# EXPERT'S INSIGHTS The Western Balkans in the Mirror of the EU's and Geopolitical Challenges

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## Abstract

Western Balkans (WB) encompass six countries: Serbia, Bosnia and Herzegovina (BiH), Kosovo, Montenegro (MNE), Albania and North Macedonia (WB6). Given the importance of the Balkans for the European Union (EU), particularly in the light of recent geopolitical developments, the importance of the Ukraine war looms into importance and turns into watershed for WB-EU relations. The focus is therefore on the impact of the Ukraine war, but also that of the European Parliament's (EP) elections on the WB-EU relationship. The analysis of these relations extends into a modest forecast for future developments outlining two possible scenarios depending on the development of the EU itself: a renewed and strong EU with a focus on integration or continued stagnation and growing nationalism with increase of centrifugal tendencies. The EU has the chance and the key opportunity to bring a positive change in the Western Balkans through strategic decisions and cooperation, thereby securing its own stability and prosperity. This is a shared European interest, and failure to act could turn the Balkans from a "white spot" on the political map into a "black hole."

**Keywords:** EU, Western Balkans, war in Ukraine, EP elections, EU enlargement **JEL:** F5, F15

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### Introduction

With this essay I would like to focus the attention on an important part of South and Eastern Europe (SEE) and actually on the Western Balkans (WB) encompassing six countries (WB6): Serbia, Bosnia and Herzegovina (BiH), Kosovo, Montenegro (MNE), Albania and North Macedonia.

This region of about 20 million citizens has a strategic significance for Europe but is still a white spot on the European political map. WB6 is an inseparable and indispensable part of Europe. Despite being surrounded by EU member states and sharing deep historical and cultural ties with Europe, the WB6 remains outside the European Union. Stereotypes still shape the image of the WB6 until today.

In Western Europe, there are still historical apprehensions about the WB region. Statements such as "There is more history than geography in the Balkans" or "They sleep in one bed but dream different dreams" are known and are still creating the image of the Balkan countries in the western society. Frankly speaking, this is nothing but Europe's convenient excuse and prejudice!

Given the importance of the Balkans for the EU, particularly considering the recent geopolitical developments, I will analyse the current state and future prospects of the WB-EU relations by focusing on three key points as follows:

1. The relationship between WB6 and the EU in the period from 1999 to 2022, until the beginning of the war in Ukraine.

2. The impact of the Ukraine war and the European Parliament's (EP) elections of June 9th on the relationship between WB6 and the EU.

3. A modest forecast for the future development.

Looking at the period from 1999 to 2022 we all are agree that the most important goal for the WB6 and the EU was the WB's EU accession. This goal was viewed as a showcase project, as a key political project as well as a central and most important political topic for both WB6 and the EU. Various steps and actions were taken to this historical goal by respecting the Copenhagen criteria.

In 1999 the Stability and Association Agreement (SAA) was launched and it served as a fundament for the preparation process. In 2003 the Thessaloniki Summit followed with the clear message: "The future of the Balkans in the EU". Since 2007 Instrument for Pre-Accession Assistance (IPA) replaced the SAPARD and PHARE Programs. In 2008 the Regional Cooperation Council (RCC) replaced the Stability Pact. Numerous initiatives, including the Berlin Process in 2014 and Bulgaria's EU Presidency in 2018, aimed to push WB6 integration forward. An important next step from EU side was made in 2021, implementing the new methodology for accession negotiations with the aim to make the accession process more dynamic and credible.

In all these years the EU have organized and provided substantial financial support for the region worth millions, substantial economic and technical assistance to promote reforms towards the rule of law, for strengthening democracy, society and economic capacity. A

lot of efforts have been invested in promoting a cross-border regional cooperation and for achieving reconciliation with the aim of moving closer to the EU. Throughout the whole period until today EU is the largest trading partner for the WB6 with more than 70% and the largest investor – with more than 60% of the volume. A great job has been done, but no new members were admitted to the EU.

In a summary looking in 2022 at the results from all these decisions, actions and measures, we can conclude that they are not satisfactory and the relationship of the WB6 with the EU is ambivalent.

WB6 region is still plagued by poverty, high unemployment, the brain drain process, a weak education system, social insecurity, corruption and weak democracy. EU accession seems to be an unattainable goal! Nationalism has come to the fore.

Instead of accession and reconciliation we witness a visibly increased nationalism. Such an example is the doctrine "Serbian world" promoted very successfully with the active role and action of the Serbian Church. The special project, "Open Balkans" was initiated by Serbia in 2019, aiming to create a unified economic zone with unrestricted movement of goods, services and people. Today it is accepted by only three among the 6 countries (Serbia, Albania, North Macedonia) and has brought more excitement than benefits.

Public perception in the WB6 countries is dominated by disappointment and the feeling that the EU has abandoned the region and left it hanging in the air. What began as a process driven by enthusiasm, mutual trust and expectation for better prospects has devolved into a bureaucratic procedure.

For this unsatisfactory result a serious role was played by the background processes in the WB6. The subsequent need to establish new national borders complicated the EU integration process, which demands dismantling borders and fostering closer cooperation. This overwhelmed the states in their efforts to progress towards EU integration.

On the EU side we observe the following development – fatigue from the enlargement process, dissatisfaction with the reform process, especially in the area of the rule of law, the counteraction of corruption, and the protection of human rights and media freedom. Some leaders of member states demand that the EU's reforms should first be pushed through and insist that the enlargement should be postponed.

In addition, the Balkan route of refugees has tarnished the image of the WB6 and has brought a lot of concerns related to the management of the EU's the migration policy.

Parallel to this development the influence of third countries on the Balkans – China, Russia, Gulf States and Turkey increased. China is seen as a desirable economic partner and investor, and Russia as the big spiritual brother, playing an important role through the church, culture, history and language similarity.

In summary, despite significant efforts taken over the past 20 years, the EU and WB6 have failed to achieve their shared goal of integration. Or, in the words of Edi Rama, Albania's Prime minister, "the EU behaves like a bride who does not come to the wedding."

Disappointment and alienation between the partners and lack of a common interest to continue along this path without progress and tangible results dominate the relationship

today. Unfortunately, the EU's most successful policy, the enlargement policy, has come to a serious standstill today.

## The impact of the war in Ukraine and the EP elections

The war in Ukraine has fundamentally changed Europe. Not only has it shaken geopolitical stability, but it has also caused profound economic and social consequences, forcing the EU to realign its foreign and security policies and particularly those concerning the Western Balkans.

The EU's approach to WB6 integration has shifted from value- and criteria- oriented to being driven by geopolitical and security concerns, with the aim of limiting the influence of third countries like Russia and China. The destabilizing effect of the conflict has rekindled historical tensions in the Western Balkans, giving rise to new political and economic challenges.

The war also has once again highlighted the importance of the Western Balkans as a strategic region for the EU.

After the pandemic, which weakened the WB region both financially and economically, came the war with an additional negative economic impact, especially in the areas of tourism, trade, and energy sector. The energy crisis, exacerbated by dependence on Russian resources, has hit hard the WB6 countries. Contradictions have intensified; polarization on religious and ethnic basis within countries has mounted. Nationalists have gained strength.

Moreover, the EU's decision to grant Ukraine a candidate status in July 2022, and to start negotiations in June 2024, has caused dissatisfaction not only among politicians but also deep in the societies of the WB6. In response, the EU has accelerated the accession process for some WB6 countries. BiH received a candidate status in December 2022, and Kosovo was finally relieved from visa restrictions in January 2024. In July 2022 Albania and North Macedonia started the accession negotiations.

The EU has also worked to unite the WB6 around itself, including enforcing sanctions against Russia, though Serbia remains an exception. This became a precondition for the candidate countries. EU' efforts to strengthen energy security in the region are going on and EU is promoting alternative energy sources and delivering a new financial support. Not only to avoid the influence of Russia and China but through the importance of the Western Balkan countries as transit route for refugees, EU paid more attention to the WB region after the start of the war. It is a crucial reason behind the actions of the EU for closer cooperation.

In summary we can argue that paradoxically, due to the war, the EU rediscovered the role and importance of the WB countries and the war became a catalyst of the EU integration process.

Another challenge was added to the upheavals of the Ukraine war - namely **the European parliament elections on 9 June 2024**, which influenced the political configuration within the EU.

The strengthened the presence of right-wing parties in several member states, affecting especially Germany, where there is a growing popular discontent from the development in the EU. Euro barometer from the end of 2023 shows that 59% of European citizens interviewed express the opinion that things are going in the wrong direction in their country.

A new paradox becomes visible. Instead of looking for the reasons for this and adjusting their policies, the traditional parties, the establishment in the EU, want to maintain the old status quo under the new and changed conditions, while downplaying the election results.

As was seen during the constitution of the European Parliament at its first meeting in Strasbourg in July 16-18, a new fraction emerged - Patriots for Europe, which included the parties of Hungarian Prime Minister Viktor Orbán, former Czech Prime Minister Andrej Babić and the Free Party of Austria led by Herbert Kickl.

In the vote of the new-old President of the European Commission, Mrs. Ursula von der Leyen, in addition to the above-mentioned Members of the European Parliament's (MEPs), 24 MEPs from Italian Prime Minister Giorgia Meloni's *Fratelli d'Italia* party also voted against. This action was noted as a precedent in the history of the EU. For the first time, a governing party in an EU founding member state voted against the election of a European Commission president.

The new constellation in the European Parliament reflects the mood changes in the societies in different countries like Germany, France, Hungary, Nederland, Slovakia etc. And the recent EP elections have introduced new challenges, with the rise of right-wing parties across Europe reflecting a growing popular discontent. This political shift may impact the EU's enlargement policy and its approach to the Western Balkans.

The direction of this approach remains yet to be seen! We can hope that what the newold EC President, Mrs. Ursula von der Leyen, said on July 18 during her re-election to the post in the European Parliament will be realized. In her speech "Europe's Choice. Political Guidelines For The Next European Commission 2024-2029", we read: "Accession to the EU will always be based on merit and each candidate will be evaluated on the basis of its own progress in fulfilling all the criteria. We will increase support for the preparation of candidate countries, in particular by building on the investments and reforms in the Growth Plan for the Western Balkans and the Facility for Ukraine."

Finally, based on the above analysis and comments I may dare make a modest forecast, or better, engage in wishful thinking.

#### Possible scenarios for further development

#### A renewed and strong EU and focus on integration

Under the new geopolitical conditions and circumstances, the EU must first address its own internal challenges. In such a way the EU will be able to strengthen also its global positions. Global geopolitical changes require that Europe rethink its policies and strategies if it wants to be a sovereign, strong and competitive player on the world stage. While other regions of the world are experiencing rapid growth, official statistics show that foreign investments in the EU have decreased by 14% compared to 2023 compared to 2017. The EU has had to admit a serious loss of competitiveness vis-à-vis the United States. This means the EU needs to change its course and execute the agenda according to the report by Enrico Letta (EU RAT, 27-280624) for achieving demographic, digital, green transformation, strengthen their competitiveness and innovative power. This high priority to boost competitiveness and to invest more in forward-looking technologies and industries has been confirmed by the president of the EC in her speech in the new European parliament. In parallel the EU should rectify the current unsatisfactory foreign-trade policy, given the fact that in the coming years analyses show that 90% of world trade will be conducted outside the EU.

A special attention in the speech Mrs. von der Leyen paid to two additional important points. The EU has to expand its own defence and security policy and to intensify its enlargement policy, particularly towards the WB6. The latter is connected not only with financial and technical support but with restoring the trust and credibility of the EU.

Addressing the above-mentioned challenges, the EU does not only have to promise but to also implement a successful enlargement policy for achieving tangible results. This means to pay more attention to the WB6. The new EU Commission should develop a coherent strategy for the Western Balkans, restoring trust and credibility while promoting stability and economic support in the region. The region is to become the focus of EU's foreign policy and to be attached greater importance. The EU should take a clear stance and actively exercise its leadership role in order to promote a constructive and stable development in these countries.

The EU should intensify its diplomatic efforts to promote regional stability in the Western Balkans. This can be done through increased cooperation, economic support and political dialogues.

The strengthening of transatlantic relations was also a key factor in overcoming the challenges in the WB6. In view of global geopolitical shifts and the challenges posed by nuclear powers such as Russia, close transatlantic cooperation with the United States is essential. The current order in the region was created by the United States and the EU after the wars in Bosnia and Herzegovina in 1995 and Kosovo in 1999. The Transatlantic relationship was the crucial factor for overcoming the challenges facing the WB.

As an possible result of the elections in the USA the transatlantic axis might be weakened. The Europeans might be left alone to manage their own challenges and problems. The prospects are worrying. There is a risk of more fragmentation of the EU than consolidation and renationalization of policies and coalitions of countries. This also applies to the EU's enlargement policy.

The EU should therefore proactively take stability measures to prevent instability from spreading. This includes strengthening democracy, regional integration as well as providing economic support to the Western Balkan states to become predictable.

The EU engagement in the region should remain strong in order to support the Western Balkan countries on their path to integration with clear prospects and a deadline for accession. Only such a vision could ensure political and economic stability in the region.

#### Continued stagnation and growing nationalisms.

If the EU fails to meet these challenges and does not become independent of other great powers, it risks becoming increasingly irrelevant on the world stage. What would this bring for the WB6?

For the WB6 this could lead to rising nationalism and instability, with the possible renewed conflicts in areas like Republika Srpska and Northern Kosovo. Keywords in this respect are Great Serbia and Great Albania. For Republika Srpska, Northern Kosovo, populated mainly by Serbs, repatriation by revanchist Serbia could happen. Since the state borders in the Balkans do not coincide with the ethnic borders, this is the cause for the frozen or dormant outbreaks of conflict that can be activated very easy. In Serbia, North Macedonia, and partly in Montenegro, China and Russia are considered reliable political and economic partners.

All these circumstances and arguments lead to the conclusion that accelerating the EU accession process could be the best way to prevent such a collapse of the statehood in the Balkans. A real acceleration of the enlargement process would be a promising alternative and the best solution for both sides – the WB6 and the EU. The current challenging developments require courage, decisive action and a clear vision for the future. If we want a better future, we have to put the present in order!

I do believe that reflection and a return to the fundamental values of the EU as the union of peace, rule of law, human rights and prosperity are also necessary in this challenging time. Diplomacy and dialogue must remain key instruments to avoid conflicts and safeguard Europe's interests. We should be realistic and pragmatic in our dealings with Russia and other global actors. At this point let me recall the wise words of Willi Brandt, a great German Chancellor: "Peace is not everything, but without peace everything is nothing!"

In conclusion, the EU has the chance and the crucial opportunity to bring a positive change in the Western Balkans through strategic decisions and cooperation, thereby securing its own stability and prosperity. This is a shared European interest, and failure to act could turn the Balkans from a "white spot" on the political map into a "black hole." Let us rise to this challenge and work towards a strong, united, and sustainable Europe by integrating the Western Balkans. This would be the best investment in Europe's future.