A decisive year for the EU’s re-engagement with the Western Balkans

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Key Points

After years of taking the Western Balkan region for granted, the EU has woken up to the dramatic deterioration of democratic standards in its nearest neighbourhood. This year will see a number of events that should sharpen the EU’s focus and offer the opportunity for renewed commitment to the region, starting with the European Commission’s forthcoming Enlargement Strategy Paper.

Policy Recommendations

The Enlargement Strategy Paper should:

i) set out a vision for the long term to transform the countries of the region into functioning democracies, with accountable governments and viable economies.

ii) address the root causes of the deep malaise facing the Western Balkans, in particular the ‘state capture’, and prioritise the principles of rule of law and fundamental rights that lie at the heart of the accession process;

iii) put forward meaningful initiatives for the benefit of society at large, such as in the areas of
   - integrated education in multi-ethnic societies;
   - reconciliation programmes and local efforts towards transitional justice, including the financing of international investigative experts;

iv) set out a clear commitment to more consistent and direct support for civil society at all levels and at all times. It should also promote more direct and public support for independent media, including more financial support for targeted projects;

v) assume a proactive role in bilateral disputes by promoting targeted cooperation with both the OSCE and the Council of Europe;

vi) support civil society’s role in resolving bilateral disputes, particularly in cross-border areas;

vii) propose a substantial increase in pre-accession funding to the region, including a possible merging of funds with the International Financial Institutions, and open access to EU structural funds.

Also, the Communication on Enlargement (April 2018) should include recommendations for the opening of accession negotiations with both Macedonia and Albania, assuming the reform programmes in both countries proceed as planned. It should also recommend the opening of a screening process in chapters 23 and 24 of the accession process with all the remaining countries.

The EU-Western Balkan Summit in Sofia (May 2018) should confirm the renewed momentum for the EU’s commitment to the region, and should become the first of yearly summits.
“If we want more stability in our neighbourhood, then we must also maintain a credible enlargement perspective for the Western Balkans (...)”

Introduction

When High Representative Federica Mogherini visited all the countries of the Western Balkans\(^1\) in early March last year, she was confronted with the sobering reality that all was not well in the region. It was her first visit to some countries since taking office in November 2014. Mogherini saw for herself the dramatic stand-off in the protracted political crisis in Macedonia, while in the Serbian Parliament she came face to face with extreme nationalist rhetoric that was reminiscent of the Milosevic era.

When she reported back to the EU leaders at the European Council two weeks later, they quickly realised that the region could no longer be treated as before. In the Council conclusions they referred to the “fragile situation in the Western Balkans”, and stressed that “the EU remains committed and engaged at all levels to support them in conducting EU-oriented reforms and projects”.\(^2\)

“State Capture”

And yet the warning signs of growing tensions within and between the countries of the region and a dramatic deterioration in the reform process had been evident for some time. They were dutifully recorded, although with varying degrees of emphasis, in the European Commission’s annual Country Reports, as well as in regular reports from the US State Department, the OSCE and Council of Europe. Reports from EUROPOL pointed to increased levels of organised crime in drugs, arms and other illicit trade – all adding to the volatile mix.

In its Communication on enlargement of November 2016, the European Commission even spoke of several countries in the region continuing to show “clear symptoms and varying degrees of state capture”.\(^3\) This was probably the most categorical recognition of a situation that had persisted for a number of years but which the EU either failed to understand or chose to downplay.

The courageous efforts of local civil society organisations and independent media outlets, often at the receiving end of intimidation by the ruling political parties and hate speech by government-backed media, were not enough to counter the worst excesses of control by the state apparatus. Surprising as it may seem to the same political parties that railed against the

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\(^1\) The Western Balkans region comprises Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Kosovo.

\(^2\) Conclusion by the President of the European Council, paragraph 1V, European Council, 9/3/2017.

\(^3\) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. 9/11/2016 COM (2016) 715 Final.
Communist regimes of the past, the intimidation tactics they used against those who criticised them were a mirror image of the Communist era.

Nationalist rhetoric accompanied these alarming trends, as was seen during the Balkan wars more than 20 years ago. Convicted war criminals were welcomed home as heroes and even included in ruling party lists of candidates for election. The Serbian Orthodox Church qualified the decision of the International Tribunal for the former Yugoslavia to sentence Radko Mladic to life imprisonment as “the work of the devil”, which is a typical reaction of the so-called establishment and entrenched political leaders in the region.

Unfortunately, attempts to whitewash the past and rewrite history go much deeper in society. In Bosnia and Herzegovina and in Macedonia, for example, partisan politics in school curricula (including the redrafting of history books) has been accompanied by increasingly segregated teaching in multi-ethnic communities. Despite the best efforts of the OSCE High Commissioner for National Minorities these trends persist, with the direct encouragement of the ruling parties. Inevitably, divided schools in multi-ethnic communities exacerbate prejudice and division in society at large.

Again, it is thanks to civil society organisations working in the primary and secondary education sector that the trend has been reversed in a small number of communities. But for many the damage has been done. After his recent visit to the Western Balkan region, the Commissioner for Human Rights of the Council of Europe underlined his concern that “reconciliation has stalled and is being superseded by mounting ethnic divisions and polarisation in the region”.4

The EU’s reaction

Apart from the usual expressions of concern and exhortations to the region’s leaders to concentrate on much-needed reforms, the EU and its member states give the impression of underestimating the malaise in the region, or of preferring not to get involved.

For the member states in which there is little public support for the EU’s enlargement policy, the less said on the future enlargement of the EU, the better. Paying lip service to the EU’s commitment to the region (formally expressed at the 2003 Thessaloniki summit) became the prevailing trend. The messages conveyed to the region were of a technocratic nature, linked to the reform requirements set by the EU for the accession process. Important though they were

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to remind the countries of the region of their reform commitments, they did little to address the root causes of the political deterioration and increasing polarisation of society.

The ‘Berlin Process’ launched in 2014 saw a succession of summit meetings with leaders of the region adopting welcome initiatives to increase regional cooperation, particularly through transport and energy connectivity, but did not give the failing democratic standards and rule of law the attention that was desperately needed. It was as though the EU considered that regional economic cooperation initiatives by themselves would bring back the rule of law and democratic checks and balances.

More forceful and consistent political messages from the EU could have reversed, or at least stalled, the backsliding, but were largely absent. Political agreements brokered by the EU in crisis situations were rarely followed up properly because of weak and/or lack of monitoring and enforcement mechanisms.

Civil society organisations, which came forward with reform proposals and a bid to make governments more accountable (despite verbal attacks and physical threats from ruling parties) showed their enormous potential to promote change but were not given clear public support by the EU at a time when it could have made a difference in pushing back the worst excesses of the elites in power, not least by denting their sense of impunity. The prolonged crisis in Macedonia is a case in point: an impressive network of civil society organisations across the political and ethnic divide came together to call for greater government accountability, but were not included in the EU-mediated dialogue. This was conducted exclusively with the main political party leaders.

When the EU faced the refugee and migrant crisis in 2015, the member states at the forefront of the crisis, i.e. Austria and Hungary, obtained support, with the tacit approval of EU institutions, to close the borders and prevent passage from countries such as Serbia and Macedonia, where most refugees were transiting from Greece. This was despite the fact that many were genuine refugees fleeing civil war in their own countries. The governments concerned were only too happy to oblige. It gave them a convenient excuse to ingratiate themselves with those EU member states that turned a blind eye to the serious degradation in democratic standards and violations of rule of law. “Strong and stable governments” were the favoured buzzwords of the EU leaders at that time and have remained so. This was realpolitik at its worst in the EU’s nearest neighbourhood, with even elected government officials from those same EU member states openly supporting the ruling parties in their election campaign rallies.

The ruling party leaders and the entrenched establishment thus saw no reason to change their behaviour and continued as before, but with even greater impunity. Before the change of government last May, the regime in Macedonia was the worst example. Those who could, left the region in their thousands, feeling both let down by the international community and
disenchanted by the failure of the ruling elites to offer real hope for change instead of perpetuating their power and control over all aspects of society.

The eruption of violence in Macedonia’s parliament on the night of 27 April last year brought the country close to the abyss and offered a glimpse of what could ensue if the international community failed to adopt a more proactive approach.

**Time for the EU to match commitment with action**

In the letter of intent addressed to the President of the European Parliament that accompanied his State of the Union address, President Juncker announced the preparation of a “Strategy for a successful EU accession of Serbia and Montenegro as frontrunner candidates in the Western Balkans” under the list of initiatives to be launched with a 2025 perspective.\(^5\)

Even though it referred to just two of the six Western Balkan countries, it was nevertheless another welcome sign of renewed EU commitment to helping the countries of the region on the road to EU accession. Bulgaria assumes the Presidency of the Council on January 1st, and has cited the Western Balkans as one of its priorities. This offers great hope that the EU and its member states will finally give the region the attention it deserves.

This is all the more important because, as recent developments have shown, the EU is no longer the only actor in the region. Russia will no doubt continue its nefarious soft power actions and attempts to gain influence in the region,\(^6\) even though it ‘doesn’t have a leg to stand on’ in the Western Balkans and makes limited economic investments. Turkey is increasing its investment, using cultural ties and its particular brand of authoritarian rule, and China is also strengthening its hold with the ‘One Belt, One Road’ initiative (although as several reports have shown, this has not always been to the advantage of the recipient countries because of the tied nature of these investments.)\(^7\)

The list of initiatives and events relating to the region this year are certainly welcome and should mark a qualitative change in the EU’s approach towards the region. They include the Strategy Paper announced by Mr Juncker (scheduled for presentation on February 6\(^{th}\)); the European Commission’s Communication on Enlargement with individual Country Reports scheduled for April 17\(^{th}\); the EU/Western Balkan summit to be hosted by Bulgaria in Sofia on May 17\(^{th}\); the June European Council where decisions relating to the Western Balkans are expected; and finally, the next ‘Berlin Process’ summit, to be hosted by the UK government.

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5 Letter of Intent from President Juncker, 13 September 2017.

6 “Rival Power. Russia in Southeast Europe”, by Dimitar Bechev; see also “Russia is playing spoiler in the Western Balkans”, Interview on 28 November 2017, European Western Balkans.

7 The Potential for growth through Chinese infrastructure investments in Central and South East Europe along the ‘Balkan Silk Road’”, Report prepared by Dr. Jens Bastian for the EBRD, Athens/London, July 2017.
The Strategy Paper on Enlargement

Being the first on the list, there is no doubt that the Strategy Paper will set the tone for the EU’s intentions regarding its enlargement agenda for years to come. Although a Paper coming from both Commissioner Hahn and High Representative Mogherini would have given it added political weight, particularly seen from outside Brussels, it appears that this will be a Paper from the Commission alone, although the European External Action Service under HR/VP Mogherini will obviously be consulted.

While there will probably be no specific references to the situation in individual countries, the document is likely to set out broad principles on the rule of law and fundamental rights that lie at the heart of the accession process and are an integral part of the fundamental values on which European integration is based. The Paper should not shy away from pointing to the deterioration in democratic standards overall in the enlargement area and to the need for urgent action to reverse the backsliding. This should provide the reference point for the subsequent Country Reports to be presented in April, which will assess each country’s performance since the previous reports in November 2016.

For the Western Balkan region, the Paper should put forward a strong and essentially political message. In the spirit of the Thessaloniki Agenda adopted in 2003, it will need to set out a vision for the long-term future aimed at transforming the countries of the region into functioning democracies with accountable governments and viable economies.

It should reiterate that reform efforts will be recognised and rewarded, as was the case with visa liberalisation in 2009. In this vein, it should set out the path for the European Council in June to take significant decisions, such as on opening accession negotiations with Macedonia and with Albania,should the ongoing reform efforts proceed on track. This would send a strong signal about the EU’s continued commitment to the Western Balkan region.

Ideally, it should also point the way for the EU to start a process of engaging, whether through screening or actual negotiations, with the remaining countries in the region on the areas covered by Chapters 23 (Judiciary and Fundamental Rights) and 24 (Justice, Freedom and Security) of the EU accession process. This would lock the applicant countries into an intensive and intrusive interaction with the EU institutions that would help to keep the reform process on track.

But above all, the Paper should address the root causes of the deep malaise facing the region and speak directly to the people and society at large, many of whom continue to suffer from entrenched elites and authoritarian tendencies of the new breed of ‘Balkan strongmen’8 adept at personalising power and ignoring, or worse, suppressing criticism. The Paper should point to the tangible and real benefits of being part of the EU family. It should offer a reassuring

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message on the irreversibility of the accession process leading to a reunification of the European continent.

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How to avoid the dramatic deterioration in democratic standards and rule of law, and how to ensure that ‘state capture’ never occurs again should be the primary focus of the Paper. The combination of weak institutions and control by one party led by an autocratic leader is a recipe for political instability that can easily spill over into the wider region. The EU, in particular the European Commission, will need to strengthen its monitoring and enforcement mechanisms to ensure that any deviation from the reform track is dealt with before it develops into a full-blown political crisis. This is, after all, what implementation of the EU’s Global Strategy for the EU’s Foreign and Security Policy should be about. It should not hesitate to withdraw EU funding programmes in cases where a country continues to ignore EU recommendations, for example. On the positive side, it should also devote more efforts, together with the European Parliament, to supporting targeted projects for the youth branches of political parties so as to strengthen the culture of political dialogue and parliamentary democracy.

In order to ensure concrete follow up and demonstrate the EU’s commitment to supporting the reform efforts to bring tangible benefits for citizens at the national and local level, the Paper should focus on education and reconciliation, and on enhanced cooperation with civil society and the media.

The Paper should also propose bold and meaningful initiatives on education and reconciliation, and on enhanced cooperation with civil society and the media.

Education

Supporting efforts towards integrated education in multi-ethnic societies will ensure a reversal in the trend towards segregated teaching that is currently driving ethnic communities apart. This could include providing scholarships and financial assistance to existing civil society initiatives such as the Nansen Dialogue that has promoted, mainly with Norwegian government funding, integrated and intercultural education at both primary and secondary school level in multi-ethnic communities in a number of countries in the region, including Macedonia and Bosnia and Herzegovina.

Reconciliation

Drawing attention to and supporting all initiatives aimed at reconciliation will help to push back against those who seek to return to the nationalist rhetoric of the past. At present, with all the post-conflict societies in the region still trying to come to terms with the past, the lack of

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9 The chapter devoted to “An integrated Approach to Conflicts and Crises”, sets out a “multi-dimensional approach through the use of all available policies and instruments aimed at conflict prevention, management and resolution”.
attention to transitional justice by the governments concerned is fuelling the enduring, deep mistrust in society. Truth and Reconciliation remain essential to ensure a sustainable democratic process and lasting stability in the region. With the termination of the mandate of the International Tribunal for the former Yugoslavia, the focus will now shift towards efforts within the region itself.

This is probably one of the biggest challenges facing the region. Initiatives emerging from the region itself offer the best chance of success in the long term. Any attempts to impose a reconciliation process from outside the region are doomed to failure. In this respect the RECOM initiative, which brings together civil society organisations from across the region and aims to commit all the governments to reconciliation efforts, offers an ideal way forward and deserves full support. The EU should provide financial assistance for international investigative experts that assist transitional justice tribunals and Truth Commissions, similar to the support it provided to the Truth and Reconciliation Commission in South Africa. Supporting history teaching projects such as those pioneered by the Centre for Democracy and Reconciliation based in Thessaloniki should also be considered.

The role of civil society actors and independent media

The Paper should emphasise and recognise the crucial role played by civil society in the Western Balkans. More than in any other region, due to the heritage of history, weak institutions and the lack of or absence of the normal checks and balances that we take for granted, the contribution of civil society actors is vital to ensuring government accountability, both at national level and in local communities. The EU should embrace this effort and ensure a more consistent and direct support for civil society actors at all levels and at all times, particularly when they are under attack.

The region has meanwhile seen a dramatic decline in media freedom, as reflected in the reports from the Reporters without Borders and the International Federation of Journalists (Macedonia is ranked in 111th place in 2017, compared to 34th place in 2009, while Serbia remains at 66th place in 2017 compared to 65th in 2009 and 59th in 2016, a less significant drop but nevertheless a poor ranking overall).

The EU should be much more vocal than heretofore in this area to avoid a repeat of the situation where the OSCE Freedom of the Media Representative speaks out, but the EU remains silent. Enhanced focus by the EU in this area should include financial support for targeted projects such as increasing local investigative reporting capacity, training programmes in media ethics and supporting the establishment of independent broadcasting services. Some countries would argue that they have adopted media laws at the insistence of the EU. But as experience

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in the region has shown, ensuring respect for independent media often has more to do with changing the mindset of the political leadership than with having proper media legislation in place.

**Dealing with bilateral disputes**

Finally, the Paper should tackle the issue of bilateral disputes that continue to plague the entire region, and undermine the credibility of the EU’s enlargement commitment and the principle of conditionality. Whether it is border demarcation (such as Kosovo/Montenegro, not to mention Slovenia/Croatia), or disputes over the name of a country (Macedonia/Greece), or the rights of ethnic minorities and the refusal to recognise their very existence in other states (throughout the region), these disputes trigger emotions that render the search for solutions very difficult, particularly in the absence of any institutional mechanisms, let alone the political will to deal with them.

The EU cannot pretend to support the EU perspective for the region if it leaves the responsibility for resolving these issues entirely to the countries concerned, effectively blocking their EU accession prospects. Most of them lack the legal and technical expertise to find solutions. In this respect, while some might question the effectiveness of the EU-facilitated dialogue in addressing the fraught relations between Kosovo and Serbia, it nevertheless offers an important example of direct EU involvement.

The EU should put forward its own experience of the European integration model in overcoming the legacy of war and creating a process based on the rule of law. It should develop targeted cooperation mechanisms with both the OSCE and Council of Europe, using their respective expertise, such as the Venice Commission, to focus on specific bilateral disputes, provide legal advice in the negotiation of bilateral agreements and support the contributions of civil society and media. The active involvement of civil society can ensure greater public acceptance of whatever agreements are reached. Experience has shown that civil society organisations are best placed to develop a climate of trust between different ethnic communities, particularly at local community level, and in cross-border regions.

**Economic reforms and pre-accession funding**

The Strategy Paper should focus on the much-needed economic reform programmes in the region.

According to the most recent report from the World Bank, the medium-term economic outlook for the Western Balkans is positive, with growth projected to rise from 2.6% in 2017 to 3.3% in
2018 and 3.6% in 2019. Even if these growth figures are achieved, according to some estimates, it could take the economies of the Western Balkans at least 15 to 20 years to catch up with the EU’s average economic performance. The World Bank report also highlights that although unemployment remains high (26% in Macedonia, 15% in Serbia and over 30% in Kosovo, of which over 50% is youth unemployment), approximately 230,000 jobs were created during 2017, a 3.8% increase, of which more than half are in the private sector.

Radical reforms and increased funding will thus be required to ensure steady growth and reduce the continuing high levels of unemployment.

Pre-accession economic surveillance by the EU of reform programmes in each of the countries of the region has been in place since 2015 through the Economic Reform Programme mechanism, whereby each country submits its medium-term policy plans. This mechanism helps to ensure that the countries continue on the path towards sustainable macroeconomic stability. On its own this will not be enough, however; there needs to be a massive increase of EU pre-accession funding from current levels. Under the IPA 11 (Instrument for Pre-accession) for the period 2014-20, a total of approximately €4 billion in grants is dedicated to the six Western Balkan countries with a combined total population of 18 million (compare this to EU structural and regional funds of €10 billion for the same period for Bulgaria alone with a population of just over 7 million). For the EU to substantially increase funding levels to the region, it will probably need to merge funds with the International Financial Institutions (IFI) already active there. A combination of EU grants and IFI loans would help to finance major infrastructure projects, in particular. Some such programmes are already in place, such as the Western Balkan Investment Framework. Since the long-term objective is to bring the economies of the region closer to the development levels in the EU, the countries of the region should have access to the EU’s structural funds, which would enhance their levels of preparedness for accession.

Finally, a special focus on enhanced financial support for vocational education programmes would help to address the lack of skills in demand in the labour force and reduce the continued high levels of unemployment in the region.

The Communication on Enlargement

The next Communication on Enlargement from the European Commission (together with the regular Country Reports) is announced for April 17th and will probably be the penultimate one to be presented by the Juncker Commission.

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A major challenge will be how to deal with Turkey, whose emboldened authoritarian ruler is moving the country further and further away from the EU. In his State of the Union address, President Juncker ruled out any membership for Turkey “for the foreseeable future” because of its repeated violations of human rights and the rule of law. Many would argue that Turkey should be taken out of the enlargement debate altogether, to prevent the Western Balkan region from being tainted by the divisive debate within the EU. This would indeed allow the enlargement exercise to focus exclusively on the Western Balkans.

As for the region itself, there are heightened expectations that the European Commission will put forward a number of recommendations for decision by the European Council in June. In Macedonia a new government has been in place since 31 May 2016, and is making a concerted effort to return the country to the rule of law and democratic standards. An ambitious reform programme incorporating many of the EU’s recommendations, particularly in the area of independence of the judiciary, has been welcomed by the EU. A major judicial reform is also being implemented in Albania. If these reform programmes proceed as planned in both countries, it is expected that the Commission will recommend the opening of accession negotiations with both Macedonia and Albania.

Another important message of its renewed commitment to the region would be to recommend the opening of a screening process in chapters 23 and 24 of the accession process with all the remaining countries (Bosnia and Herzegovina, and Kosovo, see above).

Whether the European Council in June does follow up on these recommendations will depend on the mood within those EU member states that are less enthusiastic about enlargement, as well as on the attitude of Greece in relation to the name dispute with Macedonia. One can only hope that the Greek government will respond in kind to the efforts and good faith already displayed by the new government in Macedonia, led by Prime Minister Zoran Zaev. Even if all the issues are not resolved before June, the Greek government should allow the accession negotiations to start while bilateral negotiations on the name issue continue.

The European Council must reward progress achieved in the candidate countries concerned; to do otherwise would send a very negative message to the region as a whole and undermine its own credibility.

**EU-Western Balkan summit in Sofia**

It is hoped that with strong messages emerging from the Strategy Paper, and a number of recommendations set out in the Communication on Enlargement, the EU-Western Balkan summit scheduled for 17 May 2018 in Sofia could mark a further qualitative leap for the countries of the region on their journey to the EU. Bulgaria should use the opportunity of hosting this summit to show its clear commitment to the Western Balkan region and aim for a meaningful summit rather than trying to find the lowest common denominator of opinion on enlargement within the EU member states.
While it is too early to gauge the likely topics of discussion, apart from enhanced efforts towards regional cooperation the mere fact of meeting will send an important signal to the Western Balkans, where perceptions can have a huge impact. The ultimate impact and significance will also depend on whether all the EU’s leaders attend, however. It would be unfortunate if some leaders refrained from attending for reasons that have more to do with domestic opinion than with the desire to support progress in the region, which after all is the EU’s nearest neighbourhood.

This meeting should be the first of yearly EU-Western Balkan summits. This would help to increase the visibility of the EU in the region and reinforce both the EU’s commitment and that of the region itself.

**Conclusion**

The EU has been criticised for its lack of leadership in the Western Balkans in recent years, which has left the door open for individual EU member states to push their national agendas with regard to the EU’s enlargement policy, and in their relations with the Western Balkan region. This reticence has also left the door open for Russia, Turkey and China to make their presence felt.

But the EU now has an opportunity to reassert its leadership in this debate. It could use the opportunities offered by the events planned this year to demonstrate the advantages of extending democratic values and stability to all those Western Balkan countries on the road to EU membership. A genuine commitment to the irreversibility of the accession process would bring the long-term goal of erasing the remaining dividing lines in Western Europe that much closer.