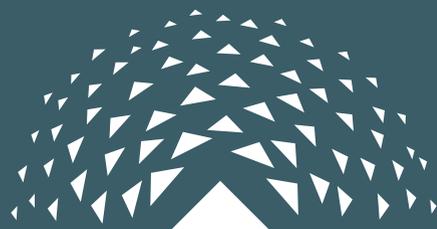


**Western Balkans in the year of the COVID-19 pandemic**

Nyugat-Balkán a COVID 19-járvány évében

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**Abstract:** The emergence of the novel coronavirus has altered the political agendas in the Western Balkans as well. Although governments introduced strict measures relatively early, the hasty reopening of borders and (early) elections soon resulted in a relapse. The second wave of the pandemic might hit the economy less but the price in human lives increased. Accordingly, the countries must face with the economic and societal consequences of their poor health systems and political decisions. This analysis will briefly introduce the health, political and socio-economic dimensions of the pandemic crisis, while also evaluate the role of the EU and other external actors, as well as Hungary played during the epidemic,

**Keywords:** coronavirus, Western Balkans, EU integration, Hungary

**Összefoglalás:** Az új koronavírus megjelenése a Nyugat-Balkánon is változást hozott a politikai napirendben. Noha a kormányok viszonylag korán szigorú intézkedéseket vezettek be, a határok elhamarkodott megnyitása és a (korai) választások megtartása visszaeséshez vezetett. A második hullám talán kevésbé fogja megviselni a gazdaságot, de az emberi életben megfizetett ár jelentősen megnövekedett. Ennek megfelelően az országoknak szembe kell nézniük a gyenge egészségügyi rendszereik és politikai döntéseik gazdasági és társadalmi következményeivel. Az elemzés röviden bemutatja a járvány okozta válság egészségügyi, politikai és szocio-ökonomiai dimenzióit, valamint értékeli az EU és más külső szereplők, illetve Magyarország járvány alatt játszott szerepét.

**Kulcsszavak:** Koronavírus, Nyugat-Balkán, EU-integráció, Magyarország

## INTRODUCTION

The novel coronavirus (COVID-19) has significantly altered the course of politics as well as daily life in 2020. The Western Balkans region was no exception either: as the first cases were [confirmed](#) in early March, governments put aside everyday politics and turned their focus solely to tackling the worldwide pandemic. Owing to the strict measures that were imposed (including closing off borders and introducing curfews), almost all countries of the region managed to flatten the curve of the pandemic until May and June. The real challenge, however, came after the initial optimism: governments decided to return to normality by withdrawing previous regulations and restrictions and some of them even tried to take advantage of their slightly increased popularity in hopes of coming in first in the (early) parliamentary elections. Although they justified their steps also with the necessity to promote economic recovery, those acts [has resulted in](#) worsening infection numbers once again that will leave the countries of the Western Balkans in an unpleasant situation.

This study aims at giving a broad overview on how the coronavirus affected politics and economic situation in the Western Balkans. It argues that the countries in question managed to keep the pandemic under control in the first months but from May/June they decided to try to find a new balance between protective measures and economic recovery. The lack of protective and pre-emptive measures during the summer put these states to a dangerous position once again. On the other hand, this period proved that the Euro-Atlantic integration of the region could still move forward albeit uncertainties caused by the pandemic.

Hungary's assistance in mitigating the effects of the virus will also be discussed. Given its closeness and strong economic ties to the region, it was important for Budapest to provide the region with medical equipment and, at the same time, to ensure to uninterrupted flow of goods and cross-regional/cross-border cooperation.

## COVID-19 IN THE WESTERN BALKANS: HUMAN AND SOCIO-ECONOMIC LOSSES

As elsewhere in Europe, the pandemic has resulted in nation-wide attention in early March as the first cases of infected nationals were confirmed by local authorities. The appearance of the coronavirus in the Western Balkans can be traced back to members of the diaspora. As soon as lockdowns and travel restrictions began, many citizens originating the region decided to leave their country of residence (usually German-speaking countries or Italy) and return home despite the risk that they could spread the coronavirus. This has caused negative sentiments towards the returnees as well as which was often strengthened by political rhetoric as well.

As the number of cases surged, governments of the Western Balkans wasted no time to impose strict measures to avoid the spread of the virus. Borders had been unilaterally closed, flights cancelled, schools closed, and many factories also opted to shut down their productions temporarily. Furthermore, in Albania, Bosnia and Herzegovina, North Macedonia and Serbia, weekend-long [curfews](#) were introduced along with fines for those who disobeyed the regulations. The reason behind these strict measures can be traced back to the [suboptimal](#) state of the country's health care systems. Additionally, the Western Balkans has been facing a high level of [migration](#) of medical professionals to Western Europe for many years that undermines the proper operation of the sector.

The introduction of strict measures proved to be successful at first glance. While they facilitated the control of the pandemic, they gave time to governments for making efforts to establish additional medical capacities (temporary medical centres, procuring equipment and protective tools, tests), though these could hardly balance the lack of reform and financial support the health sector has been facing for years. Procurement procedures did not go without political debates and criminal charges either. In the Federation of Bosnia and Herzegovina, the [head](#)



of the Federal Administration of Civil Protection (*Federalna uprava civilne zaštite, FUCZ*) was arrested in May because the FUCZ selected a fruit-processing and growing company to import respirators worth 10.5 million BAM from China. In Albania, the opposition *Democratic Party excused* the health minister for providing hospitals with 1.2 million protective masks that expired long time ago. Despite these cases, these measures contributed to the significant decrease in the number of daily new cases that got close to zero by May and June.

Based on these positive developments, many governments decided to withdraw strict measures in order to ease economic and social burden on the one hand, and to use the better pandemic situation to hold elections that were either postponed or might be impossible to hold at the due date. The travel restrictions were also relaxed to decrease losses of the tourism sector. The increased mobility of and contacts among people (return of people to work, tourism, reopening of education institutions) caused resurgence of the infection and mortality numbers. The numbers increased dramatically from end of October: death numbers doubled and tripled in this last period (see Table 1.)

Table 1.  
Number of registered infection and death cases  
in the Western Balkan countries  
Source: [World Health Organisation](#)

	<b>Number of registered infection cases by 16<sup>th</sup> June</b>	<b>Number of registered death cases by 16<sup>th</sup> June</b>	<b>Number of registered infection cases by 1<sup>st</sup> November</b>	<b>Number of registered death cases by 1<sup>st</sup> November</b>	<b>Number of registered infection cases by 17<sup>th</sup> December</b>	<b>Number of registered death cases by 17<sup>th</sup> December</b>
<b>Albania</b>	1590	36	20634	502	50000	1028
<b>Bosnia and Herzegovina</b>	2892	163	48153	1234	102330	3457
<b>Kosovo</b>	1443	23	19285	668	47160	1210
<b>Montenegro</b>	326	9	19349	301	42192	597
<b>North Macedonia</b>	4057	188	30488	982	74732	2169
<b>Serbia</b>	12310	254	45137	814	277248	2433

The crisis did not spare the economy either: it hit significantly hit supply value chains causing significant backdrop in foreign trade, manufacturing, transportation as well as in hospitality industry and tourism which are leading economic sectors in the region. In Albania and Montenegro, tourism contributes around 20% to GDP. To mitigate economic and social impacts of the crisis governments decided about extraordinary economic packages. The main aim was to avoid mass layoffs and to decrease losses of the economy. Most of these packages included support to most affected companies (by postponing payment of social and employer contributions, moratorium for loan repayments, subsidizing salaries of workers, etc.) and financial support to citizens. These increased significantly state expenditures and public debt. In many countries public debt was already above 80% of GDP before the pandemic (for example in Albania and Montenegro) which limited the choice of governments. Serbia is obliged to keep its public debt under 60% of GDP and the government measures to decrease economic harms went to the limits.

Despite these government efforts, significant backdrop in the state of national economies could not be avoided. According to the [World Bank report](#), the region's economy could fall by 4,8%. The lowest level of contract can be expected in Serbia – mostly due to the continuation of infrastructural projects and increased public spending – while countries relying mainly on tourism like Albania, Montenegro and Kosovo (because of diaspora) were hit the most. Tourist arrivals could fall by 50-60 percent. The economic downturn increased unemployment and decreased the consumption. The latter was also hindered by the fall in remittances from the diaspora, though interestingly in case of [Kosovo](#), they rose by EUR 47 million to EUR 526 million between January – July of 2020 compared to the same period in 2019. To the contrary, in [Serbia](#) in early 2020, the foreign remittances declined significantly (down 9.4%) and according to the National Bank of Serbia, by EUR 800 million from January to May (decreased by 23.8% compared to the same period last year). Volume and value of foreign trade also dropped as supply chains were interrupted along with manufacturing. Driving sectors in the region declined by more than 10 percent.

Similarly to other European countries, the Western Balkan countries tried to avoid even higher economic losses by not reintroducing full lockdown after the summer season, even though the pandemic situation got dramatically worse.

## DOMESTIC POLITICAL TENDENCIES DURING THE PANDEMIC

The pandemic caught the Western Balkans in a relatively hectic period. [North Macedonia](#) and [Serbia](#) prepared for early parliamentary elections in mid-April, while political tensions characterised Albania, Bosnia and Herzegovina, and Montenegro, whereas Kosovo just elected a [government](#) nearly five months after elections. In the beginning of 2020, politicians were occupied with their business as usual disputes, unaware of the challenges ahead of them.



As the crisis escalated political disputes started to focus on protection, while there was a consensus to postpone elections that were supposed to be held in the Spring. Meanwhile most of the governments centralized their decision-making processes by either introducing state of emergency or by limiting the work of the parliament which often raised constitutional concerns. Despite governmental efforts to take advantage from the image of the protector of the citizens and a fighter against the coronavirus, the pandemic did not have a unified political impact in the region.

Right after the first wave of the coronavirus, political parties' (merely) unanimously decided to hold (early) elections. Those elections, however, have not resulted in significant changes in leadership in North Macedonia and Serbia (and in Croatia). In Serbia, the boycott of the opposition parties played an enormous role in that the new parliament remained without opposition.

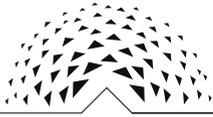
To the contrary, in Montenegro – after almost three decades – a new circle of politicians and political parties inherited power amidst the second wave of the coronavirus and its socio-economic harms. Nonetheless, this was not purely the consequence of the crisis, but it rather exaggerated already existing disappointment and anger among the citizens – especially related to the law on religious freedom – and helped mobilize dissatisfied voters. In Kosovo, on the other hand, the political focus quickly shifted from mitigating the effects of the coronavirus to toppling the government, and the debate about measures and introduction of state of emergency was abused to bring down the former prime minister, Albin Kurti. The Kurti-led cabinet – along with the Democratic Party of Socialists (Demokratska partija socijalista Crne Gore, DPS) in Montenegro – can be considered only “political casualties” of the pandemic. In November Bosnia and Herzegovina held local elections too. Here voters also expressed dissatisfaction towards the ruling parties, although this did not conclude into a breakthrough in party politics.

## RELATIONS WITH EU AND OTHER EXTERNAL POWERS IN TIMES OF THE PANDEMIC

Even before the pandemic, rivalry among external powers and the credibility of the EU integration was a topic of debate which continued during the pandemic just as well. Relations with the EU were far from ideal at the beginning of the year. Albania and North Macedonia needed to face with the political consequences of the European Council's decision to not open [accession negotiations](#) in October 2019. The reluctance of some member states – most notably France and the Netherlands – to continue the integration process of these states sent shockwaves to the entire region: it questioned the EU's commitment and willingness to move forward with the integration and at the same time undermined the reforms and breakthroughs made by candidate countries – especially the outcome of the [Prespa agreement](#) (2018) that ended the almost three-decade-long “name dispute” between Greece and North Macedonia.

The EU itself continued to be preoccupied with its internal problems and could not focus on the Western Balkans. Although 2020 started with some positive momentum, the annual balance is much less promising. The European Commission published its [draft proposal](#) on a revised enlargement methodology in early February that was strongly based on the [French non-paper](#) presented in November 2019 which made the [Council's positive decision](#) on starting accession negotiation with Albania and North Macedonia possible in March. Montenegro [could open](#) its final negotiation chapter (Chapter 8 – Competition). Afterwards, however, fight against the pandemic drew the attention from the strategic political approach of the EU towards the region which was clearly felt on the outcome of the [EU-Western Balkans Summit in Zagreb](#) in May. The [new Enlargement Package and the Economic and Investment Plan for the Western Balkans](#) was presented on 6<sup>th</sup> October 2020 which provided a balanced evaluation of the enlargement countries and outlined how the EU intends to support economic growth of the region. Although the pure numbers might have suggested increasing engagement on the EU's side, in reality the foreseen support rather expresses a business as usual approach. This was explicitly reconfirmed by the lack of [Council Conclusions on Enlargement](#) in December as a result of Bulgarian veto on the negotiation framework for North Macedonia and the EU's conditions for holding the first intergovernmental conference for Albania. It is to be added that throughout the year, the enlargement policy was overshadowed by United Kingdom's departure from the EU as well as by the negotiations [concerning](#) the new 7-year Multiannual Financial Framework (shortly MFF).

The pandemic caused a shock both in the EU and the Western Balkans. As the EU is the most important partner of the region and their economies are strongly interconnected governments of the Western Balkans badly received the EU member states' steps to close down borders and to prohibit export of medical goods. Aleksandar Vučić, President of Serbia went so far that he questioned the EU's assistance and he characterised the solidarity of the EU as a ["fairy tale"](#), while put China's assistance on a pedestal and [billboards](#), too. After the first confusion how to react to the pandemic, the EU started to consider the Western Balkans in its decisions and involved them into several initiatives (like common EU procurement procedures regarding medical equipment) relevant for the fight the pandemic and mobilized financial resources (more than [EUR 410 million](#), including EUR 38 million for immediate support for health care) to support the countries' socio-economic recovery and health sectors. The other external powers – such as the USA, Russia in Bosnia and Herzegovina and Serbia, Turkey in Albania and Kosovo – offered only limited short-term assistance to tackle to virus. The numbers also defy China's image as the biggest supporter of the fights of the pandemic. Nevertheless, the lack of visibility from the EU has negatively affected its reputation in the Western Balkans and might result in the decrease of its normative power. Consequently, the leverage of the EU over the region could not be enhanced and other external actors took a renewed interest in resolving long-lasting problems within the region.



The so-called “mask diplomacy” of Beijing appeared to be successful in the entire region, but it was most notable in case of Serbia due to the political communication of the President. East-West rivalry is likely to continue in the field of [import of vaccination](#). In general, vaccination will be done on a voluntary basis and free of charge. The first doses may arrive in late 2020 but rather early next year. Mass vaccination will be launched in the spring (around April-May). With the exemption of Serbia and the Republika Srpska, countries intend to buy vaccinations from Western manufacturers.

Although the political agenda of the EU as well as the Western Balkans completely shifted as a result of the pandemic, the region has seen a major development in relations with NATO. Namely, with the ratification of North Macedonia’s NATO Protocol in March, the country became the [30<sup>th</sup> member](#) of the military alliance – a foreign policy goal the country had for almost three decades.

“Competition” among the Western partners, namely the EU and the United States of America surrounded the Belgrade-Pristina dialogue. The presence and involvement of the Trump administration in the normalisation of relations between Serbia and Kosovo resulted in different standpoints between Washington and Brussels. The infrastructural [agreements](#) signed on the sideline of the Munich Security Forum as well as the attitude of Richard Grenell, Special Presidential Envoy for Serbia and Kosovo Peace Negotiations to have a quick, economy-based deal between parties in September – that also included foreign policy promises that were not in line with the EU’s ones – were hesitantly welcomed by the EU. The European Union appointed [Miroslav Lajčák as Special Representative](#) for the Brussels-mediated Belgrade–Pristina dialogue in April who tried [to give renewed momentum](#) to in the middle of the summer and talks continued in September too. However, major breakthroughs could be hardly expected as honest political willingness on the parties’ and EU’s side to reach comprehensive agreement was lacking.

These political developments testify that the EU’s commitment towards the region did not disappear and even in times of crises, the EU proves to be the biggest donor to the Western Balkans and that the integration process is still alive despite the epidemic. These developments clearly demonstrate the EU’s ability – and most importantly, its willingness – to move forward with enlargement and make up for its mistakes from the last years. At the same time, they also highlight the limits of the EU’s political engagement stemming from different Member States’ positions.

## THE SUPPORT OF HUNGARY FOR THE WESTERN BALKANS

**H**ungary, as a strong supporter of EU integration to the Balkans, also showed its long-lasting commitment. For Hungary, the stability and the Euro-Atlantic integration of the Balkan region serves as one of its foreign policy priorities and as a result, the coronavirus in the Western Balkans could not

be overlooked from Budapest. Given its closeness to the region, its economic presence as well as the Hungarian minority in Vojvodina, the government provided with significant assistance to the countries of the region. For instance, Hungary contributed to the fight against the pandemic by donating medical protective suits and masks to [Albania](#), [Bosnia and Herzegovina](#), [North Macedonia](#) and [Serbia](#), and by maintaining day-to-day coordination with its neighbours.

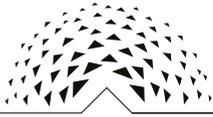
The assistance of Hungary to the region also coincides with its foreign trade agenda. To guarantee the sustainability and further growth of the Hungarian economic investments in the Western Balkans, the country has [cooperated closely](#) with the responsible Serbian ministries to ensure the continuous provision of (freight) traffic. The state of emergencies in both states also endangered cross-regional economic activities: to downplay the negative (economic and social) consequences of these restrictions, three border crossings [were reopened](#) between Hungary and Serbia. Furthermore, the parties also collaborated well together [to make sure](#) that Hungarian pupils from Vojvodina could take their high school leaving exams in Hungary.

Hungary has also proved its commitment to the region's Euro-Atlantic integration in times of the global pandemic. The last months have seen developments in the EU–Western Balkans relations, notably with the opening of the accession negotiations with Albania and North Macedonia, and with the adoption of the new [enlargement methodology](#). Foreign Minister Péter Szijjártó once again [emphasised](#) that for Central Europe, the EU integration of the Western Balkans is of high importance and delaying this process is against their objectives. Therefore, these decisions were long overdue for Tirana and Skopje, and simultaneously, [speeding up](#) the integration process with the front-runners (with Serbia and Montenegro, respectively) is also important for the region. Moreover, the acceptance of the new enlargement methodology and the active role of Olivér Várhelyi, Commissioner for Neighbourhood and Enlargement are also successes for the Hungarian foreign policy. To the contrary, the Hungarian government openly expressed its disappointment about the lack of conclusions on enlargement in December 2020.

Through its assistance the Hungary proved that its commitment for the region did not cease to exist in times of crises. The country has expressed its support both in the field – with its donations – and on the EU-level, too. Thus, it is in Hungary's best interest to decrease the economic and social impacts of the pandemic in the Western Balkans and in parallel, to guarantee that the enlargement will not be further delayed.

## CHALLENGES AHEAD

**A**lthough the Western Balkans managed to mitigate the first wave of the coronavirus properly, the hasty reopening of borders – that are otherwise crucial for their economies – as well as the decision to hold (early) elections over the summer concluded into an exponential increase of registered infection and death numbers.



Despite the governments' economic packages, the crisis (and lockdowns) hit the most important sectors in these countries and it has inevitably caused significant damage for these national economies and societies, particularly in those where tourism's contribution to the GDP is high. After the summer, most of the countries did not reintroduce full lockdown in order to keep their economies alive. These countries are not in the position to maintain those protective economic packages in the long run if they want to sustain financial stability. Apart from the economic sides, future challenges include the reform and development of health care system. The pandemic might give a chance to this sector not to be overlooked as before.

Although the first wave of the pandemic did not cause major changes in the political arena in the Western Balkans with exception of Montenegro, the dramatic increase of the number deaths might increase social tension and pressure on the governments of the region. For this reason, governments will be in great need to ensure vaccination as soon as possible. In this regard, support of external partners will be essential and it is likely that rivalry of external actors will be articulated in this field too.