹⁰³ Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights [2011] OJ L304/64, art 1.

In order to align with European standards, Kosovo has adopted legislative measures addressing consumer rights, product safety, unfair commercial practices, and market supervision.¹⁰⁴ These reforms reflect broader efforts to create a regulatory environment compatible with EU requirements.

The Europeanisation process is visible in the adoption of legal concepts and regulatory approaches inspired by European legislation. Consumer protection has therefore become an important component of Kosovo's approximation strategy.

At the same time, effective consumer protection depends upon institutional capacity and public awareness. The existence of legislation alone is insufficient if enforcement mechanisms remain weak or if consumers lack access to effective remedies. Consequently, implementation remains an ongoing challenge despite significant legislative progress.¹⁰⁵

The consumer protection sector illustrates the broader pattern of Europeanisation in Kosovo: substantial legal convergence accompanied by continuing implementation difficulties.

The Commission's standardised assessment scale makes the variation across sectors measurable. In its 2025 Report, public procurement and free movement of goods are rated between some and a moderate level of preparation, competition policy at some level of preparation, while consumer protection remains at an early stage — the weakest of the sectors examined in this thesis. Europeanisation in Kosovo is therefore not only incomplete but markedly uneven across fields of Internal Market law.¹⁰⁶

5.5 Technical Standards and Regulatory Approximation

The Internal Market relies heavily upon common technical standards and regulatory requirements. Harmonised standards reduce barriers to trade, promote legal certainty, and facilitate economic integration.¹⁰⁷

¹⁰⁴ Law No 06/L-034 on Consumer Protection, Official Gazette of the Republic of Kosovo, 2018.

¹⁰⁵ Commission, 'Kosovo 2025 Report' (n 24) 72.

¹⁰⁶ Commission, 'Kosovo 2025 Report' (n 24) 57, 65, 70, 72.

¹⁰⁷ Craig and de Búrca (n 29) 642–654; Barnard (n 42) 567–568.

Through the approximation process established by the SAA, Kosovo has undertaken efforts to align its technical regulations and standards with those applied within the European Union.¹⁰⁸ This process affects numerous sectors, including product safety, industrial regulation, quality infrastructure, and conformity assessment.

Regulatory approximation contributes directly to market integration because it increases compatibility between domestic and European standards. As a result, businesses operating within Kosovo are better positioned to participate in regional and European markets.

The adoption of EU-inspired technical standards is also part of a wider process of institutional modernisation. Regulatory authorities increasingly work within frameworks influenced by European norms and recognised best practices.

At the same time, approximation in this area is not something that can be completed quickly. Administrative structures must continue to adapt, and legal frameworks often need further adjustment. Given the complexity of the *acquis communautaire*, achieving full alignment requires sustained political commitment over a longer period of time.

5.6 Findings from European Commission Reports

The European Commission plays an important role in monitoring Kosovo's progress towards legal approximation and institutional reform. Annual reports provide detailed assessments of developments in areas connected to European integration.

These reports generally recognise Kosovo's efforts to align its legislation with European Union standards.¹⁰⁹ Progress has been noted in several fields relevant to the Internal Market, including competition policy, public procurement, consumer protection, and economic governance.

¹⁰⁸ SAA (n 3) art 80; Commission, 'Kosovo 2025 Report' (n 24) 65.

¹⁰⁹ Commission, 'Kosovo 2025 Report' (n 24) 57, 65, 70–72.

At the same time, Commission assessments frequently emphasise implementation challenges. Common concerns include limited administrative capacity, insufficient enforcement mechanisms, institutional weaknesses, and delays in reform implementation.¹¹⁰

The reports therefore reveal a recurring pattern. While legal reforms demonstrate commitment to approximation, successful Europeanisation ultimately depends upon the practical operation of those reforms.

The findings of the European Commission therefore support the argument that Kosovo has achieved significant legal convergence while continuing to face implementation challenges.

5.7 Assessment of the Europeanisation Process

The implementation of Internal Market principles within Kosovo demonstrates both the strengths and limitations of Europeanisation beyond membership.

On the one hand, Kosovo has undertaken extensive legislative reforms inspired by EU law. Significant progress has been achieved in areas such as competition policy, public procurement, consumer protection, and regulatory approximation. These developments indicate that the SAA has functioned as an effective mechanism for transmitting Internal Market principles.

On the other hand, implementation remains uneven. Institutional limitations, administrative constraints, and resource shortages continue to affect the effectiveness of legal reforms. The existence of legislation does not automatically guarantee compliance in practice.

The evidence assembled in this chapter gives that distinction concrete shape. In competition law, a modern statute aligned with the EU *acquis* coexists with a State Aid Commission that the Commission still lists as needing to be made functional, nearly a decade after Article 75(4) required it. In public procurement and consumer protection, even the legislative layer is unfinished: the Commission's principal recommendation in both fields remains the adoption of new framework laws. The assessment-scale ranking set out above shows the same pattern in comparative form. Approximation in Kosovo is thus not a single gap between law and

¹¹⁰ Commission, 'Kosovo 2025 Report' (n 24) 22, 57.

practice but a spectrum, running from sectors where implementation lags behind modern legislation to sectors where the legislation itself has yet to catch up.

Consequently, Kosovo represents a valuable example of Europeanisation beyond membership. It demonstrates how EU law may influence domestic legal systems even in the absence of accession while also highlighting the challenges associated with translating legal obligations into practical outcomes.

5.8 Conclusion

This chapter evaluated the implementation of EU Internal Market principles within Kosovo and examined the extent to which legal approximation has resulted in practical reform. The analysis demonstrated that significant progress has been achieved in several areas closely connected to the Internal Market, including competition law, public procurement, consumer protection, and technical regulation.¹¹¹

At the same time, implementation challenges continue to limit the effectiveness of approximation efforts. Although legislative convergence has advanced considerably, institutional and administrative obstacles remain.

The next chapter explains these challenges in greater detail and considers the principal limits on Europeanisation in Kosovo.

¹¹¹ Commission, 'Kosovo 2025 Report' (n 24) 57, 65, 70–72.

Chapter 6: Challenges and Limitations of Legal Alignment

6.1 Introduction

The previous chapter examined the implementation of EU Internal Market principles within Kosovo and demonstrated that significant progress has been achieved in several areas of legal approximation. However, implementation has not always produced the level of convergence initially envisaged by the European Union. While Kosovo has adopted numerous legislative reforms inspired by EU law, the practical effectiveness of these reforms remains uneven.

Despite the legislative progress identified in the previous chapter, approximation has not always produced the level of convergence initially envisaged by the European Union. Understanding why this implementation gap persists is essential to assessing the effectiveness of Europeanisation in Kosovo. The discussion therefore focuses on institutional capacity, administrative implementation, political factors, economic constraints and the broader limitations of Europeanisation beyond membership. By identifying these challenges, the chapter contributes to a more balanced assessment of the impact of EU Internal Market law on Kosovo.

6.2 The Gap Between Legislative Approximation and Practical Implementation

Chapter Five documented the gap between legislative approximation and practical implementation sector by sector; this chapter asks why that gap exists and persists. In many areas, domestic legislation has been aligned with European standards, yet effective enforcement remains incomplete.

Throughout the enlargement process, candidate and potential candidate countries have frequently encountered difficulties translating legal reforms into practical outcomes.¹¹² The adoption of legislation is often faster than the development of institutions capable of implementing and enforcing that legislation.

In Kosovo, this gap can be observed in areas such as competition policy, public procurement, market supervision, and consumer protection. While legal frameworks increasingly reflect

¹¹² Zhelyazkova and others (n 2) 24, 30; Noutcheva (n 94).

EU requirements, practical implementation often depends upon administrative resources, technical expertise, and institutional coordination.

Consequently, legislative convergence should not automatically be interpreted as evidence of full Europeanisation. Effective implementation remains a crucial component of legal integration and continues to represent one of Kosovo's most significant challenges.

6.3 Institutional Capacity and Administrative Challenges

Legal approximation can only succeed if there are strong and effective institutions. Meaningful reform can only happen if administrative entities have the ability to implement it, laws alone are insufficient.

Kosovo continues to face challenges relating to institutional development and administrative effectiveness. Public authorities often operate under resource constraints that limit their ability to monitor compliance, enforce regulations, and coordinate reform efforts.¹¹³

In particular, administrative capacity matters in areas relating to the Internal Market. For their proper functioning, competition authorities, procurement institutions, consumer protection bodies and regulatory agencies require sufficient expertise and independence.

The European Commission has repeatedly emphasised the importance of strengthening administrative structures as part of the broader European integration process.¹¹⁴ Institutional development therefore remains a key condition for deeper legal convergence with EU standards.

The persistence of administrative limitations demonstrates that Europeanisation involves more than legislative change. It also requires long-term institutional adaptation and capacity building.

¹¹³ Commission, 'Kosovo 2025 Report' (n 24) 22.

¹¹⁴ Commission, 'Kosovo 2025 Report' (n 24) 22.

6.4 Political Factors Affecting Europeanisation

Political factors play an important role in determining the success of legal approximation. Although European integration remains a strategic objective for Kosovo, domestic political priorities and institutional dynamics may influence the pace and effectiveness of reform.

Changes in government, political instability, and competing policy priorities may affect the implementation of obligations arising under the Stabilisation and Association Agreement.¹¹⁵ In some circumstances, legislative reforms may be adopted rapidly in response to European requirements while implementation receives less political attention.

Political commitment is particularly important because approximation often requires complex and sometimes costly reforms. Without sustained political support, implementation efforts may lose momentum over time.

At the same time, political support for European integration remains one of Kosovo's strengths. Compared with many other countries in the region, public support for closer relations with the European Union remains relatively strong.¹¹⁶ This support contributes positively to the continuation of the approximation process.

Nevertheless, political commitment alone cannot eliminate all implementation challenges and must be accompanied by effective institutional action.

6.5 Economic and Resource Constraints

Economic limitations also influence the effectiveness of legal approximation. Implementing EU-inspired legislation frequently requires substantial financial investment, administrative resources, and technical expertise.

Many regulatory reforms involve the establishment of specialised institutions, training programmes, monitoring systems, and enforcement mechanisms. These requirements may place significant pressure on public resources, particularly in developing economies.

¹¹⁵ Commission, 'Kosovo 2025 Report' (n 24) 3.

¹¹⁶ Commission, 'Kosovo 2025 Report' (n 24) 3.

Kosovo's economic circumstances therefore affect the pace at which approximation can occur.¹¹⁷ While legislative reforms may be adopted relatively quickly, building the institutional infrastructure necessary for effective implementation often requires longer periods of time.

Resource limitations may also affect private actors. Businesses must adapt to new regulatory requirements, technical standards, and compliance obligations. Although such reforms may generate long-term benefits, they can also create short-term adjustment costs.

The relationship between economic development and Europeanisation is therefore complex. Economic constraints may slow implementation, while successful approximation may simultaneously contribute to long-term economic growth and market integration.

6.6 Limitations of Europeanisation Beyond Membership

The case of Kosovo highlights broader limitations associated with Europeanisation beyond membership. Unlike EU Member States, Kosovo does not participate directly in the Union's legislative decision-making process and does not enjoy the institutional rights associated with membership.

This situation creates a distinctive form of legal integration. Kosovo is expected to align significant parts of its legal framework with EU standards despite having limited influence over the development of those standards.

The absence of membership may reduce certain incentives associated with approximation. While the prospect of closer integration remains important, the benefits available to non-member states differ from those enjoyed by Member States. The theoretical framework developed in Chapter Two helps explain why these limitations are particularly acute in Kosovo. The external incentives model identifies the credibility of the membership perspective as a decisive condition for effective conditionality, and the literature finds that credibility comparatively low across the Western Balkans as a whole.¹¹⁸

¹¹⁷ Commission, 'Kosovo 2025 Report' (n 24) 3.

¹¹⁸ Zhelyazkova and others (n 2) 26–27.

Kosovo represents a particularly acute case. Five Member States do not recognise its statehood; the SAA, unlike every other Stabilisation and Association Agreement, deliberately avoids describing Kosovo as a potential candidate for EU membership; and the membership application submitted in December 2022 remains pending.¹¹⁹

Where the ultimate reward is least credible, the model predicts that governments will undertake low-cost adaptation while avoiding costly reform — precisely the pattern this thesis has documented, in which legislative approximation consistently outpaces implementation. The literature identifies contested statehood as the defining feature distinguishing the Western Balkans from earlier enlargement rounds; nowhere is that feature more pronounced than in Kosovo.¹²⁰

Furthermore, Europeanisation beyond membership often depends heavily on conditionality and external incentives. This may create situations in which legal reforms are driven primarily by external expectations rather than domestic demand.

Nevertheless, the Kosovo case also demonstrates that Europeanisation can occur successfully outside the framework of membership. Significant legal convergence has been achieved despite the absence of full participation in EU institutions.

The limitations of Europeanisation beyond membership therefore do not prevent legal transformation but may affect its depth, speed, and long-term sustainability.

6.7 The Challenge of Acquis Complexity

Another major limitation is the complexity of the *acquis communautaire*. European Union law is a large and constantly changing body of law. A state aspiring to approximation faces a major challenge in complying with this legal framework.

The Internal Market alone covers a vast number of areas of law, including competition law, consumer protection, public procurement, technical standards, financial regulation and

¹¹⁹ Van Elsuwege (n 67) 405, 408–409; Commission, 'Kosovo 2025 Report' (n 24) 3.

¹²⁰ Zhelyazkova and others (n 2) 17.

market supervision. The continuous changes in EU law require corresponding adaptations at the national level.

For Kosovo, this means that approximation is not a one-time exercise but an ongoing process. Legislative reforms must be updated regularly in response to developments within the European Union.¹²¹

Thus, the ever-changing nature of the *acquis* poses long-term challenges for policy-makers, legislators and regulatory institutions. Institutions must continue to monitor, adjust and learn in order to maintain alignment.

6.8 Overall Assessment

The challenges explored throughout this chapter show that Europeanisation is a complex and multi-dimensional process. Legal approximation has led to significant changes in Kosovo's legal framework, but serious challenges remain in the implementation of reforms.

Institutional capacity, administrative effectiveness, political commitment, economic resources, and the complexity of the *acquis* all influence the pace and quality of reform. These factors help explain why legislative convergence often progresses more rapidly than practical implementation.

Taken together, these findings carry a broader implication for the study of Europeanisation. Kosovo demonstrates that the transmission of EU Internal Market law does not depend on membership, on a formal candidate perspective, or even on recognition – but also that what is transmitted under such conditions is primarily legal form. The external incentives framework predicts precisely this asymmetry: where the credibility of the ultimate reward is at its lowest, states deliver the cheapest form of compliance, and legislative adoption is cheaper than institutional change. Europeanisation beyond membership is therefore real but selective – deep where alignment is low-cost and visible, shallow where it requires administrative capacity and political sacrifice. The Kosovo case thus does not merely illustrate the limits of conditionality; it identifies which half of the Europeanisation process conditionality can reliably buy.

¹²¹ SAA (n 3) art 74(2).

At the same time, the existence of these challenges should not obscure the considerable progress achieved under the Stabilisation and Association Agreement. Kosovo has undertaken significant reforms and has moved closer to European legal standards in numerous areas connected to the Internal Market.

The experience of Kosovo therefore illustrates both the possibilities and limitations of Europeanisation beyond membership.

6.9 Conclusion

This chapter examined the principal challenges and limitations affecting the implementation of EU Internal Market law within Kosovo. The analysis demonstrated that while legal approximation has advanced significantly, practical implementation remains constrained by institutional, political, administrative, and economic factors.

The chapter further highlighted the distinctive nature of Europeanisation beyond membership and the difficulties associated with maintaining alignment with the evolving *acquis communautaire*. These challenges help explain why legal convergence does not always produce immediate practical integration.

Despite these limitations, the overall trajectory of reform remains significant. Kosovo has achieved substantial progress in aligning its legal framework with EU standards, even though important implementation challenges persist.

Chapter 7: Conclusion

7.1 Introduction

This thesis examined the influence of EU Internal Market law on Kosovo under the framework established by the EU–Kosovo Stabilisation and Association Agreement. The central objective was to analyse the extent to which the Agreement has promoted the Europeanisation of Kosovo’s legal framework and contributed to legal convergence with European Union standards.

The analysis was conducted through an examination of the concept of Europeanisation beyond membership, the legal foundations of the EU Internal Market, the provisions of the Stabilisation and Association Agreement, and the implementation of Internal Market principles within Kosovo. Particular attention was given to the relationship between legal approximation and practical implementation, as well as to the challenges affecting the Europeanisation process.

This concluding chapter summarises the principal findings of the thesis, answers the research question, and reflects upon the broader significance of the Kosovo case for understanding Europeanisation beyond membership.

7.2 Summary of Findings

The analysis demonstrated that Europeanisation is not limited to EU Member States. Through legal agreements, political conditionality, regulatory cooperation, and approximation requirements, the European Union is capable of influencing domestic legal systems beyond its formal territorial boundaries.

The concept of Europeanisation beyond membership proved particularly relevant in the context of Kosovo. Although Kosovo does not participate in EU decision-making structures and has not yet achieved membership, the European Union exerts significant influence over the development of its legal and regulatory framework.

The thesis further demonstrated that the Internal Market serves as one of the principal channels through which this influence is transmitted. The legal principles underlying the free movement of goods, persons, services, and capital, together with competition law and

harmonisation measures, provide the regulatory model that Kosovo is expected to approximate.

The EU–Kosovo Stabilisation and Association Agreement emerged as the central legal instrument governing this process. Through provisions concerning legal approximation, competition policy, trade liberalisation, consumer protection, public procurement, and regulatory convergence, the Agreement promotes the gradual alignment of Kosovo’s legal order with European Union standards.

The examination of implementation revealed that significant progress has been achieved in several areas connected to the Internal Market. Kosovo has adopted numerous legislative reforms inspired by EU law and has established institutions intended to facilitate regulatory convergence.

Legislative approximation has often progressed more rapidly than institutional adaptation and practical enforcement. Consequently, important differences remain between formal legal convergence and effective implementation.

7.3 Answer to the Research Question

The central research question of this thesis was:

To what extent does the EU–Kosovo Stabilisation and Association Agreement promote the Europeanisation of Kosovo’s legal framework in the field of EU Internal Market law?

Based on the analysis conducted throughout the thesis, the answer is that the Stabilisation and Association Agreement has promoted Europeanisation to a significant extent.

The Agreement has functioned as an effective mechanism for transmitting EU Internal Market principles into Kosovo’s domestic legal order. Through legal approximation obligations and regulatory convergence requirements, the SAA has encouraged extensive legislative reform in areas directly connected to the Internal Market.

The influence of the Agreement is visible in competition law, public procurement, consumer protection, technical regulation, and broader market governance. These developments demonstrate that Europeanisation can occur even in the absence of membership.

However, the extent of Europeanisation should not be assessed solely through legislative alignment. Effective implementation remains essential. While Kosovo has achieved substantial legal convergence with European Union standards, implementation challenges continue to affect the depth and effectiveness of integration.

The SAA has therefore been highly successful as a framework for legal approximation but only partially successful in ensuring complete practical convergence. Europeanisation in Kosovo can consequently be described as substantial but incomplete.

7.4 Theoretical and Practical Implications

The findings of this thesis contribute to broader discussions concerning Europeanisation and EU external governance.

From a theoretical perspective, the Kosovo case shows that Europeanisation does not necessarily depend on formal membership. Outside the Union, the impact of EU law is filtered through legal instruments and regulatory frameworks that encourage domestic adaptation.

The case also points to the need to distinguish legislative convergence from practical application. Approximation may modify legal texts rather quickly, while institutional and administrative adaptation may require a longer period of time.

The results imply, from a practical point of view, that future approximation efforts should focus more on implementation capacity. Legislative reform is not enough if institutions do not have the resources, expertise or independence to apply and enforce the relevant rules.

Thus, future cooperation between Kosovo and the European Union should be based not only on legal alignment, but also on strengthening administrative structures and institutional effectiveness.

7.5 Limitations of the Research

Several constraints should be considered. Firstly, the thesis dealt mostly with selected elements of Internal Market law and not the complete *acquis communautaire*. Given the broad scope of EU law, it was impossible to address all aspects of approximation within the scope of this study.

Second, the analysis was mostly based on legal and policy sources. Institutional reports offer useful insights into implementation, but future research could benefit from empirical methodologies such as interviews, surveys or quantitative data.

Thirdly, the European integration process is still dynamic. Legal developments in the EU and Kosovo may influence future patterns of approximation and implementation.

These limitations do not negate the conclusions of the thesis but suggest possible lines for future investigation.

7.6 Future Prospects

Kosovo's relationship with the European Union is likely to continue to develop in the coming years. The Stabilisation and Association Agreement lays the foundation for further deepening of legal approximation and regulatory convergence in due course.

Future advancement will rely on a number of elements, including political commitment, institutional capacity, economic development and sustained cooperation with the European Union. The effective implementation of existing changes will be critical to deepening integration.

Continued approximation would allow Kosovo to align itself further with Internal Market standards and increase its engagement in the wider European legal and economic sphere.

Therefore, the long-term success of Europeanisation in Kosovo will not only depend on legislative change but also on the continued development of strong institutions that can implement and enforce European norms.

7.7 Final Conclusion

The European Union has considerable importance outside the bounds of membership through processes of legal approximation and regulatory convergence, as this thesis shows. The Kosovo example demonstrates the effect of EU Internal Market rules on the evolution of domestic law even without full membership.

This process has been driven by the EU–Kosovo Stabilisation and Association Agreement, which has helped promote the adoption of laws influenced by the EU and has led to the

reform of institutions in numerous areas. Through these procedures the Agreement has contributed greatly to the Europeanisation of Kosovo's legal structure.

Yet Europeanisation is still a work in progress rather than a completed fact. Kosovo has made substantial progress in aligning its legal order with the requirements of the EU, but important implementation obstacles remain. The distinction between legislative convergence and actual effectiveness is, therefore, key to understanding the present status of integration.

Ultimately, the Kosovo experience reveals both the possibilities and the limits of Europeanisation beyond membership. It confirms the potential of EU Internal Market law as a powerful vehicle of legal transformation and at the same time highlights the significance of institutional capacity, political commitment and successful implementation for meaningful and sustainable integration.

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