Stimulating strategic autonomy - Western Balkans' contribution for a shared European Future

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Foreword

It is the first time that a modern, future oriented initiative like the Western Balkans summit (Berlin Process) is hosted by someone from the Balkans. It is the first time that two countries together chair it - one is a European Union member state (Bulgaria) and the other a candidate (North Macedonia). And this is a double challenge: for the shared presidency to be also modern and forward looking, and for the European Union to acknowledge that the region, which is sometimes notoriously complicated, can produce ideas that are relevant for the whole continent.

When reading the papers, proposals and policies discussed at the 2020 Skopje Think Tank Forum, one inevitably sees highly pertinent themes: from migration and demography to the Green deal and strategic autonomy. The quality of research and arguments allows for them to easily be part of any debate elsewhere in the continent. The texts radiate vision, knowledge, and ideas on how we can do better as a union of European countries. The synergy of the Think Tank Forum is a result of the goals of the Berlin process and we can proudly say its achievement.

Time is the luxury we can't afford. We need to communicate these visions extensively and reach the hearts and minds of our citizens and politicians. And while the think tanks in the region perform impressively, the onus on many issues is on the politicians: the quality of democracy in a number of the countries of the region is reason for growing concerns. More modern, future-oriented political styles are required.

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Introduction

Zoran Nechev
and Marie Jelenka Kirchner
Under the title "Stimulating strategic autonomy. Western Balkans’ contribution for a shared European Future" the 2020 Think Tank Forum welcomed more than 150 experts and participants to Skopje, North Macedonia in March 2020. Following the precedent event in Poznan, Poland the year before, the Think Tank Forum is connected to the Berlin Process, a format initiated by Angela Merkel in 2014, to include the expertise and opinions of the Think Tank Community into the Western Balkan’s EU integration process. Participating countries are all Western Balkan countries (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia), and a number of EU member states (Austria, Bulgaria, Croatia, France, Germany, Italy, Poland, Slovenia,) as well as the United Kingdom.

In 2020, for the first time, the organisation of the Berlin Process had been moved to the region and has been co-chaired by a Western Balkan country, North Macedonia, and the EU member state Bulgaria. This importantly signals that the countries of the region can assume responsibility for their own well-being and their European future.

For the 2020 Think Tank Forum (from March 8th through 10th, 2020) participants were given the opportunity to develop priorities and guidelines on key issues in European affairs, then presented to ministers and representatives of Foreign/European Affairs during a Berlin Process Ministerial Meeting held just afterwards on March 10th in Skopje. Being able to present ideas to the ministerial meeting showed the substantial integration of the Think Tank Community into the formal process of EU integration. Furthermore, the Think Tank Forum offered several occasions of direct exchange between ministers for foreign affairs of participating countries and other state officials and Think Tanks, by providing mixed panels and controversial, yet friendly and open-minded debates. This level of cooperation and exchange had been hard to imagine only a few years ago, demonstrating the new heights reached with the 2020 Think Tank Forum.

With the Think Tank Forum, the Institute of Democracy as the main organizer aimed at an event organized and carried out in the spirit of "the European Way of Living". Inclusion, transparency, participatory structures and equal opportunities are key components of the European normative catalogue. These are crucial factors for sustainable change, and IDSCS is proud to have organized a forum in which equal representation in terms of gender is not a nice-to-have, but has been reality.

Overall, the event can be seen as great success, despite being overshadowed in its immediate effect by the Covid19-crisis which hit Europe just at the beginning of spring. While the EU and the Western Balkans were challenged by several issues before this global pandemic, the crisis has disclosed all flaws in painful clarity. Therefore, the consequences, or lessons (to be) learnt, are reflected in some of the contributions in this collection, despite not being a major topic of debate during the forum itself.
The key lesson from the crisis however resonates well with the main takeaway from the 2020 Think Tank Forum: the European future must be tackled in a common approach. During the Think Tank Forum participants were invited to reach beyond the urge for ownership in only one’s own region and additionally emphasize the importance of active contribution from the Western Balkans to European strategies and policies.

The Western Balkans are an integral part of Europe and should be regarded as serious partners in European affairs. The future of the EU and the Western Balkans are inextricably connected which is why challenges such as environmental questions, migration and questions of security must be tackled together in a common and unified approach at eyelevel. Contemporary challenges, of any nature, do not conform to EU external borders. This has been evident during the Corona crisis, and was true even before.

The agenda and the overarching narrative of the Think Tank Forum 2020 in Skopje recognize the Western Balkans as equal partners at the EU table. Only together can Europeans work towards the goal of strategic autonomy which the Think Tank Forum had emphasized as the desired future strategy for the EU’s role in the world. Challenging and changing global structures demand a strong and unified narrative from the EU, supported by political will and material capacities. Together, Europeans can reach towards this strengthened and resilient role of the EU in the world. Only if united in narrative and action can the EU reliably impact global dynamics.

All topics discussed in this year’s Think Tank Forum panels apply to challenges in the Western Balkans as much as they impact key issues in EU member states.

During the Think Tank Forum, Stefan Lehne laid out the ground for debates by drawing a picture of the status quo in global and European affairs. In this paper he again demands close cooperation between the EU and the Western Balkans as partners on eyelevel to face a variety of common strategic challenges.

A key priority for Ursula von der Leyen’s Commission, the EU Green Deal, would evidently be toothless without cross-border cooperation including the Western Balkans. Ana Colovic Lesoska provides us with an in-depth analysis on the capacities and potential of the EU Green Deal of Europe as a whole.

Often seen as a newcomer issue, rule of law is closely associated with the transitioning political systems in the Western Balkans. That’s not the entire picture though. In a comparative study on democratic backsliding and rule of law flaws in the EU and the Western Balkans, Marko Kmezic presents tools needed to sustainably create rule of law standards for EU members and EU candidates equally.

The issue of migration gives a massive headache to policy makers in the EU, and at the same time, several cross-border initiatives have been implemented to smoothen procedures
at EU external borders? Successfully so? A comprehensive essay by Roderick Parkes explores the significance of geopolitical thinking and the strategic interest of the EU in partnership with the Western Balkans to find solutions to today’s migration flows.

Adding up on the notion of strategic interest, Marie Jelenka Kirchner and Zoran Nechev go further with their contextual introduction to the idea and importance of EU strategic autonomy. As introduced, a key component of the Think Tank Forum’s wider idea, the authors present the Western Balkans as integral part to European autonomy and as key for global power.

This again, leads to the inevitable elephant in the room: the EU’s vulnerability towards the unprecedented amount of (hybrid) security threats and their implications on democracy in the EU and the Western Balkans equally, as discussed by Oana Popescu Zamfir.

The consequences of the Covid19-crisis and the resulting lock-downs and economic stagnations in Europe were not yet a concern during the Think Tank Forum, but matter greatly in Marta Szpala’s socio-political analysis on social and economic convergence. She offers an optimistic outlook and sees an opportunity in the quest for European independence from Chinese markets.

Similarly, in analysing the EU enlargement policy and socio-economic convergence in the Western Balkans, Matteo Bonomi, argues that the Covid19-crisis could turn out to be an opportunity to re-launch Western Balkans convergence with the EU. That said, he also expresses serious concerns that the existing gap in living standards bears the danger to widen further.

. To avoid deepening rifts, Srdjan Cvijic and Adnan Cerimagic are looking for a metaphorical glue to keep the European house sticking together. They argue that this glue can and must be solidarity based on shared European values and the will for mutual sacrifice.

Set in a positive mood, Hedvig Morvai closes this collection with a forward-looking conclusion on the broader idea on the shared European future, summarizing and taking forward the essence of the Think Tank Forum.

The Think Tank Forum, and with it this collection of papers, is a call for action that begins right at the organization and we are happy to have prepared this edited volume as a basis for further discussion, during the Western Balkan (Berlin Process) Summit in Sofia, Bulgaria later this autumn.
Geopolitics, the EU and the Western Balkans

The change in the EU’s institutional cycle in late 2019 came with an unfamiliar type of rhetoric. The new European Commission president, Ursula von der Leyen, spoke of establishing a “geopolitical commission.” Both she and the EU’s new foreign policy chief, Josep Borrell, insisted that the union must now “learn the language of power.”

This new language of power and geopolitics jars in many European ears because it runs counter to the EU’s long-held understanding of its place in the world. From the very beginning in the 1950s, European integration was conceived to overcome the legacy of power politics that had brought war and conflict to Europe.

That this concept succeeded over several decades was to considerable extent due to a particular geopolitical context. European integration developed in an international system shaped and dominated by the United States. It was mostly the U.S. security guarantee and its global leadership role that afforded the Europeans the luxury of leaving geopolitics behind.

After the end of the Cold War, the U.S. position at first remained preeminent. EU leaders now considered themselves Washington’s principal partners in constructing a rules-based liberal global order based on democracy and the market economy. But this dream began to fall apart about fifteen years ago. It had become clear that Russia would not transition to a liberal democracy, as many in the West had hoped in the 1990s. Rather, it would consolidate as an authoritarian state committed to securing an extensive zone of influence. It also became evident that the rise of hundreds of millions of Chinese out of poverty would not be accompanied by progress toward liberalization and pluralism. China would combine economic success with one-party rule, disproving the West’s dogma that economic development and democracy were intrinsically linked.

These were not the only setbacks. Turkey—seen until ten years ago as a future EU member state—began to rapidly move away from

1 This contribution is a foreword to 9 upcoming contributions, which are part of the series of policy papers that build upon the panel discussions of the 2020 Think Tank Forum Western Balkans Skopje ‘Stimulating strategic autonomy - Western Balkans’ contribution for a shared European future’, organized within the 2020 joint Presidency of the Republic of North Macedonia and Republic of Bulgaria with the Western Balkans Summit Series.

2 The first part of this text is based on an article by the same author “How the EU can survive in a geopolitical age” first published by Carnegie Europe
Europe. And the flicker of hope of the Arab Spring uprisings that began in late 2010 was quickly followed by restored autocracy in some places and by turmoil and chaos in others.

But the final blow was the 2016 election of Donald Trump as U.S. president. His disdain for alliances and multilateral cooperation, aggressive trade policies, and open dislike of European integration removed the last doubts that the old transatlantic partnership had profoundly changed. Coming only a few months after the UK referendum decision to leave the EU, which had shattered the union’s confidence in the irreversibility of European integration, Trump’s election left the EU badly shaken. A number of fundamental assumptions about the EU’s view of its place in the world were no longer true.

The EU’s Strategic Shift

The global strategy unveiled by then foreign policy chief Federica Mogherini in 2016 indicated a shift in the union’s approach. The strategy downgraded the “transformative agenda,” the idea that the EU could convince neighboring countries to commit to democratic and market reforms by promising financial help and eventual partial participation in European integration. Instead the document focused on protecting the EU’s interests and ensuring stability and on the development of EU defense policy.

However, shiny new hardware will not help as long as the software is not up to scratch. It could have been expected that the deteriorating security environment would convince member states of the need for a stronger and more coherent EU foreign policy. But the actual trend in recent years has been toward greater assertiveness of national foreign policy. The economic and migration crises in the late 2000s and mid-2010s, respectively, undermined the EU’s confidence and deepened divisions among the union’s members.

These setbacks come on top of a fundamental structural constraint: member states continue to run their own national foreign policies in parallel to
the union’s collective policy. Achieving the same degree of integration on foreign policy as the EU has achieved on trade, where the commission negotiates on behalf of the entire union, appears out of reach for the foreseeable future. The EU’s heterogeneity is too great, and the large countries remain too committed to their national foreign policies.

The real geopolitical challenge, however, lies not in foreign and security policy but in the economic core of European integration. If one considers the world as dominated by rival power blocs, many of the EU’s current policies—on trade, investment, competition, research, and technology—appear in need of a rethink. The union can no longer approach international economic relations as essentially cooperative win-win partnerships. Europeans must take power relationships into account, address their own vulnerabilities, and make their policies more robust and resilient. Unlike in foreign and security policy, in economic areas the EU already has the instruments to defend its interests.

Control of access to a market of 450 million people and the unified leadership of the commission gives EU trade policy a great deal of clout. In mid-2018, U.S. tariffs on steel imports were countered by robust European measures, and Washington failed in its attempts to do special deals with individual EU member states. After these setbacks, even Donald Trump saw the need to conclude with then commission president Jean-Claude Juncker a temporary trade ceasefire, which provided for talks on a limited trade agreement.

While the union can look after its interests in trade policy, it is still acutely vulnerable to Washington’s weaponization of its dominant position in the world’s financial system. The EU’s efforts to preserve the 2015 Iran nuclear deal in the face of renewed U.S. sanctions proved unsuccessful, because most European companies and banks simply cannot afford to be locked out of the U.S. market. In the short term, there is no plausible remedy against U.S. financial sanctions. But strategic autonomy will remain a distant dream unless the EU becomes more resilient in this area, too.

The EU’s economic relationship with the world’s second economic superpower, China, is even more fraught. On substance, the EU shares with the United States many concerns about China, such as its insufficient respect for intellectual property, forced technology transfers, and unfair practices that favor state-owned enterprises. However, the EU disagrees with Trump’s methods of addressing these grievances, because the union fears that the trade war launched by Washington will further damage the remnants of the multilateral trade order.

Beyond the U.S.-Chinese rivalry, Europe’s economic
relations with China have gone through a reevaluation. Until a few years ago, EU countries broadly welcomed Chinese investments as a boost for an economy that was just recovering from the eurozone crisis. In 2012, China established the 16+1 (now 17+1) forum, which encompasses seventeen Central and Eastern European and Balkan countries. Brussels has always seen this forum skeptically as an attempt to divide Europe. But now, even many participating governments have become disillusioned, because the initiative’s economic benefits have been rather one-sided.

The EU was also slow and divided in its response to the Chinese Belt and Road Initiative (BRI). Better transportation infrastructure between China and Europe is certainly beneficial to EU trade interests, but the initiative’s scope and methodology soon gave rise to misgivings. Europeans criticized opaque procurement rules that favor Chinese firms, insufficient respect for environmental and social standards, and the risk of debt traps for some of the countries involved.

Consequently, the EU institutions and the big member states mostly kept their distance. But half of the EU members—mainly Central and Eastern European countries as well as Italy—signed up to the BRI, and a large number of European corporations got involved. So far the EU has not found a coherent and effective response to the BRI. Concerns about the rise of a G2 world and its implications for the EU focus particularly on areas of high technology, such as artificial intelligence and robotics. It is likely that these technologies will determine not only the future distribution of power in the world but also the makeup of societies and their value systems. At present, most of the top companies in these areas are American or Chinese. Europe has fallen behind and risks becoming dependent on external players. To catch up, Europe will have to urgently ramp up its research and development efforts and review its rules on state aid and its merger approval process.

With its legislation on data protection, the EU has already moved beyond its long-standing laissez-faire attitude toward the internet. The increasing risks of disinformation campaigns on social media and of cyber attacks will require further regulation and serious investment in all areas of cybersecurity. The same is true for other EU policy priorities. Migration policy is closely connected to the power struggles in neighboring regions, including in Libya and Syria. Addressing the climate crisis successfully depends not only on reducing EU emissions which amount to only 10 percent of the global total, but also—and more importantly—on using the bloc’s economic and political leverage to persuade the rest of the world to do likewise.
Does the EU Have What It Takes?

The age of innocence is over. Many EU policies that evolved in a more benign environment now have to factor in power politics and become tougher and more responsive to changing circumstances. But is the EU equipped to face this challenge?

The EU’s traditional business model is quite unsuited for the demands of the geopolitical age. Each strand of EU external policy—from trade, development, mobility, transportation, and connectivity to enlargement and the neighborhood—follows its own political dynamic, which is driven by member states’ interests and powerful lobbies. The financing of EU action is regulated by multiannual plans and rigid and complex procedures. But geopolitical action demands bringing together all relevant policies behind comprehensive and coherent external action based on a strategic outlook. It also presupposes an ability to rapidly shift priorities and resources.

The new era thus does not call for radically new policies or for a fundamental reform of the institutions, but rather for a change in the way the EU works. Whether the EU can protect its interests and values in this new situation will depend on stronger leadership with greater focus, clearer strategic thinking, and more urgency and determination in getting results.

Just when the new EU leadership began to focus on these issues, Europe was hit by the Coronavirus. This crisis will not only absorb most of the attention and energy of the institutions and member states for many months. It could amount to a real shift of paradigm. Whether it drives a re-nationalization of European politics or whether the member states manage to come together for determined collective action, will also determine the EU’s capacity to face the challenges of the geopolitical era. At this point, the jury is out.
Geopolitics and the Western Balkans

In 2003 at the Thessaloniki summit the EU leaders promised to the Western Balkan countries that their future would be in the EU. Even then, this commitment had a geopolitical dimension. The Western Balkans would soon, after the accession of Central and Eastern European countries, form an enclave within EU territory and it seemed logical that over time this region too should be included in European integration. Also, the prospect of joining the EU was widely perceived as the best method to help these countries to overcome the heavy legacy of the wars of the 1990s and to ensure lasting peace and stability.

Over the following years this geopolitical dimension of enlargement drifted into the background. The commission focused mainly on the progress of administrative and legislative reforms, on the countries’ capacity to implement the union “acquis”, on improving the rule of law and implementing a functioning market economy. And the member states were preoccupied with the question of the EU’s ability to absorb further countries.

Recently, the geopolitical approach to the enlargement has made a comeback. This is not only due to the broader context of a world increasingly dominated by power politics. It is also a response to the activities of a number of other actors in the region. Russia maintains strong relations in particular with Serbia and Republica Srbska and uses its influence often to obstruct the EU’s objectives. China looks at the Western Balkans as an important element of its Belt and Road initiative and has massively increased its investments and presence. Turkey and a number of Arab countries are engaged in Bosnia, in Kosovo and Albania. And the US, which used to coordinate its diplomatic activities closely with the EU, does so much less under the current administration.

In its communication on the new enlargement methodology the Commission calls the prospect of membership a “geostrategic investment” and underlines the importance of the enlargement process “particularly at times of increased geopolitical competition.” This rediscovery of the geopolitical stakes of enlargement can be seen as a positive development for the Western Balkans countries. If the EU does not get too distracted by the fallout of the current crisis, it could result in more attention for the region and greater engagement.

But the Western Balkans countries are not just objects, they are also actors in the geopolitical game. Small countries usually have two main alternatives
in a rivalry between major powers. Either they link up with one of the major actors hoping that this ally will also protect their interests; or they try to draw benefits from the competition by making deals with several of the big players. In the Western Balkans one currently finds both types of behaviour. Serbia, for instance, pursues its EU accession perspective, but at the same time also cultivates close relationships with Russia as well as with China. By contrasts, North Macedonia is an example for a country that under its present leadership banks fully on its integration in Western institutions.

Of course, the way a country positions itself, is not purely a matter of choice. Its room of manoeuvre of a government depends on political developments and the attitudes of the bigger players. If, for instance, the EU would opt for a more geopolitical approach to enlargement, it will probably insist on greater foreign policy alignment. Thus, Serbia’s multi-polar policies could become more difficult to sustain. By contrast, if the EU is decisively weakened by the Corona crisis, while China emerges significantly strengthened, more countries of the region will be tempted to orient their policies in the direction of Beijing.

There is enormous uncertainty in the current situation. The Corona crisis is so deep and far-reaching that it can re-shape the future of European politics and reframe the global constellation of powers. What it will not affect, are basic facts of geography. The Western Balkan states form an intrinsic part of Europe. They will always be surrounded by other European countries, to which they are bound by many economic, social and human ties and with which they share many interests. Developing these relationships within the framework of economic and political integration seems to be a fairly safe strategic choice under almost any circumstances.
The EU Green deal for the Western Balkans

Ana Colovic Lesoska
Introduction

In December 2019, the European Commission launched its flagship policy: the European Green Deal. Its achievement could take Europe to climate neutrality by 2050 and see European Union economies producing net zero carbon emissions by that date. In addition, the policy aims at achieving zero pollution by the industry, thus protecting the health of its citizens. In line with its enlargement policy, which should result in bringing the acceding countries in line with the EU policies, the EU rightfully understood that this green deal needs to apply beyond its borders. In order for the European Green Deal to achieve its impact for the whole continent, it should incorporate the Western Balkans as part of this deal. The process would have multiple benefits, as the EU will be able to guide the region and contribute to improved livelihoods of those citizens, simultaneously benefiting from the added value the region could offer in achieving its own targets.

The Western Balkan region, on its path to join the European Union was fairly quick to subscribe to the European principles and standards, but continuously fails to implement them. Many challenges are ahead, but at the same time, the new policy under development- the Green Agenda for the Western Balkans - offers much more opportunities to overcome these challenges. Following its previous logic of Cohesion Policy and Instrument for Pre-Accession (IPA) policy, the EC has put forward the EU Green Deal focused on EU member states, and additionally proposed a Green Agenda policy for the Western Balkans countries.

With only 18 million inhabitants, change in the region should not be as daunting a task as in larger economies, if carried out efficiently, with true political commitment and regional cooperation. The Western Balkans have the necessary resources not only for sustainable renewable energy and energy savings, but also for the production of healthy food, while nurturing its exceptional biodiversity.
Common challenges for the EU Green Deal and the Green Agenda

The EU’s ambition with the Green Deal aims at increasing the 2030 Greenhouse Gas emission reduction target to at least 65% by 2030, energy efficiency to at least 40% with at least 45% of sustainably sourced renewable energy by 2030. These ambitions can only be achieved by a complete financial support overhaul leading to the decarbonization of systems and societies. But not too long ago the EU was heavily supporting large fossil fuel projects, especially by backing up gas infrastructure. Recent developments have pointed to the increasing need to divert financing into resilient, more sustainable practices which will bring stability to the economic model, even out inequalities across the EU and enhance public health and the environment.

Perhaps the same challenges apply to the countries of the Western Balkans, including the well-known democratization and rule of law. In 2005 the Western Balkan countries became signatories to the Energy Community Treaty which aims to integrate the European Union energy market with those of its neighbours and consequently contribute to the transposition and enforcement of EU legal framework in these countries. Among other requirements, the Treaty also set a deadline for Western Balkan countries to comply with EU pollution control legislation by 2018. Yet, in 2016, there were 16 coal fired power plants in the Western Balkan region emitting as much sulphur dioxide and dust as 250 plants from the EU. It is estimated that they are responsible for around 3,900 premature deaths annually, spread between the region and nearby EU countries (Matkovic-Puljic et al, 2019). The fact that in 2018 these emissions only increased, is a clear indication that the compulsory moves towards healthy energy sources, investments and retrofits in energy production across the Western Balkans have largely been delayed.

Furthermore, due to the requirements of the Energy Community Treaty, some of the Western Balkan countries (Kosovo, Serbia, North Macedonia and Bosnia and Herzegovina) are using a mechanism called the National Emission Reduction Plan (NECP) which allows them to plan for the decrease of various pollutants collectively for all their power plants over a certain period of time. These plans should result in the countries’ compliance with the European Industrial Emission Directive, one of key directives in the legal framework of the Energy Community Treaty.
However, none of the countries that have designed these plans have kept within the determined emissions ceilings in 2018 (Cuita et al, 2019).

Having in mind the immense impact of air pollution to human health and associated shortened lifespan, increased occurrence of chronic illnesses as well as decreased productivity of citizens, and finally - the costs of all of this - puts the spotlight on the Western Balkan Governments. One of the reasons for the incomprehensible lack of action to tackle air pollution coming from coal powered plants is the absence of determination and will of policy makers. The Western Balkan region is increasingly receiving international attention on the issue of horrifying air pollution levels. Public is becoming aware and voices their demand for immediate action.

At the same time, the region and its economy are quite vulnerable to climate change. Regrettably, even though the Paris Agreement has been signed by most of the Western Balkan countries, little or no regional effort was made in increasing resilience in key sectors. One of the requirements from the Energy Community Treaty is also the preparation and submission of the National Energy and Climate Plans (NECP), expected to be completed by Western Balkan countries in 2020. These plans are considered as the important 10-year strategies to pave the path towards decarbonisation of the countries and the region and transformation of the societies. The NECPs are seen by the European Commission as one of the mechanisms to monitor and achieve progress during the implementation of the green agenda policy.

Finally, the region’s habitats and biological diversity are becoming more fragmented, degraded, and under pressure from human activity. Coupled with the lack of sufficient research and monitoring as well as the inefficient designation of protected areas, this can easily result in the loss of vulnerable and endangered species and valuable ecosystem services for the survival of humankind.

The Green Agenda for the Western Balkans currently developed by the European Commission is following the same direction as the EU Green Deal – it should unlock the great renewable energy potential of the region while enhancing their citizens’ health. Therefore, the new policy is shaped around 5 areas of intervention: decarbonisation, circular economy, pollution reduction, sustainable farming and biodiversity. For all future comprehensive trade agreements with the countries of the region, the EC will make sure that the implementation and respect of the Paris Agreement becomes an essential element.
The Way Ahead for our shared European future

Seven EU member states have stopped electricity production from coal, and 10 more are planning to become "coal-free" by 2030. In its recent long-term climate strategy draft, the European Commission called for net-zero emissions by 2050 - meaning a coal-free Europe. But achieving climate neutrality and zero net emissions in the countries of the EU alone will not decrease climate impacts or health problems in these countries. Both climate change and pollution know no borders, so if neighbouring countries suffer the consequences from these impacts, so will the citizens of the EU.

If the countries of the Western Balkan are to follow the same trend, leading to the decrease of air pollution, improvement of human health and decrease of health costs, decarbonisation is the crucial step forward. Accelerated investment in climate action will enable the creation of future-proof jobs, provide economic incentives and build resilient businesses while driving innovation and a complete systemic transformation.

With these benefits at sight, all countries in the region must commit to an ambitious climate and energy target by 2030. Decarbonisation should not only mean a coal phase-out, the process should be implemented in a sustainable way supported by an increased effort to boost energy efficiency, tackle energy poverty, optimize energy and transport systems transform the industry and utilize sustainable forms of renewable energy sources. These actions will contribute to drastic improvement in air quality while stimulating job creation in the sustainable energy sector.

The process of the coal phase-out must be carried out in parallel to the just transition of the economies of the coal dependent regions. The Western Balkan region can learn from experiences in the EU. Just transition strategies, designed by local communities, for the needs of the local communities should be supported by national governments in order to minimize the negative economic impacts once the coal plants are closed. Alternative tourism, development of cultural elements, support of agriculture and decentralized energy production can be key solutions to transform the region and create sustainable practices and local economies.

Like in the EU, the circular economy must be used as a tool for delivering part of the 2050 decarbonisation agenda, linking industry sectors producing sustainable products and design, supporting the sound use of secondary materials by facilitating a market for them, developing an efficient waste prevention and management
system, and engaging communities and regions.

The energy and transport sector are interlinked with the pollution. Thus, sustainable measures implemented in these sectors will positively influence air and water quality in the region. In households, energy efficiency measures must be applied with much higher rate than ever before. Energy communities and the decentralization of energy production, enabling the citizens to produce and consume the energy (prosumers) must be supported. In addition, air quality measurements and monitoring systems should be improved and the network of metering stations widened to enable data collection and appropriate planning of various measures. Countries of the Western Balkan should also improve their capacities to implement the existing obligatory legislation laid down under the Energy Community Treaty such as the Water Framework, Air Quality, National Emissions Ceiling Directives and Chapters II and IV of the Industrial Emissions Directive. At the same time, all polluters must be fined meticulously and in proportion to the health impact caused by the pollution.

Legislation and standards protecting the environment will also preserve and ensure sustainable farming and rural development. In addition, financial stimulation aimed at small local farmers for agri-environmental measures that at the same time improve farming and protect the valuable habitats should be enabled.

As the Western Balkan region is considered as a “biodiversity hotspot”, protecting the biological diversity should be paramount to the sustainable development. Science has proven the linkages between the unsustainable use of natural resources and the appearance of various pandemics in recent times. The current crisis with the coronavirus spread shows us that our economies are unsustainable and our resources are at stake. An increased effort in the protection of natural habitats and biological diversity could be the key to building a resilient society and economies.

Climate adaptation based on ecosystem services should be supported and this will also lead to the implementation of various nature-based solutions. Research and innovation go hand in hand when protecting the biological diversity and applying the green infrastructure to transform societies and economies.

The above mentioned measures mimic the objectives in the EU Green Deal and can play a role not only in achieving these objectives, but also bringing the region closer to the EU values and standards, as the ultimate goal of the enlargement policy.

The possible difficulties of finding public finance in the region is much more linked to the prioritization of some over other projects and programmes.
Large infrastructure has massively been supported and prioritized over a long period of time, while research and protection of biodiversity and tackling air pollution was never considered as a top priority. Therefore, any financing provided in future needs to be conditioned to climate action and biodiversity protection.

One of the financial mechanisms that would contribute to the implementation of Green Agenda for the Balkans, is the Instrument for Pre-Accession. It’s draft Regulation of the new, IPA III proposal, the European Commission made it clear that all investments should have “climate action” written all over them in order to be eligible for funding. Recently, the European Investment Bank, the largest lending arm of the European Union, has re-branded itself as the Europe’s Climate Bank as it ended support to any fossil fuel projects. These positive efforts, coordinated with the other financial institutions and donors, have an excellent opportunity to effectively bring the necessary change in the region.

Ultimately, decision making should be done in a transparent and participatory manner, including all stakeholders in the process. Meaningful public participation should also be one of the conditions when supporting the Western Balkan countries so that the rule of law and human rights are protected and enhanced. To respect the Aarhus Convention, for example, ratified by many of the Western Balkan countries would be a first step to ensure meaningful public participation in environmental decision making. Ensuring the citizens’ access to information on environmental issues is a precondition to proper public participation in decision-making processes. Timely involvement of public and civil society as well as all interested stakeholders has multiple benefits, both for societies and businesses as the joint decision making eliminates the possibility of flawed designs, inadequate implementation and consequently, complaints. Finally, building an independent judicial system ensures the access to justice when citizens’ environmental rights have been breached.
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Social and economic convergence of the Western Balkans in the time of crisis

Marta Szpala
Introduction

In recent years, the social-economic convergence between the countries of the Western Balkan region and the EU has gained growing attention: many scholars and politicians have pointed out that the bleak economic outlook of the region is one of the greatest obstacles for its stabilization and development (Bonomi, 2018) and that slow progress in achieving social convergence is an important factor contributing to the deferred progress in their EU integration (European Economic and Social Committee, 2018). This interest is also related to the fact that the economic crisis in 2008 undermined democratization process in the Western Balkans as it led to strengthening governing parties’ grip on the state and media and the rule of law through informal power-structures (Kmezić & Bieber, 2017).

Having the importance of social and economic convergence in mind, the aim of the Berlin Process i.e., launched in 2014, was to support economic growth in the region by promoting regional economic cooperation among the Western Balkan countries and infrastructure connectivity. Similarly, economic and social cohesion of the Western Balkans was one of the Bulgarian Presidency’s priorities in 2018. Over the past years, the region has slowly recovered and the economic situation has improved. The Western Balkans countries have enjoyed relatively robust GDP growth peaking in 2018, when it hit 3.9%. Economic growth led to job creation, making unemployment rates decline to historically low levels. Despite that, the convergence of the region with the EU average is relatively slow, the structural weakness of local economies remains and the Western Balkan growth model – based on consumption – has been vulnerable already before the Covid19 crisis (World Bank Group, 2020a). The outbreak of this global pandemic suddenly interrupted the fragile growth momentum. Expectedly, the consequences of the Covid19 crisis for the Balkans economies will be severe. If left without significant financial support the socioeconomic situation in the region will deteriorate quickly. In consequence, not only living standards will worsen as unemployment rates rise again, but even more dramatically, this economic shock will be followed by further democratic backsliding.

During the Coronavirus pandemic the shared fate of the Western Balkans and the EU has become even more apparent which is why this moment should be seized as opportunity to overcome the consequence of the current hardship together, speed up the reform process and fully integrate the region with the EU.
Common Challenges for social and economic convergence

The Western Balkan countries are highly integrated with the EU in economic terms. The EU is the main trading partner of the whole region. 72% of the Western Balkans’ export is going to EU member states and 58% import is coming from there. The EU, through companies from member states, also holds a dominant position in foreign direct investment accounting to 70% of FDI inflows towards the region. EU companies are important players in profitable sectors like banking (from 75% to 95% of local banks are foreign owned, mainly by banks from the EU), telecommunication, real estate or retail trade. The Western Balkans are also included into some sectoral policies of the UE via Transport and Energy Community.

The second socioeconomic problem in the region is the massive outward migration to the EU. In 2018 alone, 230 thousand citizens from the Western Balkans obtained their first permits of residence within the EU (Töglhofer, 2019). This is not only draining the region of its human capital, but also means that EU countries are taking advantages of skilled workers educated on the expense of poorer countries in the neighbourhood. Hence, despite investment in their education systems, the Balkan countries are faced with a critical lack of educated workforce and human resources; one of the key preconditions to achieve convergence (Obućina, 2020).

Thirdly, although the economic and institutional integration of the Western Balkans with the EU has increased, this was accompanied by backsliding of democratic standards. Many structural problems of local economies remain unaddressed, leaving the region with very limited growth potential. Export capacities are weak and based on the production of products with low value. The lack of good infrastructure decreases the investment attractiveness of the region. Progress in the implementation of connectivity projects has been slow and in terms of digital infrastructure the countries in the region are severely lagging behind EU countries (Zogjani & Gashi, 2019).

Although it has been changing slowly in past years, the social converges between the Western Balkans and the EU has never been a priority in the EU policy towards the region (Jusić, 2020). Despite some improvements, the Balkan countries still face high unemployment rates, especially among the young population. The level of minimum wages is very
low which stimulates migration and exacerbates challenges of ageing populations. The rate of (or being at risk of) poverty is much higher than in the EU (from 27% in BiH to 22.2% in North Macedonia, while EU – 28 average is 16.9%). At the same time the rates of income inequality are growing all over the region. The overall standard of living is lower than the EU average especially considering the poor access to and quality of social and health systems. The lack of visible social change associated with the progress of EU integration is one of the reasons for decreasing support for membership in the EU.

Additionally, the current structure of linkages between EU core countries and the Western Balkans work in the interest of the former at the expense of the latter (Bonomi et al., 2020). A vast amount of financial resources is transferred either through repayment of debts or through trade from the Western Balkans to EU core countries like Germany, Italy and Austria – the region’s main trading partners and investors (Bonomi, 2018). Huge trade and current account deficits are damaging the macro-economic performance and development potential of the Western Balkans latter (Bonomi et al., 2020). Similar trade and investment relations were observed in Central European countries, where however economic imbalances were compensated by an influx of structural and other funds. This is not the case in the Western Balkans where the financial support available for the Western Balkans under the instrument for pre-accession (IPA II) is significantly lower than funds are for EU member states. From 2014 through 2020 all six Western Balkans countries have received €3.9 billion together, while Croatia alone had access to 10.7 billion euro (Töglhofer, 2019). Already before the pandemic Western Balkan countries were predicted to take several decades to converge with the average EU GDP per capita. The current crisis has most likely prolonged that time frame even further.
The impact of the global pandemic

Due to quick reaction of local governments which introduced very restrictive measures of social distancing in the early stage of the pandemic the number of coronavirus cases in the Western Balkans has been much lower than in Western Europe. Despite the fact that local authorities managed the health crisis initially relatively well, the economic consequences for the region will be profound due to restrictions in economic life and an expected recession in the EU. The governments across the region introduced fiscal packages to mitigate the impact of the crisis on the local economies but due to limited fiscal manoeuvring space these are significantly smaller than those of EU members. Hence, the local economies are more exposed to the economic consequences of this crisis. Currently the World Bank expects the decline of GDP in the region to be up to 5.7% (World Bank Group, 2020b).

First of all, economies of many countries in the region are strongly dependent on tourism (especially Albania and Montenegro) and their economies are closely connected with some of the most affected UE countries (as is the case for Albania and Italy). Countries like Serbia and North Macedonia with a developed manufacturing sector will be hit with disruptions in global value chains and with declining export due to lower demand in the EU. Moreover, a fall in remittances, which account for over 15% of GDP in Kosovo and around 10% in BiH, Albania, Montenegro and Serbia, is expected (World Bank Group, 2020c). Prolonged border closures mean that many seasonal workers, who during the summer work in EU member states, will be left without an income this year. The high level of employment within areas of informal economy in the region means that many people will not have access to help from the state. The deep downturn will cause increased unemployment, collapse of many businesses and decrease in salaries which will ultimately have a very negative impact on public finances. Due to high levels of public debts (local) governments have limited ability to introduce generous fiscal measures to boost the economy.
The Way Ahead

The Covid-19 crisis leaves EU Member States and Western Balkans faced with similar challenges and their economic and social fates are interconnected on different levels. The coordinated response to these challenges will not only strengthen the notion of solidarity and external credibility of the EU, but prevent the countries in the Western Balkans to fall into instability triggered by economic hardship. If the EU is really willing to become geopolitically and strategically more autonomous it should not only actively engage to mitigate the economic consequences of the current crisis. More than that, it should use the crisis as an opportunity to trigger a process of deep structural change of their economic relations with and within the region.

To compare: when the financial crisis hit in 2008, the Western Balkans had been mostly left alone with their economic hardship, leading to prolonged stagnation, persistent high unemployment, and slowdown in the reform process. According to some scholars this opened the way for right-wing populists to gain power (Reljić, 2020) and enabled deterioration in the Western Balkans’ performance in terms of democratic consolidation (Bechev, 2012). Moreover, the bleak economic situation strengthened the influence of countries like China and Russia in the region, consequently undermining the Euro-Atlantic geopolitical orientation of some countries. Today, it appears though as if the EU has learnt the lessons and has understood their strategic interest in the region.

Aware of their shared fate EU leaders reconfirmed the support for the Western Balkans in tackling COVID-19 and the post-pandemic recovery during the Zagreb EU – WB summit. The recovery package includes not only the immediate support for the health sector, but also significant support for the social and economic recovery through a €750 million package of Macro-Financial Assistance and a €1.7 billion package of assistance from the European Investment Bank (European Council, 2020). Moreover, the European Commission pledged to present a robust economic and investment plan in autumn to boost the economic growth in the region. If the promise will be kept, the region will have a chance for quicker recovery and mitigation of social consequences of the crisis. But it is important to underline that the planned aid is mainly based on loans, not grants. Therefore, the local governments will indeed have instruments to cope with the current economic downturn, but taking into account current levels of public debt there will not remain significant resources to finance solid grounds for future growth. Countries will be keeping burdened budgets in the following
years. That means a further limitation of financing capacities for already weakened state institutions, healthcare systems and education. This will lead to further deterioration of social conditions.

This is why, the inclusion of the Western Balkans into an EU recovery plan is extremely important, including the opening of EU structural funds for the countries in the region and a provision of special grants in the framework of economic and investment plans. Access to all these programmes should be granted only if economic reforms are implemented, institutional capacity strengthened and regional cooperation deepened.

Ideally, this crisis can become a chance to take advantage of the economic complementarity between the EU and the Western Balkans and to strengthen the economic cooperation for mutual benefit. Due to security concerns, the USA had pushed to decouple supply chains binding the West to China already before the pandemic. Since the crisis has exposed the risks associated with the outsourcing of the production of strategic goods, now also many in the EU call for stronger Europe sovereignty in strategic value chains and decreased dependency on powers like China in the supply of certain products (Salamé & Demorand, 2020). Others predict that regions will turn inward or towards their nearest neighbors in the post-pandemic world to shorten value chains (Tocci, 2020). The Western Balkans with low labour costs, skilled workers and an industrial tradition are the perfect partner for European companies to conduct this relocation process, especially in sectors such as the automotive industry or pharmaceutics. This could go hand in hand with creating pressure for implementing reforms in the region, enhancing regional cooperation and facilitating mutual trade by adjustments in the regulation and realisation of infrastructure projects. With, on top of that, civil society, (small) business and trade unions included to shape and monitor the implementation of the recovery plan, the aftermath of the Covid19 crisis could be a chance for real change in the EU and the region. Seizing this opportunity would not only speed up the socio-economic convergence between the region and the EU but would also contribute to building up resilience of the entire Europe for the turbulent times ahead of us.
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Outlook: Hard Times Require Good Economics:“
Migration, borders, and the EU’s geopolitics

Roderick Parkes
Introduction

During the Cold War, citizens of the Balkans enjoyed relative ease of movement across Europe, at least compared with Poles or Hungarians. But since then, the tables have turned. Poland and Hungary became part of the Schengen Area, whereas the Former Yugoslavia and Albania increasingly found themselves on the wrong side of a ‘new Iron Curtain’ (Karajkov, 2007). The terms ‘Central Europe’ and ‘Western Balkans’ showed the difference of fate: Poles and Hungarians chose the term ‘Central Europeans’ for themselves, as their accession to the EU and Schengen moved them from the ‘East’ to the heart of Europe; the ‘Western Balkans’ had the label chosen for them as they were cut off from their neighbours.

Central European and Western Balkan states have therefore retained a keen sense of the EU’s power, albeit from these rather different perspectives (Guzzini, 2012): they saw how, in a supreme act of geopolitics, Western Europeans pushed their borders outwards with each Schengen enlargement (Lavenex, 2006). But in the old Western core of the EU, it has become quite common to hear arguments like those made in the foreword to this volume: that the EU was founded to end geopolitics; that the EU’s institutions subsequently lack geopolitical DNA; that geopolitics did finally end with the cessation of Cold War hostilities; that geopolitics is now back after a 30-year hiatus; and that the EU must somehow find a way to embrace power.

Interestingly, amongst the people most convinced of this argument are foreign policy experts – people who really ought to recognise geopolitics. Their blind-spot concerning the EU is not so surprising. They have always been slightly estranged from the core of EU power, from the European Commission and line ministries. This is certainly true of borders and migration policy: power is exercised primarily by the Commission’s DG HOME, interior ministries and agencies like Frontex. And they express a different problem: for them, the EU has too much geopolitical DNA; it struggles to cling to a single strand. These actors know that Schengen and border control are geopolitical, but they struggle to consolidate, classify or communicate this.

So what do we actually mean by ‘geopolitics’?

When commentators speak of ‘the return of geopolitics’, it is often with reference to phenomena like the ‘weaponisation of migration’ (Franke and Leonard, 2016) – the way Russia aided small numbers of Afghans and Indians to enter
Finland, trying to destabilise the EU; how it used refugee flows to punish Turkey for downing one of its jets in Syria. Commentators describe as ‘geopolitical’ the way both Russia and Turkey exploited migration to further their territorial aims (e.g., by creating safe zones); to engineer a more favourable domestic situation (offering citizenship to refugees, diluting ethnic strongholds); and to discredit their rivals (using migration for hybrid warfare). And yet, this is not geopolitics – it is too opportunistic, too messy.

Properly speaking, geopolitics is territorial statecraft. A highly-codified practice, it describes the way each state lays claim to and manages national resources – natural and human; and how it regulates international access rights. Geopolitics amounts to a language: it is the java code of international relations. Each power is expected to explain how it organises and controls its territory, as well as to communicate its expectations for how other powers control theirs. This expectation did not go away in 1991. But an assumption did arise that the world was now converging on the same basic form of statecraft – that trade between states would fuel liberal democracy and international cooperation. It is this assumption which is now breaking down.

Viewed in this way, Turkey and Russia were not using migration for the purposes of geopolitics. The reverse: they were responding to the breakdown of geopolitics. They responded opportunistically to misunderstandings about territorial statecraft in order to make de facto gains. Importantly, they may even have been responding to what they saw as deviant geopolitics by the EU. Speak to Russian or Turkish officials, and they perceive that the EU is the one that has been weaponising migration. They ask: “isn’t Europe’s deployment of counter-migration operations in the Aegean and Central Mediterranean a form of weaponisation?” Or: “isn’t EU visa liberalisation just Russian-style ‘passportisation’?”
Common challenges in migration

With this in mind, the task for Europeans – for both the EU and its Western Balkan neighbours - is to define and communicate their shared geopolitics, their chosen territorial statecraft. For the EU specifically, this means picking a coherent geopolitics - one capable both of uniting the member states and being clearly communicated abroad. For the countries of the Western Balkans, the task is slightly different – it is about establishing themselves as active subjects of European geopolitics rather than objects. Europeans have three obvious codes of geopolitics to choose from, the three strands which are encoded in the EU’s DNA: Liberalpolitik, Realpolitik, Europapolitik (Smolnikov, 2009). Each relates centrally to borders and migration:

**Liberalpolitik.** Liberalpolitik has been the West’s dominant geopolitics for 30 years. It sounds like an open-borders policy, but is the opposite. Liberals grid the world into neatly-bordered nation-states. They use trade and investment to grow middle classes; and they maintain strict border controls so the middle classes stay home and build democratic political institutions. A liberal EU is one with tight borders. It uses trade and aid to reform the ‘root causes’ of migration, and to reduce the ‘push’ and ‘pull’ factors of different political and economic regimes. When the EU took the unusual step of opening its borders and liberalising visas for the Balkans and Eastern Europe, this was to harness the middle classes there vis-à-vis their own governments.

But there has been a backlash in the EU against Liberalpolitik: EU citizens complain that ‘liberal over-reach’ has made them less secure. Migration is felt to be one such area, as exemplified by the practice of lifting visas. In the 1990s, the EU was confident of its capacity to remove the root causes of disorderly migration: the EU was becoming the world’s largest economy, and Brussels reasoned that its neighbours - and their neighbours - were going to converge with its own style of liberal government. The EU therefore opened up Schengen and the European labour market to them, and came to rely on third countries for border control. Today, the EU finds itself surrounded by unstable and authoritarian countries.

**Realpolitik.** If Liberalpolitik aims at principled state-building and international cooperation, Realpolitik is the opposite – a relic of imperialism and ‘might is right’. It divides the world not into neatly-demarcated nation-states but into power centres and fuzzy peripheries. The EU’s own fuzzy peripheries are useful for four stratagems: defence in depth, forward defence, connective security and power projection.
Defence in depth is practised via a ‘buffer-zone’, an area which can be sacrificed to defend a core territory. Forward defence – via a ‘front-line’ or highly militarised line pushed close to a rival power. Connective security – via a modern commercial border, getting goods flowing and giving big outside powers a stake in Europe’s security.

Commentators already see shades of these border stratagems on the EU’s major flanks. On its eastern flank: a ‘buffer’ to Russia in the form of Western Ukraine, Belarus (Buras, 2014). To its south: a ‘front-line’, where an EU naval operation presses up to North Africa (Bevilacqua, 2017). In the northwest, commercial air and seaports plug the world’s big economies into Europe. As for the southeast, in the Balkans, the EU is applying its border standards and deploying border operations as if they were on EU territory. Commentators say this echoes the stratagem of power projection (Coman-Kund, 2020): the relevant imperial border template is a protectorate – a means through which to project power without formally holding territory (Curzon, 1907).

Europapolitik. Both Liberalpolitik and Realpolitik were codified in the first decade of the 20th Century in an era of aggressive competition in Europe. Europapolitik was developed half a century later as an alternative and remedy (Maas, 2017, p.85-86). The playful new geopolitics of European integration involved using economic links, infrastructure and technical cooperation to soften old barriers and build cross-border connections, first inside Europe and then abroad. This ‘third way’ was somewhat neglected by the EU in the 1990s, subsumed by the idea that trade globalisation marked the ‘end of borders’. But it was kept alive by Frontex and national border professionals: Schengen is its great exemplar.

This is ‘networked geopolitics’, and Frontex is using it to strengthen all of Europe’s frontiers. It works across even the tensest of borders – Finland-Russia or Greece-Turkey. Frontex creates close contacts between professionals on both sides of the fence so they can pick up the phone to each other when the political temperature rises. In the Western Balkans, Frontex is developing it to the full. DG HOME is seeking status agreements with Western Balkan governments to permit Frontex to deploy executive operations. This is not about the EU projecting power, as students of Realpolitik may believe. It is about making these countries an integral part of Frontex’s professional networks (Nechev and Trauner, 2019).
The way ahead for our shared European future —

Given the existence of these three strands of DNA, how would a more concerted EU geopolitics look? When it comes to migration and borders, a ready test-ground can be found along the so-called ‘South-Eastern Route’. This is the name for the migration route which links the EU to Turkey and the turbulent Middle East and Horn of Africa. Its existence has clarified the stakes for the EU in dealing with that whole region. And it has transformed the way Brussels thinks of the Western Balkans – less as a source of irregular migration, more as a transit zone within the EU and Schengen Area, sitting between Greece and Hungary.

Each strand offers a different approach:

**Liberalpolitik.** If European Liberalpolitik has overreached in the past three decades, then nowhere more so than Turkey. President Erdogan rose to power with Istanbul’s pro-European middle classes. But he lost faith in the EU in the wake of the financial crisis and the ‘Arab Winter’. Today he is happy to practise a zombie version of liberalism. He can use his country’s humanitarianism to demand international standing and extort a recognition from the EU that Turkey does not itself produce political refugees. He can use the migration flows to establish a more amenable electorate, diluting Kurdish strongholds and pushing minorities into Europe. He can use the crisis to polarise Turkish society and guarantee himself 51% of the vote.

But Europe’s Liberalpolitik isn’t dead. Indeed, the EU’s impulse to strengthen its outer border, to focus on European integration, and to direct trade and aid at the ‘root causes’ of migration abroad, marks a return to basics. This renewed Liberalpolitik can be seen in the Balkans. The EU has sharpened its focus on making Europe a more united and neatly-demarcated territory. This means lifting Schengen border controls towards EU members Romania and Bulgaria (European Parliament, 2018). It also means helping Western Balkan states respond to the migration crisis and the tensions with Turkey by trying to resolve their own outstanding border disputes and deepen cooperation.

**Realpolitik.** As for the EU’s Realpolitik, it is much less concerted than its critics suggest. The South-Eastern Route is a case in point: the EU is accused of turning the Balkans into ‘protectorates’ but, in truth, it has at most established ‘micro-protectorates’ - the Commission runs refugee camps on the Greek Islands, where it projects power but eschews responsibility. Greece itself is trying to create a ‘front line’, hoping the Aegean will be viewed as their first
line of defence by other EU governments. But they, for their part, use one another as ‘buffers’, slowing the passage of migrants. So this leaves Turkey with an ace card – connective security: Turkey keeps Syrian refugees trickling into Greece’s overfilled camps, plugging Europe into its own security situation.

If Europeans did embrace Realpolitik (unlikely), this would require them to combine those four defensive stratagems – projecting power, buffering, and so on - in a concerted way. In the south-east, the main thrust would be power projection - using Turkey as a base to exert influence over Syria, Lebanon and Jordan. But to achieve this relationship with Ankara, Europe would leverage Turkey’s own need for ‘connective security’ - for trade, visas and military mobility from Europe (every time Turkey opens its borders it jeopardises these things). It would make Ankara understand that Turkey sits on a civilizational ‘front-line’ and must actively choose to belong to the West. And it would treat Turkey less as a bridge to the Middle East, more as a buffer.

Europapolitik. The Schengen Area is the prime exemplar of Europapolitik and so this is the most natural approach when it comes to borders. Schengen reflects the notion that people should be able to choose their geography - that there are ways to cooperate which prevent societies becoming trapped by their geography. This has been described as ‘geo-politics’, applying political choice to geography. If the EU did revive this third form of geopolitics along the south-eastern route, it would focus on strengthening links to Turkish border guards so as to undercut the political posturing in Ankara. It would also help the Turks forge links of their own with Africa. In short: exploit border guards’ professional pride and the shared stake in cross-border networks.

Turkish border guards have already discovered the uses of Schengen’s ‘networked geopolitics’: they are seeking contacts to Frontex and to border organisations like ICMPD in Vienna (Aydogan, 2018). This is because, whenever Erdogan funnels migration towards the EU, Turkish border guards lose control: ‘Gulenists’ sneak out amid the chaos, Africans flock into Turkish airports hoping to transit to Europe, and Iranians, Iraqis and Syrians press across Turkey’s other land borders. Last March, a rumour went out that Erdogan was opening the border to the EU. 30,000 Syrians and Afghans responded by moving across Turkey towards Greece; but more than a million Syrians moved towards the border with Turkey. Turkey needs its Schengen contacts.

So which, if any, of these three models ought to win out?

For the EU, choosing the best form of geopolitics is important; but choosing a geopolitics is vital. After all, a lack of clarity about a state’s geopolitics (rather
than the form of geopolitics itself) is what lies at the heart of most international tensions. That is why it is so damaging when foreign policy experts argue that the EU has no geopolitics – it is so far from the truth, that suspicious rivals take the worst interpretation. If the EU chooses Europapolitik, these experts will have to acquaint themselves with something truly unfamiliar and technical.

For Western Balkan countries, the stakes involved in this choice are perhaps higher – they must choose the geopolitics which gives them an active part. Liberalpolitik offers the most attractive aims: the Balkans would be properly integrated into the EU and Schengen, no longer an ‘undigested morsel in the EU’s stomach’ (Šljivić et al., 2017). Realpolitik is perhaps more in tune with realities, messy and unpleasant, but grimly predictable. But Europapolitik offers the best opportunities for the Balkans to become active players.

Europapolitik is a non-hierarchical networked geopolitics which runs on expertise. Western Europeans, following years of exporting their border standards to the east and south-east now find themselves at a loss. They were not ready for phenomena like ‘hybrid warfare’. Central Europeans have embraced the new demand for their expertise. Western Balkan countries too have significant expertise in these fields. And, thanks in part to years of EU network-building in the region, are capable of communicating across borders.
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Strategic autonomy or multiple dependencies: the challenges of building resilience in a competitive geopolitical environment

- Oana Popescu-Zamfir
Introduction

From the early 1990s until fairly recently, the European Union enjoyed the privilege of operating in a regional context where it had no serious competition from rival powers (Debski & Hamilton, 2019) and it had a strong ally, the United States. It was thus able to both continue to build itself around its core values and principles of cooperation and further integration, and draw its neighbours into the same happy dance that held out the promise of prosperity, stability and democracy alongside EU membership. Its vicinity had never stopped being disputed among rival power interests, but these powers were themselves weak, facing domestic challenges of their own, while the US and EU, as winners of the Cold War, were enjoying the ideological attraction that comes with victory and the influence they garnered as leaders of a Western-dominated global order.

Eventually, Washington military power and political leverage, and the promise of eventual EU accession seemed to be creating the long-term conditions for strategic integration, making the Western Balkans stable, secure, and sharing in the benefits of the democracy and free market-based paradigm of cooperation and integration. Brussels was bringing in visa-free regime, assistance with institution-building, rule of law and convergence of all sorts, as well as generous funding, political and economic investment. That path looked like the only option for the region, which was geographically, economically and geo-politically fully dependent on the larger continent.

What has changed since? First and foremost, the global environment of geopolitical competition. Western liberal order is being contested worldwide – and also in its immediate ‘sphere of influence’. The losers of the Cold War, reeling from their loss until not long ago, have lately recovered strength and ambition. Other emerging powers are looking to build up influence where their interests lie. The EU no longer acts in the Western Balkans as an undisputed single ‘patron’: Russia, China, Turkey, and some of the Gulf monarchies all vie for influence (Bechev, 2020, Popescu & Secriér, 2018). Meanwhile, the EU itself is facing internal problems and finds that its failures - and perceived hypocrisy in its handling of Western Balkans integration (Stratulat, 2019) – is making it look increasingly unconvincing, just as its previous success had made it attractive.
The EU is also now deprived of the power boost that the United States were providing. Washington now acts alone, unpredictably and sometimes against EU options (like in the case of the Serbia-Kosovo dialogue) (Morina, 2020). Globally, its interests, its ends and means only partially converge with those of the EU.

In Brussels and member states’ capitals, the discovery is being made that the EU only seems to be able to use European integration as an instrument of foreign policy where, on the receiving end, the candidate countries genuinely embrace the process in its entirety. Such was the case with the ten new member states from the former Communist bloc, but perhaps not with the Western Balkans, where some try to make selective use of the benefits of enlargement, picking and choosing whatever eases their way to Brussels funding and travel freedoms, while shying away from difficult reforms. To be fair, this is not an irrational choice altogether, given that the EU itself has been acting confusingly, freezing enlargement during the years of the Juncker Commission, then unfreezing it just to see it blown up by Macron (Rankin & Walker, 2020), then eventually opening its doors to Albania and North Macedonia.

**Common challenges**

This long introduction seeks to provide context for the understanding of perhaps the single most immediate risk of a hybrid nature shared between the European Union and the Western Balkans: the potentially fatal mix of internal vulnerabilities and the willingness and drive of external competitors to exploit them to amplify existing problems, disrupt and destabilise, creating ample room for manoeuvre for competing interests. The fact that these rival powers are not necessarily seeking full control over the Western Balkans should not be misleading. For now, their agenda is merely disruptive, aiming to thwart EU moves and these countries’ successful progress toward democracy, as well as their strategic alignment with the West. Just keeping the Western Balkans in a state of dependence and as ‘consumers’ of security, as opposed to them being contributors to European strategic autonomy, allows these disruptors continued sway over the future of the region (Zamfir, 2020).

But as always, what happens in the Western Balkans never stays in the Western Balkans alone. The immigration crisis has recently demonstrated the extent to which the EU and its southern and south-eastern neighbours are co-dependent. The one lesson for Brussels is that the Union can no longer just be the equivalent of the American ‘city upon the hill’, a model for others to aspire
to, generous but rather slow and reactive in its approach. It’s high time the self-branded ‘geopolitical Commission’ started living up to its name and hopefully receiving member states’ backing for this same proactive approach (Koenig, 2019).

The difficulties are not just external – rather perhaps primarily internal. Not all rival powers share the same agenda or approach, but they all share a non- or even anti-democratic model of governance and an interest to undermine liberalism and democracy within the EU and in its neighbourhood. Russia has been funding far-right, far-left and other nationalist, populist and fringe political movements in Europe without ideological discrimination (Rettman 2017). It has been supporting Orthodox groups and churches in Central and Eastern Europe and among former Soviet satellites, in order to promote so-called ‘traditional values’ and portray EU civil liberties and secularism as actively undermining these. It has interfered in elections, sowed further mistrust between state (i.e. institutions of representative democracy) and society, against the backdrop of existing dissatisfaction with political leadership across the continent and the growing feeling of various electorates of being marginalised and underrepresented (Karlsen, 2019; Zamfir, 2019).

Less aggressively, but getting itself more and more deeply entrenched every day, China has advanced inside the continent from the edges, gaining a strong foothold for its trade and investment in the group of 17+1, acquiring strategic assets, promising loans without the governance standards conditionalities of the EU and international financial institutions. The most influential state in the Western Balkans, Serbia, enthusiastically cooperated, as Xi Jinping’s corrupt policies of engagement provide a favourable avenue for Aleksandar Vucic’s personal interests (Gajic, 2019). As the COVID-19 pandemic has amply proven though, Beijing has also gained significant control over core EU, by leveraging its advantage in manufacturing and technology. Faced with possible backlash after the spread of the new coronavirus out of Wuhan, China has been stepping up its direct propaganda in Europe and is expected to continue doing it.

Gulf monarchies and proxy criminal organisations have been exchanging their piles of cash for not just political, but also social influence. In the Western Balkans, they have both funded corrupt local leaders through lavish investment projects wrapped in a thick veil of non-transparent dealings, and invested in the social infrastructure (roads, schools, hospitals), while conditioning those on building mosques and essentially enjoying increased freedom to recruit jihadists. In Europe, these proxies have contributed to the radicalisation of the Muslim population.

Turkey has been promoting its commercial interests in the Balkans energetically and in recent years it has been able to twist a few arms to test to what extent these would translate into
allegiance to Erdogan. As was the case of the so-called ‘Gulenists’ lined up for deportation to Ankara (BIRN, 2018), Turkish efforts aimed at building up influence seem to have paid off. As the regime becomes more and more authoritarian, its influence is likely to become ever more toxic – and not only on the Western Balkans, since the EU’s dependence on Turkey for managing immigration is giving Erdogan a blank check.

All of these social, political, economic and foreign policy/security vulnerabilities open wide inroads for malign influence, whether from external actors or domestic players with vested interests. In fact, much of this malign influence is demand-driven. Sharp power is supposed to be a (relatively) low-cost, high return on investment strategy, whereby the enemy uses the target’s weaknesses against it; it does not need to create gaps, it just needs to exploit and enlarge existing ones – and this could not be easier than by enlisting domestic players who don’t just enjoy, but actively seek this interference in support of their own agendas. In the case of the Western Balkans, local political players and governments have long been playing big powers against one another to extract the maximum of (personal) benefits from all (Zamfir, 2019). The European Union has, unfortunately, lent support to these by choosing to engage mostly with governments to advance the enlargement agenda, because they were the ones that could deliver, while forgetting to invest in the democratisation and adherence to the project of the larger society. All this while the latter was getting more and more disconnected from its increasingly authoritarian leaders and regarding the EU as propping them up for its own interest.

More recently, Western Balkan autocrats have found a champion within the very European Union. Viktor Orban’s model of so-called ‘illiberal democracy’, which ridiculises the constitution, separation of powers or human rights, trampling upon every principle and value of the EU, has been embraced south of the Danube as the ultimate source of legitimacy: after all, Hungary is an EU member and the EU has not punished Budapest for its backsliding, so how could it demand from others to refrain from behaviour that it allows among its own ranks? Moreover, Orban has slyly acted, to a large extent, within the framework that democratic rules allow him – he has used democracy to undermine democracy; he has not simply discarded it. Besides, he is not alone: Poland and Hungary reinforce each other; Slovakia, Czechia experiment with their own versions of limited democratic backsliding and/or dangerous games with Russia and China; the same was attempted last year in Romania, though an antidemocratic takeover by the country’s largest party was stopped short; Bulgaria, with its high levels of corruption; all provide examples that EU membership does not equal complete democratic transformation. Western Europe itself is faced with everything from growing populism and nationalism, to far-right extremism, radicalisation and Euroscepticism.
These are not reasons for the EU to step down from the role of active promoter of democracy or European integration in the region; or from developing an effective strategy to counter hybrid threats. Shared challenges provide a good opportunity to acknowledge that we’re in this together – and that ‘this’ is a global geopolitical competition where the EU seems to be losing some of its position of advantage mostly because it has been late in recognising its occurrence and hesitant in engaging. Otherwise, it could still outsmart its competitors, at least on the continent, because it has the money, the population, the ability to mobilise the combined potential of its member states (and has demonstrated it, albeit belatedly, during the current pandemic), the capacity for innovation, the jobs, the cultural and standard-of-living attractiveness.

On their end, the Western Balkans also really only have one option: their population is in Europe (and that is at the same time one of their biggest problems (Judah, 2019)), their economy is inextricably linked to that of the EU, their societies have a clear European identity and are gradually converging toward the European model, rather despite than thanks to their governments. In the current competitive context though, failure to act together resolutely and fast could amount to backtracking that could take many hard years to reverse.

The way ahead for our shared European future

Hence the clear set of minimal joint actions needed:

- work together toward a common risk assessment of hybrid threats, one that works from the identification of vulnerabilities, to the design of resilience and response (this approach is more practical and less likely to end up in controversy, as opposed to starting from a discussion around who are the enemies);

- the framework for this assessment needs to take into account the reality of hybrid threats as a form of sharp power whose end goal is to achieve transformational effects on society and politics. Democratic resilience and resilience to hybrid threats are therefore to be regarded as closely linked and dealt with accordingly;

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- the conversation needs to take place in a multistakeholder format, with a whole-of-society approach. Governments alone may be less enthusiastic to engage or less genuine, in some cases, whereas inclusion of civil society may be more conducive to success;

- the enlargement process needs to be both convergence-oriented and a process of stabilisation and security-building, circumscribed by the larger strategic autonomy umbrella. EU interventions and funding should seek to strengthen resilience, especially as many would target the same areas that are critical to democratisation. Brussels should make sure society – and not just political leaders - partakes in the benefits;

- the EU needs to become a more ambitious and agile geopolitical player; to this end, other than working out its institutional conundrums and post-Brexit crises, it also needs to set its house in order. Unless it identifies the means to react to democratic backsliding among its own and thus fix its own resilience gaps, it will not be taken seriously externally;

- in the Western Balkans, it all eventually goes down to whether these countries truly want to shake off different patrons fighting one another in the region – in which case they should strengthen collective resilience by building up cooperation among themselves and with the EU starting from areas of opportunity (infrastructure, technology, manufacturing, etc.), including but not limited to the enlargement process.
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Respecting rule of law beyond EU enlargement: Does the EU have what it takes?

- Marko Kmezic
Introduction

The rule of law is enshrined in Article 2 of the Treaty on European Union (TEU) along with respect for human dignity, freedom, democracy, equality, and respect for human rights, including the rights of persons belonging to minorities, as a shared value on which the Union is rooted. Since the Treaty of Lisbon these are recognized as constitutive EU values. As such, rule of law defines the collective identity of the whole organization and thus essentially determines the EU’s action in the domestic and international realms (Articles 21, 3 (5) and 8 TEU), as well as conditions for EU membership (Article 49 (1) EU).

However, not only EU aspirants, but also several EU Member States are confronted with grave threats to the functioning system of rule of law. In some cases, for example in Italy or Greece, these challenges have never disappeared, while in Hungary and Poland they re-emerged after the countries had joined the EU. Acknowledging the danger of observed rule of law backsliding across the EU and beyond, the European Commission President Ursula von der Leyen acknowledged in her political guidelines for the Commission that “threats to the rule of law challenge the legal, political and economic basis of how our Union works” (2019). As a result, the EU is currently confronted with the double challenge of promoting the rule of law within the Union and in regard to future members.
Common challenges to the functioning rule of law

European integration has made a significant and lasting contribution to a rule-based order in Europe. Yet, over the past decade problems with democratic pluralism and governance based on rule of law are increasingly observed throughout EU Member States. The systematic and deliberate erosion of the rule of law in Hungary under Viktor Orbán’s government is already well-known (Uitz, 2020), and has been emulated by other EU member states, particularly Poland (Pech, 2020). In September 2018, the Commission actually had to refer Poland to the ECJ for the adoption of a new law on the Supreme Court, which was one year later assessed in breach of the principle of judicial independence. Despite the far-reaching reforms enacted in preparation for EU membership, Bulgaria and Romania are still subject to a specific post-accession monitoring system in the sphere of rule law. Moreover, not only ‘new’ Member States, but also more experienced EU countries, such as Italy with problems in the sphere of media pluralism, or Greece with poor governance as revealed by the euro crisis, are struggling with rule of law implementation.

On the other hand, despite being exposed to EU rule of law promotion mechanisms within the Stabilisation and Association Process (SAP) for more than two decades, the respect for the rule of law in Western Balkan candidate countries - Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia - has been steadily declining for over a decade. The enduring problems regarding the rule of law in the Western Balkans are not new and have been noted over the years, including by the latest Freedom House Freedom in the World report (2020) that observes an absence of the rule of law and an increase in patronage networks and clientelism, which threaten democratic institutions in the region. Similarly, the European Commission in its 2018 Communication on a credible enlargement perspective for the Western Balkans departed from its usual technocratic account of the state of the rule of law and straightforwardly declared that the countries show “clear elements of state capture, including links with organised crime and corruption at all levels of government and administration, as well as a strong entanglement of public and private interests.” (European Commission, 2018).

The apparent absence of the rule of law across Europe is mainly observed through the creation of regime-centred legal settings allowing for utter arbitrariness and violence of the ruling elites. This has led to a wide-ranging erosion of independent institutions and control over the judiciary and independent media, a feature that the Western Balkans share with a critical number of EU members. Thus, the erosion of rule of law requires a response both within the EU and towards future member states.
Does the EU have what it takes?

In an answer to the rising rule of law problems across the Union, the European Commission announced a new toolbox of measures in 2019 that would build upon the 2014 Rule of Law Framework and rulings by the ECJ. Correspondingly, the respect for the rule of law has been spelled out as one of EU’s ‘fundamental’ conditions for Western Balkans EU enlargement.

However, both strategies suffer from major shortcomings that put into question their overall effectiveness. This can be seen in all three pillars of the Union’s rule of law enforcement, namely 1) the EU’s ability to effectively answer in situations when a problem of sufficient significance is detected, 2) the EU’s capacity to monitor and intervene at an early stage of rule of law deterioration, and 3) the lack of effective mechanisms for spreading of rule of law in Europe.

First, Member States are vetted for their compliance with the rule of law before they accede to the Union. However, to this date effective mechanisms to supervise and regularly monitor adherence to the rule of law and other foundational values after accession remain in infancy. The combination of supervision instruments - actions before the ECJ and the infringement proceedings brought by the Commission - could prove effective in exerting pressure on breaching Member States. Still, the procedure to invoke a clear risk of a serious breach under Article 7(1) TEU remains unattainable due to high decision-making thresholds. Alternatively, the suspension of membership negotiations and any financial assistance from the EU could be imposed on a prospective member for breaching the rule of law. Yet, this procedure suffers from a different set of problems, as a single Member State can raise the overall balance clause to prevent further opening of negotiating chapters until satisfactory progress on the rule is achieved. Such a setup risks repeating the apparent mistake of 2019 French veto on opening of North Macedonian and Albanian EU accession talks. Hence, in the event of Treaty change, reviewing Article 7 TEU to lower the thresholds for decisions would be preferable and should take the form of reversed qualified majority, while gatekeeping in steps leading up to the – and not including – EU membership, requires a higher threshold.

Second, the ‘new’ EU approach on Chapters 23 and 24, ‘Judiciary and fundamental rights’ and ‘Justice, freedom and security,’ introduced for the first time in the Croatian negotiating process, relies on an interim benchmarking system that would assess the country’s preparedness to open and close a negotiating chapter, and introduces safeguard measures, most notably the overall balance clause intended to stop negotiations on all other chapters if progress on the rule of law begins to lag behind. However, in practice interim benchmarks are very
broad and represent a long-term goal, which makes their assessment rather superficial. In addition, the benchmarks are not tailored to the specific circumstances of the countries they target, as seen in the example of identical benchmarks developed for the two Western Balkan accession frontrunners – Serbia and Montenegro. Similarly, the case law of the European Court of Justice and the European Court of Human Rights that provide for the key EU rule of law requirements to be respected by the EU and its Member States, are not always sufficiently known. To fill up these gaps, it would be useful that the EU develops fundamental set of rule of law benchmarks that would be applied on candidate and members states alike, notwithstanding the need for acknowledging their specific contexts and legal tradition.

Next, the likelihood of the effectiveness of EU rule of law efforts decreases with the number of domestic veto players incurring net effective power losses stemming from reforms. Recent convictions of the former Croatian Prime Minister Ivo Sanader on corruption and of former Macedonian Prime Minister Nikola Gruevski on embezzlement charges, serve as a striking example of the harmful effect which EU reforms can have for established elites. Ongoing EU rule of law efforts are state-centered with strong emphasis on law reform and government institutions, particularly judiciaries, whereas civil society is at best adjunct to the institution building process. There is, however, a strong need for a more inclusive bottom-up approach to EU rule of law promotion, in which civil society actors, including constructive grassroots and local initiatives, are empowered to play a rights-holder’s role vis-à-vis public authority. This would help to push for compliance of key laws, monitor their implementation and influence norm internalization, before, during, and after EU membership negotiations.

Finally, while the EU has put a considerable effort into promoting the rule of law, at the same time it has been rather unsuccessful with preventing concurrent democratic backsliding. The EU is wrong to believe that the rule of law can be protected on its own, as it continues to disregard other principles and values enshrined in Art 2 TEU. From a doctrinal and practical point of view, at least democracy should be equally included under EU scrutiny.
The way ahead for our shared European future

As this study has shown, EU leverage in the past decade has not been sufficient to promote rule of law in countries seeking to join the Union, nor has membership provided a sufficient safeguard by itself. EU rule of law policies thus require providing tools for both members and future members. While the accession process can provide leverage, if successful, it cannot prevent backsliding after accession, as no democracy and rule of law-based system is ever completely immune to setbacks. This requires developing joint strategies for current and future member states.

These include the identification of rule of law setbacks, such as rolling out the EU justice scoreboard for all countries of the Western Balkans and also developing coherent methodology to focus beyond the judiciary to other aspects of rule law and democracy, i.e. free and fair elections, media freedom, checks and balances, informalities, anti-corruption, etc. Ideally, existing monitoring tools should be integrated under one authority that would regularly observe compliance with the Union’s values. The European Fundamental Rights Agency (FRA), assisted by local expertise, could expand its scope of work to cover current and prospective EU Member States by means of regular assessment on specific legal and political measures concerning rule of law and democracy. In addition, rule of law expert missions like the 2016 Priebe group established in North Macedonia and since identified as a common tool for the Western Balkans, could also be used within the EU.

Of course, the identification of problems is not sufficient by itself, as in most cases governments deliberately undermine the rule of law and thus are only susceptible to change their approach due to domestic or international pressure. The strong and hostile reaction of the Polish government and president to the recommendation of the Venice Commission of the Council of Europe in January 2020 highlights the need for effective enforcement mechanisms. In order to be effective, the sanctions have to be possible during the accession and post-accession period, i.e. not exempting EU members to discourage backsliding or strategic and incomplete reforms. These could include accelerated infringement procedures and the development of the equivalent for countries negotiating accession. In particular, the post-accession rule of law conditionality that could block financial support should be used. As part of proposals for the 2021-2027 Multiannual Financial Framework, the Commission has established a connection between the respect for the rule of law and the Union’s budget. A constructive step forward should enable the Council to decide by a reverse qualified majority on reduction of EU funding for Member States in systemic breach of rule of law and democracy.

So, how can the implementation of democratic laws
be ensured, and how can the independence of state institutions be secured in order to substantively reinforce democracy? The EU must find new allies in this endeavour. Success rests upon the precondition of eradicating the root causes of illiberal elite-centred political systems. The key remains to unlock new political dynamics that would enable to break away from the established patterns of clientelism, informal networks and strong party control over media and state institutions. In other words, liberal structures must be strengthened in order to persistently challenge illiberal power structures and norms. Therefore, it is necessary to include additional – non-political as well as expert actors in the process of EU rule of law promotion who would complement EU’s efforts by means of convincing national elites of the need to internalize EU values. Basically, it is essential to achieve the transformation of traditional top-down power structures in which governments are at liberty to influence both legislative and judiciary branch through clientilistic networks and/or methods of more or less open pressure into a horizontally structured civil society based on the rule of law. In concrete terms, civil society empowerment should strengthen their expertise, capacities, and technical know-how; provide for regional and international networking possibilities with the aim of establishing support mechanism for their systemic resilience; help local fund raising; and, better connect civil society to politics. The EU should commit to diverting financial aid from governments to civil society in countries whose administrations breach core democratic norms. In addition, more funding must be provided to protect civil society activists from state repression in countries with shrinking democratic space. Specific efforts should be made to support constructive grassroots and local initiatives. If this does not happen, the prevalence of these patterns will cement the democratic smokescreens behind which business as usual shall continue in decades to come.
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From business as usual to the new normal

Hedvig Morvai
Introduction

The region of the Western Balkans is enclosed by the EU and NATO and the countries are deeply merged into the EU in geographic, political, economic, financial and human terms; and nowhere else have the EU and its member states invested so much political capital in the past three decades as in these countries. The COVID-19 pandemics confirmed this interdependence in the most brutal way and underlined the importance of changing the narrative about the European future of the region. Enlargement is not only about the interests of the Western Balkans, it is about the position and capacities of the EU as global actor. On the other hand, next to the need to take ownership of Western Balkan countries in the process of EU integration it is necessary that the region demonstrates a proactive approach and feels invited to partake in shaping the future European project.

Mistrust in the European institutions and the common European future is a natural result of the latest developments at continental level. The EU of today struggles with challenges to the rule of law among its members and multiple crisis that test the feeling of security and the fundamental premise of solidarity within the bloc. Migration and competing geopolitical influences have posed additional challenges to the cohesion of the EU countries. The COVID-19 pandemics is a novel, complex, global crisis and not simply the return of one of the previous situations.

"It remains to be seen how exactly the crisis will affect the future of the European project. But it is clear that, in all, the coronavirus will call into question some of the basic assumptions on which the EU is founded.” (Krastev, 2020)

The European Union is now confronted with the fragility of its achievements and only through self-reflection it can rejuvenate its standing in Europe and the rest of the world. The pandemics imposed this need what at the same time gives the opportunity to turn it to the EU’s advantage. The challenge is not only to overcome the crisis, but to make political choices what will open a whole new horizon for an inspiring joint project. To create a Europe what can maintain all its achievements and to support a caring society. The EU’s strength lies in inclusive, democratic and prosperous life. However, the current pandemics showed that people’s well-being, the quality of the physical-, mental-, social and cultural lives must
become values equally important as peace and prosperity.

The pandemic has also revealed the fragility of Western Balkans’ state system (Tocci, 2020) and it hit the region already contested by the long and uncertain EU accession process, poor economic performance, weak democratic institutions, insufficient rule of law, authoritarian tendencies, questionable freedom of expression and media freedom, unresolved bilateral issues. For the first time since 2003 Serbia and Montenegro are no longer categorized as democracies in Nations in Transit 2020. At the same time, in March this year North Macedonia joined NATO as its 30th member and the EU member states finally gave the green light for the beginning of accession talks with Albania and North Macedonia. This positive decision happened against the background of a large crisis and was therefore not the only news in town, different to the media coverage on the negative decision in October last year. However, it was a brave step in spite of the new circumstances. The impression is that enlargement got rediscovered as soft tool in promoting democracy and rule of law in the Balkans, recognizing the transformative power of the accession negotiations. At the EU-Western Balkans Zagreb (online) Summit on May 6, the EU leaders reaffirmed their unequivocal support for the European perspective of the Western Balkans. What was striking however, was avoiding a clear expression and endorsement of these countries’ membership. This approach was confirmed in the final Declaration following the Summit, where, as criticized by different actors, the same euphemism “European perspective” is used, when it should be rather talking about “EU membership”, “enlargement” or “EU accession” of the countries of the region (Cvijic, 2020).

Fighting together the coronavirus and its effects was high on the agenda of the Zagreb Summit. The EU’s decision to mobilize a financial package of over 3.3 billion Euros for the region’s fight with COVID-19 and its consequences confirms its commitment to the Western Balkans. The notion of unity and solidarity was reinforced by Luigi Di Maio, foreign minister of Italy, in his address to the State of the Union 2020 online conference “Europe: Managing the COVID-19 crisis” on May 8, where he thanked to the Western Balkans countries for providing medical and nursing staff and medical equipment.

The recent developments in the EU-Western Balkans relations, culminating with the French veto in relation to opening negotiations with N. Macedonia and Albania last year, and as result, communicating a new approach to the accession process by the European Commission in February this year, pose a number of issues what remain
crucial for building the future EU-WB partnership: To what extent do the EU and the region need each other? Is this the opportunity for the EU to discover the region in a new light, as a near neighbourhood with high importance in developing its strategies for the post-pandemic future? And could the current constellation bring a new dynamic into the reform processes in the WB countries? How different is the narrative about the common European future now?

The Western Balkans countries should be encouraged to pull their weight in the efforts to renew the political shape of Europe. It is more evident than ever before, that current problems discussed and analyzed in this collection of policy papers require common solutions. Europe as a whole must become fit for the next period and it is in the interest of both, the EU and the region, to find a new model of co-operation. It should contribute to the fast forward development of the countries of the region with the objective of full EU membership and it should provide constructive partners, the countries in the Western Balkans transformed, developed and capable to strengthen the Union and build a wider European project. This can only be achieved with sincere and transparent engagement from both sides.

Common challenges in Europe

It is self-evident that principles such as good governance and respect of the rule of law, apply to WB candidates just as they should apply to EU member states, an assumption which was challenged by the nomination of a Hungarian Commissioner – representing a country which has cleared away from European democratic and liberal ideas in recent years – for the portfolio of neighbourhood and enlargement. Accountability to all states involved in the European project, therefore, is needed and essential. A more politically dynamic and sincere approach towards completion of the EU enlargement should be made. There is the realistic danger that opening negotiations with Albania and N. Macedonia would only mean two more WB countries added to the group of those negotiating without substantial change in the dynamics of the overall process. A new normal is inevitable in the post-pandemic reality, and it could offer the opportunity to a fresh start in the WB – EU accession relationship as well. The Western Balkan countries should commit to genuine implementation of the reforms in order to achieve lasting institutional and social change, while the European Union should be principled in assessing the progress. A meaningful accession can only take place if it is based on honest commitment to the
democratization and economic development of the Western Balkan countries (EWB, 2020).

Another very worrying current trend is the massive emigration/depopulation/brain-drain or as some call it "democracy-drain" from the region. However, these countries are not completely empty yet. Far from that. Luckily, there are (among others) still remains of a vibrant and multi-layered civil society with remarkable actors and leaders, great examples of entrepreneurship and successful new business models in spite of the unfriendly environment (in most countries), a large cohort of people who went through a variety of capacity building and empowerment programs who belong to a network of individuals with powerful skills and capacities, what in total represents a largely "unused" human capital existing in these countries. A massive investment during the past two decades in building this human capital, by boosting the potentials of the most motivated and engaged parts of different sectors including the government, civil society, media, academia, business and political parties, contributed to developing a region-wide knowledge base and valuable resource. This potential should be harnessed and integrated in the development scenarios of the WB countries and in working on common interests of the region and the European Union.

To develop a solid foundation for a prosperous future, to generate societal transformation in the WB and for finding supporters for substantial democratisation of these countries, there must be new instruments for empowering people and for promoting participation and a shared sense of purpose. The EU is an example on how successful policies are made by a multitude of actors working at different levels, where political processes in fragmented societies must bring in many voices (Balfour, 2019). The citizens of the region must be invited to participate in pan-European debates on concrete policy questions, bringing in appropriate stakeholders from different sectors.

Civil society actors in many countries are rising to the pandemic challenge in myriad different ways. They are filling in gaps left by governments to provide essential services and spread information about the virus. The ability to mitigate the impacts of the crisis relies heavily on the ability of civil society to maintain its role and keep governments to account while giving voice to the most marginalized. Yet the crisis will also hamper civil society's ability to respond. Closing civic space, constraints on movement and increasingly authoritarian policies in many countries make the environment for advocacy and accountability an extremely difficult one to work in. CSOs in WB countries demonstrated their capacities as essential actors in the democratization and Europeanisation process. Expert organizations proved to be constructive partners to their governments and to the EU by contributing to
relevant political processes, by communicating the latest expertise and field findings to decision-makers, and by engaging in public advocacy campaigns.

Regional cooperation in the Western Balkans has undergone a fundamental shift over the past decades. While in the wake of violent conflicts it was mostly about strengthening security, and later it focused on stability and confidence building, nowadays the principal goal is to kick-start economic growth and development in times of prolonged crisis. Considerable resources have been invested, and regional initiatives have mounted. There is an urgent need to redefine and rationalize regional cooperation and further develop a sense of nurturing regional identity.

The Way Ahead for our shared European future

Back to the basics approach. This kind of approach in the WB entails that the WB governments must demonstrate clear and honest dedication to the fulfillment of the accession criteria and the process must be based on genuine democratic principles, values and public debate. For the European Union, ‘Back to the basics’ means that the European Union should provide a credible narrative for the EU accession of all WB countries and by implementing the revised enlargement methodology, it should allow participation to the WB countries in certain EU sectoral areas once the conditions are met.

Fostering innovation, invest in human capital. Preventing democracy-drain is essential for the political and economic well-being for the countries of the Western Balkans. Therefore, by using the existing regional cooperation mechanisms, a new collaboration effort should be focused on developing instruments for supporting talents and fostering innovation. The region should recognise its available potentials, by reaching out to this existing human capital, and proactively getting involved in common actions with the EU and participate in emerging policy areas as environment and digitalisation.
Inclusion in the Conference on the Future of Europe. The COVID-19 pandemics confirmed the interdependence between WB and EU and emphasized the importance of changing the narrative about the European future of the region. Completion of the European project in this part of Europe is not only about the interests of the Western Balkans, it is also about the position and capacities of the EU to act as a global actor. It is about EU’s expressed interest in practicing strategic sovereignty/autonomy. Therefore, the involvement of the WB citizens in the European debates, including the upcoming Conference on the Future of Europe, which agenda will be broadened with topics emerged due to the COVID-19 pandemic is important and highly relevant.

Think tanks/CSOs as indispensable partner in policy/political processes. Civil society in general must be considered as key partner in the post-pandemic recovery process both by the WB governments and by the EU. New instruments should be developed for providing more comprehensive political and financial support for civil society by recognizing the organic development of the sector in WB and its new actors and forms of engagement (i.e. new social movements, hybrid forms etc.)

Make the most out of regional cooperation. The countries of the region should take the full ownership and use the potential of regional cooperation as a tool for progress in different policy areas from rule of law to competitiveness and environment and development. The positive results of the Berlin process need to be further enhanced, nurtured and concretized by focusing on those initiatives, which are the most feasible and can provide tangible and visible results on the ground. And finally, the societies of the region should acknowledge and take full advantage of the fact that there is a highly developed and vibrant platform for cooperation at regional level which enables formal and non-formal networking and partnerships.
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The EU’s strategic interest in the Western Balkans: Stimulating EU’s strategic autonomy through cross-border cooperation

Marie Jelenka Kirchner and Zoran Nechev
Introduction

When the Covid19 crisis first hit Europe, the initial impulse of European states had been to lock-down countries all by one, including the closing of borders. In the first weeks of this extraordinary state, European solidarity seemed to have vanished from the continent when the economically potent countries did not do much to assist the hardest hit countries from the South. The newly inaugurated geopolitical European Commission under Ursula von der Leyen appeared boneless amidst the lack of EU competences in health policy and strong national politics of inward-looking member states. One of the current EU accession ‘frontrunners’ from the Western Balkans, Serbia, utilized this situation to express their increasingly stronger friendship with China, with president Vucic using the power of symbolism to emphasize his anti-EU message.

A few months into the pandemic, EU member states have pulled themselves together to find a common approach to the health crisis and all that is induced by it. With a new-found sense of solidarity and for a consolidated approach also came an element of scepticism towards the partner China. Already in 2019, the EU had downgraded their “strategic partner” China to “strategic competitor” in some regards, thus toughening the tone on the mutual partnership (European Commission, 2019). Due to the unfolding consequences of Covid19, one could soon witness further downgrading of EU-China relations. Unimaginable and difficult to pronounce in Brussels and political circles of certain member states before, bold calls and demands for Europe’s strategic autonomy are growing now. The Covid19 crisis serves here as an eye-opener for the importance to “produce critical goods in Europe, to invest in strategic value chains and to reduce over-dependency on third countries in these areas.” (European Commission, 2020). At the same time, EU member states – if to varying degrees – try to approach the crisis with increasingly more unified approaches, appealing to European solidarity as a way forward out of this and other crises. After weeks of controversy surrounding “Corona bonds”, a Franco-German initiative pushed forward most recently with a proposal for EU-burden sharing, stating that “Germany and France support an ambitious, temporary and targeted Recovery Fund” which shall “support a sustainable recovery that restores and enhances growth in the EU”, written in the spirit of European solidarity and joined forces “in ways we have not used before” (Deutsche Bundesregierung, 2020).
But, not to spill out the praise too eagerly, and too early. When it comes to strategic autonomy, the European Union still stands quite at the beginning of the journey towards becoming a more resilient and more influential global actor; and the challenges are many. Under president Ursula von der Leyen, the European Commission has adapted a more outlooking approach, prioritizing the foreign dimension of EU policy.

The global forecast for the next decades seems gloomy, stormy and destructive, both figuratively and practically speaking. However, Europeans must not be hopelessly devoted to such an unsettling prediction, if they take charge of global affairs. Yet, only as a strategically autonomous actor will the EU be able to act independently, steer and set a “global” agenda and standards and defend its own (value-based) interest at home and abroad.

Following this logic, the Western Balkans are the most obvious and compelling place for the EU to start exercising the role of a strategically autonomous actor, a region with a set trajectory to become part of the EU. Earlier this year, a new revised methodology for accession negotiations with North Macedonia and Albania has been announced, encompassing both the interest of member states and the vision of the geopolitical Commission. Thus, the EU now has the necessary ingredients and the needed institutional setup to act more decisively and forge its own strategic autonomy by moving these countries closer to

the EU, consequently aligning their policies with Europeans. That being said, “…the question of greater European strategic autonomy is inextricably bound up with future constitutional developments in EU integration between deepening, differentiation and reversal” (Lippert, von Ondarza & Perthes, 2019) internally and with partners outside the current borders. Referring to internal consolidation, strategic autonomy requires smoother and more coherent institutional procedures. The most recent quarrelling on European fiscal response to the Corona crisis seems to give upwind for supporters of a new constitutional debate, changing EU primary law towards a more political Union (Schwarzer & Vallée, 2020). One way or the other, strategic autonomy is preconditioned by a cooperative relationship between the European Commission and the European Council and therefore, the discussion on the EU’s institutional and decision-making design will most likely be at the heart of the 2022 conference for the future of Europe.

For a prosperous and secure future, EU needs to think and act geostrategically – starting with a united approach at home. This also means to recognize the strategic importance of the Western Balkans and to approach the countries not only as a bargaining actor in the accession process, but instead to understand the region as one of the important factors on the path towards European strategic autonomy.
Strategic challenges of the EU today

Strategic autonomy has two sides. Greater internal integration and harmonization are a precondition for autonomy; and on the other hand, only if perceived from the outside as a global actor the EU has the power to frame policies internationally. In theory, the multilateral nature of the Union gives certain home advantage in the context of a globalized world order, however, in practice, this multilateral, diversified structure appears to be the greatest burden in formulating shared interests and blinds members to see the vital significance of closer integration within and of the Western Balkans as a strategically important island among EU member states.

That said, the European Commission herself has come quite a way in past years where common foreign policy is concerned. When former EC president Jean-Claude Juncker took office, the EU had been shook from the financial crisis and its socio-economic implications. An inward-looking, more political approach was his response to the uncertainties of the future of Europe. Five years later Juncker hands down many challenges to his successor Ursula von der Leyen, set in a tenser and less cooperative global environment in which self-indulged strong men such as US president Donald Trump, Russian president Vladimir Putin, Chinese president Xi Jin Ping or Brazilian president Jair Bolsonaro play by their own rules and interests. The EU finds itself caught amidst protectionist structures, many times unable or late to respond to (global) crisis situations at fault of their complex institutional structure. With multilateralism seemingly in down-fall, the strength of the inter-governmental bodies in the EU becomes more evident than ever before.

As a response to the re-emergence of power struggles with nationalist interests at their core and the scepticism towards multilateralism and globalization, Ursula von der Leyen introduced her vision of a geopolitical, hence globally strong, Commission when presenting her candidature portfolio to Europeans (von der Leyen, 2019). Her vision for the EU, headed by the European Commission, to become a defining actor for global standards in economic deals, become a frontrunner in the battle against climate change and a role model for a global order based on multilateralism and liberal values.

Ursula von der Leyen's Commission has broadened their horizon to the manifold global challenges to which European isolation cannot be a solution. Quite the opposite considering that the isolationist “America first” approach of US President Donald Trump has shook the globalized (market) order, putting transatlantic relations to the test. The
EU’s dependence on a strong and cooperative transatlantic alliance in matters of defence, but equally economic affairs, becomes more visible with every year of Donald Trump in office. The EU’s inability to respond adequately to armed conflict or to even establish effective defence structures to complement those of NATO is just one example to expose the vulnerability of the EU in global affairs where united strength matters. Whether it’d be the inability to react to threats from Russia in the neighbourhood or to take an active role in middle Eastern conflict, sustainably decreasing cause of flight and thus curbing migration: when it comes to matters of security, the EU appears weak.

Moreover though, the solo run of the US has left the EU tumbling even in spheres where it holds global power, mostly relating to financial and economic affairs. Dependent on market access in the US, the EU had to give in to pressure from Washington in the Iran deal, putting the much-heralded different approach to foreign policy through positive assertion and progress by means of fiscal diplomacy second. This appears paradox considering that the neoliberal market structure is written in the EU DNA and one would think that, if anything, it is through market regulation that the EU could express their global power.

Relations with China are just as complicated and the regime in Beijing finds it a lot easier to draft long-term strategies with which an internally split EU cannot compete, not even close to its own external borders as it seems, a region which is – voluntarily or not – drawn to Russia, yet another geopolitical player in textbook realist fashion. The list of populist leaders goes on, lone wolfs who do not bother much with multilateralism, global cooperation, environmental policies, or social equality.

Against this protectionist climate, the EU needs to present an alternative model. No matter the actual design of EU Foreign Policy, strategic autonomy and European integrity must be understood as necessary tools to achieve global power and to define standards worldwide.

The path towards strategic autonomy must be based on thorough European cooperation understood in an outward-looking and inclusive approach to foreign policy, including, but not limited to, EU enlargement policy. To achieve the goal of autonomy, the EU must therefore look at the Western Balkans beyond the accession process. Formal and informal inclusion of Western Balkan countries in EU member state exclusive policies is important and must happen before actual accession.
The Way Ahead for our shared European future: The inextricable connection of the Western Balkans and the EU

This collection of policy papers looks at the inextricable connection between the development in the European Union and the Western Balkans from different angles. When reading through the discussions it becomes apparent that none of contemporary European challenges can be tackled in either the EU or the Western Balkans alone, in some areas more obviously than in others. This is exactly why the current, geopolitical Commission structures the accession negotiation process according to the interest of the EU member states. This should produce the necessary political impetus to determinately push for the unification of Europe and for an agenda to achieve continental integrity with the Western Balkans (Gressel & Popescu, 2020). Further alignment of policies in key strategic sectors (including “hard” policies such as migration, asylum and security cooperation, but also policies such as the EU Green Deal) must be structured alongside (if in harmony with) the process of enlargement. Western Balkan countries must be recognized as valuable partners of strategic importance and interest by the EU, as opposed to merely being candidates for accession in the waiting line at the disposal of a charitable EU.

“A friend in need is a friend indeed” goes a common saying. This can and must be applied to EU-Western Balkan relations. The most visible and significant contribution to the European project in recent years has been the Western Balkans’ decisive role in tackling the migration and refugee crisis. During the peak of the crisis in 2015, the EU found itself dependent on the Western Balkan countries, and on North Macedonia specifically, to react to the challenges along the Balkan route. Thus, the region quickly became an active subject in Europe’s geopolitics which eventually led towards full integration in this policy area by signing a unique, region-specific status agreements with the European Border and Coast Guard (European Council, n.d.). Nowadays, Frontex can “carry out deployments and joint operations on the territory of neighbouring countries.” (Council of the EU, 2019). The recent extension of cooperation and convergence in the security sector and migration policies paves the way for a spillover-effect of such cooperative agreements to other policy areas. Only by including the region in all foreign policy initiative will the EU achieve continental integrity both in geographical and normative, democratic terms, increasing its ability to act independently and defend the shared European (including the Western Balkans) interest.
How will the EU foreign policy evolve in years to come and what will the role, and the significance, of the EU be in the global context? No matter the details – if the EU, and EU member states for that matter, wish to remain relevant global players, they need to get their act together. The Corona crisis has signalled that European solidarity might take a moment to develop, but that courageous efforts are possible. European leaders must understand that the Corona crisis will not be the last unexpected drama to hit and only when working together among member states and with partners (in the Western Balkans) will the EU be able to develop sufficient and sustainable crisis suspension or prevention mechanisms. For starters, Europeans should focus on the area where they already hold global power – that is global economy – and expand their influence by manifesting candid European standards. In this sense, the ambiguous Sino-European relations (exaggerated through the Corona crisis) could offer an opportunity for the EU to redefine (at least their role in) global markets according to social, ethical and sustainable standards (Espinoza, 2020). If the EU does not want to dwindle into pettiness in years to come, they must become a leader in global affairs. The path towards this goal however starts at home where strategic autonomy must be understood as a joint effort between European and national institutions, between peoples and governments of Europe and between current and future members of the European Union.


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09

EU enlargement policy and socio-economic convergence in the Western Balkans
- Matteo Bonomi
During the last twenty years, following the rich experience of Central-Eastern European and the Baltic states in the 1990s, the Western Balkan countries have largely privatised and liberalised their economies, along with partially aligning with the EU acquis and gradually integrating into the EU single market. The aim of economic, political and institutional reforms, that accompanied market opening and trade re-orientation, was to create functioning market economies and consolidated democracies in the Western Balkans. This should have helped Western Balkan countries to economically and politically converge with the EU and replicate the success of the other ten former socialist countries that joined the European Union (EU) between 2004 and 2007.

Nevertheless, this transition blueprint has worked differently for the Western Balkans. Expectations that these countries would progressively catch-up with Western living standards, consolidate their democracies and become full members of the European Union have not been fulfilled (Milanović, 2014). On the contrary, prolonged economic stagnation or regression, rising poverty and income inequality appear increasingly to be the defining characteristics of the social fabric of the Western Balkans. Today, a middle class exists only nominally, while large segments of the population in the Western Balkans live under the constant threat of poverty or social exclusion (Bartlett and Uvalić eds., 2013).

To be sure, from today’s perspective, transition and economic development have not proceeded without difficulties or contradictions even in Central-Eastern Europe and the Baltics. Important gaps in GDP per capita, salaries and social protection standards between the Central-Eastern and Western parts of Europe remain still today. Strong reliance on neoliberal policies of the so-called “Washington consensus” has most likely exacerbated social and political costs of the transition (Kolodko and Nuti, 1997), leaving important and still visible marks in Central-Eastern European societies (EBRD, 2016).

Yet, all these unanticipated problems should not obscure the fact that EU enlargement policy has been able to provide a remarkable anchor of stability in Europe, as well as set in place a process of convergence that has been proceeding for more than a quarter of a century.

By contrast, the application of the same model of integration to the war-torn Western Balkans proved to be considerably less successful in both its socio-economic and political dimension. The overlapping of the EU accession agenda with the challenging processes of nation- and state-building has generated conflicting dynamics in the Western Balkan countries (Keil and Arkan, 2015), where
increasing economic, institutional and political integration with the EU has gone hand in hand with prolonged socio-economic regression and backsliding of democratic standards (BiEPAG, 2017; Bonomi and Reljić, 2017).

The sobering results of the economic model of EU enlargement in the Western Balkans can be epitomised in its economic (but also political) dimension looking at data on pre-transition GDP recovery. In this respect, it is stunning to note how two countries in the region, Serbia and Bosnia and Herzegovina, have not yet reached their 1989 real GDP level, standing respectively at 85 and 98 percent of their pre-transition 1989 real GDP (see Figure 1). Montenegro and North Macedonia did a little better, overcoming their 1989 real GDP in 2008 and 2016, respectively, while arriving to around 114 and 130 percent in 2019. Only Albania has followed a radically different path and has more than doubled its real GDP in less than thirty years, due to worse starting conditions (low level of economic development) and more stable political environment (avoidance of military conflicts). Comparable data for Kosovo are currently still not available.

**Figure 1. Western Balkans and EU11 real GDP growth, 1989-2019 (1989=100)**

![Graph showing Western Balkans and EU11 real GDP growth](image)

*Source: Own calculations based on EBRD and IMF data.*

After almost twenty years of intense Europeanization, the Western Balkans still remain among the poorest regions in Europe, with living standards in 2018 between 30 and 40 per cent of EU27 average GDP per capita (in Purchasing Power Standards - PPS), but excluding Kosovo (due to unavailability of data), which is even less developed; only Montenegro, a small and increasingly indebted country, has reached 48 per cent of the EU27 average (see Figure 2).
For comparison, the other former socialist countries that have joined the EU - Lithuania, Estonia, Slovenia and Czech Republic – today account between 81 and 91 percent of EU27 average GDP per capita (in PPS); Hungary, Poland and Slovakia, between 71 and 74 percent; Croatia, Romania and Latvia between 63 and 69 per cent; while only Bulgaria remains close to the Western Balkans at 51 percent of EU27 average GDP per capita.

Moreover, the situation has not improved in recent years, despite several initiatives and efforts to re-launch the EU enlargement process, such as the new European Commission’s enlargement strategy in 2018, or the contribution to “real additional progress” by some willing EU member states through the Berlin Process and the launch of the Connectivity Agenda (Nechev et al., 2018; Bonomi, 2019). On the contrary, since the 2008 financial and economic crisis, we can observe how the process of convergence of Western Balkans countries towards the EU27 has been proceeding extremely slow or has even substantially stopped. At the same time, the income gap between the Western Balkans and the new EU member states has even increased over the past decade.

Particularly worrisome are developments in Bosnia and Herzegovina and Serbia. It is clear that both countries are of utmost political importance for regional stability. However, the lack of fundamental progress in these two countries, that together account for more than half of Western Balkan populations, means that the larger part of Western Balkan population has lived in societies that have not seen any substantial improvements in living standards for over a decade.

![Figure 2. GDP per capita in PPS, 2008 and 2018 in Western Balkans and EU11 (EU27= 100)](image)

Source: Eurostat. Data for Kosovo not available.
It is also worth noting that the success of EU enlargement policy towards the former socialist countries in Central Eastern Europe took place in a unique moment of history, following the fall of the Berlin wall in November 1989, with no serious adverse political models or other non-Western influential actors in play. On the contrary, in the Western Balkans, economic transition has encountered major difficulties, since the general conditions hampered the affirmation of the liberal model. This has certainly been a reflection of multiple factors, starting from substantial delays in transition, highly unstable political conditions in the 1990s, a different, continuously evolving, international environment and uncertainty within the EU about future enlargements. These factors have facilitated the presence and, at least in some countries, increasing political influence of Russia, China, Turkey and the Gulf states (Bonomi and Uvalić, 2019).

The fact is that, very differently from all other former Socialist countries now in the EU and even Albania, in the successor states of former Yugoslavia the accomplishments of the liberal economic model still remain to be fully verified. Even after thirty years, living standards in pre-transition Yugoslavia have never stopped to represent an important point of reference against which to measure present successes (see Figure 1).

Taking stock from failures: Three phases of transition and integration into the EU

In order to explain unsatisfactory economic performance, lack of convergence and the loss of reform momentum in the Western Balkans, the most important international institutions have most frequently pointed to reform fatigue and vested interests (for instance World Bank Group, 2015). Diplomatic jargon has often referred to the need to maintain “motivation” for ongoing reforms. However, such a narrow and superficial focus is certainly not adequate, since it does not take into account the long-term causes of the current economic situation (Roland eds., 2012).

Too frequently it is considered that transition in parts of the region started only in the new millennium, forgetting that the Western Balkans also began their transition in the late 1980s. A decade of political instability, armed conflicts and international sanctions in large parts of the region has left profound and long-lasting political, economic and social consequences. This fact is fundamental for
understanding and explaining why similar policies to those implemented in Central Eastern Europe and the Baltics have led to such different outcomes (Svejnar and Uvalić, 2012).

The first phase of transition in the Western Balkans corresponded to the first decade in the 1990s, that was characterised by highly unsatisfactory economic performance, including historical records in hyperinflation, long transition-related recessions that were repeated in the second half of the 1990s, modest economic reforms and even reversals of positive changes due to the dramatic political situation, destruction of production facilities and massive emigration.

The region has experienced three main shocks: the transition from a socialist economic system to market economy (which started in 1988-89 in former Yugoslavia and in 1991 in Albania), disintegration of former Yugoslavia (starting in mid-1991) and five military conflicts, while the Federal Republic of Yugoslavia was under international sanctions during most of the decade (from May 1992 to 1996 and again in 1998-99).

During this first phase, the effects of transition in Albania were very different, as the country experienced the destruction of mainly out-dated production facilities, fast liberalisation and opening of markets and borders, resulting in massive emigration and quick increase of external debt. This first phase of transition was also accompanied by lack of concrete and consistent overall EU/international strategies for the region.

The second phase of transition began in early 2000s, when there was a major change in international strategies towards the region that included, most importantly, the launch of the EU Stabilization and Association process for the Western Balkans. What followed was a period of rapid market opening, trade liberalization and gradual trade re-orientation towards primarily the EU, greatly facilitating increasing economic integration with the EU.

In the early 2000s, however, the overall political and economic conditions in the Western Balkans were far worse than in the former socialist countries in Central Eastern Europe and the Baltics in 1989. Due to the legacies of the 1990s, potential EU candidates in the Balkans started undertaking the EU integration path with devastated industrial capacities, flourishing of shadow economies and extremely weak states – including dysfunctional public administrations, widespread corruption and twinning of public officials and organised crime figures – along with unsatisfactory education and health systems and many other socio-economic flaws.

While economic performance did improve after 2000, the strong growth during 2001-2008, on average for the six Western Balkan countries close to or over 5%,
was primarily based on the inflow of foreign (mainly EU) capital (donors’ assistance, FDI, bank loans, remittances) often not leading to profound economic restructuring and modernisation. Institutions that governments tried to put in place to regulate the markets and safeguard competition were inefficient, frequently leaving free hands to tycoon capitalists to exercise quasi-monopolistic power and extract rent from privatised former socialist enterprises.

At the same time, foreign investors that arrived to the region after 2001 have predominantly targeted the non-tradable services sectors (banking, telecommunications, retail trade, real estate), contributing to further deindustrialisation, insufficient job creation and limited export growth, leading to the widening of trade deficits. Agriculture was neglected throughout the region despite its importance and comparative advantage of all Western Balkan countries.

The unsustainability of this growth model in the Western Balkans became fully evident after the global financial and economic crisis severely affected the region in late 2008. The sharp fall in foreign capital inflows and reduced demand for exports in the aftermath of the crisis have led to several recessions in the Western Balkans after 2008 and brought about an initial soaring of public budget deficits, before turning to tough austerity policies, in most Balkan countries under EU and IMF conditionality, parallel with a rapid rise of external debt (Bonomi, 2016).

During this period, the Western Balkan countries have intensified their political and economic relations with a number of non-EU countries like China, Russia, Turkey and the Gulf States. Despite increasing links with other countries, the present degree of EU–Western Balkan economic integration remains high, dominating economic relations with other partners (Bonomi e Uvalić, 2019).

Today, from an economic perspective, considering the high degree of economic integration, the pre-accession countries in the Western Balkans appear to be already part of the European club – but with many disadvantages and no voting rights. The Western Balkans have around 70% of their total trade with the EU, within a nearly completely liberalised trade regime; between 75 to 90% of their banking systems are foreign-owned (mainly by German, Italian, French, Austrian and Greek banks); and all countries are highly euroized economies, formally or de facto linking their currencies to the Euro, or effectively using the Euro as legal tender (Kosovo, Montenegro) (Bonomi and Reljić, 2017).

However, the close economic ties with the EU, instead of helping deeper economic restructuring and modernisation, seem to have aggravated the Western Balkans’ inadequate capacity to develop.
All in all, almost two decades of EU-Balkan economic integration - through trade, FDI, financial markets, banking, introduction of legislation based on the acquis communautaire, intensified political dialogue - have led to increasing integration with the EU economy, but also increasing dependency on the EU. Increasing integration with the EU has also rendered the Western Balkan economies much more vulnerable to external shocks, prevalently transmitted through the EU, without providing the same amortization mechanisms at disposal of EU member states.

The region’s inability to positively integrate with the EU economy can be illustrated by the relatively limited results in increasing manufacturing exports. If compared with the EU10 from Central Eastern Europe, not only are exports in manufactures (in percentage of GDP) much lower in the Western Balkans, but they are far less sophisticated (see Figure 3). This clearly points to their insufficient export orientation, low competitiveness on world markets and slow technological upgrading. Whereas in the EU10, the early arrival of FDI has favoured the transfer of capital, know-how and modern technology, in this way also facilitating re-industrialisation and modernisation of outdated capacity, this has happened to a much lesser extent in the WBs.

Overall, the better performance of Central Eastern Europe and the Baltics reflects multiple factors, including absence of military conflicts and devastation in the early years of transition, quicker application of economic reforms, swift political and financial support from the EU and greater proximity to the EU industrial core. These factors allowed the Central Eastern Europe and the Baltics to attract foreign direct investment at an early stage, which helped restructure and modernise their economies, and integrate relatively quickly with the EU economy and into global value chains.

On the contrary, the Western Balkans have suffered from the effects of multiple wars, an ensuing systematic lack of public and private investments, deficient and deteriorating infrastructure, interruption of production chains within former Yugoslavia, profound and continuous deindustrialisation and extreme weakness in transforming GDP growth into jobs creation – which turned into high unemployment, low employment rates (with half of the young population still inactive – see Figures 4 and 5), rising inequality, poverty and upward trends in emigration.
Overall, the better performance of Central Eastern Europe and the Baltics reflects multiple factors, including absence of military conflicts and devastation in the early years of transition, quicker application of economic reforms, swift political and financial support from the EU and greater proximity to the EU industrial core. These factors allowed the Central Eastern Europe and the Baltics to attract foreign direct investment at an early stage, which helped restructure and modernise their economies, and integrate relatively quickly with the EU economy and into global value chains.

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Source: Own calculations based on UNCTAD data. Data for Kosovo are not available. EU-10 includes Central Eastern European and Baltic EU member states.
Figure 4. Unemployment rate (% of Labour Force, 15-74)

Source: Eurostat.

Figure 5. Employment rate (% of population, 20-64)

Source: Eurostat.
Prospects

The outbreak of the COVID-19 pandemic in early 2020 and the associated lockdowns are having an unprecedented economic impact, so the final outcome will undoubtedly be devastating. The global economy is suffering a symmetrical shock, with a simultaneous decline of supply and demand, so the effects will be stronger than even those of the financial and economic crisis of 2008-09. Whether the crisis will turn out to be an opportunity to re-launch Western Balkans convergence with the EU or will widen the gap with respect to European living standards is yet to be seen.

The crisis has certainly created the need for a common economic agenda, even more than before – including economic recovery, solidarity, involvement of Western Balkans with the European green deal, digital market, improved infrastructure, etc. However, the fight against the virus and economic recovery within the EU will be such a strong priority of the present Commission, that it will have to work hard to maintain cohesion among the 27 member states. This could lead to EU enlargement receiving even less attention than during the pre-pandemic period.

Moreover, most new EU member states from Central and Eastern Europe are likely to benefit from stronger and more sustainable post-pandemic recovery than the EU-15 (old member states), because the pandemic has affected them relatively less and government restrictive measures taken to stop the spread of the virus were timelier.

Although similar conclusions apply to the Balkans (measures were timely, preventing the fast spread of the virus), the outcome might be different also this time. The pandemic is likely to further exacerbate structural problems of the Western Balkan economies, which were there well before 2020. As we have seen, many structural problems have not been addressed adequately, posing serious challenges and impediments for post-pandemic growth.

Not all the Western Balkan countries will be affected in the same way, as there are different degrees of vulnerabilities and channels of transmission. Countries highly dependent on services’ exports, such as Albania, Montenegro and Kosovo, are probably more vulnerable to immediate shocks, especially in light of substantial losses in tourism during the summer season. Countries relying more on merchandise exports, such as Serbia, North Macedonia and Bosnia and Herzegovina, are likely to experience a strong decline in demand for some durable goods that could last longer, depending to a large extent on the path of recovery in core EU countries such as Germany and Italy.

All Western Balkan countries will experience strong effects of the pandemic on their labour markets,
due to their specific features: high share of informal, temporary and self-employment, together with very weak social safety nets. Therefore, most countries are likely to assist further worsening of labour market indicators, which could contribute further to already accumulated social and political tensions.

Finally, the intensity and length of the recession within the EU will be a major driver of the current and future economic crises in the Western Balkans. This region is strongly dependent on the EU through multiple linkages - trade, investment, finance, banking, migrants’ remittances. The substantial drop in trade, investment and financial flows during the pandemic will pose serious challenges to the Western Balkan countries in financing their current account and trade account deficits in the future.

In the absence of a major intervening factor – hopefully, from the EU, as Western Balkans’ major ally – it is likely that we could assist something that we have already seen after the global financial and economic crisis: an initial soaring of public budget deficits to sustain supply and demand and an increase in foreign indebtedness, before turning to tough austerity policies, cutting of internal consumption and increasing competition to attract external investments through a race to the bottom in regulatory standards (for EU firms) and un-transparent investment deals with third countries.

Clearly, this should not necessarily happen, but the outcome will depend, to a large extent, on how the EU and its members states intend to treat their Western Balkan partners. Despite some initial hesitations, in the ‘Zagreb Declaration’ of 6 May 2020 the EU reiterated its solidarity with its Western Balkan partners and announced the intentions (outlined in the Commission’s Communication of 29 April) to support their efforts to fight the Corona virus outbreak. The EU has mobilized a package of over EUR 3.3 billion to support the Western Balkans immediate responses in tackling COVID-19 and the post-pandemic recovery (see EU Commission 2020).

The key will now be to verify the ambitions of the announced ‘autumn economic package’ of the EU for the Western Balkans. After two decades of sobering results in the process of Europeanisation of the region, it is clearly not enough to simply renew political will and commitment. Political will should go hand in hand with an EU enlargement strategy that has a strong developmental component, that could, therefore, be realistically expected to have a significant impact on deteriorating structural problems that have indeed for many years impeded a faster process of socio-economic convergence with Western standards.
References


Rebuilding our house of cards: With more glue

- Srdjan Cvijić and Adnan Ćerimagić
Some glue, please!

In late June 2016 two of us, a Serb and a Bosnian, met with numerous EU politicians and officials. With them, we tried to discuss EU enlargement towards the Western Balkans. Arguing in favour of it was never an easy task, but in a freshly post-Brexit referenda Brussels it was even more difficult. Worried by what just happened, completely unaware of what was coming from the USA later that year and a bit bored by all the same from the Western Balkans, one of our interlocutors interrupted us to conclude that “at the moment the EU we built is like a house of cards and you come in to tell me we should put more cards on it, right? Well, unless you have some glue with you it will be hardly possible.”

At the end of our tour we compared notes and discussed what we heard. Three points stood out that afternoon:

First, that there will be no new EU enlargement before the deepening of the EU.

Second, that EU will not accept new Orbáns and Kaczyńskiś in the EU.

And third, that former Yugoslav states cannot expect to have seven votes in the EU Council while Germany and France have only two.

Four years later we come together to write this paper with an aim to propose and discuss some concrete ideas on how to glue together the EU and Western Balkans. Our glue is built out of solidarity based on values and sacrifice and it brings rewards both for the region and the EU. If implemented, the two can come out stronger.
First EU internal reforms, please!

To reform or to enlarge is a false dilemma put before Europeans since the European project was initiated. In reality, forces that contributed to enlargement helped those who wanted a stronger and more cohesive Union. It is no different with the Western Balkan enlargement.

In May 2018 the French President, Emmanuel Macron, came to Sofia to tell his EU and the Western Balkan counterparts that he is "not in favor of moving toward enlargement before having all the necessary certainty and before having made a real reform to allow a deepening and better functioning of the European Union" (Gray, 2018). After all, he did not win elections on a platform of enlarging but saving and remaking the Union. Many friends of the Western Balkans worried at that moment that this could spell the end of EU enlargement.

What happened in the wake of Macron’s veto over the start of accession talks with Albania and North Macedonia was emergence of a clear and very vocal consensus among countries of the Central and Eastern Europe (including Germany and Italy!) on the need for the EU to keep its enlargement promise to the Western Balkans.

This should be seen as a confirmation of the old dynamic where champions of internal reforms, France, the Netherlands and Denmark, use the push for the enlargement, this time to the Western Balkan, to build concensus on the deepening of the EU. These reforms would aim to make, among other, Union that is more functional, but also more attractive to its current and future citizens. Part of these reforms should, it seems, be focused on making sure that the decision-making process is less disrupted by higher number of member states.
No new Orbáns and Kaczyńskis, please!

It is no secret that democracy and the rule of law have been backsliding in the last decade, both in the EU member states – Hungary and Poland – and across the Western Balkans (Bieber et al., 2017). For years progressive politicians and public – both in the EU and the candidate countries for EU membership – were focused on addressing two major crisis: bridging the economic and social gap between EU’s core and periphery and addressing the crisis of its values: the rule of law and the check and balances of liberal democracy (European Stability Initiative, 2020). With the recent pandemic Europe’s two crisis were deepened further and the third, public health crisis came in. All three have been used to undermine EU’s foundations, from inside and outside.

Progressive and liberal forces both in the EU and the Western Balkans should tackle all three crisis in a coherent way. To achieve this, the continent needs more solidarity and will to increase financial transfers from the core of Europe to its periphery. This transfer, however, should strengthen the European values, not undermine them.

For most countries in the wider region of Central and Eastern Europe the last decade has been the one of “democratic deficits” (Freedom House, 2020). The period after the world economic crisis has been characterized by the creation of hybrid regimes, also referred to as “competitive authoritarianism” (Levitsky and Way, 2002). Ten years on, we are facing a situation where a good number of leaders in the wider region “have dropped even the pretense of playing by the rules of democracy” (Csaky, 2020).

According to the Freedom House, none of the candidate or potential candidate countries for EU membership in the Western Balkans qualifies as a “semi-consolidated democracy” and are all classified as “transitional or hybrid regimes”. A gloomy result for the EU enlargement policy goes beyond the Western Balkans. Only two countries that joined the EU in past 20 years – Estonia and Lithuania – did not experience a democratic backsliding in the last five years. Freedom House warns that there are fewer democracies in the regions of Western Balkans and Central and Eastern Europe today than at any point since their annual report was launched in 1995. EU member states Hungary and Poland together with the Western Balkan frontrunners Montenegro and Serbia are leading the pack of democratic backsliders.
Hungary under Viktor Orbán – in power since 2010 parliamentary elections - is the most extreme example of all countries in the region. From a status of a fully-fledged “consolidated democracy”, policies and actions by the government in Budapest downgraded the country to the lowest category of a “transitional/hybrid regime”.

The latest blow came in March 2020 when the “law on protection against Coronavirus” was passed. This law allowed Orbán’s government to rule by decree with no time limit. It also amended the Criminal Code to introduce prison sentences of one to five years for anyone who spreads “falsehood” or “distorted truth” about the pandemic. Reminiscent of the crackdown from the Communist dictatorship, from March to May 2020, in total 87 procedures based on these provisions were launched, with 16 people ending up being arrested.

In another EU member state Poland disintegration of the rule of law started later, in 2015, and coincided with the Law and Justice Party coming to power. Already in December 2017 the Council of Europe’s Venice Commission warned that the changes to the judicial system bore “a striking resemblance with the institutions which existed in the Soviet Union and its satellites”(European Stability Initiative and Fundacja Batorego, 2019). Since then, things got worst.

Ten years ago, Montenegro and Serbia were at the beginning of their EU accession process as both applied for EU membership and were hoping to get an official candidate status. Since then, the quality of democracy in both countries has deteriorated and resembles that of Hungary or Poland.

The EU’s track record in facing these authoritarian tendencies in the Western Balkans and the EU itself was similarly weak. Both when it comes to sanctioning governemnts that show authoritarian tendencies, or when it comes to rewarding those that fight to stop and reverse those trends.

In the case of its two members, Hungary and Poland, EU has triggered the Article 7 procedure laid down in the Treaty of the European Union. This provision of the Treaty, often seen as a “nuclear option” foresees, when a member state is in a “serious and persistent breach” of the fundamental EU values (Article 2 of the Treaty) to eventually suspend some of the rights reserved to member states, including the voting rights in the Council. The catch 22, however, is that in order to determine the existence of a “serious and persistent breach” all EU member states - except the one concerned – has to vote in favour in the European Council. Having two countries, Hungary where in September 2018 the European Parliament activated the
procedure, and Poland where in December 2017 the European Commission triggered the procedure, meant that both countries could pledge to “protect” each other. Which is exactly what they did.

Suspension of the accession negotiations with Montenegro and Serbia would be an equivalent of the Article 7 procedure for the EU member states. Except for the calls by civil society organisations in Montenegro, in April 2018, suspension of accession talks was never seriously considered by the EU (BCSDN, 2018). The catch 22 here is that the unanimity of EU member states is required in order to agree on that step. In April 2019, the foreign minister of Hungary assured government in Belgrade and Podgorica that this would not happen (Szabad Magyar Szo, 2019). Any attempt to seriously discuss suspension of the accession talks with Belgrade or Podgorica ends with a finger pointed to EU’s inability to reach consensus on ending accession talks with Erdoğan’s Turkey.

Building on the writings of Srdja Pavlović, in an LSE Blog on Montenegro in late 2016, the Balkans in Europe Policy Advisory Group has contributed to the common use of the term “stabilitocracy” to describe “[t]his exchange of stability for external lenience on matters of democracy” (Bieber et al., 2017; Bieber, 2017). One of the best examples of how “stabilitocracy” works are EU’s attempts to eliminate the political influence over Serbia’s judiciary. Measures aimed at overcoming this problem were put forth in the 2013 Judicial Reform Strategy and in the Action Plan for Chapter 23, which was agreed upon by the European Commission and the Serbian government in April 2016. The action plan provided for the end of 2017 as a deadline for the adoption of the constitutional amendments that would eliminate the political influence from Serbia’s judiciary (Stojanović and Šarić, 2018). Four years on, the EU continues to tolerate what is an obvious lack of will of the Serbian government to achieve that goal.

One of the aims of the EU is to spread its living standards and values to the rest of the continent. Since 2014, the EU has invested more in Poland and Hungary than the US invested in Germany or the United Kingdom under the Marshall Plan [in 2018 value] (European Stability Initiative, 2020). At no point in time was there a serious consideration to suspend these funds due to authoritarian developments in Budapest or Warsaw. When some suggested that it was problematic to allocate more funds to help Hungarian and Polish efforts than the Italian efforts to fight the Corona pandemic, the Hungarian government argued that “this is our money. Hungary deserves to get more than Italy. To suggest otherwise is insidious” (European Stability Initiative,
2020). Similarly, the Hungarian government reacts when questioned about its actions in undermining EU values.

Rewarding those that stop and reverse authoritarian tendencies in the Western Balkans has been weak as well. North Macedonia is the most recent and the most prominent example. Since 2017 the government in Skopje defeated an authoritarian leader, made serious steps to dismantle captured state, improved rights of its Albanian minority, improved its relations with neighbouring Bulgaria and signed a historic Prespa agreement over the name issue with Greece. The Commission recognized these efforts and in April 2018 without any conditions recommended EU member states to open the accession talks with this country. After 13 years of vetioing the Greek government supported this recommendation but government in Paris disagreed (Grabbe, 2006). This turned into a saga that undermined EU’s transformative power in the region despite EU governments finally agreeing to open the membership negotiations with the country in March 2020, at the height of the pandemic.

This is why the next multiannual financial framework of the EU, which includes recovery funds for the pandemic, both for the EU members and the Western Balkan countries, have to be conditioned with having the rule of law and democracy at the highest level.

Furthermore, the EU should base the Article 7 procedure on the qualified majority voting in all stages of the process of the suspension of membership rights.

Presently, the Council may suspend certain rights of a member state by qualified majority, but only if prior to that unanimously determines the existence of a serious and persistent breach of the values referred to in Article 2. Under a new system, which would require a treaty change, it would take more than an unprincipled coalition of the perpetrators, such as the one of Hungary and Poland, to prevent the triggering of the sanctions system.

In the case of the Western Balkans, the EU member states could consider agreeing to grant membership short of voting rights until countries prove that not only they adopted and short-term managed to implement all the membership criteria, including the article 2, but that they can keep it over a longer period.
No new decision making disrupters, please!

In Brussels and many capitals across the EU there is a growing sentiment that past EU enlargement rounds made decision-making process in the EU (more) difficult. There are three ways to address these concerns.

First, by pointing out that it was never easy to make decisions in the EU. When some pointed at enlargement as a culprit for a difficult process of deciding over top EU jobs after 2019 elections, Carl Bildt pointed to how difficult it was for then 12 governments to decide on Jacque Santer as the Commission president in July 1994.

Second, by pushing and implementing reforms that would enable easier decision making process in the EU. Introducing more areas where qualified majority voting applies would be one way.

And third, by considering to accept new members into the EU without giving them voting rights in some policy areas.

At the moment, the French President Emmanuel Macron is the one expressing this concern loud and clear, but many in the EU silently share it. In May 2018 when he told his EU and the Western Balkan counterparts that he is “not in favor of moving toward enlargement before having all the necessary certainty and before having made a real reform to allow a deepening and better functioning of the European Union” he also said that “what we’ve seen over the past 15 years is a path that has weakened Europe every time we think of enlarging it” (Gray, 2018). In July 2019, as the EU leaders struggled to agree on candidates to fill top EU jobs, Macron said he is “more than skeptical toward those who say that the future of Europe lies in further enlargement, when we can’t find agreement between 28 nations. And I am insistent on the fact that I will refuse all forms of enlargement before deep reform to the way we function institutionally” (Reuters, 2019).

Proposals for more policy areas where qualified majority voting is needed are already on the table. In September 2018, the Commission proposed extending qualified majority voting to three specific foreign policy areas: a collective response to attacks on human rights; an effective application of sanctions and civilian security and defense missions.
The EU should consider introducing qualified majority voting in all intermediary stages of EU accession negotiations. Qualified majority vote by the Council — 55 percent of member states representing at least 65 percent of the EU population — in order to validate the progress or backsliding of a candidate country would make the process fairer and more effective (Cvijic et al., 2019).

Having in mind the passerelle clause in treaties of the European Union, the alteration of a legislative procedure in this case would not require a formal amendment of the treaties.

At present, unanimity in the accession process gives an easy excuse to member states to halt enlargement because of bilateral disputes or their domestic politics. They can hide behind the candidate country's real or perceived lack of progress. As a result, the Commission is unable to demonstrate its commitment to enlargement, no matter how ambitious the new methodology is. The takeover of the enlargement process by the EU member states not only undermines the Commission's role, but renders the whole process less efficient and weakens the EU’s credibility as an effective and powerful global player.

If individual members and national parliaments are allowed to impede or even stop the accession of candidate states at any given time and for reasons completely unrelated to candidate country’s preparedness, as it happened with North Macedonia because of the French veto, the political cost of negotiations could be too high for would-be members to fully commit to.

Under the system of qualified majority voting individual member states would retain the right to make a final decision on future membership and national parliaments would still have the option not to ratify any Treaty of Accession of an aspiring candidate at the end of the process.

Qualified majority works in two directions. If adopted it would place the Council in a better position to reward the reformists, but also to sanction the backsliders. A vote by a qualified majority of member states would make it easier to block the accession talks with a candidate country completely derailing from the EU membership path, like for example Turkey. Only the qualified majority voting would make the idea of “reversibility” of the accession process, as suggested in Commission’s new methodology, possible.

When the EU was considering the big bang enlargement in 2004, and Bulgaria and Romania’s later accession in 2007, or Croatia’s in 2013, many were concerned that labour force from those countries would disrupt labour market in the so called old EU member states. This is
why transitional restrictions on the freedom of movement for workers in the EU were put in place. Initially, a number of older EU members have barred labor from the eight new member states from Central and Eastern Europe. By today not only that these restrictions have been lifted but many EU member states are seeking labor force beyond the EU, including the Western Balkans.

In a similar way but on different issue, there is a fear in the EU that the Western Balkans enlargement could disrupt functionality of the EU institutions and decision-making. Additional six chairs with full voting rights, including vetoes in areas of the EU policy where unanimity is required, makes even the biggest supporters of the Western Balkans worried.

To respond to this, next to increasing the number of areas where the qualified majority voting is necessary EU member states could consider introducing transitional restrictions to voting rights of the new member states in certain policy areas where unanimity is required to make decisions.

Unlike with the access to EU’s labor market with the 2004 and 2007 enlargements, the acquisition of full rights would not have a time horizon. Rather they will depend on country’s full alignment with the article 2 of the Treaty of the European Union. It could be regulated through a reformed procedure laid down in the Article 7 the Treaty.

The Western Balkans countries and their citizens would still have access to EU funds reserved for the member states, as well as full rights as any other member of the Union. The only difference would be that their elected representatives would not have a say in it for several years (i.e. until they do not fulfil the conditions). In this way, a new member state, would be placed in a conditionality process, which would be aimed at fulfilling the criteria. In this case, “a reasoned proposal” that a new member state has fully met the criteria under article 2 of the Treaty by: one third of the Member States, the European Parliament, the European Commission, or four fifths of the Council, would trigger the process for the granting of full voting rights to a new member state. Very much like in the suspension procedure, a qualified majority of four fifths of the Council would be needed first to determine the full alignment with criteria under article 2, and then subsequently, another vote to grant full voting rights to a new member state.
Stimulating strategic autonomy: Western Balkans’ contribution for a shared European Future

Enough to glue us together?

The EU is our house and to some it seems like the one made of cards. We need a glue to keep it together and in this paper we argued that this glue is solidarity based on shared values and sacrifice.

The phrase we hear often at the meetings on the Western Balkans enlargement is that “we let some countries in too early.” They usually refer to the member states that joined the EU in 2004, 2007 or 2013. The assumption is that, if they waited in line longer then they would have had a stronger democracy and the rule of law. The reality on the ground contradicts such thinking. Hungarian Prime Minister Viktor Orbán has built its state from within the EU and the presidents of Serbia Vučić or Montenegro Djukanović did it waiting to join outside.

Balkan nations aspiring to join the EU are watching Orbán and friends use the pandemic to establish one-party states inside EU’s borders with interest. Letting Hungary slide further into authoritarianism is not interest of the EU or the Western Balkans. President Macron is right in saying that Europe should reform itself. An important part of the solution is stopping the illiberal contagion of the EU and the Western Balkans. Where the French President is wrong is in saying that reforming the EU should come before the EU membership of the Western Balkans.

If we’d taken this approach with previous enlargements we would have had a new cold war and Putin knocking at our front door. Deepening and widening of the Union have always developed in parallel. Without the Western Balkans in the EU not only that the dream of a unified Europe would not be complete but reforming the EU itself would be more difficult. So let’s glue the region stronger to the EU.

Hoping to ‘repair’ the countries for good before they join the EU is like painting the sealing of your apartment to cover the water leak from your upstairs neighbor instead of repairing his sink. The upstairs neighbor is Orbán’s Hungary and other illiberal countries in the EU...

To fix the leaking sink the EU must strengthen its checks on rule of law after membership.
References


Infographics
Pollution does not stop at EU borders.

Outdated coal power plants in the Western Balkans harms public health in the region as well as in the EU.
Outdated coal power plants in the Western Balkans harms public health in the region as well as in the EU. Pollution does not stop at EU borders.

Export import Dynamics

72% of the Western Balkans’ export is going to EU member states and 58% import is coming from there.

FDI

The EU, through companies from member states, also holds a dominant position in foreign direct investment accounting to 70% of FDI inflows towards the region.

Companies

EU companies are important players in profitable sectors like banking (from 75% to 95% of local banks are foreign owned, mainly by banks from the EU).
The existence of the ‘South-Eastern Route’ has shaped the way Brussels thinks of the Western Balkans – less as a source of irregular migration, more as a transit zone within the EU and Schengen Area, sitting between Greece and Hungary.
As an EU fundamental value, the rule of law and new promotion and prevention mechanism should apply to the Western Balkan countries as future member states too.
The Conference on the Future of Europe

When Member States say Europe is too slow, I say to them be courageous and finally move to qualified majority voting in the EU enlargement process.

Der Weg zu strategischer Autonomie führt uns durch den Westbalkan

Notre Présidence devrait harmoniser les intérêts européens

Како идна земја членка и ние придонесуваме кон заедничката европска иднина

Completion of the European project in Southeast Europe is not only about the interests of the region, it is also about the position and capacities of the EU to act as a global actor.
The path towards achieving EU strategic autonomy goes through the Western Balkans.

Completion of the European project with the Western Balkan countries is not only about the interests of the region. It is also about the position and capacities of the European Union to act as a global actor.
This contribution builds upon the panel discussions of the 2020 Think Tank Forum Western Balkans Skopje ‘Stimulating strategic autonomy - Western Balkans’ contribution for a shared European future’, organized within the 2020 joint Presidency of the Republic of North Macedonia and Republic of Bulgaria with the Western Balkans Summit Series.

IDSCS is a think-tank organisation researching the development of good governance, rule of law and North Macedonia’s European integration. IDSCS has the mission to support citizens’ involvement in the decision-making process and strengthen the participatory political culture. By strengthening liberal values, IDSCS contributes towards coexistence of diversities.

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Stimulating strategic autonomy: Western Balkans’ contribution for a shared European Future

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