Regional Cooperation in the Western Balkans: Options for the Interplay of Neighborly Relations and EU Accession up to 2025

Edited by Sarah Wohlfeld

TRAIN Strategic Foresight Project This publication is based on the results of the 2018 DGAP project “Think Tanks providing Research and Advice through Interaction and Networking” (TRAIN). The project’s overall aim is to foster civil society and regional cooperation in the Western Balkans, and to enhance the dialogue between thinks tanks and political actors. In 2018, 14 researchers from all West Balkan states and the EU collaborated in a strategic foresight process on the future of “Regional Cooperation in the Western Balkans”. The purpose was to shed light on blind spots, critically reflect on current expectations, anticipate surprises, and help the EU proactively prepare for an uncertain future.

The researchers jointly developed three scenarios as well as three strategic options for the EU. Rather than offering predictions, the scenarios illustrate the spectrum of possible future developments. The options are not designed as concrete policy recommendations but are aimed at stimulating a more strategic debate on EU policies toward the Western Balkans. Complementing the strategic foresight results of TRAIN, two further contributions highlight opportunities for fostering civil society dialogue in the region, as well as lessons learnt from the EU integration of Croatia.
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Much at Stake: Good-Neighborly Relations and Bilateral Disputes in the Western Balkans

Sarah Wohlfeld

Given the importance of good-neighborly relations for the successful EU integration of the Western Balkan states, “Regional Cooperation in the Western Balkans in 2025” was chosen as the strategic foresight topic. In February 2018, the European Commission released its new strategy for the Western Balkans, entitled “A Credible Enlargement Perspective for and Enhanced EU Engagement with the Western Balkans”. There, the Commission identified good-neighborly relations – along with reconciliation and regional cooperation – as key prerequisites for the EU accession of Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro, and Serbia, emphasizing that the Union was unwilling to import bilateral disputes and the regional instability that accompanies them. The EU has learned from painful experience: The conflict over the legal status of Northern Cyprus has demonstrated just how much bilateral disputes between individual member states can limit the EU’s ability to act. Cyprus’ ongoing conflict with Turkey has not only blocked EU accession talks with Ankara; unresolved bilateral issues also hamper Cyprus’ trade relationships with the rest of the EU, as Cypriot ships are not allowed to use ports in the Turkish north of the island.

The EU’s experiences with Slovenia and Croatia have also prompted it to insist on good-neighborly relations among candidate countries as a precondition for progress in the integration process. After Slovenia joined the Union, the country vetoed to delay Croatia’s accession due to an ongoing dispute over the maritime border between the two states. Unresolved, this dispute carried over into the EU, where it has persisted to this day. Meanwhile, despite making promises to the contrary, Croatia has been using its power within the Union to advance its own interests against Serbia, and repeatedly blocked the opening of negotiating chapters with Belgrade.

To avoid importing bilateral conflicts in the future and thereby compromising its internal stability and capacity to act – especially in enlargement policy –, the EU has taken the logical step of emphasizing regional cooperation and good-neighborly relations in its new strategy for the Western Balkans. However, specific proposals in this area are notably absent. Due to the complex situation in the region, developing concrete options for action has been proving difficult for the EU.

This is the area which the strategic foresight project is attempting to address: The scenarios developed by the TRAIN researchers help to anticipate possible developments in regional relations in the Western Balkans, and encourage strategic thinking about future challenges. These potential challenges are manifold, ranging from border disputes and unresolved statehood to domestic ethnic conflicts and demands for minority rights, as well as the unhealed wounds of the regions’ relatively recent military conflicts.

Border Conflicts and Unclear Statehood

Bilateral conflicts in the Western Balkans range from disagreements over the exact course of borders to the fundamental questioning of state sovereignty. In the case of Macedonia and Greece, for example, the former’s name was a long-term obstacle in the two countries’ bilateral relations. Greece has been blocking the opening of EU accession negotiations with Macedonia since 2009, suspecting that the Republic of Macedonia was laying territorial claims to the Greek province of Macedonia. It was only in June 2018 that the two countries reached a compromise: Greek Prime Minister Alexis Tsipras and Macedonian Prime Minister Zoran Zaev agreed on the name “Republic of North Macedonia”. The Macedonian parliament approved a constitutional amendment implementing the agreement in mid-October, even though a non-binding referendum had failed beforehand: While 90 percent of the voters had supported the new name, the referendum failed to reach the required quorum of 50 percent of the eligible voters.

Regardless of the outcome, a great deal of resistance to the new name remains in both countries, and further votes are still pending: In Macedonia, the constitutional changes still have to be approved by popular representatives, and the parliament in Athens also has to agree to the name change. If the agreement fails, Macedonia’s path to EU membership would likely remain blocked for the foreseeable future, which would lead to further backsliding in the democratic transformation process.

Meanwhile, a conflict over Kosovo’s state sovereignty has been simmering since the late 1990s. Serbia does not acknowledge the independence of its former province, which was unilaterally declared in 2008, and the two countries remain at odds despite an EU-mediated dialogue aimed at normalizing relations. Serbian President Aleksandar Vučić and his Kosovar counterpart Hashim
Thaçi recently caused a stir with a proposal for a territorial exchange. This idea is controversial among both populations and also unpopular with the German government, which is wary of any new source of tensions in the Western Balkans.

There are also a number of border disputes in the region. Kosovo ratified an agreement in March 2018 to demarcate its border with Montenegro, a prerequisite for Kosovar citizens to travel visa-free in the EU, but the agreement triggered violent riots in Kosovo’s parliament. Moreover, while relations between Albania and Greece have improved steadily in recent years, unresolved bilateral issues such as the two countries’ maritime border continue to affect cooperation. Bosnia and Herzegovina, too, has an ongoing dispute with neighboring Croatia over access to international waters.

The variety and complexity of bilateral conflicts foreshadow how difficult it will be to craft solutions. Irrespective of some national politicians’ rhetoric, the EU’s experiences with Slovenia and Croatia have proven that controversial border issues do not naturally disappear with membership in the Union.

**Domestic Conflicts and Minority Rights**

In addition to bilateral conflicts, domestic struggles complicate relations in the region, particularly where ethnic representation and minority rights are concerned. In Bosnia and Herzegovina, cooperation between the three constituent peoples – Croats, Bosniaks, and Serbs – has remained tense since the war ended and the Dayton Accords came into force in 1995. Furthermore, the government of the Serb constituent republic in Bosnia and Herzegovina – Republika Srpska – regularly threatens to secede. Even if does not gain Belgrade’s support, this demand contributes to the destabilization of the region.

In Macedonia, violent conflicts between the Macedonian majority and the Albanian minority, constituting roughly a quarter of the population, surface time and again. International mediation in 2001 largely diffused conflicts between the two ethnic groups, and ethnic Albanians are now part of the governing coalition. Nevertheless, the Macedonian-Slavic opposition regularly stirs up anti-Albanian resentments to mobilize its supporters, accusing the government in Tirana of laying the groundwork for a Greater Albania. The fact that the minority rights set out in the 2001 Ohrid Framework Agreement have not been fully implemented further compounds this problem.

Similar problems exist across all Western Balkan countries, where most societies are ethnically mixed: Minority rights are generally enshrined in the countries’ constitutions, but their actual implementation is often deficient. The new EU strategy for the Western Balkans calls for “decisive efforts” to protect these minorities, in particular, the Roma who face ongoing discrimination. However, the protection of minorities is an explosive issue, given the fragile bilateral relations within the entire region: In the Western Balkans, the minority in one state is often the majority in a neighboring one.

**Reconciliation Is Lacking**

One of the main causes of interstate and national conflicts in the Western Balkans has been the failure to process the violent collapse of Yugoslavia in the 1990s. There is no common interpretation of the past which would enable an open and consensus-based dialogue, reduce tensions between ethnic groups, and lead to a rapprochement of the respective national populations.

The issue of reconciliation is also absent, both in the media and in educational institutions. War crimes are denied, and war criminals glorified as heroes; every nation sees itself as a victim, and no state is willing to accept responsibility. Almost every political leader considers nationalist rhetoric a surefire way to win votes. There is a very real danger that younger generations, in particular, will not only fail to break away from the old conflict lines, but deepen and cement them due to their countries’ selective interpretations of the region’s history. This would make it virtually impossible to overcome the past.

**New Ideas and Instruments Are Needed**

Much in the same way as the EU stresses the importance of good-neighborly relations for the integration of the Western Balkans, so too does the Berlin Process – a series of high-level conferences launched in 2014 where interested EU member states and regional heads of state and government participate in shaping the EU’s expansion agenda. The process is particularly important because it provides Western Balkans with an incentive and forum for cooperation.

Nevertheless, achievements to date have been rather symbolic, and largely confined to the signing of letters of intent and the adoption of new cross-border infrastructure measures. The establishment of the Regional Youth Cooperation Office (RYCO), which aims to promote intercultural exchange between young people in the region, is a positive step. However, human and financial resources are still insufficient, and importantly, the RYCO alone will
hardly suffice to initiate a turnaround in the region in the short or medium term.

Recognizing that it has a role to play in the region’s stability, the European Commission has announced a new flagship initiative in its recent strategy for the Western Balkans. So far, however, there have been few ideas how the EU can effectively and successfully contribute to reconciliation, rapprochement within and between societies, and the ultimate resolution of bilateral conflicts. As good-neighborly relations also determine the region’s future in the EU, this shortcoming weighs heavily. The present publication hopes to make a contribution in this respect by offering suggestions for an effective enlargement policy.

Before presenting the results of the strategic foresight project, Cornelius Adebahr and Natasha Wunsch evaluate the EU’s reawakened engagement with the Western Balkans. They conclude that the current approach is half-hearted, and will fail to bring decisive progress for regional cooperation. They make a case for greater citizen involvement in the enlargement policy – both in the Western Balkans and in the EU.

Therésia Töglhofer analyzes the EU’s experiences with Croatia as both a candidate country and a member state. She describes three lessons learned for the Western Balkans and the EU, arguing that mere declarations of intent by aspiring EU members not to block future accessions based on bilateral conflicts are not sufficient. She recommends an increased use of accession conditionality to accelerate the resolution of bilateral disputes in the region.

The scenarios and strategic options for the EU that arose from the TRAIN project form the core of this publication. They show what dynamics are possible – and how much is at stake.

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Notes
2 For a detailed analysis, see Therésia Töglhofer’s contribution to this publication.
Beyond Rhetoric: EU Re-Engagement with the Western Balkans Must Include Citizens

Cornelius Adebahr and Natasha Wunsch

With the Commission President’s State of the Union speech in September 2017, the European Commission launched a tentative process to renew its commitment to EU enlargement – the relevance of which will be discussed in the scenarios further below – for the six countries of the Western Balkans. However, we argue that the EU’s announced reengagement in 2018 falls short of providing a credible upgrade to the EU’s relations with the region. On the one hand, the Commission’s pledge remains half-hearted in light of the considerable obstacles that persist on the current candidate countries’ path toward EU accession, not least with regard to regional cooperation. On the other hand, the Commission’s reengagement has not meet a corresponding level of commitment on the part of the member states. Both the Commission and the member states will need to show more initiative, since a stronger involvement of citizens is key for any successful reengagement of the EU in the Western Balkans.

EU Awakens from “Enlargement Fatigue” – at Last

The current European Commission began its mandate with a particular blow to the Western Balkans region and the enlargement process in general. Upon assuming office in July 2014, Commission President Jean-Claude Juncker prominently declared that no further enlargement would take place under his mandate. While the pros and cons of this (factually accurate) statement have long been debated, it has inadvertently provoked a slowdown in reform efforts and the disillusionment of local populations. However, developments along the way have also made clear that the EU still faces many sources of instability, and hence does not have the luxury to simply indulge in “enlargement fatigue”. These include the emergence of the Western Balkans as a major transit route for irregular migrants in 2015 and the subsequent sharp increase of asylum seekers from the region itself; the persistence of numerous bilateral disputes threatening regional stability, most prominently among them, the name dispute between Greece and Macedonia and the struggle over statehood between Serbia and Kosovo; as well as creeping authoritarianism and a backsliding of democracy in the Western Balkans.

It is, therefore, high time for the EU to recognize the need for a more muscular involvement. Building on President Juncker’s 2017 address, the European Commission sought to offer “a credible enlargement perspective for and enhanced EU engagement with the Western Balkans” through its new strategy adopted in February 2018. The approach aims to combine a renewed commitment to EU membership for the region with an emphasis on remaining reforms. Crucially, by mentioning the year 2025, it offered a concrete, if conditional, time horizon at least to Serbia and Montenegro as the current frontrunners in the negotiation process. This is something that EU institutions and member states alike had tried to avoid ever since Bulgaria and Romania joined in 2007 in what was eventually perceived as a premature decision undertaken only because they had been promised ‘a date’. The strategy cushions this accession prospect, however, by declaring it to be “extremely ambitious”, and making it clear that EU entry will always be based on the objective merits of each individual country.

Among the many remaining challenges for the Western Balkans including the weak rule of law or uncompetitive economies, two stand out in particular: the persistence of bilateral disputes, and the weak regional cooperation among candidate countries. The strategy emphasizes that national and local leaders must take full ownership of regional cooperation and work toward reconciliation with their neighbors. It suggests that if border disputes cannot be resolved bilaterally, they should be submitted to “binding, final international arbitration”.

This statement demonstrates that the EU considers unresolved bilateral issues an insurmountable obstacle to accession. While preferring to delegate arbitration of such disputes to international courts rather than serving as a judge itself, the Commission will closely follow such negotiations. In the case of Slovenia and Croatia, earlier efforts at direct EU mediation had borne little fruit, and the dispute was eventually taken to the Permanent Court of Arbitration. Even so, the conflict has partially remained unresolved as Croatia has been refusing to accept the ruling in Slovenia’s favor (for a detailed analysis of Croatia’s outstanding bilateral disputes, please refer to Theresia Töglhofer’s contribution in this volume). Moreover, EU involvement becomes particularly sensitive once a dispute involves a member state, which can abuse its asymmetrical power to oppose the other party’s progress in the accession talks, as seen in the case of the name dispute between Greece and Macedonia.
Regional Cooperation as a Prerequisite for Accession

By calling for all outstanding disputes to be settled prior to EU accession, the Commission places the burden on the opposing parties to find a permanent solution or seek international arbitration. This comes with a renewed emphasis on ownership of the overall reform process: EU membership must be pursued without ambiguity, and citizens are expected to hold their leaders accountable regarding their willingness and ability to deliver on their shared European ambitions. In this sense, the Commission ultimately puts the ball back in the candidate countries’ court.

These caveats notwithstanding, the EU promises increased support for the Western Balkans, embodied by six flagship initiatives outlined in an annexed “Action Plan in Support of the Transformation of the Western Balkans”. These include: increased support for the rule of law, reinforced engagement on security and migration, support for socio-economic development, the increase of transport and energy connectivity, the launch of a digital agenda for the Western Balkans, and the support for reconciliation and good-neighborly relations. The last point on the resolution of bilateral disputes also links to one of the core objectives of the Berlin Process presented in the introduction. Often suspected to be a parallel track intended to replace, rather than support, the Western Balkans’ membership perspective, the Commission’s strategy thus brings the Berlin Process back into the broader EU fold.

Despite its comprehensive reach and detailed list of instruments to be employed, the strategy falls behind the expectations raised in the run-up to its publication, mainly on two accounts. First, it fails to provide a meaningful and realistic path to enlargement given the current shortcomings of the region; and second, it visibly lacks serious support from member states to follow up on its adoption. The strategy merely laments a lack of progress on the rule of law, fundamental rights and good governance. In fact, however, the rule of law is not merely stagnating. We actually observe a rollback of political and civil rights, including open attacks on independent media and the work of NGOs as well as the strategic manipulation of elections.

However, to rely on “stabilitocracy” guaranteed by local leaders is to overlook the necessary conditions for sustainable and peaceful relations: democratic governance on the inside and good-neighborly relations on the outside. Instead, the strategy’s overly intergovernmental approach neglects civil society actors and other reform-minded domestic actors in enlargement countries that could supplement the EU’s efforts to foster positive change from within. While it highlights that EU accession is a “generational choice”, it also emphasizes that communication with citizens is “primarily the responsibility of governments”. Even the suggested flagship initiatives represent an upgrade only in the degree, but not in the nature of the EU’s engagement, largely outlining measures that target candidate country governments or aim for technical cooperation with executive bodies. In doing so, the strategy misses the opportunity to build a bridge between EU institutions and those who will one day become EU citizens.

Half-Baked Implementation

Even more worrying than the missing elements within the strategy, however, are the mixed signals that followed its publication. The European Commission did recognize the importance of reengaging with the Western Balkans and bolstering the EU’s commitment to their eventual integration. The European Commission has recognized the importance of reengaging with the Western Balkans and bolstering the EU’s commitment to their eventual integration – starting with a focus on the rule of law but extending to creating economic opportunities and strong pluralist social fabrics in its various member states. However, disunity among EU member states over the accession of Western Balkan states risks undermining the credibility of the Commission’s message and the strategy’s transformative potential in the region. In the worst case, the lack of enthusiasm among some member states might prove the first scenario described in this volume – that of an ever-fragmented region durably detached from the EU.

The May 2018 EU-Western Balkans summit in Sofia already fell short of being the grand symbolic event as which it had been envisaged. Not only did member states fail to show unity behind a renewed engagement in the Western Balkans as Spanish Prime Minister Rajoy was absent at the formal part of the summit to demonstrate his country’s opposition to Kosovo statehood. It was also France’s skepticism towards enlargement along with President Emmanuel Macron reiterating his country’s traditional emphasis on “deepening before widening” which poured cold water on the Western Balkans’ hopes for rapid enlargement. In the end, the final declaration merely contained a deliberately vague statement reaffirming the EU’s “unequivocal support for the European perspective of the Western Balkans.”

Events took a turn for the worse following the London summit of the Berlin Process in July 2018. Observers and participants were quick to notice the irony of holding a summit dedicated to future EU enlargement in a coun-
try that had chosen to leave the EU. The icing on the cake was when then-UK Foreign Minister Boris Johnson resigned during the summit itself over his disagreement with Prime Minister Theresa May’s Brexit plans. This episode made blatantly obvious that Britain, so far an ally of the Western Balkans countries in their quest for EU membership, was entirely consumed by its own efforts to leave the bloc. Neither the region nor the (few) other member states in favor of enlargement could count on London’s support any longer.

The fact that actual EU accession – not just enlargement rhetoric – is no longer shared unanimously among all member states amounts to a half-baked commitment on the part of the EU. Many national leaders in EU countries now fear not only importing instability from the region by accepting its accession prematurely, but also provoking a backlash from their voters who have become largely enlargement-skeptical. In this vein, the opening of membership negotiations with Albania and Macedonia was further postponed to 2019 at the insistence of France and the Netherlands. The two countries had justified their blockage on the grounds of domestic considerations as well as a (perceived) lack of reforms in areas such as criminal prosecution and the fight against corruption.

Even the German government, long seen as an engine to bring the Western Balkans toward their European – or rather, EU – destination, has become more careful not to upset the electorate. The June 2018 decision to set out the path toward opening accession negotiations for Albania and Macedonia was contested within the grand coalition and its parliamentary groups in particular, with arguments mirroring the broader debate between member states. For understandable reasons that have little to do with the situation in the countries of the region, most sitting governments do not wish to give populists fodder for the upcoming European elections in May 2019.

The Way Forward: Citizen Engagement

The abovementioned importance of citizens’ views, however, also points to the way forward. There is an obvious mismatch between Commission’s clear stance and the more hesitant way in which member states have embraced the idea of renewed involvement in the region. In order to bridge this gap, an increased outreach to civil society and the broader public, in both member states and candidate countries, is vital. This is particularly true when it comes to regional cooperation and reconciliation, which rely crucially upon involving the very people that live in neighboring countries – whether in neighboring countries such as Bulgaria, Croatia, and Slovenia or inside the Western Balkans. Even beyond countries that are directly involved in bilateral disputes, improving the communication with citizens about the benefits of enlargement and integration would go a long way in forging the conditions required for a credible EU reengagement with the current Balkan candidates. For a realistic chance for the second scenario described in this volume to come true, engaging citizens will be key to bringing sustainable progress on bilateral disputes and democratic transformation.

Therefore, the EU needs to build on its new strategy in two ways, which involve both the future and the current citizens. First, the Union must anchor the strategy in the region and engage not only governments, but future EU citizens from an early stage to define their countries’ political direction. For example, this could be actively reaching out to Western Balkans’ citizens to provide their views on current White Papers published by the EU. Systematically including local civil society organizations in the political agenda-setting – rather than merely in the monitoring of existing polices – could also prove conducive to this end. Second, the EU should engage in extended communication with current EU citizens on the Union’s own interest in building the conditions for deep and sustainable political and economic transformation in the region. Here, increasing people-to-people exchanges to reduce (mutual) prejudices is conceivable, as is a dedicated communication strategy on the advantages of enlargement among EU citizens (e.g. one entitled “the cost of non-accession”, similar to the European Parliament’s “the cost of non-Europe” series).

The apparent choice between internal consolidation and external engagement appears simple, but is ultimately false. The EU still needs and can do both at the same time. Bringing in the citizens is key, particularly, with regard to regional cooperation and reconciliation, but also to generate support for EU policies in existing member states. The way forward to bridging this gap will be to move away from a government-only approach to one involving societies more broadly.

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Notes

11 European Commission, “A credible enlargement perspective” (see note 8).
14 European Commission, “A credible enlargement perspective” (see note 8).
16 See also Sarah Wohlfeld, „Ein Funken Hoffnung: Der Westliche Balkan ist zurück auf der EU-Agenda,” Internationale Politik 4, July-August 2018, pp. 91-95.
18 European Commission, “A credible enlargement perspective” (see note 8).
Croatia’s EU Accession:
Lessons Learned for the Western Balkans – and the EU

Theresia Töglhofer

The scenarios presented in this volume show that open bilateral disputes can make it more difficult for the Western Balkan states to move closer to the EU. They can, furthermore, exercise a destabilizing effect on the region as a whole. Beyond that, these disputes also affect the EU’s capacities and stability: First, because disputes between accession candidates and member states can hamper the accession process, and this reduces the effectiveness of the EU’s incentives and conditions. Second, by integrating new member states with unresolved bilateral conflicts, the EU risks taking on these conflicts itself (for more on this topic, see Sarah Wohlfeld’s contribution in this volume).

On both fronts, Croatia, the first of the “Western Balkan” states to be accepted as a member of the EU, presents a particularly interesting and informative case study. Its accession negotiations were hindered by a conflict over its maritime border with Slovenia, and as a member state, it has used its accession veto to lend additional weight to its demands regarding minority rights and the prosecution of war crimes related to Serbia. Its border conflict with Slovenia has not been laid to rest; in fact, it is now undergoing a renaissance as a dispute between two member states.

The EU’s experience with Croatia leads to a number of conclusions regarding both the dynamics of bilateral disputes and the EU’s “regatta approach”, according to which the Western Balkans are expected to join the Union individually rather than as a group. It also demonstrates the shortcomings of the EU’s toolbox for dealing with bilateral conflicts. Lessons learned are arising from the Croatian case not only for the countries of the region, but also for EU as a whole – however, these insights have been only partially integrated into the EU’s enlargement strategy.

Lesson One:
Going Beyond Declarations of Intent

Along with specific initiatives for regional cooperation, the annual Western Balkans Summits in the framework of the Berlin Process have been dedicated to improving the relationships among the states of the region and to resolving bilateral conflicts. At the Vienna Summit in July 2015, the six accession candidates signed a declaration on regional cooperation and the solution of bilateral disputes. Therein, they also declared that they would not block other states’ accession to the EU, or encourage other governments to such measures. The downside of this otherwise good development was that the neighboring member states of Slovenia and Croatia refused to sign onto the declaration. At the most recent Western Balkans Summit held in London in July 2018, the accession candidates decided to meet every six months to take stock of the progress they had made. They also addressed several sensitive topics concerning the region’s difficult past, releasing two declarations concerning war crimes and the search for missing persons.

As welcome as these declarations of intent are, the example of Croatia suggests that their practical effect tends to be short-lived. In October 2011, the Croatian Parliament pledged in a declaration that as an EU member, Croatia would support EU rapprochement with neighboring states, and that open bilateral issues would not encumber EU accession at any point in the process. Nonetheless, Croatia delayed the opening of Negotiating Chapters 23 (Judiciary and Fundamental Rights) and 24 (Justice, Freedom and Security) with Serbia by four months in the spring of 2016. Croatia’s criticism of Serbia related to the prosecution of war crimes and the rights of the Croatian minority in Serbia, which constitutes less than one percent of the population. Zagreb also used the issue of minority rights as a justification to block Chapter 26 (Education and Culture), and it was only in February 2017 that it could finally be opened and provisionally closed.

The example of Croatia demonstrates how political changes within a country can quickly undermine previous foreign policy declarations of intent. In more ways than one, the country’s relationship with Belgrade is more tense today than during the run-up to its EU accession. The tone it has taken on Serbia – and the Serb minority within its own borders – has become rougher. Most recently, this became manifest in a referendum campaign by the right-wing conservative “The People Decide” movement in the spring of 2018: The referendum envisaged a reform of electoral law and the curtailing of minority participation in the country’s parliament; it was supported by President Kolinda Grabar-Kitarović, but not by Prime Minister Andrej Plenković. Ultimately, the referendum could not be held as it failed to meet the required threshold of 10 percent of the eligible voters. However, the mere fact that roughly 370,000 signatories supported the proposed reform merits attention.

The Croatian case also shows that a fundamentally positive attitude to EU integration of the Western Bal-
kans does not necessarily mean that governments will refrain from using the leverage of accession negotiations to enforce bilateral interests. Besides Croatian-Serbian relations, the dispute over the Slovenian-Croatian maritime border in the Gulf of Piran is another case in point. Slovenia stalled EU accession negotiations with Croatia in December 2008, and only relented when both sides agreed to arbitration in November 2009. Declarations of intent alone cannot solve bilateral disputes. Instead, the EU needs specific measures and mechanisms to settle these disputes before accession, and prevent future blockades of the accession process.

Lesson Two: Resolving Bilateral Disputes Before Accession

The new EU strategy for the Western Balkans of February 2018 states that the EU will not import bilateral disputes and the concomitant political instabilities. Binding solutions must therefore be negotiated and implemented before a country joins the Union. This approach reflects an innovation that was introduced only after Croatia’s accession, and in part as a consequence.

In preparing for Croatia’s accession, the EU Commission limited its conflict resolution efforts to a minimum, restricting its engagement to acute problems – transit issues around the Neum Corridor, for example, and local border traffic. In the dispute over the maritime border of Piran, however, Ljubljana and Zagreb did not agree on the border itself, but on arbitration as a mode of conflict resolution – only for Croatia to leave the arbitration proceedings after concluding its accession process, and refusing to recognize the June 2017 judgment in favor of Slovenia. Slovenia subsequently filed suit against Croatia at the European Court of Justice in July 2018.

The EU did not address Croatia’s border disputes with its neighbors Bosnia-Herzegovina, Montenegro, and Serbia during the accession process. Thus, Croatia’s borders have not yet been fully demarcated with any of the adjoining former Yugoslav republics. An agreement with Serbia is also found wanting on the unresolved issues of the 1990s war, especially the search for missing persons, the prosecution of war crimes, the clarification of property issues, and the rights and protections to be afforded to Croat and Serb minorities in the two countries. All of these issues remain highly sensitive, and have already delayed Serbian accession negotiations by several months. They harbor the potential to escalate further.

In the case of other candidate countries, the EU has capitalized on the conditionality of accession to promote the resolution of bilateral disputes. Since 2011, the EU has placed the normalization of bilateral relations at the heart of the accession conditions for Kosovo and Serbia. Under the mediation of the EU High Representative for Foreign Affairs and Security Policy, Federica Mogherini, Belgrade and Pristina have been negotiating – with varying degrees of success – a legally binding agreement to govern their relationship. The EU also stipulated the adoption of a border demarcation agreement with Montenegro as the primary condition for a visa-free access of the citizens of Kosovo to the Schengen area. Although Montenegro and Kosovo already signed a border agreement at the 2015 Vienna Western Balkans Summit, the issue became politicized in Kosovo. It triggered the collapse of the government and new elections in May 2017, and the Kosovar parliament finally ratified the agreement only in March 2018.

These experiences illustrate that EU pressure and mediation play a significant role in resolving bilateral issues. In particular, the Berlin Process could serve as the appropriate format to keep working on the solution of remaining disputes. This requires, however, that the topic is kept on the agenda, regardless of the different interests of the member states involved. In addition, it must be ensured that regular summits are accompanied by an actual resolution process. It remains to be seen what results will emerge from the regular, semi-annual stock-taking of the progress toward conflict resolution and improved neighborly relations which was agreed upon at the most recent London summit.

Lesson Three: Avoiding Future Bilateral Blockades to the Accession Process

Resolving bilateral conflicts in the context of – and under pressure from – the accession process is an important prerequisite for a smooth and successful EU membership. Nevertheless, doing so cannot guarantee that there will be no further conflicts after a country has joined the EU. New controversies may arise concerning agreements that have already been negotiated, as is the case in the dispute over the maritime border in the Gulf of Piran (see Lesson Two), and new bilateral problems may emerge. Erstwhile “sideshows” can also gain significance, as in the dispute between Croatia and Bosnia-Herzegovina over the Pelješac Bridge, which was meant to connect the two parts of the Dalmatian coast currently separated by Bosnia’s sea access at Neum: After construction began in July 2018, Bosnian politicians protested that the bridge would stop large ships from entering the port of Neum and thereby impede Bosnian access to international waters. That said, there is no unified opposition in Bosnia-Herzegovina.
against this project, as the political representatives of the three constituent peoples fail to agree with each other.

The dispute between Zagreb and Podgorica over the sailing vessel “Jadran” also highlights how simmering bilateral disputes can suddenly escalate. The 85-year-old training ship was relocated from Split to Tivat, Montenegro, in 1990, shortly before the outbreak of war. Today, both successor states claim the ship as their property. Solving this question has become a priority for Croatia, and Zagreb has already threatened to blockade Montenegro’s accession negotiations. The Croatian singer Vanna even chose to cancel a planned performance on the “stolen ship” in August 2018 after harsh criticism in Croatian media.³

The new member states of Southeastern Europe are somewhat of a double-edged sword in the Union’s enlargement: Just as they can make it easier for accession candidates to move closer to the EU, they can also make it more difficult. As long as the dispute over their maritime borders remains unresolved, it is safe to assume that Slovenia will not allow Croatia to enter the eurozone or the Schengen area. For its part, Croatia could block Serbia’s accession negotiations as retribution for a number of unresolved bilateral controversies (see Lesson Two). Furthermore, other member states could imitate this behavior in order to achieve their own ends: Serbian-Kosovar relations, in particular, remain vulnerable to new upheavals, despite the provisions of a possible future treaty governing the relationship.¹⁰

Bilateral blockades would, however, make the accession process unpredictable, and de facto override accession conditionality. This would weaken the credibility of the accession perspective as a whole, along with the EU’s influence in candidate countries. In the worst case, this could – as occurred with the Greek-Macedonian name dispute – bring the accession process to a near-standstill for an extended period of time, and have a destabilizing effect on the entire region.

Despite this, the EU currently has no political, technical, or legislative means to influence member states in their bilateral relations.¹¹ New instruments are needed which regulate how to deal with unilateral vetoes that emerge from bilateral disputes. One possibility would be an EU-internal mediation mechanism that could outsource disputes to a court of arbitration.¹² Cutting structural or pre-accession funds could also be an effective way of dealing with parties that do not abide by agreements.¹³ Alternatively, as part of extensive institutional reforms, a move away from the unanimity principle in enlargement policy decisions would make bilateral blockades more difficult.

**EU Integration without Stumbling Blocks: Lessons (to Be) Learned for the EU**

The case of Croatia makes it clear that mere declarations of intent are not sufficient. Future bilateral blockades – Croatia’s blockade of Serbia, for instance, or Serbia’s of Kosovo – could severely hamper accession conditionality as the EU’s most effective instrument for the Western Balkans. This effect, in turn, could destabilize the entire region.

The EU has recognized these problems and risks. Pursuing the resolution of bilateral disputes should be key now, and therefore made a central requirement of accession conditionality for all six candidates in the Western Balkans. The Commission and the European External Action Service (EEAS) are needed as mediators, but so, too, are the member states involved in the Berlin Process.

However, beyond bilateral disputes, good relations with neighbors in a broader sense should be crucial in assessing a country’s progress. Good-neighborly relations could be made an indispensable condition for additional financial aid (see for instance the “Consistent Financial Reward Strategy” as advanced in this volume), alongside existing requirements for rule-of-law reforms. This would not only ensure that countries deal with specific disputes under EU pressure. It would also safeguard that nationalist rhetoric and provocations, the glorification of convicted war criminals and agitations against minorities find no place in the countries’ move toward the EU.

Experience so far has shown that the pressure of accession conditionality and EU mediation are effective instruments to resolve bilateral issues among candidate countries (see Lesson Two). On the other hand, the EU has fewer tools at its disposal when a country is already one of its member states. In addition to refining accession-related instruments, the EU urgently needs new mechanisms of de-escalation which it can use with its own members (see Lesson Three). This is the only way to prevent that stumbling blocks in the accession proceedings damage not only good-neighborly relationships in the region, but also the credibility of the Union as a whole.

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Notes

1 Final Declaration by the Chair of the Vienna Western Balkans Summit, Annex 3, “Regional Cooperation and the Solution of Bilateral Disputes”, August 27, 2015.
2 Marika Djolai, “How to Shape Europe’s Reengagement with a Region in Crisis?” Conference presentation Western Balkans Back in Focus, May 15, 2018.
7 Theresa Töglhofer, “From the West of the Balkans to the “Rest of the Balkans”? Effects of Croatia’s EU Accession on South Eastern Europe”. DGAP Analyse, Nr 8, September 2013, pp. 9–11.
8 Senada Selim Šabić, Sonja Borić, Crossing Over. A Perspective on Croatian Open Border Issues. FES Zagreb, November 2016.
Scenarios for Regional Cooperation in the Western Balkans in 2025

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This report is the product of a strategic foresight process on regional cooperation in the Western Balkans in 2025. It was conducted with 14 researchers, participants of the German Council on Foreign Relation’s TRAIN project in three workshops between April and October 2018. The purpose was to shed light on blind spots, critically reflect current expectations, anticipate surprises, and help the EU to proactively prepare for an uncertain future of cooperation in the Western Balkans. The goal was to create scenarios about regional cooperation in 2025 in order to map out potential mid-term opportunities and threats for the EU, and to identify strategic options accordingly.

Anticipating surprise means to discover something new. Discovering possible futures means going beyond a summary of our current hopes (“best case scenario”) and fears (“worst case scenario”), and our current best guess (the most likely scenario, usually a mix between best and worst case). The scenarios outlined below should help the reader not only to anticipate surprise but also to gain a better grasp of the uncertainty the coming seven years will bring. Therefore, the scenarios are, by definition, not only unlikely, and don’t fit into best or worst case categories. They are also diverse, highlighting different development logics as well as various opportunities and threats.

The reader should keep in mind that the scenarios do not equal predictions. They illustrate the spectrum of possible developments with plausible pictures and histories of the future. Naturally, the scenarios are distorted and biased. Other groups using the same methodology would have explored different scenarios, the same group creating scenarios in two years from now could produce different results. Foresight is bound to a specific context, it does not aim at and cannot produce “true knowledge”. Nonetheless, the following scenarios can be a useful instrument to advance the discourse.

Scenario One: Ever-Fragmented Western Balkans
The population of the Western Balkans in 2025 is more disillusioned than ever before. The gap in socio-economic inequalities is radically growing throughout the region. Low birth rates, ongoing brain drain, and massive emigration rates fostered by declining social welfare have led to a substantial shrinking of the population since the beginning of the twenty-first century. The region is dominated by illiberal populist democracies, characterized by weak institutional checks and balances and a lack of accountability. A caste of corrupt political elites consistently blocks democratic reforms. Behind democratic facades, the notion of EU accession is out of reach and has been replaced by little more than synchronized lip service to EU integration and matters of regional cooperation.

The EU continues to promote regional cooperation in the Western Balkans, mainly through connectivity and, occasionally, through reconciliation projects. But its engagement – declarative rather than substantive – has lost much of its clout in the region. Growing divisions among the EU member states have hindered its internal transformation process, and put on ice any attempt at reviving the enlargement agenda. With the decay of the EU’s enlargement policy, a new dynamic has gained momentum in the region. Some EU member states have become increasingly assertive in pursuing their national interests unilaterally in relation to individual Western Balkan countries, while Russia, China, Turkey and other international actors continue to strengthen their political, economic, and cultural influence. Their infrastructure investments in the region fuel growing dependency relationships. Intra-regional connectivity records quick progress, but regional cooperation at the political level is limited. The main actors manage to maintain the status quo and keep bilateral disputes frozen. There is no escalation of conflicts, but no cooperation in a true sense either. Disillusioned citizens throughout the region peacefully co-exist without mutual hatred, but also without believing in genuine reconciliation.

Failed Transformation in the “Palace of Broken Western Balkans Dreams”
The transformation many had hoped for in the early 2000s has not materialized. The steady erosion of the socio-economic situation in the Western Balkans, the absence of reforms and the consolidation of illiberal regimes throughout the region have gradually become a reality to which citizens respond with emigration or resignation.

With tens of thousands of young educated people leaving the region every year since the 2000s, and two-thirds of young citizens expressing their intention to emigrate as soon as they obtain the chance, the Western Balkans face the tremendous challenge of demographic decline. With
the loss of the young – their lifeblood –, the countries of the region can hardly cope with the most pressing social, economic, and political challenges. They lack the human capacities to conduct reforms, the creative energy to boost economic development, and the spirit to build a better future. No effective policy has been launched in the region to address this crucial issue.

Unemployment remains very high as investment priorities are set to satisfy an aging population and a clientelistic elite at the expense of an economy of knowledge. The middle-class, which used to constitute the backbone of Western Balkan societies, continues to erode due to brain drain and rising poverty levels: For instance, the share of Kosovar citizens living in poverty has risen from 30 percent in 2018 to 40 percent in 2022. Socioeconomic inequalities reach new highs every year, with more and more oligarchs thriving in the region. In tune with their political associates, they expand their control of economic assets, shun good governance and unravel workers’ rights.

The political elite are passing reforms in the Western Balkans with the aim to centralize political power even more, consolidating non-participatory practices and informal processes throughout the region. Politics at the regional level has become sheer window dressing, with Serbia leading by example: In 2019, the country changed its constitution and introduced a presidential system guaranteeing “firmer leadership in times of critical challenges”. Internal political tensions continue to foster a backsliding of democracy in countries like Kosovo, Montenegro and Albania. Much like in Serbia, these countries also established strong presidential systems after judicial reforms had failed. Most leaders are tightening their grip on democratic institutions with the promise that they will advance economic developments in the region and accelerate European integration.

Elections do not enable regime change as pressure on competing voices in the media limits the power of both critical political parties and civil society organizations. Additionally, the latter face increasing challenges, given the new laws in the region to restrict their access to Western funding. Intimidation and harsh rhetoric against those criticizing the legitimacy of populist rule have gained ground in both state-controlled and oligarch-owned media. The rise of right-wing populist parties in the European Parliament and the re-election of President Donald Trump in the United States have encouraged the governments in the region.

Western Balkan leaders continue to meet regularly under the benevolent gaze of an EU keen on words of reconciliation, but their declarations are not followed by common action. Instead, all effort focuses on election campaigns, in which inflammatory rhetoric regularly resurfaces.

The EU Perishes in the Western Balkans

Internal quarrels on the future of Europe, ideological divisions and irreconcilable disagreements on core values have become daily politics at the EU level and shifted the EU’s attention away from enlargement. Following France, Germany and Italy, too, are starting to losing their appetite for promoting European integration, as they are weary of a political landscape marked by constituencies hostile to further enlargement. The European Commission, under heavy fire on a series of issues, has gradually given up bringing enlargement back on the agenda. The failure to maintain the impetus given by the Berlin Process sounds the death knell of the EU’s enlargement policy. Multi-speed Europe gains the upper hand as the key political project, leaving little room for the countries of the region other than those at the periphery of the EU’s polity. In the absence of collective support for enlargement, the EU offers regional cooperation and economic integration as substitutes for their European perspectives. This reduced offer pleases the Western Balkans’ strongmen. It frees them from overly demanding conditions concerning political transformation, and provides them with endless opportunities to blame the EU’s approach for their mismanagement and actual failures.

Hungary and Poland, once labelled as divergent member states, have rallied a group of like-minded countries with the Visegrád Four (V4) at its core, contesting the normative dimension of European integration and aiming at reverting political unification. These member states, which are increasingly challenging EU treaties, have become the last and most fervent supporters of EU enlargement. They hope that a wider Union will put a definitive end to the idea of deepening integration, and, accordingly, have have upgraded their engagement at the bilateral level with individual Western Balkan states governed by like-minded strongmen. The new quality of cooperation becomes obvious with the creation of the Visegrád Four-Western Balkans Six (V4-WB6) group, which presents a pro-enlargement yet euroskeptical front in the shaping of EU politics.

Geopolitics Triumphs in the Western Balkans

The fragmentation of the EU on core principles and the decay of the EU’s enlargement policy offers opportunities for external actors – mainly Russia, China, and Turkey – to increase their level of engagement in the region. At the multilateral level, they create cross-cutting frameworks of cooperation, such as China’s V4/B4+1 initiative, gathering
the Visegrad group and four Balkan countries (Croatia, Serbia, Macedonia and Bulgaria) plus China, or Russia’s enhanced regional security platform with Bulgaria, Serbia and Belarus. While these frameworks do not always prove very functional, they are key in exacerbating differences between their participants and other neighboring states and shaping mutually exclusive regional spaces, and thereby hinder any further EU integration. Such initiatives, inspired by the politics of exclusion, have gained momentum with the development of the neo-regionalist school of thought in the United States, the demise of the international organizations promoting inclusive politics such as the OSCE, and the consolidation of NATO as a Western bulwark against Eurasian threats.

External actors also increase their engagement at the bilateral level. Russia expands its economic and political influence as skyrocketing oil prices boost its position in the international arena. The Arab states of the Persian Gulf expand their influence on the same level, buying large areas of land across the region to strengthen their food security in times of global warming disorder, and – through the Organization of Islamic Cooperation – strengthen their ideological engagement in Albania, Kosovo and Bosnia and Herzegovina. China accelerates its millennial investments in infrastructure projects through its Belt and Road Initiative and becomes a major creditor of Serbia and Montenegro’s external debt. As for Turkey, it consistently builds up its soft power through neo-Ottomanism. It projects its interests from within the countries of the region through its network of social, political and cultural agencies, for instance, by supporting educational reforms in line with Ankara’s historiography. The Western Balkan rulers seize the material and personal opportunities that these countries offer, while continuing to declare that they “remain committed to European integration, unlike many EU member states”.

**Scenario Two:**
**Break with the Past – on the Road to the Future**

On the eve of the 2025 Copenhagen EU summit, all six Western Balkan states are strategically committed to and jointly pursuing the goal of joining the EU. The region as a whole is governed by functioning democracies. All countries in the region are trading freely with each other, and even the talks on funding the Sarajevo-Budapest Railway are approaching agreement as the need to break down barriers in the transportation of goods and people is widely acknowledged. External actors are mostly supportive: They work together with the EU to further the current economic growth of the Western Balkans. After the signing of the Belgrade-Priština Comprehensive Normalization Agreement, Russia is no longer actively blocking Kosovo’s bid for a seat in the United Nations. By fall 2024, the Serbian and Kosovar Prime Ministers had met in Belgrade. This was considered a high-risk event by authorities, and prompted increased security measures, yet fears which proved to be unnecessary. Finally, religious leaders from all religions expressed joint support for a European future of the region, giving further hope for societal reconciliation. This, however, which still has a long way to go.

**Positive Spill-Over Effects on Resolution of Bilateral Disputes**

In 2019, the outcome of the European elections boosts the process of integration of the Western Balkan states. Newly elected parliamentarians push for stronger engagement with the Western Balkans – be it with the aim to prevent the EU’s deepening by admitting new and diverse member states, or in order to finalize the European integration project by incorporating its “overlooked soft belly”. As the key external driver of reforms in the Western Balkans, the EU reignites momentum toward integration, thus incentivising democratization, regional cooperation, and the resolving of outstanding bilateral issues.

The implementation of the Prespa Agreement between Macedonia and Greece opens the path for Macedonia to start accession talks with the EU in June 2019 and to become a NATO member in January 2020. Albania’s immense efforts to reform its judiciary are rewarded by joining Macedonia in opening the accession negotiations after a prolonged period of stalemate.

These developments have a positive spill-over effect. In concert with the EU’s reengagement with the Western Balkans, and due to an immense commitment by the EU High Representative for Foreign Affairs and Security Policy and the European Commission, Kosovo and Serbia reach a Comprehensive Normalization Agreement in summer 2019. A clear European perspective signalled in the capitals of the EU allows other Western Balkan leaders to make brave decisions in resolving bilateral disputes. This is reflected in opinion polls showing people’s readiness to accept concessions in order to leave their past behind.

**External Actors Support Regional Cooperation**

With Kosovo and Serbia on the path to normalizing their bilateral relations, and NATO integrating Macedonia, Russia loses leverage in the region. Moscow is grappling with domestic economic problems and is entangled in large-scale geopolitical games, particularly in the Middle East. Russia’s disengagement from spoiler practices in the
Balkans facilitates the Western Balkans’ regional cooperation efforts and clears the way for Kosovo’s bid for a seat in the United Nations. At the same time, the United States heavily invests in supporting the ongoing reforms. China, Turkey, and the Gulf states maintain business ties in the region without interfering with the political processes.

**Finally Enforced: Rule of Law**

With bilateral roadblocks removed, rule of law reforms and economic development finally become a priority. Nationalist rhetoric is no longer a viable tool for securing sufficient electoral support to form a government. Citizens now demand a better quality of life, accountability from political elites, and tangible results in the fight against corruption and organized crime. The need to tackle societal issues such as brain drain, poverty, and slow growth, as well as positive examples from other regime changes, for example, in Macedonia, add to the lure of EU membership, and provide incentives to reform.

The EU’s renewed engagement coupled with support from member states places additional pressure on political elites to deliver, especially regarding Negotiating Chapters 23 (Judiciary and Fundamental Rights) and 24 (Justice, Freedom and Security). The undisturbed reign of political elites who had presented themselves as “stabilocrats” for decades is finally coming to a close: Many corrupt senior politicians and officials are being prosecuted as new progressive reformist leaders are heading ever-growing protests. An increasingly engaged public recognizes accountability and transparency as key factors for successful further economic development. This leads to a successive change of political leadership, and new faces from civil society, business and popular movements are strengthening reformed opposition parties. The elites throw their support behind the reforms necessary for EU membership, and socio-economic development, increased regional cooperation, and reconciliation. The resulting move toward liberal democracy fuels a regional identity.

**Economies Catch up with EU Core**

All Western Balkan governments are actively working toward furthering regional trade, recognizing the importance of connectivity and promoting infrastructure projects. The EU had decided to make substantial investments so that the EU’s 2021-2027 Multiannual Financial Framework saw a significant increase in funds earmarked for the Western Balkans, along with the budgetary reserve for the potential enlargement of front-running candidate countries by 2025. The growing attractiveness of the Western Balkans, which is to successful rule of law reforms and progress in Euro-Atlantic integration, leads to increases in foreign direct investment. This, coupled with rising numbers of domestic small and medium enterprises, results in falling unemployment, sustainable economic growth rates above four percent annually, and increased intra-regional economic cooperation. In late 2023, talks about the Sarajevo-Budapest Railway start.

The positive economic outlook contributes to reversing the brain-drain and stimulates the growth of creative and IT industries, which offer well-paid opportunities to young and skilled workers and professionals. Moreover, positive developments attract significant parts of Western Balkan diasporas to bring capital and know-how back home, thus providing yet another stimulant for economic growth.

The Western Balkan Regional Summit of 2024 is considered highly successful. All Western Balkan states reaffirm their strategic commitment toward further regional integration in the areas of law enforcement, joint disaster relief and interconnectivity, while securing record levels of foreign direct investments. The front pages of media covering the 2025 Copenhagen EU Summit report: “European Enlargement – Western Balkan states are only one step away!”

**Scenario Three: A Region of Lost Opportunities**

In 2025, the EU enlargement process in the Western Balkans has been effectively suspended as political will for regional cooperation has vanished. Ostensibly undramatic, yet hazardous events have concurred: Negative economic and demographic trends, rule of law deficiencies, and neighborhood disagreements have led to a large-scale deterioration of regional cooperation within a relatively short time.

Regional economic cooperation has been abandoned and economic relations are exclusively bilateral. Russia and Turkey have gained ground in the industrial development of individual Western Balkan countries by strengthening ties with the national elites of these countries. China has brought some infrastructural developments as part of its Belt and Road Initiative, but only on a sporadic basis and only marginally affecting an overall improvement of connectivity within the Western Balkan region. Even the existing new infrastructure remains largely underused as a result of deficient communication and understanding in the Western Balkans. Chinese-sponsored projects have shown only limited bankability, and are becoming increasingly burdensome and fiscally unsustainable.

National elites have utilized the weak rule of law systems in the region to broker non-transparent deals, pushing...
Western Balkan economies further into dependency of Eastern partners.

Political leaders openly misuse the judiciary against their opponents. In the EU Country Reports, all Western Balkan states are categorized as captured states, and the existing institutions of democracy struggle to cope with increasing levels of corruption and clientelism. In their annual reports, Freedom House, World Bank, and Transparency International identify the Western Balkan countries as champions of backsliding in the categories of personal and political freedoms, media liberties, and free market.

Overall, individual welfare stagnates as a result of clientelistic investments and economic deals. Citizens feel increasingly hopeless, hopeless as they have lost faith in the concepts of European integration and democratic governance. The year 2025 sees record numbers of people leaving the region, seeking legal or illegal refuge in the EU. The Western Balkans are missing highly skilled personnel in key areas such as healthcare and technological development. The shrinking of an economically independent middle class significantly contributes to growing corruption and authoritarian tendencies among local governing elites. At the same time, the levels of migration from the Balkans have boosted EU member states’ domestic populist and nationalist forces, who are pushing for reinstating a visa regime to stop the inflow of migrants. EU officials have recently claimed that “mafia states” within the Western Balkans have opened the gates for illicit traffic in the EU.

Nationalist rhetoric in the Western Balkans has become explicit, and grand projects of ethnic unification, including reshuffling territories, have moved from the fringes to mainstream politics. The escalation is exemplified by governments mutually reinforcing “Greater Serbia” and “Greater Albania” scenarios. International security and peace missions are present in Kosovo and in Bosnia and Herzegovina. NATO invests in military naval infrastructure in Montenegro, while China manufactures military drones in Serbia. Russia organizes joint cross-border natural disaster reaction exercises with Serbia and the Serb constituent republic in Bosnia and Herzegovina, Republika Srpska.

Reform Efforts Hit the Wall

The path to this situation is a story of unrecognized points of no return, events and processes whose full consequences often did not become apparent until it was too late to adequately address them. As any movement toward meaningful progress in the rule of law threatens the power of political elites, the governments of the front-runners in the EU accession process, Montenegro and Serbia, increasingly attempt to undermine far-reaching reforms – a tactic which has become standard in the entire region. Encroachment on independent journalism and the backsliding of democracy in Montenegro are becoming difficult to ignore by the EU. The EU, therefore, requests Montenegro to deliver on urgent reform priorities drafted by their ad-hoc mission before negotiations can continue in 2020.

Macedonia and Albania do not start negotiations by the end of 2019, due to a lack of progress on the current benchmarks. Macedonia, in efforts to complete the conditions of the Prespa Agreement with Greece, sidelines other reforms and fails to deliver. The judicial reform in Albania has proved too difficult a task, and lacks meaningful progress. Thus, the EU Council decides to postpone the start of negotiation for another year.

Enlargement-Skepticism Grows within the EU

This decision by the EU is also fuelled by growing enlargement-skepticism in some member states and the new European Parliament. As a result, the European Commission continues to champion the achievement of new benchmarks but, at the same time, it does not provide the necessary economic aid for strengthening the Western Balkan countries. The new criteria set in 2019 are largely seen as unattainable. This leads to a shift in public opinion in the Western Balkans, and European integration is no longer supported by a majority of the populations.

Nationalism Gains Ground

In 2019, the combination of enlargement-skepticism and the lack of progress in the accession negotiations creates even more suspicion among Western Balkan elites concerning the viability of the whole process. Without a clear path to the EU, the political elites rely on keeping bilateral issues open to stay in power. This overt shift toward utilizing nationalism as a replacement for reforms causes Kosovo and Serbia to fail to reach a bilateral agreement. At the European Summit in 2019, participants decide that Kosovo and Serbia need to be presented with a deadline for a mutually binding comprehensive agreement, as the halt in the negotiations is deemed unacceptable. The government of Republika Srpska passes a plan for the delimitation of territories in the Federation and its dissolution, following the model proposed for the Kosovo-Serbia situation. The joint presidency of Bosnia and Herzegovina is effectively blocked as a consequence. The uncertainty on the path to the EU proves detrimental for social democrats in Macedonia who have invested their political capital into solving the
name dispute. In 2020, they lose elections to a makeshift populist political party of old and new public figures. This pushes the country into another protracted political crisis due to the difficulty to form a stable government, and the stalled reform process makes EU prospects increasingly bleak.

The populations’ perception of having been abandoned by the European Union is exploited during the national elections in Albania in 2021 and the presidential elections in Serbia in 2022. The newly elected Albanian leader opens the first session of government by saying that “Albanians will be reunited – within or outside the EU”, while the same arguments can be heard in Belgrade regarding the Republika Srpska. Meanwhile, Serbia and Kosovo fail to reach a Comprehensive Agreement, instantaneously ruining the EU reconciliation and normalization efforts.

**Depopulation Makes Economies Falter**

Internal political crises and the lack of EU prospects, as well as the ongoing depopulation prove to be detrimental to economic development. Foreign direct investments from Europe drop as a consequence of volatility and external investors’ growing insecurity. The public debts increase by an average of 30 percent between 2020 and 2023 as governments maintain spending to appease the growing dissatisfaction among the populace. In 2022, Western creditors interest rates due to growing economic risks, making Chinese and Russian credits even more attractive. The shrinking foreign direct investments and increased instability prompt China, Russia, and Turkey to invest as they all seek cooperation with specific Western Balkan elites to broaden their leverage on national politics and, thereby, their spheres of influence.

Economic insecurity leads to increased migration, which invariably spikes around elections – in Macedonia and Montenegro in 2020, in Albania in 2021, and in Serbia, Kosovo, and Bosnia and Herzegovina in 2023. The year 2023 marks a demographic point of no return as the lack of employees in the production and service sectors reaches devastating dimensions for the economy. By 2024, the middle class has diminished, leaving no counterweight to incumbent political parties which keep the public sector and pensioners dependent on them with clientelist policies.

**December 31st, 2024**

The internal crises and the growing nationalism render the possibilities for regional cooperation bleak. The European Commission uses much of its energy to try to control and mitigate security issues such as the failed dialogue between Serbia and Kosovo, the crisis in Macedonia and the ideas concerning a border change in Bosnia and Herzegovina. The Commission only sporadically attempts to foster regional cooperation, and abandons this approach altogether by 2023.

Following these developments, the governments of Germany, Italy, Austria, and France retract their commitment to the Berlin Process, which is later also abandoned. Institutions and formats that have emerged from this process and which have facilitated inter-governmental, economic and civil society communication suffer greatly to the extent that the are de-facto dismantled or merely exist on paper. Furthermore, the EU surrenders its “credible enlargement perspective” before its deadline. As the amount of pre-accession funding substantially decreases, the idea of a “Slavic Brotherhood” supported by Russia in Serb-populated territories gains popularity. Meanwhile, Serbia starts building up trade barriers to put economic pressures on its neighbors after securing investments from Russia and China. As a reaction, Albania organizes the economic summit “Albania+3” with financial support from Turkey, gathering representatives of Albania and Kosovo, Presevo Valley and Western Macedonia – a step labelled by Serbia, Montenegro and Macedonia as the creation of Greater Albania. This is the start of yet another rhetorical escalation spiral.

**Strategic Options for the EU**

The scenarios described above offer different opportunities and pose wide-ranging threats for the EU. In the following, we summarize strategic options which the EU could consider in the face of an uncertain future for regional cooperation in the Western Balkans. It is important to keep in mind that our scenario analysis is based on three distinct scenarios that cover a broad, but never the full range of possible futures. The three options presented below should therefore be regarded as impulses to stimulate strategic thinking rather than as concrete policy recommendations.

**Option One:**

**Southeast Europe 12 Platform**

The EU could institutionalize the cooperation of the Western Balkans with neighboring member states in the form of a joint Southeast Europe (SEE) regional platform, enabling a strategic reaction mechanism to provide stable, efficient and effective responses to common socio-economic and immediate security threats.

This platform would work toward mitigating threats to regional cooperation such as disruptive influences of third actors, the lack of supportive EU engagement, and diverg-
ing Western Balkan societies, as they have been presented in the two rather bleak scenarios above. It would be a suitable tool toward the scenario “Break with the Past – on the Road to the Future”.

The “SEE12 Platform” would consist of twelve members: the six Western Balkan countries and six neighboring EU member states – Slovenia, Hungary, Croatia, Romania, Bulgaria, and Greece. The cooperation of governments, at both political and operational levels and based on a rotating presidency and regular joint working sessions, could foster common strategic planning, the development of capacities for ad-hoc crisis management, as well as assessments of their effective and optimum usage.

The platform could strategically address issues of development, migration flows, depopulation, and brain drain, environment, climate change, energy security, infrastructure and more. It could enable fast reactions, effective resource management and fostering the cohesion of SEE. Furthermore, the platform could serve as a tool for the exchange of institutional practices, especially among law enforcement agencies. Moreover, it could enable countries to promote cultural cooperation with the aim of fostering a dialogue on topics such as shared values, EU perspectives, and the mutual heritage of the region.

An organization like the proposed SEE12 should not be seen as an alternative to existing EU integration efforts, nor would it try to compete with the existing functional European structures. Instead, it would foster their optimum usage. It could contribute to the EU’s overall goals of promoting stability, security and resilience.

**Option Two:**
**A Consistent Financial Reward Strategy**

This option is applicable to a wide spectrum of future scenarios: In case the Western Balkans constructively engage to jointly pursue their strategic objective of EU integration, it would accelerate the process and provide a strong incentive to all parties to stay committed to the process. More importantly, this strategic option is especially designed to prevent the rise of political leaders tempted to abandon the reform agenda. Doing so bears the risk of further disintegration of the Western Balkans region, which would ultimately lead to regional instability and vulnerability to external political influences.

To work, this option requires a clear EU perspective for the region and increased funds for the Western Balkans as envisaged in the new EU budget proposal, which would tackle not only reforms but also economic developments; Funds should expand upon the performance reward and the EU’s sectoral budget support, as established by the Instrument for Pre-Accessions Assistance, IPA II. The idea now is that any significant positive development in the Western Balkan countries be rewarded with additional financial support available to the stakeholders. In turn, any failure to deliver on important reform areas within a given timeframe would trigger consequences in the shape of withheld state assistance.

To measure progress or failure, the EU would set milestones for each country within a specific timeframe, and link the success of achieving them to a certain amount of funds. If governments fail to reach the milestones and to solve issues, the funds will be withdrawn or (parts of them) redirected to civil society. The system will thus respond swiftly to any backsliding while simultaneously reinforce the support for civil society as a counter-part to bad governance.

This “reward strategy” must be accompanied by clear communication on the allocation of responsibilities as national elites might blame the EU for any withdrawal of funds. The EU delegations in the Western Balkans – in coordination with national civil society organizations with better access to local populations – need to develop a consistent communication strategy to inform the populations about the reasons for any decision to grant, reject, or redirect additional funds. To prevent any popular backlash, it must always be clearly communicated that the funds in question are additional funds and not earmarked for social benefits of the citizens.

**Option Three:**
**EU-Russia-Western Balkans Partnership Schemes**

In the scenario “Break with the Past – on the Road to the Future”, a weak Russia has lost its foothold in the Western Balkans and grapples with internal political and economic challenges. This development could pose a serious destabilizing threat for Europe and the whole of post-Soviet space if it is not addressed adequately.

Current EU policies are designed to counter the Russian spoiler strategy in the Western Balkans. In addition to active measures aimed at countering the Russian strategy (e.g. East StratCom Task Force, the European Council’s prolongation of economic sanctions until January 2019), the EU could develop a comprehensive rapprochement strategy regarding Russia and its role in the EU’s immediate neighborhood. This strategic option aims to plan ahead for the “new normal” arrangement between the strengthened EU and the weakened Russia. Accordingly, the EU could facilitate a Russian change of strategy in the Western Balkans by including it in partnership schemes with the region.
Such a rapprochement strategy could, therefore, be based on the following principles:

1. Engage Russia as a partner in dealing with challenges; first in the Western Balkans, and later, possibly in the rest of the EU’s neighborhood. These challenges include but are not limited to energy security, conflict prevention and post-conflict development in the Middle East and North Africa;

2. Propose the exchange of technical assistance and possibly the provision of financial assistance in order to counteract internal challenges that could further destabilize Russia, such as falling oil prices, economic downturns, or political instability;

3. Recognize Russia’s legitimate security concerns and address these in a manner which will allow a de-secularization of further EU enlargement;

4. Devise a Détente Roadmap, a blueprint for steps to be taken in order to de-escalate the situation between the EU and Russia, including concrete milestones that have to be reached to achieve the new normal in relations between the two.

Notes

1 The strategic foresight process was conducted in cooperation with and facilitated by Foresight Intelligence.

