

Whither the Balkans?

Introduction

The Western Balkans needs more attention and commitment from the US and the EU who should combine EU's membership incentives with US's political influence. The EU and the US could prepare funding packages for investment in infrastructure, but also hold the region's leaderships accountable for their actions. Geopolitical pragmatism should not be to the detriment of democratization. The EU should not lower the membership bar for reforms. The countries need to reform their judiciary and fight corruption not because these reforms are required for the EU membership but because they are good for the people. "We need leaderships that say we do reform not for the EU membership but for our own prosperity." The EU should adjust its approach to prevailing circumstances and the region should 'correct' its governance approach. Ultimately, change will have to come from the inside, but the EU and the US can help reinforcing it from outside.

After the war in Ukraine, the EU has become more strategic in its decision-making. It lowered the reform bar to give candidate status to Ukraine, Moldova, and likely to Bosnia and Herzegovina. At the same time, unfortunately, the EU has also brought history and identity into the accession process, as reflected in the disputes between North Macedonia and Bulgaria and North Macedonia and Greece. Albania is fast becoming a frontrunner largely because of the judiciary reform through the vetting process. This should be a lesson for other aspirants. Judiciary reform and fight against corruption is what the EU looks for. The region for now remains way too far from membership. The region is not making significant headways while the EU is not holding faithfully its part of the bargain either. The EU is not rushing into another accession largely because of Bulgaria's and Romania's inclusion into the union before they were ready. This is why now the EU insists judiciary reform should be done before accession is approved. Poland's and Hungary's increasingly illiberal behavior also deters other EU's more liberal states from bringing into the union more illiberal democracies, such as those in the Western Balkans fearing it could complicate the deepening of the EU.

Bilateral and internal disputes, such as Bosnia and Herzegovina's ethnic-driven issues and the Kosovo-Serbia political strife, continue to hold the region back. The decade-long 'EU enlargement fatigue' should be converted into an active EU foreign policy with an upgraded enlargement strategy. Given the geopolitical situation after the Russian aggression in Ukraine, the Western Balkans is high on US's and EU's agendas, but the two actors need stronger and more effective policies. Albania and North Macedonia broke 'the EU integration *status quo*' through opening accession negotiations with the EU and have set a good example the remaining countries should follow.

To discuss the region's future, the Council for Inclusive Governance (CIG) and the Rockefeller Brothers Fund (RBF) organized a roundtable on November 19, 2022, in Budva, Montenegro,

for a number of political party representatives and political observers from the Western Balkan countries to discuss the current state of affairs in the region and how various democracy-related reforms could accelerate the EU integration process. Two former senior US and EU officials also participated in the discussion where they offered an overview of the region from an external viewpoint and how to contribute to establishing a more effective strategy in reviving the Western Balkans' European integration process. The discussion, held under Chatham House Rules. Gresa Baftiu, CIG's associate in Kosovo, prepared the report. This report does not necessarily reflect the views of individual participants, CIG, or RBF, but rather provides an overview of the discussion as a whole.

Recommendations

For the EU to remain dynamic, it must be open to further enlargement. The EU should offer a clear European path to the region and defined a timeline for integration. Providing a clear European path is crucial, whether it is conditional integration—full economic integration but with no veto in EU's political decision making—or full integration. Accession of all Western Balkan countries, individual or collective, merit-based, and in stages or otherwise should be honest and clear. While setting a fixed accession date is unrealistic, a timeline could help the region's leaders to define their internal priorities. A participant pointed out that “the EU cannot be a global actor without being a local player.” For the EU to promote global democratic values, it must commit to assist EU-aspiring countries with political and technical assistance in fulfilling the criteria, offer more financial means, and include the Western Balkans its strategic planning.

The Western Balkan countries need to join forces for EU integration. Internal reforms determine the pace of individual EU integration, but regional cooperation on economic development and on resolving bilateral disputes improves the region's collective prospects. Some suggested to focus on energy, environment, transportation and infrastructure. Overcoming bilateral disputes for a “regional, collective good,” is also a democratic value. The region should follow France's and Germany's example of addressing post-war disputes and grievances and subsequently establishing the most successful regional organization in the world.

Regional and international support is needed to resolve bilateral disputes. Kosovo and Serbia should put an end to their intermittent tensions and focus on reaching a normalization agreement. The Kosovo-Serbia dispute resonates instability to the entire region. This is why the other Western Balkan countries should help and encourage a solution between Belgrade and Pristina. “The region could help shape a compromise between Kosovo and Serbia.” The US's enhanced involvement in the dialogue is even more crucial. A fully aligned and effective US-EU coordination should translate into positive pressure for both parties by introducing sticks and carrots to the stakeholders.

The Western Balkans needs to show stronger commitment, not just opportunistic behaviour. With the Russian aggression on Ukraine endangering global security, giving the candidate status to Ukraine created the perception that threats to EU's stability are the best accelerators of enlargement. Furthermore, Bosnia and Herzegovina's fragile political situation has invigorated the impression among Bosnian politicians that “patient waiting,” not “progressive reforms,” is the best strategy to move towards the EU. But institutional inability to implement

reforms and foster regional cooperation cannot be substituted with a “momentum by external factors” in the long term. Nevertheless, many said candidate status should be given to Bosnia and Herzegovina by December 2022 “All countries need to do their homework.” The Western Balkans need to take more ownership on internal democratic reforms.

The EU and the Western Balkans should consider the ‘accession in stages’ strategy that makes available accession funds in the pre-accession process. Lessons from Bulgaria and Romania accession remind us that rushing countries to join the EU before completing key reforms in the rule of law leads to post-accession gridlock in EU’s decision making. Poland’s and Hungary’s retreat from rule of law has given the EU another argument to be more cautious with further enlargement. The ‘staged accession’ would help candidate countries to fully and irreversibly implement democratic reforms through offering them the EU funding and expertise made available only to members according to the existing enlargement policy. The EU and the Western Balkans should consider adjusting the enlargement strategy to their circumstances. A ‘staged accession’ would allow the countries which progressively reform in alignment with the EU’s *acquis* to receive increment financial assistance. “More reforms, more funding.”

Establish institutional reform cooperation between Bosnia and Herzegovina and some federal states. Some participants suggested establish a working group between political representatives of Bosnia and Herzegovina and a number of EU or non-EU federal states, such as Germany, Belgium, and Switzerland, to define and better coordinate tasks and responsibilities of Bosnia and Herzegovina’s levels of governance in reforming their system and making the country’s institutions more functional and effective.

Aspirants need to do their homework

The Western Balkan countries’ slow progress in reforming the rule of law and judicial system is holding them back from joining the EU. And with EU offering no clear European prospects, the countries lack the interest for reform. It’s a kind of a Catch-22: no reform without clear prospects, and no clear prospects without reforms. Some said that building a gradual optimism that the Western Balkan countries will join the EU sooner rather than later could revive the governments’ trust in EU institutions. Albania’s judiciary reform has made it the region’s EU frontrunner and North Macedonia’s ‘identity’ compromise started to pay off, but other countries lack institutional capacities, and some even political willingness, to commit to a “vague and distant EU integration project.” An eventual introduction of a staged accession, however, would enable the countries to enjoy certain benefits before they join the EU. Many reported that a staged accession is gaining popularity in decision-making circles

The Western Balkan countries face numerous difficulties along the road to EU membership. For instance, Serbia and Bosnia and Herzegovina found it difficult to implement sanctions on Russia. Then the recent car license plates related tensions between Kosovo and Serbia risk to reverse their countries’ decade-long progress on normalization of relations. In addition, with five EU non-recognizers, Kosovo is not an attractive candidate for the EU. Albania marked noticeable progress in the judicial system, but corruption remains prevalent. And with limited economic development and political disputes in the region, there is a fear of further migration. Some participants said that especially the middle class will soon “get tired and seek better opportunities in the West.”

Time for the EU to deliver

The EU's reluctance for further expansion stems from three main factors: 1) EU's previous over-estimation of its 'absorption capability'; 2) an outdated EU foreign policy; and 3) unpreparedness of candidate and other aspiring countries. A participant argued that the EU has not yet recovered from its great expansion of 2004. Bulgaria's and Romania's 2007 accession "before fully implementing reforms "is a lesson learned for the EU." Some added that the EU member states' veto power is becoming a tool to block EU's decision-making, opening opportunities for some member states to block the process for "petty reasons." Another speaker said "the EU prioritized stability over democracy and now we have neither."

Many member states remain skeptical about the Western Balkan countries' capacity and willingness to fully implement EU-related reforms, though there is certain progress in combating corruption and organized crime in some countries. Some said EU's lack of a clear enlargement agenda has led to a "false accession process for the Western Balkans." "The EU's lack of vision "led to the invention of many artificial and overlapping accession strategies and processes" which are slowing the region's integration process down. A democratic and economically developed region is also in EU's interest. There was a consensus that a coordinated US-EU policy is crucial to strengthening the region's stability. "Without EU's and US's direct involvement in the region, Euro-Atlantic prospects for the Western Balkans will remain slim."

The leaders of the Western Balkans should take ownership on internal reforms that promote democratic values such transparency and accountable government and so improve their credibility as reliable partners. Member states, on the other hand, need to acknowledge that aspiring countries are not the only beneficiaries of EU membership, as enlargement policy remains EU's most successful tool in preserving political security and achieving economic prosperity. But, as Robert Schuman, one of the EU's architects said, "Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a *de facto* solidarity." The Western Balkan countries should acknowledge that accession doesn't come all at once and without the necessary democratic reforms. And the EU should show more solidarity with the aspiring states.

Conclusion

Accession process is not likely to accelerate. Conditionality works only when the parties are willing to fulfil the requirements. What could be a game changer is a staged approach that would make available to candidate countries accession funds during the pre-accession process. Reforms are politically costly and these funds would help the citizens better understand that life will get better in EU. The existing approach offers very little funding during the process but offers substantial amounts when one becomes a full member. The accession process would be built in stages and offer "more money for more reforms." The staged accession is a pragmatic approach. It would reduce the economic gap between the region and EU and reduce the region's temptation to borrow from China.

Bilateral issues remain a major problem. There will be no membership for Serbia and Kosovo until they resolve their disputes. Same goes for the internal disputes in Bosnia and Herzegovina. When Serbia began accession talks in 2014, its leadership said Serbia will be ready by 2018. Serbia had the capacity to fulfil the criteria but then the process derailed. Some speakers suggested that under the new circumstances, the region should get into the EU as a whole, not one by one, so that, among others, EU member states will not have to have six referendums, one for each of the tiny Western Balkan countries. This approach could help also resolve bilateral disputes and avoid future vetoing of each other by, for example, accepting Kosovo and Serbia together. History and identity are being misused. Many expect Croatia will use similar excuses to block Serbia, thus compromising the process. EU had a reputation of being a principled player but this is no longer the case. It is a mutual interest to consolidate the region, not just pretending to do so. “We have a fake process.” Montenegro in its 123 months of negotiations has closed only 3 chapters. Croatia closed all chapters in 63 months.

It is not clear whether the Western Balkan leaders want enlargement. They know that means their power will diminish, and many of them may even lose power. The EU membership threatens the leaders’ power. The EU membership would be good for their countries, but not good for their personal interests. That is why the EU should help the countries more, bring them closer to EU, and simultaneously weaken the leaderships by removing their arguments that EU does not want them. The EU is using conditionality as leverage but it is not working. But the EU does not seem very interested in accelerating the process either. When the EU has a problem, it changes the process, not to solve the problem but to give the impression that it is doing something to address the problem. That is why we have so many processes and very few solutions. To make the enlargement working, the EU needs to employ positive pressure, money and resources. Stronger efforts are needed for the countries which do not want membership. “In the old days, everyone wanted enlargement.” Countries wanted to do reforms. They were not pushed by anyone, they did them voluntarily. And those negotiation processes were short because these countries had the political will. The Western Balkan countries have to find a way to build such political will.

Participants

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