



# Civil Society Forum

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# “The Future of the EU in the Western Balkans... and the Future of the Western Balkans in the EU”

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The EU perspective toward the Western Balkans has remained undisputed, but especially since it endorsed accession for the region at the Thessaloniki Summit in 2003. Besides Serbia, where Euroscepticism is not a new phenomenon, the rest of the countries from the region have been gazing toward EU accession with strong backing from local populations.

Yet, this should not be taken for granted, particularly as the current enlargement process seems to be stuck, which risks further aggravating the local populations in the region as the time continues to pass without EU membership. Another more recent factor that could lead to disillusionment is the failure of the EU to position itself as a leader in the region during the COVID-19 pandemic — a crisis which was described by German Chancellor Angela Merkel as the biggest challenge since the Second World War.<sup>1</sup> Considering the slow pace of the EU enlargement process and added challenges caused by the pandemic, it appears that time is running out for credible action to be taken to reinvigorate the process.

Acknowledging such a fragile situation on the ground, this input paper explores pertinent questions regarding the future of the EU in the Western Balkans and vice versa. After providing a brief overview and analysis of the current state of the enlargement process, the paper will explore how the impact of the recently revised enlargement methodology can be maximised. Moreover, it will discuss opportunities for deepening the ties between the EU and the region, going beyond the formal accession process and procedures. By engaging in out-of-the-box thinking and searching for solutions outside the mainstream bubble, the paper will offer directions for changing the dysfunctional *status quo*. It should be noted, however, that the purpose of this paper is not to provide final and detailed solutions to the identified problems. Rather, its purpose is to

instigate debate and formulate issues to be subsequently addressed with policy recommendations by experts participating at the Civil Society & Think Tank Forum organised by the German Aspen Institute in cooperation with Southeast Europe Association.

### **Let's Face It – The Region's EU Accession Process is Stuck**

Although the Western Balkans is a region that has long strived to join the EU, two decades into that process, accession is still far out of sight. Albania and North Macedonia still await the beginning of their promised accession talks, while Bosnia and Herzegovina seems wedged between the past and the present. Kosovo despairingly waits for EU member states to agree with the European Commission's recommendation to abolish the visa requirements. The formal process "frontrunners" Montenegro and Serbia still struggle to close – and even open (in the case of Serbia) – chapters in their protracted accession talks. Such a bleak situation clearly indicates that the EU's incorporation of the Western Balkans is currently stalled, despite recent efforts to kickstart it.

One of the major reasons why the Western Balkans has turned into a quagmire, despite its depiction as the EU's most successful policy, lies in the fact that the region has been unable to demonstrate swift, consistent, and comprehensive efforts when it comes to the fundamental rule of law. In Serbia, for example, rule of law reforms have been almost completely absent, and its level of membership preparedness when it comes to political criteria has stagnated since 2016.<sup>2</sup> In other countries, like North Macedonia and Montenegro, there appears to be a reversal from years of democratic backsliding or stagnation; yet, political instability and lack of capacity are slowing the pace of reforms. For these reasons, the 2021 Freedom House report still defines *all*

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<sup>1</sup> The Economic Times, "Merkel calls coronavirus 'biggest challenge since WWII'", 2020, available at: <https://economictimes.indiatimes.com/news/international/world-news/merkel-calls-coronavirus-biggest-challenge-since-wwii/articleshow/74702583.cms?from=mdr>

<sup>2</sup> Strahinja Subotić, "Serbia's Progress and Preparation for EU Membership – 2020 Assessment by the European Commission", European Policy Centre (CEP), 2020, available at: <https://cep.org.rs/wp-content/uploads/2020/10/Eu-ropean-Comission-Report-2020.pdf>

Western Balkan states as “hybrid regimes,” that is, as systems in which democratic reforms are fragile.<sup>3</sup> Moreover, the European Commission recognized, in its 2018 communication, that these countries “show clear elements of state capture.”<sup>4</sup> What is worrisome about this phenomenon is that it “entrenches itself into every part and level of society and state, leading to the monopolisation of power in the hands of one political party and its leadership.”<sup>5</sup> State capture remains a key obstacle that the Western Balkans has been unable to overcome on its own.

If the current enlargement gridlock remains unchanged, there is a risk of serious disillusionment among citizens when it comes to the Europeanization of the region. Such a risk has already been recognized in an internal paper prepared ahead of the EU’s Foreign Affairs Council held in May 2021, which warned that “the people in the region are experiencing a sense of deep disappointment in the enlargement process.”<sup>6</sup> Highlighting the widespread perception in the Western Balkans that the prospect of accession is fading, the paper further argues that this perception was worsened by the EU’s initial failure to provide COVID-19 vaccines to the region’s citizens in need (though the same is true for its own EU citizens).

In such an unfavorable context, the EU risks losing its reputation *vis-à-vis* other external actors who are increasingly willing to step in and fill in the void. The exemplary case here is the ongoing vaccine diplomacy of China, which represents the latest edition of its proactive diplomacy in attempts to forge closer ties with the region. In the past, this has been done primarily through Chinese investment and lending in infrastructure and energy projects.

According to the 2021 forecast by the Economist Intelligence Unit, the West has already lost its battle on a global scale, not only to China, but also to Russia – two countries which are so far “winning the public relations battle.”<sup>7</sup> The fact that the outbreak of the pandemic has exacerbated the already complicated geopolitical situation in the region proves that geopolitics will remain one of the defining elements of the region’s path towards the EU.

Despite the identified hurdles, what really matters is that civil society is no longer the only player who openly recognizes the need and calls for the reinvigoration of the enlargement process. The EU member states, and notably the Commission, have recently started to openly share this same sentiment. In fact, the EU as a whole has become well aware that the enlargement process will not be able to yield the desired results if nothing is done to further support the region. This change in the EU’s approach is evident from the fact that the Commission has attempted to step up the game by developing, in cooperation and coordination with member states, the Economic and Investment Plan, and the revised enlargement methodology. Regardless of the high expectations of these two major initiatives, the following subsections argue that neither of them has managed to sustain enthusiasm, among state actors or civil society.

### Filling the Socio-economic Development Gap – Fear of the Rabbit Hole

Research indicates that if the growth of the Western Balkan region remains at the present rates, it is estimated that it would reach the EU27 average in no earlier than 60 years.<sup>8</sup>

<sup>3</sup> Freedom House, “Nations in Transit – Scores”, 2021, available at: <https://freedomhouse.org/countries/nations-transit/scores>

<sup>4</sup> European Commission, “A credible enlargement perspective for and enhanced EU engagement with the Western Balkans”, 2018, p.3, available at: [https://ec.europa.eu/info/sites/default/files/communication-credible-enlargement-perspective-western-balkans\\_en.pdf](https://ec.europa.eu/info/sites/default/files/communication-credible-enlargement-perspective-western-balkans_en.pdf)

<sup>5</sup> Maarten Lemstra, “The destructive effects of state Policy Brief capture in the Western Balkans - EU enlargement undermined”, Clingendael, 2020, p.2, available at: <https://www.clingendael.org/sites/default/>

[files/2020-10/Policy\\_Brief\\_Undermining\\_EU\\_enlargement\\_2020.pdf](https://www.clingendael.org/sites/default/files/2020-10/Policy_Brief_Undermining_EU_enlargement_2020.pdf)

<sup>6</sup> Reuters, “EU’s Balkan strategy losing local support, internal paper warns”, 2021, available at: <https://www.reuters.com/article/eu-balkans-idAFL8N-2MZ3F0>

<sup>7</sup> Economist Intelligence Unit, “What next for vaccine diplomacy?”, 2021, p.5, available at: <https://bit.ly/3yKHsjA>

<sup>8</sup> European Western Balkans, “Reljić: There is no political progress in the region without the economic

Increasingly aware of this challenge, the President of the European Commission announced early in her mandate an Economic and Investment Plan (EIP) for the region. From the way it was originally promoted, it seemed as if this initiative would indeed represent a big leap forward in terms of the EU's financial and geopolitical involvement in the region. Yet, once it was officially launched in October 2020, civil society quickly realized that it had fallen short of its original promise.

Although the EIP boldly aims to “unleash the untapped economic potential of the region and the significant scope for increased intra-regional economic cooperation and trade,”<sup>9</sup> it seems that the EU is still hesitant to undertake serious efforts to support the region's infrastructure and socio-economic development. Namely, although the EIP includes the promise of a guarantee fund to help attract private investment, the actual commitment from the EU stands at EUR 9 billion over a period of seven years for six countries—all of which would in fact come from the Instrument for Pre-Accession III (IPA III), rather than from another source which would add to funds from the IPA III. Overall, the announced IPA III has seen only an increase of EUR 800 million compared to the previous programming period (in 2018 prices). It is encouraging that the EU has decided to increase the package for the region; yet, the marginal increase of 6.8% demonstrates that the EU has missed yet another opportunity to narrow the socio-economic gap between the EU and the Western Balkans.

Besides the economic role of the EU, the geopolitical component of economic engagement in the region is also becoming increasingly relevant. Think tanks from the region have repeatedly warned that without stronger economic involvement of the EU, foreign actors such as China will continue to strengthen their foothold in the region, filling that void.<sup>10</sup> Moreover, there appears to be an increasing awareness among civil society activists and even members of the European parliament that Chinese projects in dirty industries are exacerbating already unfavourable levels of pollution in the region.<sup>11</sup> In that regard, Serbia has established the closest economic and political ties with China, which reached their peak during the COVID-19 pandemic in 2020. The outbreak of COVID-19 has reiterated the argument that China's influence in the region will grow as much as the EU allows it to.

Noting the geopolitics of the region, it is encouraging that the EU has openly stated in its EIP that its involvement in relevant flagship initiatives covering infrastructure, green, and digital transitions will contribute to the EU's strategic autonomy in the long run.<sup>12</sup> The same document stresses that the Western Balkans is a geostrategic priority for the EU. Yet, the question remains whether the promised funds, which unlike their “Eastern” alternatives come attached to rule of law conditionalities, are sufficient to reach the twofold objective of both stimulating further EU-compliant reforms and closing the development gap between the existing and aspiring member states.<sup>13</sup>

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growth”, 2018, available at: <https://europeanwesternbalkans.com/2018/02/15/ewb-interview-reljic-no-political-progress-region-without-economic-growth/>

<sup>9</sup> European Commission, “Economic and Investment Plan for the Western Balkans”, 2020, p.1, available at: [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/communication\\_on\\_wb\\_economic\\_and\\_investment\\_plan\\_october\\_2020\\_en.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/communication_on_wb_economic_and_investment_plan_october_2020_en.pdf)

<sup>10</sup> Strahinja Subotić and Miloš Janjić, “What have we learned from the COVID-19 crisis in terms of Sino-Serbian relations? - China's influence in Serbia will grow as much as the EU allows it to”, European Policy Centre (CEP), 2020, available at: <https://cep.org.rs/wp-content/uploads/2020/04/What-have-we-learned-from-the-COVID-19-crisis-in-terms-of-Sino-Serbian-relations.pdf>

<sup>11</sup> Investment Monitor, “How China is enabling an environmental crisis in the Balkans”, 2021, available at: <https://investmentmonitor.ai/extraction/how-china-is-enabling-an-environmental-crisis-in-the-balkans>; and Balkan Green Energy News, “26 MEPs warn of “impending environmental damage” of Chinese industrial projects in Serbia”, 2021, available at: <https://balkangreenenergynews.com/26-meps-warn-of-impending-environmental-damage-of-chinese-industrial-projects-in-serbia/>

<sup>12</sup> European Commission, “Economic and Investment Plan for the Western Balkans”, 2020, p.1

<sup>13</sup> European Policy Centre (CEP), “Veliki troškovi (ne)pristupanja: Debata CEP-a i Delegacije EU”, 2021, available at: <https://cep.org.rs/veliki-troskovi-nepriustupanja-debata-cep-a-i-delegacije-eu/>

### The Revised Enlargement Methodology: a Storm in a Teacup?

In addition to economic concerns, the EU attempted to provide a political impetus for comprehensive reforms in the Western Balkans, by adopting a revised enlargement methodology in February 2020. With key principles such as credibility, stronger political steer, a more dynamic process, and predictability for both sides,<sup>14</sup> the first impressions among experts and think tankers were that the Commission had managed to put together a sensible, even innovative, proposal that managed to avoid aggravating any of the member states.<sup>15</sup> Civil society in the region had frequently warned that the existing rule-of-law negotiation framework was ineffective when it came to tackling the deeper issues of state capture and democratic backsliding.<sup>16</sup> That the revised methodology was proposed by the European Commission, endorsed by member states, and agreed upon by Albania, and North Macedonia, as well as Montenegro, and Serbia, was a welcome step in the right direction.

The revised methodology has placed an adequate emphasis on the need for fundamental political and rule-of-law reforms in the region. Among other things, it has requested the development of roadmaps (a new word for “action plans”) for two additional fundamental issues – the functioning of democracy, and public administration reform – side-by-side with the roadmaps for the two “traditional” rule-of-law chapters (23 and 24). Moreover, by packaging the thirty-five negotiation chapters into six clusters which can be opened as a whole, the document breathes new dynamism into a process which has become tedious and protracted.

Yet, the documents the Commission has presented so far have largely failed to deliver clarity on several expectations outlined in its original communication on the new methodology. The tangible benefits for citizens and possibilities for the gradual integration into EU policies and programmes – including possible observer status in EU institutions – are emphasized as means to increase the political appeal of the process for the region; however, these ideas have largely remained unaddressed. Consequently, the actual political and socio-economic benefits of the accession process are still likely to arrive only at the point of accession, which still seems as equally distant as before the publication of this new enlargement package.

Moreover, the new methodology has failed to provide ideas on how existing measurements of progress and preparedness will be modified in line with the overall enhancement of the process. Existing research already warns that most rule of law benchmarks tend to be general often lacking specificity and adaptation to context, which creates difficulties in measuring results.<sup>17</sup> This is problematic, particularly since one of the key reasons why the revised methodology was launched was because of the mistrust that some member states had in the European Commission’s assessments. How this issue is resolved is of crucial importance. Without introducing improved monitoring and assessment mechanisms, it is unrealistic to expect any significant changes or a transformative effect of the revised methodology.

Furthermore, although the newly revised methodology calls member states to “contribute more systematically to the accession process, including via monitoring on the ground through

<sup>14</sup> European Commission, “Revised enlargement methodology“, 2020, available at: [https://ec.europa.eu/neighbourhood-enlargement/sites-/near/files/enlargement-methodology\\_en.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites-/near/files/enlargement-methodology_en.pdf)

<sup>15</sup> Milena Lazarević, Sena Marić, and Strahinja Subotić, “(Yet) another “credible EU perspective”?: Unboxing the European Commission’s new edition of carrots and sticks for the Western Balkans”, European Policy Centre (CEP), 2020, available at: <https://cep.org.rs/en/blogs/yet-another-credible-eu-perspective/>

<sup>16</sup> Ibid.

<sup>17</sup> Simonida Kacarska and Ardita Abazi Imeri, “Effective Benchmarking for Concrete Rule of Law Reforms in the Western Balkans”, Think for Europe Network (TEN), 2019, p.2, available at: <https://cep.org.rs/wp-content/uploads/2019/10/Effective-benchmarking-for-concrete-rule-of-law-reforms-in-the-Western-Balkans.pdf>

their experts, through direct contributions to the annual reports, and through sectoral expertise”,<sup>18</sup> the key issue is that it provides no guidelines whatsoever on how these expert missions should best function, nor whether and how member states can best synchronise their activities among themselves and with the EU institutions. The risks in that regard are twofold. First, member states are likely to continue conducting their expert missions according to their own internal and separate methodologies, which could result in different interpretations and assessments of situations on the ground. Second, without a pre-determined single structure for proper assessment and monitoring in the region, a member state conducting expert mission assessment risks acquiring non-comparable assessment results across different countries of the Western Balkans. Both of these aspects limit the opportunity to develop a single view and voice of the EU in the enlargement process.

Finally, although civil society organisations are the EU’s biggest ally when it comes to demanding and incentivizing the necessary reform processes, the EU has so far failed to strengthen the framework for the inclusion of civil society in the accession procedures. This holds true for tracking the reform processes via the revised enlargement methodology and for monitoring the implementation of the projects funded through the IPA. Civil society has the ability to reach out to citizens, bring the ideas and values of the EU closer to them, and improve communication around the benefits of EU membership. They can also relay to the decision-makers the concerns, fears, and needs of the citizens in the region.

The enlargement process has also traditionally suffered from executive bias, with insufficient involvement of the parliaments of the aspiring member states, tilting the overall balance of power away from parliaments, who are downgraded to rubber-stamps. Yet, meeting

membership criteria and securing the irreversible reforms post-accession are more likely if the ownership of reforms is extended beyond the executive branch to include parliaments and civil society.<sup>19</sup> Without putting these actors in the forefront of the process, the EU risks further intensifying state capture, mentioned at the beginning of this paper.

### **A Way Forward Through and Beyond the Accession/Enlargement Process**

Having looked at two main aspects of the region’s integration with the EU – the socio-economic and the political one – several directions for further reflection of the relationship between the two polities emerge. To ensure a comprehensive view, one needs to look at both further improvements to the enlargement/accession process and a future beyond the process itself. After all, the Berlin process was formed as a way for the willing EU member states to advance the Western Balkan rapprochement with the Union beyond the formal process.

To better support the region’s socio-economic development, there are two things that the EU needs to consider in the following period. First, the EU should make sure that funds under the EIP are fully utilized for the specified projects. No leftovers should be allowed. The EU should find ways to assist local governments with administrative and technical capacities to apply for funds, and how to implement the agreed projects in a timely manner.

Second, the EU should seek ways to swiftly and significantly increase its investments in the region, by allocating more funds than those envisioned by the EIP. One way to accomplish this is by allowing countries of the region gradual access to the EU’s structural funds. Considering the small size of the countries (accounting for merely 3.6% of EU’s population), measures in this direction would have a limited financial impact on EU member

<sup>18</sup> European Commission, “Revised enlargement methodology”, 2020, p.3

<sup>19</sup> Milena Lazarević and Sena Marić, “Curbing the Executive Bias in EU Enlargement Policy for a Stronger Democracy in the Western Balkans”, Think for Europe

Network (TEN), 2019, p.1, available at: <https://cep.org.rs/wp-content/uploads/2019/10/Curbing-the-executive-bias-in-EU-enlargement-policy-for-a-stronger-democracy-in-the-Western-Balkans.pdf>

states, while going a long way towards restoring the credibility of EU policies and overall image in the region.<sup>20</sup> By doing so, the regional governments would be incentivised to stick to their commitments, all while boosting the EU's image through tangible benefits for the local population. By narrowing the development gap, the countries of the region will have less of a need to look for assistance from external actors, such as China.

Assessing the delivery of promises outlined in the new enlargement methodology, more work is needed to ensure that it generates political momentum and support on both sides in the same way that it offers a better structure for negotiations and more comprehensive enforcement of EU conditionality on the fundamentals. Relevant stakeholders should develop a detailed approach for the enhanced monitoring of the reform processes of the Western Balkan countries. This is of crucial importance, as more detailed, quantifiable, and coherent assessments would allow the Commission to make a rational and well-informed decision of whether or not to recommend to EU member states the integration of countries from the region. If the same methodology is to be endorsed by member states, the Commission's assessments would gain further legitimacy and weight in the eyes of member states.

As the region is still facing state capture, it will be a challenge to find the right balance between seeking to reinvigorate the enlargement and being sufficiently critical of the lack of rule of law reforms. In that regard, the work of civil society organisations is not going to become any easier, particularly considering that the EU member states refuse to provide a target year for potential accession and geopolitics is likely to become even more complicated. Since the

region is unlikely to make a sudden leap in terms of socio-economic convergence with the EU27 average and politically transition from non-members into fully-fledged members, it remains paramount to envision how the countries of the Western Balkans can be allowed to gradually access the rights and benefits of EU membership.<sup>21</sup>

Beyond the formal enlargement process, and in addition to the ongoing Berlin process, an excellent opportunity to further solidify the ties, if not destinies, between the EU and the Western Balkans is via the upcoming Conference on the Future of Europe. For this conference to be truly on the future of Europe, and not solely on the future of the EU, the Western Balkans needs to be invited to partake in its sessions, at least as observers, alongside the representative and citizens' dimensions of the process, respectively.<sup>22</sup> In doing so, the EU would build on the precedent of the European Convention of the early 2000s. This would not only send a message that the European project is indeed incomplete without the Western Balkans, but it would also allow officials from the region to build their experience and know-how in preparation for eventual EU membership of their respective countries. On top of that, this could be a good exercise for establishing and solidifying the working partnership between the governments and civil society organisations, both on the national and regional level.

<sup>20</sup> Matteo Bonomi and Dušan Reljić, "The EU and the Western Balkans: So Near and Yet So Far Why the Region Needs Fast-Track Socio-Economic Convergence with the EU", German Institute for International and Security Affairs (SWP), 2017, p.4, available at: [https://www.swp-berlin.org/fileadmin/contents/products/comments/2017C53\\_rlc\\_Bonomi.pdf](https://www.swp-berlin.org/fileadmin/contents/products/comments/2017C53_rlc_Bonomi.pdf)

<sup>21</sup> Milena Lazarević, "Away with the enlargement bogeyman - Reforming the EU Enlargement Policy for a prompt acceptance of the Western Balkans", 2018,

p.8, available at: <https://cep.org.rs/wp-content/uploads/2018/07/Away-with-the-Enlargement-Bogeyman-CEP-1.pdf>

<sup>22</sup> Milena Lazarević and Corina Stratulat, "The Conference on the Future of Europe: Is the EU still serious about the Balkans?", European Policy Centre (CEP), p.1, available at: <https://cep.org.rs/wp-content/uploads/2020/10/The-Conference-on-the-Future-of-Europe-Is-the-EU-still-serious-about-the-Balkans.pdf>