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# DREJT NJË TË ARDHMEJE TË QËNDRUESHME DHE TË LIDHUR TË BALLKANIT PERËNDIMOR

# КОН ОДРЖЛИВА И ПОВРЗАНА ИДНИНА НА ЗАПАДЕН БАЛКАН

# TOWARDS A SUSTAINABLE AND CONNECTED FUTURE OF THE WESTERN BALKANS

**Abstract**

This paper explores the critical interplay between sustainability, connectivity, and regional stability in the Western Balkans, a region marked by a complex history of conflict and a challenging path toward Euro-integration. The main aim is to provide a comprehensive assessment of the socio-economic landscape, highlighting the impact of EU integration process within its Enlargement Policy, influence of ongoing conflicts on current developments and the imperative for sustainable practices to foster growth.

The main objectives include an analysis of the existing barriers to Euro-integration, the opportunities for regional cooperation, and the necessity of enhancing connectivity through infrastructure development.

The objectives include exploring different influences and their impacts, evaluating the present challenges and opportunities for development, and offering insights into actionable strategies for policymakers. Among the links between sustainability, connectivity and integration, this research seeks to contribute valuable perspectives on fostering a cohesive and resilient future for the Western Balkans.

Key findings reveal that while significant progress has been made in some areas, persistent socio-political tensions and regional and potential ethnic tension, as well as further challenges threaten overall stability and integration efforts.

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The paper underscores the importance of a cohesive approach to regional development that prioritizes sustainability and connectivity as essential pathways for achieving long-term EU integration.

Comprehensive and effective outcome of addressing these issues can realistically bring authorized authorities and international stakeholders to the level of practice and direct all actors to further cooperation in creating a stable and prosperous future for the Western Balkans, ultimately contributing to broader European stability.

*Keywords: sustainability, connectivity, Euro integration, conflicts, regional development perspectives*

## 1. Challenging path toward Euro-integration

The Western Balkan countries (currently these include Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia) have been seeking to join the European Union for years as it has been a priority of foreign policy identified by subsequent governments of these states.

The Balkans represents the least integrated and the most unstable region in Europe.

In this context, the intention of the European Union to integrate the region as soon as possible, and to make this a priority, is quite understandable and warranted.

Many agree that political elites in the region of Western Balkans have appeared ineffective, corrupt or illegitimate.

Another problem is seen in the limited reserves of human capital, especially because the phenomenon of brain drain continues even after the change of the parties in power in the majority of Western Balkans states. Public administrations are still very large and inept and civil society continues to fail to react properly to the changes that have been generated from abroad.[2]

This is why integration is needed. Euro-integration represents a key goal for Western Balkan countries as they seek to align with European standards and practices. Although each country has embarked on its own unique trajectory, progress has been uneven. Some nations, such as Montenegro and Serbia, have advanced in negotiations with the European Union, while others face significant hurdles related to governance, rule of law, and anti-corruption measures.

The EU's commitment to support integration is tempered by the need for comprehensive reforms and the resolution of historical grievances, making the Euro-integration process both a goal and a complex challenge for the region.

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[2] Anastasakis, O., 'The Europeanization of the Balkans', Brown Journal of World Affairs 12/1 (2005), 77–88.

The EU is fully committed to the EU integration of the Western Balkans. This is a shared strategic objective that unites the whole region and the EU.

Accession talks are underway with Montenegro and Serbia. In March 2020, the Council agreed to open accession negotiations with North Macedonia and Albania. Bosnia and Herzegovina and Kosovo are potential candidates for EU membership.

*Western Balkans on the path to EU accession-An overview*

The EU accession process is at the centre of EU-Western Balkans relations. The conditions for establishing these relations were first laid down in the Council Conclusions of April 1997.

In 1999, the EU Council established the Stabilisation and Association Process (SAP). It was confirmed that the countries of the Western Balkans would be eligible for EU membership if they met the criteria established at the Copenhagen European Council in June 1993.

The "Copenhagen Criteria" include political, economic and political/administrative requirements and help make clear the standards countries that wish to join the EU need to meet.

Since then, the EU has continuously underlined its determination to support the Western Balkans on their path towards European integration.

Regular EU-Western Balkans Summits have been held since 2018, with EU leaders reaffirming the Union's determination to intensify further its engagement with the region and welcoming the pledge of the Western Balkan partners to carry out necessary reforms.

In February 2020, the European Commission presented proposals to strengthen the EU accession process. The Council endorsed this new methodology aiming to make the accession process more credible, predictable and subject to stronger political steering.

Montenegro and Serbia have started membership talks.

In March 2020 the European Council agreed to open accession negotiations with Albania and North Macedonia. Bosnia and Herzegovina and Kosovo are potential candidates for EU membership.

*The EU Approach to Western Balkans*

Today, there are still unresolved issues. The majority of the Western Balkans states waiting to be integrated into the EU could be referred to as contested or '*unfinished*'.[3]

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[3] V. Surroi, 'The Unfinished State(s) in the Balkans and the EU: The Next Wave', in J. Rupnik (ed.), The Western Balkans and the EU: 'The Hour of Europe', Chaillot Papers (Paris: Institute for Security Studies, 2011), 111–20

*Agenda on Innovation, Research, Education, Culture, Youth and Sports*

This agenda outlines a comprehensive, long-term strategy for cooperation with the Western Balkans.

Through increased investment, the agenda and its proposed actions will contribute to developing the region's economic and societal development.

The EU supports stronger cooperation between the Western Balkans' stakeholders and EU countries to successfully implement the deliverables of the agenda.

The agenda and its action plan is built on 3 main pillars: Political, Thematic, and Regional as follows:

*Political agenda*

-  Towards a sustainable future by stimulating an economy that supports the recovery and helps to create jobs,

-  Reflecting the strategic importance of the region and supporting its integration process through increased EU engagement,

-  Nurturing knowledge-based societies and evidence-informed policy making,

-  Supporting the association to all EU programmes covering Research, Innovation, Education, Culture, Youth and Sport,

-  Supporting the implementation of systemic changes and reforms.

*Thematic agenda*

-  Towards closer alignment with the EU strategic priorities,

-  Transforming the national research and innovation eco-systems,

-  Counteracting climate change and supporting the digital transformation,

-  Promoting the implementation of the EU Green Deal in the Western Balkans,

*Regional agenda*

-  Towards a closer regional economic integration through planned investments in human capital development and digital transformation.

- Enhancing the quality of education and training
- Boosting human capital development
- Reducing the gender and digital divide
- Improving mobility and connectivity
- Fostering cultural and regional cooperation[4]

*An overview*

● In March 2004, Macedonia was the first of the six aforementioned Western Balkan countries to apply for the status of an EU candidate country, receiving this status in 2005.

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[4] EUROPEAN COMMISSION https://research-and-innovation.ec.europa.eu/

• Montenegro followed suit in 2008, obtaining the status of a candidate country two years later in 2010.

• Serbia submitted a similar application in 2009, and was granted the status in 2012.

• Albania also applied for membership in 2009, even earlier than Serbia (Albania in April and Serbia in December) and was eventually granted the status of a candidate country in June 2014.

• Kosovo and Bosnia and Herzegovina are the two states among the Western Balkan countries which remain only potential candidates. The problem with the future of Kosovo's European integration is directly related to the normalisation of its relations with Serbia. (*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence*)

*Achievements*

Bosnia and Herzegovina is struggling with internal problems, political disputes, and the lack of reforms (in such areas as the rule of law, democracy, public administration, and fundamental rights), which hinders its chances of joining the European Union as the European Commission has set 14 key priorities to be fully implemented by the country in view of starting EU accession negotiations.

Of the six Western Balkan countries, Montenegro and Serbia remain the most advanced in the EU integration process. Montenegro began accession negotiations in 2012 and has so far opened 33 chapters, but only three of them have been provisionally closed.

Such a slow pace of negotiations is also characteristic of Serbia's integration process, which started in 2014, but only 18 out of 35 chapters have been opened and only two have been provisionally closed.

After many years of effort, and as a result of a finally resolved dispute with Greece, North Macedonia also managed to gain the EU's consent to start negotiations in 2020. However, as of the time of this writing (October 2021), not even the first intergovernmental conference, which would formally initiate the negotiations, has been convened.

The same is also true of Albania; together with North Macedonia, it has finally been given the green light to begin negotiations, but in practice has not yet started them either. From the perspective of the integration process, both countries receive equal treatment from the EU, i.e., decisions regarding the further pace of integration concern both Albania and North Macedonia.

There have been voices that advocate treating these countries in a separate fashion, as suggested by, *(for example, Commissioner for Neighbourhood and Enlargement Oliver Varhelyi)*, however, this has been met with open criticism expressed by some Member States, particularly Germany.

*Macedonian case*

The EU integration process of North Macedonia and Albania is currently being blocked by Bulgaria, which does not consent to the holding of the first intergovernmental conference.

In December 2020, the Bulgarian authorities did not agree to the European Commission's proposal, regarding the negotiating framework with these two Balkan countries, arguing that the Macedonian side is not implementing the provisions adopted in the 2017 *Treaty of Friendship, Good-neighborliness, and Cooperation between the Republic of Macedonia and the Republic of Bulgaria*.

The dispute is complex and touches on events and historical figures that both countries claim rights to. Bulgaria directly accuses North Macedonia of appropriating Bulgarian history. Moreover, in the EU accession process, Bulgaria demands that the term "*the Macedonian language*" be abandoned and replaced with "*the official language of the candidate country*".

Other EU countries strongly support the initiation of accession negotiations with North Macedonia, stating explicitly that the authorities in North Macedonia have already met all the criteria which enables them to organise an intergovernmental conference, and, at the same time, some EU members criticize Bulgaria for blocking the integration process of its neighbor, solely for historical or cultural reasons.

In accordance with the provisions of the Lisbon Treaty, European states should respect cultural and linguistic diversity. It is hard to expect, however, that this dispute will soon be resolved certainly not until a new government is formed in Bulgaria.[5]

The Macedonian case is the most complex, and the path to the European Union is the most difficult, considering the specific criteria related to all Western Balkan countries.

Mainly, three specific criteria marked the Macedonian three-decade EU accession process: the name dispute with Greece; the Ohrid Framework Agreement (OFA); and its dispute with Bulgaria. The European Union has to step aside from this specific criterion of the Macedonian EU accession agenda because it opposes one of the most characteristics of the European Union: "*United in diversity*".

General criteria for membership in the European Union are systematic, unified, and measurable for all candidate countries. However, the specific criteria are mainly political and individualized for a concrete country.

Macedonia's Euro-integration path is full of challenges and obstacles, mostly coming from those neighboring countries which are members of the European Union. Using the right to veto and the unanimity principle of decision-

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making in the EU Enlargement policy, they impose specific demands which have been recognised and transformed into official criteria for EU membership.

However, it is up to the EU and its Member States to define which standards and criteria are of primary importance for entrance into the European Union, and also to consistently examine and review the fulfillment of these standards and criteria by each of the candidate and potential candidate countries for EU membership.[6]

## 2. Bringing sustainability to the Western Balkan region

*Policy Recommendations*

The first step in order to advance the Sustainable Development Goals in the Western Balkans is spurring transnational cooperation between the countries in the region. A set of common targets could harmonise the different legislations and involve more effectively the civil society.

In the last years, the United Nation Agenda 2030 has turned into one of the most important benchmarks to assess the path towards more prosperous and sustainable communities. The SDGs foster international cooperation as they require to rely on strong global partnerships and the involvement of multiple stakeholders. For some countries, the main international partner to deal with is the European Union (EU), an organisation pioneer in green transition that is gradually introducing sustainability assessments in its external action tools.

Today, the parameters of sustainable development are not only accounted in different fields, such as trade agreements and agricultural policy, but also entangled with the criteria of accession for new member states. This Policy Brief addresses the triangle link between SDGs, Western Balkan countries and EU accession policy, providing an overview about the state of play and some policy recommendations.

*The Western Balkans Policy*

The objective of this Policy Brief is twofold.

- First, it aims to discuss the role that sustainability has played in the accession process and negotiations between the EU and the countries in the Western Balkan region.

- Second, it focuses on the performance of the Western Balkan countries regarding the SDGs through a selection of *Key socio-economic indicators* to provide policy recommendations to both European and national decision-makers.

The Western Balkans do occupy a peculiar place for their relationship with the EU.

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[6] M. Karadjoski, G. Ilik, Specific Conditionality of the EU Towards the Western Balkans: The Macedonian Case, Studia Europejskie – Studies in European Affairs, 3/2024

This region is deeply complex and faced with specific socio-economic and environmental challenges that need to be tackled as soon as possible not only for the sake of international stability but to ensure better standards of living for the local populations.

The Western Balkan countries share similar environmental, economic and social constraints.

The analysis of the five selected development goals shows that, notwithstanding minor differences, the attainment of the envisaged targets remains elusive.

The societies of the Western Balkans are facing similar problems in healthcare, child mortality, youth access to the job market and economic exclusion. The response as always lies in a prompt reaction via transnational solidarity.

A common effort from all the partners of the region could also help the international organisation and the EU itself to improve their statistical data collection and, therefore, upgrade the indicators used to evaluate accession. [7]

*Assessment of Sustainable Development Goals (SDGs) Adoption*

The Western Balkans have made varying degrees of progress in adopting and integrating the Sustainable Development Goals (SDGs) into national agendas. Countries in the region have begun to align their development strategies with the SDGs, recognizing their importance for sustainable socio-economic growth. However, the adoption rates and frameworks for implementation differ significantly. Many nations face challenges such as lack of data, insufficient institutional frameworks, and limited public awareness that hinder effective SDG integration. Collaboration between government bodies, civil society, and the private sector is crucial to enhance the adoption and monitoring of these goals, ensuring a comprehensive approach to sustainable development.

*Environmental Challenges and Resource Management*

The Western Balkans confront significant environmental challenges, including air and water pollution, deforestation, loss of biodiversity, and inadequate waste management systems. These issues have emerged partly due to outdated industrial practices and ineffective regulatory frameworks. Resource management is crucial in this context, countries must adopt sustainable practices to ensure the long-term viability of natural resources, including water, forests, and minerals. There is an urgent need for investments in green technologies and infrastructure, as well as multi-sectoral cooperation that incorporates environmental concerns into economic planning and development to address these environmental challenges effectively.

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[7] D. Fattibene, F. Castiglioni, M. Bonomi, Bringing sustainability to the Western Balkan region, Osterreiche Geselshaft fur Europapolitik, Policy Briefs, 15 March 2023,

*Importance of Sustainable Practices in Economic Development*

Embracing sustainable practices is vital for the economic development of the Western Balkans, allowing for the creation of resilient economies that can adapt to global challenges, such as climate change and market fluctuations. Sustainable tourism, renewable energy initiatives, and environmentally friendly agricultural practices present significant opportunities for growth while minimizing ecological footprints. By prioritizing sustainability, countries in the region can enhance their attractiveness for foreign investment, create jobs, and improve overall living conditions. Promoting awareness of sustainability among businesses and communities will foster a culture of responsibility and drive innovation, ultimately allowing for a balanced approach to economic and environmental sustainability.

The region is inevitably confronted with the politicization of sustainable development since natural resources and low-cost labor are strong incentives for big multinational companies to prioritize their interests. In this context, the security policies of the countries in the region, which are primarily state-centric, collide with the security priorities of their citizens, which are frequently of a different nature.

The aforementioned fact does not contribute to stabilization in the region. It necessitates the development of new security policies that can reconcile the interests of the state and citizens within the context of sustainable development.[8]

## 3. EU-Western Balkans cooperation and connectivity

*Current Socio-Economic Landscape*

The EU is the leading trade partner for all Western Balkans, with almost 70% of the region's total trade. From 2011 to 2021, EU trade with the Western Balkans has grown by almost 130%. In the same period, Western Balkans exports to the EU have increased by 207%. EU businesses are also leading investors in the region. In 2018, EU companies accounted for over 65% of foreign direct investment in the region.

The EU also provides the Western Balkans partners with political, financial and technical support, to help them implement necessary reforms and align with EU rules and regulations. Citizens and companies from the region are already participating in EU programmes that operate in the Union itself, such as Erasmus+, which supports student exchanges, and Creative Europe, supporting cooperation projects in the field of culture.

The EU and the Western Balkans share security challenges and are addressing them together. The EU and the region cooperate on a wide range of

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[8] M.Trbojević, D.Jovanović & D.Đurđević, Security policies and sustainable development in the Western Balkan region beyond 2022: current status, challenges, and prospects, Springer Nature, 2024

security issues such as fighting organised crime, tackling hybrid and cyber threats, countering small arms trafficking and strengthening counter-terrorism.

Cooperation in the area of *Common Foreign and Security Policy (CFSP)/Common Security and Defence Policy (CSDP)* is a priority for the EU and its Western Balkans partners. The Western Balkans Strategy adopted by the European Commission in 2018 outlines among the objectives to expand and deepen CFSP/CSDP dialogues and increase the Western Balkans' contributions to EU missions and operations.

Cooperation in CFSP/CSDP has significantly evolved in the past years. Whilst the EU remains engaged with CSDP missions and operations in the region, Western Balkan partners are themselves also contributing to CSDP missions and operations around the world.

In times of crisis the EU has shown solidarity with its Western Balkan partners. The EU has helped the Western Balkans on COVID-19 and it has been delivering vaccines. Through the Union Civil Protection Mechanism, EU Member States have assisted the Western Balkans for example in fighting wildfires.

Through the Economic and Investment Plan, the EU has mobilized unprecedented resources to support connected, green, and people-focused growth, benefiting the region and Europe as a whole.

Three EU Special Representatives (EUSR) support the work of the High Representative/Vice President: in Bosnia and Herzegovina, in Kosovo and for the Belgrade-Pristina Dialogue and other Western Balkan regional issues.

*Importance of International Collaboration and Support*

International collaboration and support are crucial for the Western Balkans' path toward stability and integration. The EU, along with international organizations and donor countries, should provide continued financial assistance, technical support, and capacity-building initiatives.

This support is vital for implementing necessary reforms, enhancing infrastructure, and addressing socio-economic challenges.

Moreover, fostering partnerships with civil society and local organizations will ensure more inclusive decision-making processes, allowing for greater citizen engagement and ownership of the integration process. Ultimately, a collaborative approach that includes both regional and international stakeholders will be essential to achieving a sustainable and connected future for the Western Balkans within the EU framework.

*Demographic Trends and Migration*

The Western Balkans face significant demographic challenges, including aging populations and youth outmigration. Many young people seek better opportunities abroad due to limited employment prospects, which exacerbates skill shortages and hinders long-term development. Estimates indicate that a substantial portion of the youth population has migrated to Western Europe in

search of education and employment. This demographic trend poses a dual challenge: while it contributes to brain drain, it also raises concerns regarding the sustainability of local economies and communities left behind. Reversing these trends will require targeted policies aimed at improving job prospects, educational opportunities, and living conditions in the region.

*Environmental Issues and Sustainability Concerns*

Environmental issues present significant challenges for the Western Balkans, including pollution, deforestation, and inadequate waste management. The region's industrial legacy has resulted in contaminated air and water, negatively impacting public health and biodiversity. Additionally, the effects of climate change, such as extreme weather events and changing precipitation patterns, pose serious risks to agriculture and water resources. Addressing these sustainability concerns requires a holistic approach that incorporates environmental governance, investments in green technologies, and the promotion of renewable energy sources. The Western Balkan countries can enhance their resilience to environmental challenges while supporting broader economic and social goals.[9]

Almost all the countries of the Western Balkans are witnessing changing trends.

## 4. Regional stability in the Western Balkans - conflicts and their influence

*The role of Regional conflicts*

In general, today's the world is insecure and the future is uncertain.

The aggression by Russia against Ukraine on February 24th 2022, the situation in the Middle East, and the Globe complexity of the ongoing territorial aggressions have compelled all European countries to recognize that these conflicts pose an immediate threat to European security.

In analyzing the foreign policy aspects and their impact on regional security, it is essential to emphasize that the Western Balkans is a region characterized by weak governance, fragile civil society, geopolitical disputes, and internal and regional factors that make it highly susceptible to local and external disinformation campaigns (*Tahirović, 2023*). Indeed, the democratic vulnerability of the region favours Russia's activities, and since the annexation of Crimea in 2014 and the subsequent sanctions imposed by the EU and the US, Russia has launched an extensive disinformation campaign in the Western Balkans.

The goal is to undermine the values and perceptions of the EU and the US and obstruct the ambitions of regional states on their path toward European

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[9] European Union External Action, The EU and the Western Balkans: towards a common future, 2022

and transatlantic integration. Given the pronounced crises affecting the EU, NATO, and the global landscape, the governments of the region must significantly alter their approach to internal security challenges?

They should adapt and build security institutions in line with new security realities. Establishing systems, procedures, and legal frameworks for their smooth functioning is crucial. These efforts should be free from political and religious influence, aligning with established operating rules within EU Member States, particularly through the Berlin Process.

However, a notable challenge lies in the undefined or insufficiently clear stance of the EU and the US regarding the problems faced by the Western Balkans. This research suggests that the focus is on gaining time. Serbia, as the largest and most powerful state in the Western Balkans, needs to definitively orient itself toward the West and prevent itself from falling under Russia's influence. Such a shift would likely complicate the security situation in this part of Europe and significantly aid Russia in achieving its war objectives in Ukraine and beyond.

As evident from the joint EU/Western Balkans Declaration of 13th December 2023 in Brussels, out of the 35 points, 13 pertain to security guidelines. This approach represents a key advantage and an appropriate model for addressing traditional Balkan disagreements compared to other regional security initiatives. By comprehensively concentrating these guidelines into a single package involving all six Western Balkan aspirants for EU membership, the Berlin Process ensures measurable progress toward the set goals. It also fosters joint participation and mutual coordination in tackling security challenges throughout this process.[10]

*Role of Ethnic tensions and Political Instability*

Ethnic tensions remain a significant source of instability in the Western Balkans. Historical grievances and identity politics often manifest in political discourse and social interactions, leading to divisions within and between communities. Political instability is compounded by the proliferation of nationalistic rhetoric and the influence of political parties that capitalize on ethnic identities for electoral gain.

This instability hampers effective governance and can lead to social unrest, thereby creating an environment where conflicts can reignite. The lack of a cohesive national identity in some countries further complicates the prospects for unity and collaboration, both at a national and regional level.

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[10] M. Tahirović, The Main Security Challenges and Threats in the Western Balkans and Possible Model for Solving
Them in the Process of European Integration, Studia Europejskie – Studies in European Affairs, 3/2024

Political instability in the Western Balkans is not a new feature in the region, while it is the direct consequence of the tumultuous and violent breakup of Yugoslavia and the result of a terrible decade of wars. Still to this day, various issues can be considered a real threat to the coexistence of different ethnic groups within the same border, as the multinational Federation of Yugoslavia was not divided into constituent republics that worked as watertight compartments.

*The North of Kosovo, or the Republic of Srpska*, *part of Bosnia and Herzegovina*, are self-evident proofs of this dynamic, with an impact on the social and economic aspects of everyday life for the citizens of these areas.

While EU integration is seen by many as a tool to resolve once and for all a large part of the critical issues in the Western Balkans, internal reforms are complex, and the path toward European membership appears quite hard to predict.

As of today, governments in the region face an emergency tied to high migration numbers, especially in Bosnia and Herzegovina, which already have one of the lowest fertility rates in the world. As many experts have noticed, the combination of population decline, due to migration and low fertility rates, combined with population aging, has a negative impact on economic growth. Such a dynamic leads to an increase in labor shortages and increasing pressure on the social protection systems.

If we also add high political instability and the constant fear of ethnic tensions, the picture becomes even darker: foreign investors can be scared of taking risks in the Western Balkans, aware of the liability of the system and the sometimes-erratic behavior of local governments.[11]

*External differentiation as a strategy of system maintenance: EU enlargement towards the Western Balkans*

*Implications for Euro-Integration and Cooperation*

The ongoing regional conflicts and underlying tensions significantly obstruct the Euro-integration processes for Western Balkan countries.

The European Union's confidence in the region's stability is crucial for advancing accession negotiations, and any hint of conflict can stall these processes. Additionally, cooperation initiatives, such as the Berlin Process, which seeks to enhance regional collaboration and stability, can be undermined by unresolved disputes.

The challenges posed by ethnic tensions necessitate a comprehensive approach to Euro-integration that includes conflict resolution strategies, fostering dialogue among ethnic groups and promoting further mutual understanding. Ultimately, sustained peace and cooperation are essential for making

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[11] F. Marino, Political instability in the Balkans and its effect on the citizens, Newsletter European, 2023

progress toward European integration and achieving a more stable and interconnected future for the Western Balkans.[12]

## 5. EU Opportunities

The full-scale Russian aggression against Ukraine, which started in February 2022, changed the perception of the geopolitic security situation in Europe, including the Western Balkan region.

Despite global movements, the EU took active steps in speeding up Western Balkan accession.

The changing dynamics of the Western Balkans on the road to European Union membership is essential platform for preforming stable process of integration, using opportunities and facing with the further challenges. The main issue is related to the Governance quality in Western Balkan countries. Are they converging with the EU?

Using the World Bank's *'Worldwide Governance Indicators'* that allow for the multidimensionality of governance, the crucial point is whether the Western Balkans have been converging with the EU in terms of governance quality, EU's neighbourhood policy as a whole bears a responsibility for the present stalemate and whether this complies with the so-called "*EU conditionality principle"*.[13]

Table 1: Western Balkan countries, EU accession progress

| Country | SAA: entry into force | Membership application | EU candidate status | Decision to open accession negotiation | Status of accession process, April 2024 |
|---|---|---|---|---|---|
| Albania | 2009 | 2009 | 2014 | 2020/2022 | Initial phase |
| Bosnia and Herzegovina | 2015 | 2016 | 2022 | 2024 | Preparatory stage |
| Kosovo | 2016 | 2022 | | | |
| Montenegro | 2010 | 2008 | 2010 | 2012 | Advanced |
| North Macedonia | 2004 | 2004 | 2005 | 2020/2022 | Initial phase |
| Serbia | 2013 | 2009 | 2012 | 2013 | Partly advanced |
| Croatia | 2005 | 2003 | 2004 | 2005 | EU member since 1 July 2013 |

*Source: Bruegel based on Council of the EU, European Commission, Steinbach (2024), Dabrowski (2014), Dabrowski and Myachenkova (2018)*

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[12] M. Giulia Amadio Viceré & M. Bonomi, Routledge, External differentiation as a strategy of system maintenance: EU enlargement towards the Western Balkans, September 2024
[13] Christos Kollias, Petros Messis, Andreas Stergiou & Michel Zouboulakis, Governance quality in Western Balkan countries: are they converging with the EU? Taylor & Francis, https://doi.org/10.1080/14782804.2024.2434114.

In the Western Balkans region, each country has its own specifics, the difficulties it faces. The example from North Macedonia is atypical and worth mentioning.

The EU Enlargement Policy in the supranational functioning model is decided collectively, and in the event that one member opposes a country that is a candidate for EU membership, the issue remains open until it is resolved.

*North Macedonia* was the biggest victim of such practices. For more than a decade, Greece blocked the start of its EU accession negotiation, demanding that it change its country name (this veto also blocked North Macedonia's accession to NATO). When the then Republic of Macedonia finally accepted this demand and signed the *Prespa agreement in 2018*. [14]. Bulgaria challenged it on the issues related to the supposed Bulgarian roots of the Macedonian nation and language (*Brunnbauer, 2022*). In June 2022, under EU pressure, the Bulgarian parliament abandoned the veto to allow EU accession negotiations to start with North Macedonia. However, the conflict remains unresolved and Bulgaria still demands changes to North Macedonia's constitution.

EU countries and the EU governing bodies have changed their attitudes toward EU enlargement, giving it priority. [15]

On the other hand Western Balkan countries can be blamed for disappointing progress or even backtracking in the critical areas of democratic institutions, civil freedoms, minority rights, fair election, the rule of law, reform of the judiciary and public administration, fighting corruption and organized crime. [16]

*Bosnia and Herzegovina* became an EU candidate in December 2022 and was invited to start accession negotiations in March 2024.

On 8 November 2023, the European Commission announced a new Growth Plan for the Western Balkans for 2024-2027, worth €6 billion (of which €2 billion is grants and €4 billion concessional loans; European Commission, 2023). The Council presidency and the European Parliament provisionally approved this package on 4 April 2024.

### Serbia/Kosovo

Apart from providing additional financial assistance to the region, the EU aims to accelerate its economic convergence, set incentives to speed up governance and economic reforms, normalize Serbia-Kosovo relations, accelerate integration of candidates into the Single European Market (beyond

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[14] https://treaties.un.org/doc/Publication/UNTS/No%20Volume/55707/Part/I-5

[15] For example, Russia was accused of sponsoring the anti-government coup attempt in Montenegro in October 2016 (see The Guardian, '*Kremlin rejects claims Russia had role in Montenegro coup plot*,' 20 February 2017,
https://www.theguardian.com/world/2017/feb/20/russian-state-bodies-atte…

[16] European Commission news of 8 November 2023, 'Commission adopts 2023 Enlargement package, recommends to open negotiations with Ukraine and Moldova, to grant candidate status to Georgia and to open accession negotiations with BiH, once the necessary degree of compliance is achieved', https://neighbourhood-enlargement.ec.europa.eu/news/commission-adopts

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the SAA provisions) and boost intra-regional integration through the Common Regional Market.

The remaining income per-capita gap with higher-income EU member states may be one of the reasons for the reservations of some EU governments against fast enlargement. It will mean higher transfers from the EU budget.[17]

*Social challenges: demography and a dysfunctional labour market*

Historically, dysfunctional labour market mechanisms have been a major social and economic challenge in the Western Balkan region. They have generated high levels of unemployment, inactivity and informal employment as well as limited rate of potential growth in Western Balkans, other things being equal. They have also been responsible for higher levels of income inequality (*Jusić, 2018).*

Dysfunctional labour markets in Western Balkan countries can create obstacles in their full and effective integration with the European single market. They create additional pressure for outward migration from the region, mainly to the EU. If not improved during the EU accession process, they will increase the number of EU countries suffering from similar problems.

*Unemployment*

In 2022, total unemployment was highest in North Macedonia at 14.4 percent and lowest in Serbia at 8.7 percent. These high unemployment levels are driven by high levels of youth unemployment (Figure 1). Modest gains in total employment from 2010 to 2015 disproportionately benefited older and highly educated workers, whereas low-skilled and less-educated young workers were relative losers (*World Bank/WIIW, 2017).* All Western Balkan countries have made progress since 2015. Unemployment has followed a linearly decreasing trend everywhere. Youth unemployment has also fallen, most notably in Bosnia and Herzegovina where rates fell from over 60 percent to just over 30 percent in 2022. However, they are still higher than in Croatia.

*Figure 1: Unemployment, total (% of total labour force) and youth unemployment rate*
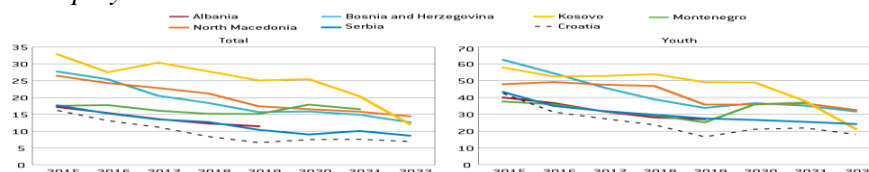


*Source: Bruegel based on World Bank WDI.*

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[17] On the other hand, the small size of Western Balkan economies limits the impact of their future accession on the EU budget

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*External economic relations and the role of the EU*

In economic terms, Western Balkan economies are already highly integrated into the European single market in terms of trade, investment and labour flows. Progress in EU accession can further strengthen these trends.

*Trade*

The Western Balkan countries have high and increasing levels of trade openness measured as a percentage of GDP. This is normal for small economies since there are fewer opportunities for domestically produced goods to dominate domestic markets [18]

The EU is the largest trade partner for the Western Balkan countries, except for Kosovan and Montenegrin exports, in which the EU is second behind other Western Balkan countries taken together. Furthermore, there has been practically no deviation in the composition of trading partners in both imports and exports from 2015-2023. The importance of the trade relationship between the EU and the Western Balkans is asymmetric given that the Western Balkans constitute only around 1.5 percent of the European Union's trade in goods.[19]

*All Western Balkan countries have SAAs with the EU. These provide partial access to the European single market.*

Serbia did not participate when most Western countries implemented sanctions against Russia in 2014-2015 and again from 2022 onwards. [20] Therefore, it has not been affected by the Russian retaliatory countermeasures. It has tried to benefit from the diversion of *trade flows to and from Russia, remaining the most exposed to trade with Russia in the region (Kostadinov*, 2023). This approach contradicts the EU expectations that candidate countries will align their foreign and trade policies with the EU Common Foreign and Security Policy (CFSP) and is one of the obstacles to Serbia's accession to the *EU (Mihajlovic, 2024).*

*Outward migration and labour remittances*

The Western Balkans record large outward migration. This pheno-menon may partly explain decreasing unemployment and rising labour force participation in the region. Between 2015 and 2022, the share of remittances

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[18] Eurostat, 'Enlargement countries - international trade in goods statistics', undated, https://ec.europa.eu/eurostat/statistics-explained/index.php?

[19] European Parliament, 'Western Balkans: Economic indicators and trade with EU', At a Glance, April 2023, https://www.europarl.europa.eu/RegData/etudes/ATAG/2023/745670/EPRS_ATA…

[20] Jelena Jevtić, 'Vučić reiterates refusal to sanction Russia: "A friend in need is a friend indeed"', Euractiv, 21 February 2024, https://www.euractiv.com/section/politics/news/vucic-reiterates-refusal

in the GDP of individual countries has remained relatively stable, with some short-term fluctuations dependent on the economic dynamics in receiving countries (mainly in the EU).Between 2015 and 2022, the share of remittances in the GDP of individual countries has remained relatively stable, with some short-term fluctuations dependent on the economic dynamics in receiving countries (mainly in the EU).

*Figure 2: Personal remittances, received, % of GDP*
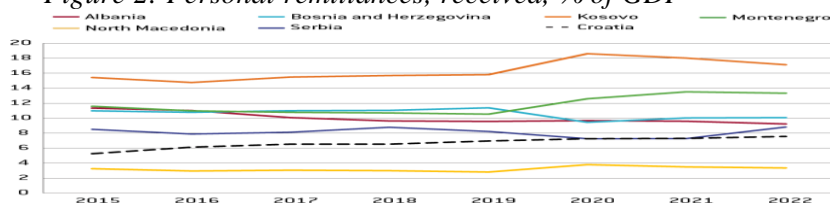


*Source: Bruegel based on World Bank WDI.*

The process of enlargement towards the Western Balkans has faced recurrent stalemates, often for long periods, due to member states' enduring reluctance towards the widening of the EU.

As for the cause, there is ample evidence of mutual dependences between the EU and the Western Balkans across various policy areas triggered by shocks to the EU system of regional integration (*Bartlett and Prica Citation2016; Bechev Citation2023; Okyay et al. Citation2020).*

*Rule of law and corruption*

Two indicators, the rule of law (Figure 3) control and corruption, place Western Balkan countries in the negative territory, ie scores below zero. Changes in individual countries go in opposite directions and present high volatility.

Regarding the rule of law, Kosovo, Albania and North Macedonia have improved their performances compared to the mid-2000s, Montenegro has stagnated despite having a better starting point than its neighbors, Serbia has stagnated since 2014, after visible progress before, and Bosnia and Herzegovina has deteriorated since 2014, after the earlier improvement.
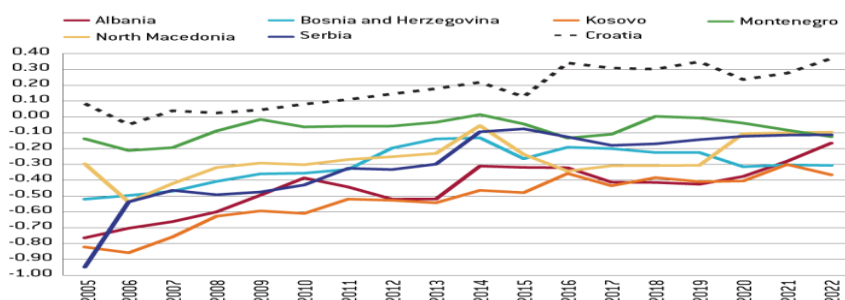
If the EU accelerates membership negotiations with Montenegro (the most advanced candidate) and sets an indicative and not very distant EU accession date, this could serve as a strong incentive for other candidates to make progress in their bids for accession, as well as helping to rebuild the credibility of the EU accession process. The new government of Montenegro formed in autumn 2023 offers a chance to accelerate the required reforms.

Another political incentive for the candidates would be rewarding the progress in accession negotiations with earlier access to specific EU common policies and institutions.[21]

## 6. Research design and methods

The Western Balkans serve as a typical case of our theorized causal relationship insofar as the contextual conditions, the cause and the outcome of the phenomenon considered are likely to be present in this case. Regarding the contextual conditions, the Western Balkans are all enlargement countries, covered by the EU Stabilization and Association Process, thus are part of the EU system of regional integration.

At the same time, the process of enlargement towards the Western Balkans has faced recurrent stalemates, often for long periods, due to member states' enduring reluctance towards the widening of the EU.

As for the cause, there is ample evidence of mutual dependences between the EU and the Western Balkans across various policy areas triggered by shocks to the EU system of regional integration (*Bartlett and Prica Citation2016; Bechev Citation2023; Okyay et al. Citation2020*).

Concerning the outcomes, EU actors have occasionally recommitted to the EU accession perspective of Western Balkan countries, as well as repeatedly supporting and fostering these countries' participation in EU policies short of membership (*European Commission Citation2020a, Citation2020c; PubAffairs Bruxelles Citation2019*). Nevertheless, this case study has never been systematically examined in relation to the shifting EU boundaries to enlargement countries' participation in EU policies short of membership.

The theoretical analyses of the developing process identified seven EU institutional actors who have played a leading role in EU enlargement.

The identified actors are both collective and individual actors.

The collective actors include the European Council, the Foreign Affairs Council, and the General Affairs Council.

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[21] Dabrowski M. Luca& Moffat,L. The changing dynamics of the Western Balkans on the road to European Union membership: an update, Bruegel, July 2024

Individual actors include the President of the European Commission, the President of the European Council, the High Representative of the Union for Foreign Affairs and Security Policy, and the European Commissioner for Neighbourhood and Enlargement.

The dataset includes declarations, statements and official conclusions of the identified actors.

The Documents are particularly useful for examining the development of discursive categories of the same actors over time, and thus to carry out longitudinal studies (*Lynggaard Citation 2019*).

These documents were collected through EU online repositories using search strings that contained the terms: 'enlargement', 'Western Balkans', 'Albania', 'Bosnia and Herzegovina', 'Kosovo', 'Macedonia', 'Montenegro', and 'Serbia'. A total of 525 documents as been collected.

Overall, EU actors' references to external differentiated cooperation with the Western Balkans occurred more in association with the migration and terrorism crises, including unpredictable events.

All this considered, it is reasonable to argue that EU actors' shifting of the EU boundaries on Western Balkan countries' participation in EU policies as a strategy of system maintenance has depended on the patterns of mutual dependences triggered by crises-induced shocks to the EU system of regional integration.[22]

### Conclusion

The Western Balkan countries were given a geopolitical chance to become EU members at the beginning of the twenty-first century after a decade of tragic intra-regional conflicts, which accompanied the disintegration of the former Yugoslavia.

The EU integration prospect has helped to mitigate the previous conflicts and create positive political and economic dynamics in the region, which dominated the period until the early 2010s *(Dabrowski and Myachenkova, 2018*).

More than 20 years after the Thessaloniki summit, only Croatia has joined the EU. The remaining six countries are still stuck at various stages of the accession process with no or little progress in recent years.

The blame for the slow pace of EU accession can be shared between EU member countries and the candidates. Some EU countries lost interest in continued enlargements and have used this process to satisfy their nationalist domestic agendas.

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[22] M. Giulia Amadio Viceré & M. Bonomi, Routledge, External differentiation as a strategy of system maintenance: EU enlargement towards the Western Balkans, September 2024

Meanwhile, the Western Balkan candidates stopped progressing or even backtracked in the key areas of democratic institutions, the rule of law, anti-corruption and protecting minorities.

The Western Balkans societies

Economic and social reforms in individual countries also slowed down in the 2010s and the early 2020s. The business and investment climate has not improved while deeply rooted social vulnerabilities such as dysfunctional labour markets or gender inequality in the economic and social spheres have not been sufficiently addressed. Although economic growth and income per capita convergence with Germany (serving as the representative of the EU in our analysis) accelerated somewhat, there is still a long way to go to close the income per-capita gap with the EU average.

Obviously, acceleration of EU enlargement cannot mean giving up the basic membership requirements, especially for the first pillar of the Copenhagen criteria. However, the EU should offer candidates stronger incentives to conduct the necessary reforms.

The Growth Plan for the Western Balkans is a step in the right direction, but its financial size (and, therefore, its potential to encourage the Western Balkan countries to accelerate the reform process) remains limited. It should be substantially enlarged in terms of budget allocation. It would make it more attractive for candidate countries, stimulating their readiness to undertake the most difficult economic and governance reforms. It could also help in the acceleration of economic and social convergence.

Another political incentive for the candidates would be rewarding the progress in accession negotiations with earlier access to specific EU common policies and institutions[23]. Such a perspective was outlined in the Growth Pact for the Western Balkans.

*Scenarios for the Future of the Western Balkans*
*The future of the Western Balkans within the EU supranational model presents several possible scenarios.*

*Optimistic Scenario*
If countries successfully implement necessary reforms, enhance regional cooperation, and foster social cohesion, they may achieve timely accession to the EU. This could lead to increased economic growth, stability, and improved quality of life for citizens, ultimately resulting in a prosperous, integrated region.

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[23] In line with the proposal of the staged accession (Mihajlovic et al, 2023) or progressive integration (Darvas et al, 2024)

*Cautious Scenario*

In this scenario, progress toward EU integration is inconsistent, with some countries advancing more rapidly than others. While some nations may achieve EU membership within the next decade, others could face prolonged negotiations and internal challenges. This scenario may lead to continued regional disparities, potential fragility, and unrest stemming from unaddressed grievances.

*Pessimistic Scenario*

*Pessimistic Scenario s*hould EU integrations stall due to persistent regional conflicts, ineffective governance, and slow reform, the Western Balkans might experience stagnation. Economic and social challenges could worsen, leading to increased migration, destabilization, and a potential rise in nationalism or populism. This scenario may hinder regional cooperation, isolating countries and undermining their prospects for integration[24].

As the Western Balkans aspire for a sustainable and connected future, sustained efforts in governance reform, economic inclusivity, and environmental stewardship will be crucial. The collaborative engagement of regional actors and international stakeholders will not only support the integration process but also ensure that development is equitable and resilient.

Ultimately, embracing a holistic approach that prioritizes sustainability and connectivity will empower the Western Balkans to overcome historical divides, build stability, and create a prosperous future that aligns with European values and standards. The potential for the region to thrive within the EU framework remains strong, provided that commitment and cooperation persist at both local and international levels.

After 30 years of existence, there are still tensions and unsolved issues between countries in the region. These are the primary reasons why the region has not progressed at the pace it should. However, a certain amount of progress can be seen, at least on the level of political elites.

Problems in the region emerged from a common history, as all of the Western Balkans countries were member states of one country.

Citizens still need to feel closer to each other. This is especially true of the young generations that grew up during the war period learning xenophobia and hatred of neighboring nations. Education, both formal and informal, is key to overcoming these problems.

Apart from promoting dialogue, especially regarding issues from the past, helping *citizens 'to climb out of the dark hole of ethno-nationalism'*[25] could be done by supporting different grassroots movements and civil society initiatives by making them more visible and more influential.

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[24] EUROPEAN COMMISSION https://research-and-innovation.ec.europa.eu/
[25] Council of Europe, 'The Political Situation in the Balkans' (2011), accessed at
http://assembly.coe.int/Documents/WorkingDocs/Doc11/EDOC12747.pdf on 15 January 2012.

It is important for the EU to sustain further cross-border projects. These initiatives should not be limited to dialogue between political elites such as the inter-ministerial or inter parliamentary dialogue something that is already being undertaken to a certain extent, but also include those related to 'ordinary' citizens, especially the young ones of maintaining good neighborly relations and ensuring the stability that is still missing in the Western Balkans region.

The shared transition from Communism and the process of overcoming the conflicts of the 1990s are often considered in conjunction with external difficulties.

While it is easier and more feasible for the European Union to have an influence on political elites, it is more difficult to influence the media and citizens. Nevertheless, the European Union should continue to assist and to facilitate the relevant regional initiatives, both in the governmental and the non-governmental sector. Through these initiatives, the EU can put pressure on the countries to develop and promote bilateral talks which could only be beneficial for Western Balkans.

At the very end of this scientific research, it is worth completing the basic fact related to all countries of the Western Balkans is the expression of democracy, the corrupt social transition of state capital and the transition to neo-capitalism. In contrast, there are still unfinished stories related to the nation, identity, historical legacies that are long and simply cannot be mastered.

Nevertheless, we believe that the modern global world, and especially the EU as a model of values, will eventually make it possible for the countries of the region to be part of European civilization. They deserve it.

But the sooner the better for everyone.

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