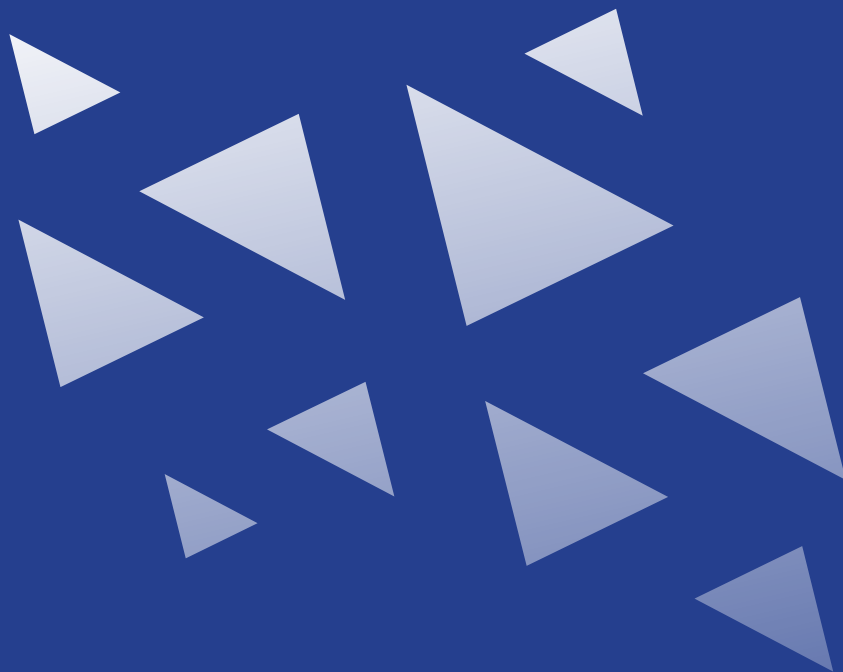


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The Western Balkans in Changing World Dynamics

Conference Volume of the Budapest Balkans Forum 2023



BUDAPEST BALKANS FORUM

THE WESTERN BALKANS IN CHANGING
WORLD DYNAMICS. CONFERENCE VOLUME
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**EU ACCESSION
OF THE WESTERN BALKANS**

European Integration and the Western Balkans – What Now?

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Abstract: Is there a real perspective for the full integration of the Western Balkans Six in the European Union, or is the accession process already dead? “Something is rotten in the state of the European integration of the Western Balkans” is not just a poetic way to describe the state of affairs regarding full accession, but a reality. The European Union, and previously the European Economic Community, was quite efficient in previous cycles of European enlargement. Virtually all the accession processes were completed within the mandate of a single European Commission once the negotiation processes had been started with the respective countries. Furthermore, in the pre-accession period the European Union invested heavily in the removal of the “non-acquis political criteria,” which were usually linked to the democratic insufficiencies of the candidate countries. The only notable exceptions to the ‘rule of a single European Commission’ are the Turkish enlargement and the Western Balkans Six (WB6) accession process. Given the fact that most of the WB6 countries already have the necessary legal framework in place for cooperation with the EU and that the single market is by far the largest trading partner of the region, the only logical conclusion is that there is no political will for further enlargement of the European Union, and so the accession process has ground to a halt.

Keywords: democratization, European Union, Western Balkans, democratic stabilization, democratic backsliding, democratic breakdown

The European Union and Democratization

The democratic nature of the European Union and its member states is enshrined in the Treaty of the European Union. Article 2 of the Treaty stipulates that “The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail”. That being said, is there a link between European integration and the democratization processes in its member states, candidates, and potential candidates? Can the EU project its democracy in its neighbourhood and around the globe? The answer seems obvious because “no regional organization or influence has had a more powerful impact on democratization in its own neighbourhood than the EU” (Larry Diamond, 2008). The EU was created from six Western European countries, which underwent thorough and substantial redemocratization in the aftermath of World War II, and all successful emerging Mediterranean democracies after the collapse of the southern dictatorships were admitted to the EU as full member states. Leo Tolstoy wrote in *Anna Karenina* that ‘happy families are all alike; every unhappy family is unhappy in its own way’, and at first sight it may seem that all the success stories of the post-communist democratic transitions are also alike, as they are now members of the European Union, while the undecided cases are at various stages in their journey towards European integration, and the failed post-communist democratizations are all unsuccessful in their own way, without any prospect of becoming members of the European Union.

Actual evidence is, however, less than obvious, and as Sedelmeier concludes, “the link between democratization and European integration is not straightforward” because “it is not clear to which extent the EU actually had a causal influence and how its influence varied across countries and issues” and “even if the EU did have a causal impact, it is not obvious that its influence was always entirely positive for democracy in East Central Europe” (Sedelmeier, 2010).

In their essence, the democratization processes in the Mediterranean and the post-communist countries confirm that “one of the firmest conclusions” was that “transitions from authoritarian rule and immediate prospects for political democracy [are] largely to be explained in terms of national forces and calculations” and that “external factors [tend] to play an indirect and usually marginal role, with the obvious exception of those instances when foreign occupying power was present”, as O’Donnell and Schmitter (2013) indicate in the most authoritative study on the democratization process, *Transitions from Authoritarian Rule* in 1986.

However, after the fifth enlargement of the European Union, there has been a steady inflation of scholarly articles in which the role of the “external factors of democratization” has been reassessed due to the successful European integration story of the post-communist ten that joined the European Union (Tolstoy’s happy families or Donald Rumsfeld’s “New Europe”) in 2004. Despite all the triumphalism of this tectonic historic event in contemporary European history, Philippe C. Schmitter’s argument is still rock solid when he claims that democratic transition and consolidation are primarily issues of domestic politics and can best be explained by following the micro and macro political vectors in every polity.

However, the role of the European Union has to be re-evaluated, since throughout its history, this entity has played a decisive role in the democratic stabilization of the emerging European democracies, following their democratic transitions from authoritarian and totalitarian regimes. The primary democratic role of the European Union in the domestic affairs of its constituent countries is “preventive”, meaning that there has never been a case of complete democratic breakdown in any of the European member states. This specific role of the European Union was a by-product of its institutional development and the events of the wider geostrategic environment of the European continent. It confirms the postulates of the intergovernmentalist approach to the European Union, since the institutional development of the EU has led towards the broadest possible acceptance by the domestic national elites of the necessity to preserve the democratic regimes as a minimal condition for access to the common market and the other benefits provided by full membership.

The attractiveness of the EU continues to motivate countries to apply for membership. However, none of these countries are seduced by the special Cytherean “soft power” of a European Venus, as Robert Kagan defines the European way of foreign policy (Kagan, 2004). The applicants’ positions result from a cold-blooded cost-benefit analysis, and even though their elites and societies are aware of the massive reform process necessary for full accession to take place, the final prize (full membership) far “outweighs the costs, particularly those of exclusion, that applicants make concessions even when no coercion is threatened” (Vachudova and Moravcsik, 2003). Furthermore, a seat at the Council table gives small and medium-sized countries more say in world affairs through the EU’s collective weight. And it is also beneficial in disputes with their neighbours; while those members left outside have much less influence” (Heather Grabbe and Ulrich Sedelmeier, 2010).

Thus, full membership in the European Union brings enormous economic, societal, and other benefits to the societies, states, and markets involved. The emulation of the Western European economic order and welfare state cuts across the political and societal spectrum, assuring guarantees for different segments of the society with divergent and conflicting political interests, while access to the potential of the common market provides for substantial gains and a slow convergence towards the living standards of the Western societies. Full membership also exponentially multiplies the “costs” of undemocratic regime change carried by a potential authoritarian elite, thus leading to the preservation of democratic political regimes in the member states. This does not mean that the member states will inevitably reach the highest levels of democratization and liberalization, nor does it mean that European integration creates some kind of “deus ex machina” leading towards “ever more democratic and liberal countries”. As Charles Tilly argues, “sunny optimism about the durability and inevitable advance of democratization seems utterly displaced” (Tilly, 2007), and in the case of the full member states of European Union, there has not been a clear “path dependency” leading towards full democratic consolidation. Recent evidence from the Central and Eastern European countries shows that some form of deconsolidation can take place over time, and media freedom and the independence of

the regulatory bodies can be a challenge even for some of the founding member states. However, the conclusion that there has not been any case of full democratic breakdown in the European Union holds even after seventy years after the inception of the European Union and five major waves of enlargement (1973, 1981-1987, 1995, 2004, 2013-?), two of which comprised the incorporation of countries emerging from decades of authoritarian and totalitarian systems. The fifth wave began with the Croatian accession in 2013, but so far none of the other stabilization and association agreement countries (i.e. the WB6) have joined the European Union, so the wave is more of a ripple at the moment than a full enlargement wave.

Western Balkans – when conditionality meets sovereignty and great power politics

The former Yugoslav countries are a perfect example for the idea that nothing is predetermined in history and politics. Former Yugoslavia had a form of association with the European Economic Community since the early 1970s, and unlike other communist countries, the citizens of Yugoslavia had the freedom to travel both in Western and in Eastern Europe without any visa restrictions. In economic terms, former Yugoslavia had a thorough and deep cooperation with the Western European countries. The irony of history for the Western Balkan nations is that their Eastern border was the “Iron Curtain” until 1989, so for the citizens of the Warsaw Pact countries the “free world” began at the Yugoslav border. In a few months, this very same border may become a Schengen frontier for the citizens of the former Yugoslav countries (except for Slovenia and Croatia) and the entry point to the European Union. In a way, the fate of the post-Yugoslav countries (except for Slovenia) contradicts the findings of Lucan Way and Steven Levitsky, who argue that “Western leverage (governments’ vulnerability to external pressure) and linkage to the West (the density of a country’s ties to the United States, the European Union, and Western-led multilateral institutions)” explain the divergent paths of the post-communist countries (Way and Levitsky, 2005). The level of Western leverage and linkage to the

former Yugoslavia was by far the greatest compared with any other post-communist country, using any statistic possible. Still, the country collapsed.

In the early 1990s, it was popular to explain the collapse of former Yugoslavia, which was followed by bloody wars, as a resurgence of “ancient hatreds”, “primordial conflicts”, “tribal instincts”, “balkanization,” and other deprecating and pejorative expressions. However, the essence of the Yugoslav crisis was the inability of the federation to manage the “segmental institutions” of its constituent parts (Roeder, 2007).

In the aftermath of the Kosovo crisis in 1999, the European Union began the Stabilization and Association Process (a modified version of the Association process, with an emphasis on stabilization in order to accentuate the post-conflict situation in the Western Balkans), with the objective of preparing the participant countries for full membership in the European Union. At the Thessaloniki European Council in June 2003, all of the EU’s member states declared their “unequivocal support to the European perspective of the Western Balkan countries” and that “the future of the Balkans is within the European Union”. The Thessaloniki Declaration gave a concrete prospect of membership to Albania, Bosnia and Herzegovina, Croatia, Macedonia, and Yugoslavia (now succeeded by Serbia, Montenegro, and Kosovo).

Two decades after the end of the violent conflicts, Croatia has been a member of the EU since 2013 and entered the eurozone and the Schengen area in 2023, Montenegro and Serbia have been negotiating for almost a decade, Albania will probably start the negotiation process in the coming period, the Macedonian European integration was stuck in the antiquity (through the Greek veto) and is now lost somewhere in the Middle Ages (through the Bulgarian veto), Bosnia and Herzegovina has finally become a candidate country (after Ukraine and Moldova), and Kosovo is expected to complete its visa liberalization process.

Nonetheless, these recent developments in the region signal the limits of the democratic conditionality. Namely, one role of the European Union in the Western Balkans, as a foreign power seeking to exert its influence in order to pacify the region, meets another of its role, as a “Staatenverbund” (association of sovereign states) that the Western Balkan countries

aspire to join as full members. Gergana Noutcheva observes that “in the Western Balkans, the question of whether the EU is genuinely concerned about spreading its norms, or is acting out of a rational interest to secure stability on the Continent, has been more prominent in the political thinking on the receiving end of EU conditionality, as a result of which compliance with conditions tied to sovereignty has been either fake or partial or imposed by external actors. When the EU’s policy lacks strong normative foundations, political leaders in non-EU countries tend to reject EU-sponsored ideas about what is right and appropriate for the governance and external relations of their states and tend to revert to domestic sources of legitimacy, no matter whether these are based on rationality or identity” (Noutcheva, 2007).

On the other hand, the countries of the region have recently shown that they can cope with very demanding, comprehensive, and wide-ranging reform, even in the most sensitive areas. The visa-liberalization process has ended with success in all six countries, even though it incurred considerable institutional and financial costs. The opening of the accession negotiations, with a clear timeframe for concluding the process, can lead to the same effects already witnessed in the ten post-communist countries that have already joined the EU.

In reality, the processes observed by (Noutcheva, 2007) and (Sasse, 2008) are part of the same phenomenon, with the major difference in their status vis-à-vis the European Union. The incorporation of the Balkan countries in the EU will prevent any backsliding into a full democratic breakdown, as witnessed in Central, Eastern, and Southeastern Europe.

Conclusion

This article analysed the role of the European Union in the democratization processes of former European authoritarian and totalitarian states, as well as the institutionalization of the EU’s role as a “democratizing agent”. The other external influences (the US security umbrella, NATO integration, and the role of political actors in shaping the diverse outcomes of transitions) were not taken into consideration, although they must be an integral part of any thorough analysis of the influence

of external factors on emerging democracies. This article only focused on the European Union and has argued that the most important role of the EU in democratization is the role of democratic stabilization, which is only possible after a country's full accession to the Union. This finding can be reinforced by the fact that the only emerging third-wave democracy left out of the third enlargement (Turkey) has experienced a military coup and a full democratic breakdown. The same political dynamic can also be observed in post-communist countries. It seems that democratic conditionality can exert the influence of the European Union and lead towards a change of the political elite in candidates and potential candidates (Slovakia 1998, Croatia 1999, Serbia 2000), but the structural deficiencies of the domestic political systems still remain. Furthermore, the countries left without any clear EU perspective easily descend into some kind of "hybrid regimes", "democracies with adjectives", or full authoritarianism, as has been the case with the Russian Federation and Belarus. Of course, the logic of democratic stabilization does not come from beliefs in European supranationalism, it comes from a cold-blooded analysis of the costs and benefits of European integration. The key ingredient of democratic stabilization is the threat of exclusion from the common market and the joint European institutions, which keep the elites and societies "locked in" the preservation of a democratic regime. This notion also sets the limits of the democratization potential of the European Union, as demonstrated by evidence from the recent enlargement and the early exercising of democratic conditionality in the Western Balkans. Whenever the process goes beyond the intergovernmentalist approach and into redefining the basic tenets of the democratic constitutional order, the results are ambiguous at best. This is where the limits of the democratic stabilization potential of the European Union are clearly drawn. Explicitly, enlargement cannot be a nation-building exercise.

The key dilemma for the future of the democratizing role of the European Union is whether the Union will continue its enlargement or has come close to defining the final and definite frontiers of European integration. Without the possibility of full accession to the common market and participation in EU-wide decisions, it is highly unlikely that the democratic stabilization role of the EU will function

in its neighbourhood and throughout the globe. The other challenge is the possibility of exporting the model. The world is experiencing a growing number of “alphabet soup” emulations of the EU, although none of them has come even close to the depth and width of European integration. William Wallace has argued that “the experience of deep integration within Western Europe does not ... provide a model for others to follow. Its historical development was rooted in stages of economic development and security framework that have now both disappeared. The institutional structure that West European governments agreed to under those past circumstances has managed to respond to the very difficult challenges posed by the economic and industrial transformation in the 1970s and 1980s. Political, economic and security motivations have been entangled in the evolution of West European regional integration from the 1940s to the 1990s” (Wallace, 1994). The last possibility of “expanding the model” still has not been tested, like expanding the OECD into a common-market, globalized EU-like model, with the possibility of open global membership in the future. Given the real structure of the contemporary world, this can be an interesting idea for contemplation but appears too idealistic for any serious analysis.

The best conclusion for any text examining the democratization of the post-communist countries would be the warning given by Sir Ralph Dahrendorf in his essay *Reflections on the revolution in Europe*, with the appropriate subtitle “Letter intended to have been sent to a Gentleman in Warsaw” (echoing Edmund Burk’s “letter to a gentleman in Paris” from another tumultuous and revolutionary period of modern European history). Dahrendorf cautions that it may take a mere six months for a constitutional reform, and six years for an economic reform, but “sixty years are barely enough to lay” the social foundations required for an open society to emerge, or as he puts it, “transform the constitution and the economy from fair-weather to all weather institutions capable of withstanding the storms generated within and without” (Dahrendorf, 1990).

Unfortunately, in the case of the Western Balkans, the European Union will forego its most successful policy (the democratic stabilization of the member states) if the process of enlargement does not continue.

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Challenges for EU Accession and the War Against Ukraine

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Abstract: The war against Ukraine is not the first war on European soil after World War II, the wars of Yugoslav succession are often forgotten when today's war is being discussed. But today's war is not just a regional war: it has wider repercussions for overall security in Europe and beyond. At the same time, there is an important connection to the countries that have emerged from Yugoslavia. The quick offer of future EU membership for Ukraine and Moldova (and eventually Georgia) has resulted in mixed feelings in the Western Balkans, and many fear that the new candidates will get priority access to the EU. However, the possibility should also be considered that the geopolitical urgency to defend the new candidates against Russian influence may lead to new opportunities for the Western Balkan countries in the long term.

Keywords: Russian aggression against Ukraine, NATO and EU enlargement, European Security, Western Balkans

What kind of war is it?

The Russian aggression against Ukraine has created a new overriding purpose for the European Union for many countries: a common defence against imperial occupation from outside the EU. Nevertheless, the character of the war is contested by some EU governments and political forces. Some prefer to call the ongoing war between Russia and Ukraine the "Ukraine War"

or the “war in Ukraine.” But we should call it what it is: a war launched by Russia against Ukraine. In addition, the war is both a challenge to the entire EU and its core principles and values as well as a challenge to the broader West, including NATO. In this context, the West is composed of a community of states with democratic political systems and privatized economic systems. There are obvious differences in the specific arrangements of the economic and political structures of these states, but Western democracies share a unified basic system that is defined in various documents, from the Atlantic Charter to the EU Charter of Fundamental Rights.

In some public and expert debates, including by experts for the “international realist school” to right-wing media, the West is seen as responsible or at least co-responsible for Russia’s war against Ukraine. All speculation about the contribution or responsibility of NATO expansion to and for the war must remain speculation, although this line of reasoning is often deployed by Russia and its allies to justify Russia’s aggression. It is also sometimes used by US experts like Jeffrey Sachs, who consider “in-between” countries such as Ukraine a battleground for great powers. For them, it is the great powers that can decide what kind of security arrangements are allowable for the smaller countries in their neighbourhood. Moreover, the great powers “need” a buffer zone for their security, as if no other security arrangement between the great powers themselves or between the great powers and small states could be reached.

The fact is that the Russian aggression challenges the European security order and the borders agreed upon after the breakdown of the Soviet Union and the Eastern Bloc. It can be rightly feared that a victory in Ukraine would be seen as an incentive to attack other countries as well. A victory would also give a boost to groups inside the EU that would like to weaken the role of NATO in defending the EU countries’ security and Europe’s ties to the US. Russia wants to change the existing order by changing the borders, and it has pursued this strategy by supporting separatist movements in Georgia, Moldova, Crimea, and eastern Ukraine. Russia’s current “special operation” in Ukraine, which is in fact a full-scale war, seeks to bring all of Ukraine under the direct influence of Russia, and in his famous article “On the Historical Unity of Russians and Ukrainians” Russian President Vladimir Putin has gone so far as to deny Ukraine the right to exist independently. For Putin, Belarus, Ukraine, and Russia belong together under Moscow’s leadership.

The current war is not just a war that has originated from a dispute between two countries. It is a direct result of Russian imperialism and Russia's desire for revenge. As a result, the EU must view and treat the war as a threat not only to Ukraine but also to the European security order in general and specifically to the regions that are characterized by ongoing instability. This instability has also been instrumentalized by some regional forces to achieve their own domestic goals, and such cross-border cooperation in promoting instability is endangering European security. This is specifically the case in the Western Balkans, Moldova, and the South Caucasus, where Russia benefits from the resulting fragility and destabilization to expand its influence. As mentioned above, the defence against outside destabilizing interventions has become a vital objective of the European Union in order to safeguard its own security. This was not yet clearly recognized when the Russian challenge to Ukrainian territorial integrity started in 2014, but the full-fledged war initiated by Russia against a European country at the doors of the EU has eventually made this necessity clear, creating a new urgency for an enhanced enlargement policy for the Western Balkans.

The EU as the stabilizing factor in Europe

It is obvious that EU enlargement (in addition to NATO enlargement) has supported stability in Europe, and for those countries that are not part of one of these organizations, instability prevails. This includes the tensions between Serbia and Kosovo, ethnic divisions in Bosnia and Hercegovina, political divisions in Moldova, the conflict between Armenia and Azerbaijan over Nagorno-Karabakh, and tensions inside Georgia due to Russia's intervention and occupation. In all these cases, Russia has pursued the role of the spoiler, and Russian influence has been clearly documented in all of these conflicts. Of course, there are also conflicts of interest both within the EU and between EU member states and other countries, but these pose no security risk or only very low-level ones.

Given that EU enlargement provides an important stabilizing force, the EU should pursue new initiatives to extend its contribution to European stability. However, EU enlargement is not only an issue of political will.

That may be more the case for NATO enlargement, although NATO also requires that certain conditions be met by the countries aspiring to join it. As for the EU, a lengthy list of conditions must be dealt with in the accession talks and be ultimately met by the applicant countries before they can join the EU. In addition, bilateral issues may arise at the negotiation table, which may block progress during the accession process. This was done by Slovenia during the accession talks with Croatia and is presently being done by Bulgaria (even before negotiations have started) with North Macedonia, after a similar veto by Greece had been resolved. These vetoes were basically based on minor bilateral issues and had their origins in domestic politics. Other EU member states (most notably France) have also blocked progress on enlargement for domestic reasons. Fears about increased migration is one such reason. That being said, emigration could be reduced if the countries received help in their economic and social development, especially inside the EU. All this shows just how fragile relations between European states remain as long as there is no overall common political, economic, and security umbrella. Even if some conflicts between the countries remained unresolved, the outside challenges would be weakened substantially.

This does not mean that, in order to achieve and maintain security, all European countries must become members of NATO. However, as shown by the support for the defence of Ukraine, close cooperation between the EU and NATO is paramount to combating any external aggression. Therefore, increased alignment with the European Foreign and Security Policy, which itself is coordinated with NATO, not only supports countries in their security aspirations, but it is also one – if not the most – important element of the European security order. Such a common strategy is a precondition for pushing back and defeating any external aggression, especially as aggression today may not only come in the form of a direct military attack but may be hybrid, including cyber elements.

Even though the war in Ukraine has had no immediate, visible consequences for the enlargement of the “traditional” candidate countries of the Western Balkans, it has had an enormous impact on how the EU project is understood and defined. In this respect, the majority of the EU governments expect the Western Balkan governments to take a clear position concerning the Russian war against Ukraine. They should condemn Russia without

reservations and actively support the sanctions against Russia. The attitude of the Western Balkan countries towards the war, including the origin of this war, has become a decisive criterion for acceptance in the EU family.

The idea of a united Europe from Lisbon to Vladivostok is, unfortunately, dead. Whatever the many reasons for the death of that dream, the mortal blow was delivered by Putin with Russia's attack on Ukraine. Moreover, the attack has been, as Putin himself has underlined, an attack on Western values and European borders based on the free will of peoples. To avert such an attack, the EU must stick together in defending Ukraine, and all the countries wishing to join the EU must agree with this political line.

Russia's war against Ukraine has also influenced the relations between the EU and the US. Defending Ukraine or the EU is not possible without the support of the US. Russia's attack on Ukraine has made this clearly visible and brought the EU closer to both the US and NATO. It will take a long time for the EU to reach its much-discussed goal of "strategic autonomy or sovereignty." Of course, improved coordination and cooperation within NATO and between NATO's and the EU's defence policies (including their policies on arms procurement) would reduce costs and increase the efficiency of the EU countries' defence efforts. For the time being, the EU's enlargement strategy should also be coordinated with the US, although the EU should have the most important and final word. This cooperation should be especially strong in relation to security and bring solutions for the unresolved conflicts at the borders and periphery of the EU.

New challenges for EU security and the enlargement policy

The EU has a strong interest in encouraging candidate countries to align their strategic aims with its own. With the exception of Serbia (and partly Bosnia and Herzegovina), the Western Balkan countries are in line with the EU's foreign and security policy, especially concerning the Russian war against Ukraine. Serbia also often follows the political line taken by the EU, and it also conducts regular manoeuvres with NATO – more

than it does with Russia, as Serb government officials underline. However, the Serbian leadership has often played an ambiguous role for domestic reasons. After having nurtured anti-Western and pro-Russian sentiments, it is not easy to promote a clear pro-Western policy. This partly self-induced conflict between the official position of the government and the media supported by the government on the one hand and realistic policies needed to stay in line with the EU's positions on the other hand can also be seen in the case of the talks on Kosovo. Time and again the dominant forces in Serbia rely on the Russian government (and recently also on the Hungarian government) to reject the acceptance of Kosovo in international organizations. Enhancing demagogic anti-EU positions and at the same time accepting that some realistic positions must be accepted will time and again create problems for Serbia in attempting to draw closer to the EU. The recent talks, which have ended without the signature of an agreement that could advance Kosovo's international position, is a clear example of an ambivalent muddling through policy on the part of Serbia. At the same time, the resistance of the Kosovo government to fulfilling its obligations is also preventing a constructive position from the Serbian side.

Maintaining a clear position against the Russian aggression and helping Ukraine defend itself must not change the original goals of European unification. The EU, which was built after the devastation and horrors of World War II, is and must remain a peace project. The builders of that union thought that the economic basis of the EU and its relations with other countries, especially Russia, would be a major force for peace in Europe. Where necessary, a small number of NATO troops, mostly on behalf of the UN, would be able to support efforts to reach and maintain stability, as in the Western Balkans. Russia's attack on Ukraine has changed our fundamental beliefs about promoting peace in Europe, as it has become necessary to deliver weapons to Ukraine so that it can defend itself. The EU has had to recognize that, in order to maintain peace, weapons may be necessary. However, weapons alone can never bring about peace.

In addition to weapons, Ukraine has also received official EU candidate status. The promise of future access to the EU and offers of economic support for reconstruction are certainly helping Ukraine resist the Russian

aggression. However, the possibility of a fast track for the EU membership of Ukraine (and Moldova) has been seen with great and understandable reservations by the countries of the Western Balkans. They had to fulfil many conditions before their candidate status was accepted and negotiations could start. It was a long and complicated process. Many EU governments put much more pressure on the European Commission to give the green light for the accession negotiations with Ukraine than they did in the case of the Western Balkan countries. Russian, Chinese, and Turkish influences in the region would be much weaker today had the EU (or some member countries) developed a more strategic and forward-looking enlargement policy in the years before the war.

However, past mistakes and failures can not only be found on the EU's side. Enthusiasm for the necessary reforms in the Western Balkans has been decreasing for some years. This is partly due to EU enlargement fatigue, especially following the anti-enlargement stance of some domestic politicians. At the same time, the missing readiness of many EU countries is not the only reason, and it is certainly no justification for the lack of reforms in the region. The fact that these reforms would also strengthen the Western Balkan countries themselves in order to develop economically and encourage young people to stay is often overlooked. All too often, the political and ethnic divisions within the Western Balkan countries, as well as the nationalist divisions between the countries, have diverted politicians from the most important task: pursuing stable economic and social development. The result is mass emigration, especially by the young and well-educated.

The EU must not discriminate against the Western Balkans

Despite the necessity of supporting Ukraine (and Moldova) militarily, politically, and morally, the EU should not spread the fantasy that a quick accession is possible or that Ukraine's accession could overtake or surpass that of the Western Balkan countries. Ukraine's reconstruction both materially and morally after this war will be a tremendous

undertaking. As a result of the war, the oligarchs who had dominated business and politics in Ukraine have lost significant wealth and influence, but corruption in the country has not disappeared. The EU must ensure that the authoritarian measures taken during wartime are transitioned into a fully democratic system on the basis of EU principles and values once the war ends. Fundamentally, the EU must not demand anything less from Ukraine, Moldova, or Georgia than it does from the Western Balkan countries.

The conditions for membership must be transparent and valid for all countries. However, with some governments there is greater sympathy for the membership of Ukraine than the support offered to the Western Balkan countries. It would be very helpful for winning the hearts and minds of the populations of these countries if they were able to see the benefits of support for Ukraine themselves. All the benefits and advantages granted to Ukraine should also be offered to the Western Balkan countries.

June of this year will mark twenty years since the Thessaloniki Summit, when the EU offered the countries of the former Yugoslavia and Albania a membership perspective. Only Slovenia and later Croatia have succeeded in passing the entrance test. Similarly to Ukraine, Croatia was in a difficult position after the war with Yugoslavia/Serbia, but the Croatian government, led by prime ministers from different political parties, had the courage to transcend ethnic divisions and build bridges between different political and ethnic groups in the interest of meeting the EU accession requirements. For the accession of Croatia, there was, despite the already growing enlargement scepticism, still a readiness by the EU to accept new members. At the same time, Croatia also had a strong willingness to implement the necessary reforms, which proved decisive for its successful EU accession.

For some critics inside Croatia, the EU membership came too early, as nationalism has not been overcome. However, it must be recognized that no EU country is in full accordance with the EU's founding principles and values, as expressed in the Charter of Fundamental Rights. That is also true for Croatia, where nationalist rhetoric once again sours both public debate and its relations with its neighbours, especially Serbia. Even the events of World War II are used by Croat and Serb nationalists to attack the other side. Still, much can be learned from Croatia's

accession process by the other countries of the Western Balkans, even if the ethnic divisions and outside influences are less strong than in other countries of the Western Balkans. Overall, as a guiding principle, the countries of the Western Balkans should not be discriminated against as compared to Ukraine, nor should they expect to get a free ride parallel to a fast-track accession of Ukraine.

The EU must take decisive steps now

The EU must also continue to pay special attention to the dispute between Bulgaria and North Macedonia. After the name dispute between North Macedonia and Greece had been resolved by adding “North” to Macedonia’s name, Bulgaria intervened and vetoed the opening of the accession talks by demanding the explicit inclusion of the Bulgarian minority in the Macedonian constitution and the clarification of “identity” issues going back far into history. A French “compromise”, which recognizes some of the Bulgarian demands, especially the mentioning of the Bulgarian minority in the constitution, has led to an agreement between the two governments.

However, the Macedonian parliament still lacks a majority in favour of the constitutional amendments. In the meantime, extremist forces within both countries seek to exploit the dispute and poison bilateral relations. However, the global security situation is far too precarious to let such conflicts spiral. The EU as a whole and the European Commission and the European Parliament in particular must push for solutions that are acceptable for both sides. The EU must be actively involved in the ongoing dialogue between the two states, as the prolongation of the conflict has a negative impact on the entire EU.

In addition, the conflict-ridden situation in Bosnia and Hercegovina should be of great concern to the EU. There is much scepticism about maintaining the office of the High Representative, with its wide-ranging “Bonn Powers”, which give the High Representative the possibility to overrule democratically-based decisions. At the same time, it may be argued that the office is still necessary as a security guarantee to keep the country together and prevent the secession of Republika Srpska. If so, the High Representative must act with great sensitivity and

involve citizens in an ongoing dialogue. They must assist in building a modern state rather than participate in constant debates about who gets what position. Instead, the basic needs of Bosnia's citizens must be at the centre of political deliberations and decision-making.

Elsewhere in the region, the unresolved issues between Serbia and Kosovo have led over and over to new conflicts, which continue to sow new divisions and antagonisms between the two countries. Both sides must be pushed into taking courageous steps to overcome the tragedies of the past. Reconciliation takes a lot of time, but recognizing facts and the need to move forward together toward the EU may be achieved in a shorter time. Serbia should support or at least accept a stronger presence of Kosovo in international organizations, and Kosovo should finally accept and implement the federation of Serb cities in Kosovo.

Immediate EU membership is not possible. There is no general readiness by the EU to accept new members for the time being, and no candidate country is currently prepared to join the EU. However, opening serious negotiations with Albania and North Macedonia would be an important signal that accession has not come to an end. Both the Western Balkans and the EU itself need a win in the form of opening and constructively pursuing new accession talks. Such talks will not lead directly or immediately to membership, but they would at least provide a basis for hope that the path to EU membership is open and coming closer.

Conclusion

Parallel to opening the long-overdue negotiations with Albania and North Macedonia and facilitating talks on settling the dispute between Serbia and Kosovo, the EU must develop specific plans for a staged or step-by-step integration of the Western Balkans into the EU. Based on their level of preparedness, candidate countries must be given the opportunity to join EU policies and programs before acceding to the EU. Such intermediate steps and provisional membership, without full rights and obligations, could deliver immediate results for the Western Balkans but also present models for Ukraine and Moldova, and even Georgia, if the government in Tbilisi is able to free itself from the domination of former Prime Minister Bidzina Ivanishvili.

Proposals for such an integration process have been elaborated by CEPS in Brussels, in cooperation with the European Policy Center in Belgrade. This “Template for Staged Accession” proposes an accession in stages before integration with full rights and responsibilities can be agreed upon. It could overcome some of the resistance in the EU countries against quick accession and help accession countries implement the EU policies in a step-by-step process. However this process is defined and organized, Russia’s war against Ukraine, as well as the EU’s values of cooperation and democratic decision-making, should push the EU not only to support Ukraine but also to elaborate a clear and effective enlargement strategy for the Western Balkans. The EU should not miss the chance “offered” by Russia’s aggression, and it should act now to ensure the future stability of the Western Balkans. Only such stability could prevent the emergence of a new crisis in Southeast Europe.

The Phasing-in Approach for Accelerated Integration into the European Union, or Encapsulation into the Western Balkans

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Abstract: The war in Ukraine and the vulnerability of the Western Balkans clearly highlight how important it is to complete the unification of the European Union. The EU and the Western Balkans share geopolitical interests, and the accession negotiations should be seen as a new opportunity for accelerated integration, based on conditionalities. A new enlargement methodology as a general political framework has been transposed into the new generation of negotiation frameworks for North Macedonia and Albania. One of the key novelties of the new methodology is the potential for accelerated integration and (gradual) “phasing-in” to individual EU policies, the EU market, and EU programs, coupled with increased funding and investments. The main pillars of the enlargement package are the EU fundamentals. Why not start mirroring those fundamentals in practice, bringing the accession negotiations closer to key areas of mutual interest, such as the European Rule of Law Mechanism, through phasing-in to the European Semester, followed by the European Single Market, supported through the IPA instrument, and consider establishing a Western Balkans Cohesion Fund? These are complex mechanisms and therefore, beginning at an early stage would be highly beneficial for both sides.

Keywords: regional cooperation, accelerated accession, new methodology, negotiation framework, gradual integration, phasing-in, learning by doing

Context, regional cooperation, and a clear EU perspective

The war in Ukraine and the vulnerability of the Western Balkans clearly highlight how important it is to complete the unification of the European continent and make the European Union stronger and more resilient to any current or future threats. When? As soon as possible, and sooner is better than later, which means within no more than 5-7 years. During this period we must deepen and enrich regional cooperation both among the Western Balkan countries and with the European Union within the accession negotiations process, using all available instruments, notably through the new enlargement methodology (Directorate-General for Neighbourhood and Enlargement Negotiations, 2020), and using the “gradual phasing-in” (Council of European Union, 2022) approach as a main leverage.

As a region, we should sometimes remind ourselves that all Western Balkan countries are part of the Stabilization and Association Process (SAP), they all have Stabilization and Association Agreements (SAAs) in force, they have all applied for EU membership, and all are parties to CEFTA, as well as energy and transport treaties, which means that all should be playing according to the same rules. At the same time, not all Western Balkan countries are a member of the WTO or NATO, not all are part of open accession negotiations, or follow the EU Common Foreign Security Policy (CFSP) and Common Security and Defence Policy (CSDP), including the restrictive measures and sanctions introduced against Russia. Working together with all these differences is a real challenge.

In that sense, regional cooperation should only be seen through the lens of enlargement or the full-fledged EU membership of all the Western Balkan countries, and it should not be seen as an attempt to freeze enlargement at a level lower than full-fledged membership. The widespread impression is that politicians from the Western Balkans are not afraid of regional cooperation, but they are afraid that we can be encapsulated into the region without a real EU perspective. Therefore, regional cooperation can only be successful if it is blended with the accession negotiations through the new methodology.

Time is an important factor, and when the process finds itself in a stalemate for more than a decade, people start losing interest in the process, particularly the young generations, including the administration working on it. Therefore, a clear timeframe must be promoted, simply because dragging the process of enlargement further out in circumstances of war, and a lack of clear perspective can result in new generations that will lose trust in the capability of the EU and the attractiveness of the values and strength of the Western world. Therefore, this is the right time for the EU to design a new Agenda 2030 based on the historical success of the Agenda 2000 and set the political and financial stage in order to complete the unification of the EU.

The new enlargement methodology and its potential through the negotiation frameworks

The geopolitical interests of the EU in the Western Balkans are evident, and the new methodology for accession negotiations should be seen as a new opportunity for the accelerated integration of the Western Balkan countries into the EU by making the process more political and better steered. Even though many of the elements of the methodology sound the same as before, the changes are deep, and the novelties are substantial. In short, the new approach is more political, more complex and strategic, more sensitive to political changes, more dynamic, but also more demanding and more expensive. However, the implementation or practical application of the new methodology is still to be tested in practice. The implementation can be seen as a tipping point in the enlargement process, and it can go either way, accelerating or slowing down the accession negotiations.

The new methodology can be considered a general political framework that has been transposed into the new generation of negotiation frameworks for North Macedonia and Albania, adopted by the Council of the EU on 18 July, 2022. The two negotiation frameworks fully reflect the new methodology. By definition, the negotiation framework (General EU position, 2022) defines the principles governing the negotiations, with the ultimate goal of full-fledged membership and the pace of the negotiations based on the countries' merits and the

Union's capacity to absorb new members. It requires full respect for all the defined political and economic criteria, as well as the ability to take on the obligations of membership. In addition, the importance of the good-faith implementation of the bilateral agreements concluded with Greece (2018) and Bulgaria (2017) is underlined. To ensure the dynamism of the negotiations, 33 chapters are grouped into six thematic clusters, with a stronger focus on core sectors, and starting and closing the negotiations with the Fundamentals cluster. Derogations are possible in extremely rare and well-justified cases, and transitional measures can be negotiated if well-elaborated.

The negotiation framework also sets clear negotiating procedures, starting with the formal process of screening (explanatory and bilateral screening process), opening negotiations by cluster, starting from the Fundamentals cluster, using opening benchmarks (OBM) per cluster (the opening benchmarks for the Fundamentals cluster will be a Roadmap for the Rule of Law and, as a novelty in the case of MKD and AL, a Roadmap for PAR as well), interim benchmarks (IBM) for the Rule of Law, and closing benchmarks (CBM) per chapter (for 28 chapters) and for the Fundamentals cluster as a whole. All decisions on the opening and closing of clusters and chapters will be taken by unanimity.

Phasing-in: leverage or a challenge?

One of the most interesting parts of the new enlargement methodology, although it is not clearly elaborated by the European Commission, is the potential for accelerated integration and (gradual) “phasing-in” (Council of European Union, 2022) to individual EU policies, the EU market, and EU programs, coupled with increased funding and investments, including through performance-based and reform-oriented IPA support and closer cooperation with IFIs to leverage support. However, it is clear that gradual phasing-in to some policies through participation in commissions or council bodies, programmes, or agencies will not automatically confer a right to vote in the decision-making process until a country achieves full-fledged membership or the Treaty is changed.

This accelerated integration through the phasing-in approach has been transposed and elaborated within the negotiation framework for North Macedonia in slightly more detail:

- ▶ “Closer integration with the European Union, through accelerated integration and “phasing in” to individual EU policies, the EU market and EU programs... primary focus should be given to areas where the candidate country already has the capacity and expertise for exports to the EU, and on areas of mutual strategic interest where the candidate country has significant production but needs to meet EU norms and standards (e.g. production of critical raw materials), and as well on areas where there is a vast untapped potential (e.g. digital/ green economy).
- ▶ Increased investments and funding, including intensifying the pre-accession assistance in line with applicable legal provisions, rules, and procedures and closer cooperation with relevant IFI’s to leverage investments and support; the use of EU funding should create a strong European preference and a strong local economy by projects being implemented, to the extent possible, by EU and local businesses, in full compliance with the EU acquis, including the legal framework of the respective financial instruments, and the international commitments of the EU” (General EU position, 2022).

Considering the importance of the accelerated accession negotiations, including the gradual phasing-in and awarding policies (trade and funds), this aspect of the methodology requires much more detailed clarification and well-elaborated procedures on how it will work in practice, using the cluster screening reports (findings, recommendations, and benchmarks), identifying early integration measures, phasing-in to individual EU policies, programs and agencies. It will be important to clearly set the role of the SAA bodies in monitoring progress, proposing initiatives and decisions, and finally, when and how the award funding procedure will be triggered to match a merit-based enlargement progress, performance, and commitment per country.

In my view, we clearly need to start from the logic of “fundamentals first”. The main pillars of the enlargement package are the fundamentals. Following that approach, why not mirror those fundamentals into the accession process through the new methodology and philosophy of

the enlargement in practice? In fact, to bring the accession negotiations closer to the key areas of mutual interest, the EU should consider testing the phasing-in approach in key areas related to fundamentals, starting with the European Rule of Law Mechanism (European Commission, 2022a), and the Justice Scoreboard (European Commission, 2022b), encouraging and complementing at the same time structural reforms through phasing-in to the European Semester (European Council & Council of the EU, n.d.) and the European Single Market (European Union, n.d.), supported through the IPA instrument, and considering establishing a (Western Balkan) Cohesion Fund. We should also add to this list the need to fully comply with the Common Foreign Security Policy, including introducing restrictive measures and sanctions and extending cooperation and compliance with the Common Security and Defence Policy. These are complex mechanisms and require thorough preparation before being able to take on full participation, therefore beginning at an early stage would be instrumental for both sides.

The first step in preparing for gradual phasing-in needs to be made by the European Commission services, including

- ▶ mapping all of the 350+ European Commission committees (European Commission, n.d.a), including their legal bases, scope, and rules of procedures, to see where countries in the negotiation phase can already participate in their work, and if they cannot, whether the committees are open to third countries and whether they can be open to the countries that are in the process of accession negotiations,
- ▶ mapping all Union programs within the EU Budget 2021-2027 (European Commission, n.d.b), in addition to IPA III and the programs in which WB countries are already participating, identifying which programs can be opened for the participation of the Western Balkan countries, at what stage of the accession negotiations, at what scope, and to what extent,
- ▶ mapping all Union agencies (European Parliament, n.d.), including their legal bases, scope, and rules of procedures, indicating in which agencies experts from the Western Balkan countries are already participating and in which ones they could participate in the future, taking inventory of all the IT networks and databases to which

Western Balkan countries can be attached, not only to contribute to them but also to use the available data, to join procurement schemes, etc., and

- ▶ mapping all 150+ Council of the EU preparatory bodies (Council of the European Union, 2022) and selecting those whose work needs to be followed closely by experts from the WB countries through detailed political and technical briefings of the agendas, draft policy papers, draft decisions, legislative proposals, etc.

Once the maps, charts, and inventories are ready, this wide-ranging exercise should be followed by a comprehensive presentation and elaboration of the results, first at the political level of those Western Balkan countries that are already in the process of accession negotiations, and then to the relevant experts. Doing so will enhance the understanding of the scope, procedures, and technical elements that are needed in order for the country to make the necessary decisions at the national level and propose meaningful gradual phasing-in integration in areas of mutual interest. The Council for Stabilization and Association could be the first decision-making level for some elements of phasing-in, while the Council of the EU and its relevant bodies (GAC, COREPER, and COELA) could do the same for those elements of phasing-in where the anonymity of the MSs is required.

Phasing-in through the “fundamentals first” approach

Considering the “fundamentals first” approach as the most relevant, the focus should be on those areas that are of key common interest for the EU and the Western Balkan countries, starting with:

1. The rule of law, as a backbone of the Euro-Atlantic community, has developed over several hundred years, through good times and bad times. Therefore, democracy, freedom of speech, and free media should be protected at any cost, since these are key values that make this part of the world a leader on the global scene. Democracy cannot be exercised at its full potential unless the judicial system is fully independent and relieved from political interference and pressure,

unless prosecutors are fully professional and equipped properly, unless intelligence services are under strict and rigid scrutiny by parliament and independent civil society bodies, and unless preventing and fighting corruption, as well as an uncompromising fight against organized crime is priority number one for both the government and society as a whole.

Therefore, it is worth considering that Western Balkan countries are fully incorporated into the Rule of Law (RoL) mechanism (through a step-by-step approach), including the Justice Scoreboard. If we all agree that the RoL is key, and if it is the most important part of the Fundamentals cluster (which, according to the new methodology and our negotiation framework, will be opened first and closed last, or only at the end of the accession negotiations), then we should start phasing-in through the RoL mechanism, launching a learning platform to introduce all the elements and procedures of the mechanism and the Scoreboard, to encode them in our legal system, train experts, and build the capacities of our institutions and entire civil society to act within it. Transparency is self-evident if the media are also incorporated well into the mechanism, leaving no excuses for politicians who do not act in line with their promises. The logic of the new methodology is exactly that transparency will force politicians to become more accountable.

2. The Economic Governance Framework, which includes all the economic criteria (Council of the European Union, 2023) is an essential part of the accession process, but the Economic Reform Program (ERP) is only a good basis rather than a comprehensive tool to introduce the Western Balkan countries into the European Semester (including the Fiscal Compact rules). If we want to make the free-market economy reforms irreversible and economic governance stronger, we must make the Economic Governance Framework and the European Semester compulsory for the Western Balkan countries as well. This is a very complex and demanding process, but we have to start doing it, and sooner is better than later.

Therefore, we may consider defining a detailed Roadmap for all the Western Balkan countries, which should be gradual, step-by-step, incorporated into the Economic Governance Framework and European Semester, as well as launching a learning platform

to introduce all the elements and procedures of the Economic Governance Framework and the European Semester, to encode them gradually into our legal system, and train and build the capacity of our institutions and entire civil society to act within it (in addition to the ERP that we already have).

3. The Common Regional Market must become an instrument that connects our trade and economies. Some positive steps have been taken in the right direction (e.g. through the agreements signed under the Berlin process), but we need to ensure that all Western Balkan countries are on board, that all follow the WTO and EU rules, and that they comply fully with the EU standards and norms, fully respect the CEFTA agreements, and fully implement the SAAs (i.e. that they are not in breach of their SAA obligations). Either we follow the same rules, or the process will not work, no matter what framework we use. The Regional Cooperation Council (RCC) can coordinate, but we need to strengthen the role and direct involvement of the Commission services and the expertise of the EU MSs, including the exchange of relevant experiences.

The current activities should be extended to a higher level, starting with the Regional Cooperation Council and the Commission's relevant services, to conduct clear and thorough analyses of where each of the WB countries stand, including all topics related to the action plan for achieving the Common Regional Market. We need to be clear what the starting point is and what distance there is between where the countries stand at the moment, which of the EU legislations, norms, and standards they need to transpose into their national legal systems, followed by the RCC producing specific tailor-made roadmaps for each of the WB countries to meet the European Single Market requirements, with guidance from the Commission services (or together). The Common Regional Market should not be used to lower the EU norms and standards.

4. Extending IPA-type assistance should be considered, as well as introducing a new Cohesion Fund for the Western Balkans, thus bringing financial instruments closer to the real cohesion policy. This may be the real game changer, to be used as leverage to bring back the trust of people from the WB countries in the EU. On the other side, it may become the main political tool for the EU to reward the successfully implemented reforms with an accelerated decrease of the economic disparities.

5. The Common Foreign Security Policy, including the introduced restrictive measures and sanctions, and extending cooperation and compliance with the Common Security and Defence Policy, should be added to the “fundamentals first approach” as a crucial topic, considering all the tectonic movements after the aggression of Russia on the sovereign Ukraine state. Therefore, CFSP keeping the EU united should be a gravity force for all the countries of the WB region, if they strategically choose to do so, and it should be used for strengthening the political connections of the region with the Union and the western world. Regional economic and market integration (chain production, open Balkan, or CRM), and regional political unity can only work if we are all heading in the same direction.

When we talk about the CFSP, we also have to look more closely at restrictive measures and the sanctions policy and mechanisms (EEAS, n.d.), such as the sanctions against countries, economic operators, or even individuals that pose a threat to our security and/or public order, or for example, joining the EU Foreign direct investments (FDI) screening coordination mechanism (European Commission, n.d.c) in specific areas and in critical infrastructure.

It would be highly beneficial to consider adding the CFSP (and CSDP) to the list of topics of interest for the phasing-in approach. We need to have access to an entry door (through the European External Action Services - EEAS) in a coordinated manner, with all the relevant channels of information and adequate support mechanisms that make us able to implement all the agreed sanctions and other measures (e.g. being part of the FDI coordination screening mechanism). Access to these mechanisms should be gradual, but only for those countries that are fully in line with the CFSP. EEAS should be in a leading role, with adequate staff ready to give necessary advice and expertise. It could conduct analyses of the existing national mechanisms in all WB countries, responsible for following and initiating compliance procedures with the CFSP, especially with the national mechanisms to follow the implementation of the restriction measures and sanctions, including products with dual use.

We should also look back to the lessons learned from the enlargement process and reuse some of the forgotten instruments that were useful and productive, such as the accession partnership action plans. Why not draft country accession partnerships for all the Western Balkan

countries, with a clear list of priorities and targets, on top of the EC reports? In addition, the National Plans for the Adoption of the Acquis (NPAA) should become a compulsory exercise, produced by WB countries and fine-tuned by the Commission's professional services.

The world is complicated, the EU is a complex machine, and the Western Balkan region is a challenging place. Nothing will be the same as before 24 February, 2022, we will all have to change and adjust fast, thinking and deciding while on the move.

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The EU's Enlargement Strategy at a Crossroads? Redirecting the Debate Toward Acquisition-based Integrative Models¹

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Abstract: There have been many recurring initiatives for an alternative EU-oriented enlargement process that could provide the Western Balkan region with a credible EU perspective. Several models have been developed conceptually and discussed in a variety of academic, policy and political spheres as potential replacements for the conventional EU model employed in the previous expansion waves.

The majority of the proposed alternative models for EU accession of the Western Balkans are non-invasive in nature and essentially align with the one used in the past enlargement waves. Each new proposal adds a differentiated value to the current model, and typically highlights the significance of candidate states' reform agendas based on the Copenhagen criteria, but with some flexible, specifically targeted, and/or phased approaches to the accession process designed to eliminate the ever-intensifying "integrational fatigue".

This essay intends to purposefully "radicalize" the ongoing discussions on the Western Balkans' weariness towards the current EU's enlargement policy by offering a new approach to the normative reconceptualization

1 **Nota bene:** This non-paper essay is intended to be read and evaluated as an *intentionally provocative rhetorical intervention* that primarily aims to radicalize current debates on the EU accession-related fatigue in the Western Balkans, in order to open up space for advancing and developing a more constructive dialogue on all feasible (alternative) solutions and approaches in the EU enlargement debates.

of the entire process. The model advocated in this essay proposes a “merger and acquisition” (M&A) design as a substitute for the so-called “accreditation-based” integration methodology the EU is presently using in its current enlargement strategy. The proposed model fundamentally questions the democratic essence of the approach that drives the ongoing EU enlargement procedures, reshapes the existing debates on alternative methodologies, and questions some of their fundamental ontological dimensions.

Keywords: European Union, Western Balkans, enlargement, alternative approach.

Introduction

Almost all EU policies have been affected by contrasting understandings of liberal democracy and the ongoing need to redefine the main instruments EU institutions and agents use in their external, enlargement, and neighbourhood policies. After several successful EU accession waves in the 1990s, 2000s, and early 2010s, many observers expected that the new expansion of the Union would effectively continue in the following decades. Instead, the EU enlargement process is facing a rather significant crisis and stagnation. There have even been some setbacks marked by Brexit and raising *integrational* fatigue in the Western Balkans.

Based on the available official reports, all sides involved in the ongoing EU accession-oriented reforms in the WB6 seem to be dissatisfied with its pace and headway, and the growing discontent is contrasted, manifested, and/or derived from and within different sets of priorities. The EU's accession goals and procedures are constantly put to the test in the WB, at both the national and the regional level, through normative and procedural contestations, a lack of consensus and/or active opposition to status quo changes, increasing Euroscepticism and/or EU-oriented apathy, societal and regional polarization cloaked within a long-lasting period of political instability, and finally, the mounting politicization of liberal democracy paradigms that drive the agents' motivations to act or block the current processes.

Each WB6 country has confronted its own specific democratic challenges within the EU integration methodology, mostly exemplified by democratic stagnation and unnecessary delays. Even though a nominal strategic vision toward EU accession exists, over time, the “integrational” dimensions of the process have lost their appeal in all relevant debates, both locally and regionally. Criticisms of the approach are mostly embedded in perceptions of messy compromises resulting in contentious results or in the bureaucratization of the EU enlargement principles, which lead to the rise of power among radical agents that promote disintegrative norms.

This essay focuses on highlighting the key factors that drive the current EU enlargement fatigue crisis in the Western Balkans. It first situates and briefly discusses the essence of the alternative models that are proposed to resolve the core dismantlement generated by the traditional, uncompromising EU’s approach to its own enlargement. The second part outlines the contours of a new proposal that deliberately pushes the debate to its normative liberal democratic limits. The essay also fundamentally questions democratic essence within the ongoing EU enlargement process, re-conceptualizes the existing debates on alternative methodologies, and questions some of their basic ontological dimensions.

Mapping the Alternatives to the Current EU Enlargement Model

Policy models serve their purpose when they capture the key definable features of the process(es) that unfold in reality. The workability of a model inevitably sparks discussions, since it deals with questions both inherent and important to the contexts it operates within.

The European Union’s enlargement policy and its manifestations within the integration process, although firmly grounded in long-standing sets of criteria, has fallen victim to its own structural capacity exhaustion. The citizens of most EU member states, as well as a vast number of policymakers, politicians, and scholars, have already expressed their scepticism about the benefits of further enlargement processes. This fatigue is also felt on the applicants’ side, slowly hampering their

motivation to engage and act more effectively. To the non-EU counterparts, the whole system has become over-bureaucratized and distant from the “big picture” goals the EU should normatively pursue for its own long-term stability. Without a properly functioning enlargement model that can sustain the final membership admissions on the European continent, the EU could face an even deeper multilateralism crisis that is incompatible with the applicable dimensions of state sovereignty.

Accession to the EU remains one of the key long-term goals of all Western Balkans counterparts, and some countries in the region, like Serbia and Montenegro, have already initiated membership negotiations with their Brussels-based partners, while others are fairly close to opening their first chapters. However, the EU's foreign policy and enlargement portfolios toward the WB6 have gradually become entangled in the last two decades (Hasic et al, 2021). Many signs of “EU integration fatigue” are strongly present in the Western Balkan region, particularly among the young generations, who are frustrated with the slow pace of the EU-motivated reforms and the perceived and/or real lack of political will to tackle corruption and strengthen democratic institutions (O'Brennan, 2014; Economides, 2020). As a result, the benefits of EU membership and the essence of the integration-driven societal transformations are constantly questioned locally and regionally. Despite the EU's repeatedly confirmed rhetorical commitment to the WB6's future perspective within the Union, noticeable progress has been slow and postponed repeatedly, while the lack of “rewards” immediately affecting citizens' lives contributes to the accumulating scepticism. The piling suspensions as to what the EU's “real intentions” are, and the ever-growing lack of clarity of what will happen in the coming decade have both led to a habit of constantly probing the EU's interests in terms of integrating the WB6 within its current structures.

Consequently, some new models of integration have been elaborated in theory and discussed within various academic and policy circles, flagged as alternatives to the traditional EU enlargement-integration models that were employed in past expansion waves.

One of the most extensively discussed alternatives refers to the multi-speed integration design, which entails greater flexibility and differentiated levels of integration between the EU and individual

countries or groups of countries, allowing them to manoeuvre the integration requirements at their own pace (cf. Schimmelfennig et al, 2023). Another widely elaborated option is the enhanced cooperation model, which would allow a certain group of the EU member states to deepen their ties with selected non-EU countries in specific policy areas they find relevant or feasible, while other member states may opt out and stay disengaged (Busch and Sultan, 2023). The most germane application of this model is associated with special association agreement arrangements between the EU and non-EU countries. They create closer economic and political ties, including the establishment of a free trade area with improved access to the EU market, without full membership burdens or requirements.

There have also been many discussions about various special status models of integration, which would allow closer cooperation and integration while maintaining some critical distance from full membership in the EU. Some authors have also proposed various “phased approach” or “staged accession” models, which promote a segmented and gradual adoption of the Copenhagen and Madrid criteria over time (Emerson et al, 2021). Finally, there have been many proposals to link and couple the fulfilment of the EU accession criteria with enhanced reform-oriented regional cooperation and integration processes within the Western Balkan region. This tactic would help countries in the WB6 region work closely together in addressing some common challenges, such as corruption and organized crime, which would effectively help them build a stronger foundation for their integration into the EU (Metodieva et al, 2022).

Overall, all academic and policy scholars involved in debating the alternatives to the current EU enlargement model agree that there is no one-size-fits-all alternative theoretical solution for reframing and reforming the adoption of the Copenhagen criteria, and any fluctuations from the current stream would need to be carefully considered and negotiated, as well as most evidently probed before entering into force. There is also a consensus among scholars that adopting more flexible, targeted, and/or phased approaches within the accession process could eliminate the intensifying fatigue and enhance the overall quality of the integration process while also ensuring that each country is firmly held to the high standards necessary for eventual EU membership.

One common feature of all available enlargement alternatives is their being grounded within the liberal democratic values of the EU and its member states. Additionally, most of them propagate the “non-invasive character” of the EU enlargement process, with some even opening up space for overall socio-political stabilization at the cost of non-integration as the endgame of the entire process. The proposal below deliberately and provocatively challenges this rhetoric and radicalizes the ongoing debates in order to shape their outer normative limits.

Some Thoughts on the EU's Current Enlargement Model

The EU's current enlargement policy structurally resembles a membership-type accreditation procedure. The practice is led by several basic democratic principles, and its end goal is to ensure quality and foster a culture of continuous improvement. It is conducted to formally recognize candidate countries' capacities to meet certain predetermined criteria or set standards and eventually award a “quality label” (i.e. full membership status). The EU member states, as well as all candidate countries, operate with a considerable amount of independence and autonomy, relying on democratic principles and acting within strong national sovereignty frameworks. The EU's centralized “federal” authority exercises oversight and control over the quality of joint policy areas, while the states assume varying degrees of control over other policy areas. To preserve this delicate balance and power dynamics, the EU enlargement process has essentially been shaped as a practice of “accreditation”, with membership status as its final stage.

The EU's current integrative *accreditation-based membership method* works as a means of conducting external standard-based quality assessment and assurance through a peer evaluation of a vast number of policies, institutions, and administrative and legal frameworks, focusing on both fitness of purpose and fitness for purpose. The EU's enlargement process, observed as an integrative accreditation procedure, aims to ensure a specific level of quality according to the EU's overall mission, the commonly agreed objectives and expectations of its member states, and to safeguard particular national development interests and objectives.

The EU's accreditation-based enlargement procedure is commissioned and overseen by a suitable and recognized EU body, and further encouraged by various institutional stakeholders to ensure integrative “value for the money” progression and to adopt corrective measures and improve candidates' overall capacity and admission quality. Such a transparent “accountability through evidence of results” procedure is considered to be viable, valid, and reliable by all EU member states that had previously gone through the same steps to “join the club”. It preserves the competitive spirit among the candidate countries and helps enhance and assure the overall quality of the process. It also increases overall quality awareness, and it improves international communication, motivation, and cooperation.

The accreditation process follows specific membership licensing dimensions within a wider European continental set-up. The process presupposes high levels of democratic capacity on the part of the candidate countries to approximate their performance to the commonly agreed standards. The procedure is application-based and voluntary in its nature, and it is founded upon internationally accepted codified standards. The candidate countries are expected to be consistent with the process requirements, to be self-critical and in service of safeguarding the EU's overall mission, as well as showcase a strong commitment to the range of EU and member state interests. The overall process follows both a “fitness-for-purpose” approach, verifying whether the candidate country is achieving the set EU goals (i.e. mission quality improvement), and “fitness of purpose”, validating whether the purpose itself is acceptable, which prepares the candidate states for future market requirements and reduces quality-related complaints from EU-based stakeholders.

Potential Paradigm Shift: An Acquisition-based Integrative Model

What if, instead of observing the EU enlargement process as an accreditation-based integration procedure, it was perceived as a merger and acquisition (M&A) practice? In this sense, the EU would be an interested “buyer”, acting as the acquiring entity of an underdeveloped

European (economic and security) space, willing to transform and integrate it into a completely renewed “assets and liabilities” mass that is able to meet the acquiring entity’s standards and its stockholders’ interests. This novel organizational consolidation would not create a new company or drive the acquired company out of existence, it would rather result in a new and enriched organizational consortium, attaching a new, fully operational business unit. The principal goal of such integration is, naturally, to make more effective use of the existing potentials and capacities.

There are many motives for such an approach from the EU toward the European areas that have not been integrated yet, primarily the Western Balkan states. The simplest one would be the “excess capacity” intention to acquire another entity in an established market in order to gain greater efficiencies for its own stakeholders (i.e. expanding the EU’s product lines, including democracy and human rights, *or* widening its market reach, with various types of business opportunities in newly transformed and regulated markets). Another dimension could be a “geographic expansion strategy”, in which the EU, operating in an already fragmented industry, is interested in acquiring other entities to broaden its overall position.

The entire acquisition-based integrative enlargement process would essentially entail a sequenced activity with many steps, regulated by mutually agreed binding contracts signed in advance, which would temporarily suspend candidate states’ decision-making sovereignty in all EU-related reform processes and transfer them onto the EU’s acquisition commissioners, who would be mandated to handle the transformation process until full integration is completed. The scope and range of competencies the candidate states would “give up” in advance would correspond to the same scope and range of competencies the states would lose to the EU once they become full EU members. The only difference to the current models is that the candidate states would give up the competencies in advance, and they would never receive them back, since they would effectively drop them upon full EU membership.

The entire process would be broken down into several stages, with precisely outlined tasks and goals set out in the acquisition contract. The reform procedure would thus be outsourced to the external experts

of the acquiring entity (i.e. the EU), while the internal agents (i.e. the national governments of the WB6), who had previously decided to temporarily transfer their decision-making sovereignty in all EU-related affairs within a democratic parliamentary procedure, would be “powerless” to stop the imposed EU-related reforms and unable to hinder the acquisition-based democratic transition process until it is fully completed. The progress each candidate state makes would be reviewed bilaterally on an annual basis, by the two contracting parties’ expert panel boards, to prevent any potential violation of national state sovereignty.

The operational paradigm that would drive the cooperation and elites’ willingness to forfeit their sovereign rights is reflected in their functionally philosophical determination of giving up decision-making competencies in advance in order to attain the higher goal of full EU accession. The accountability dilemma toward citizens and elections would refocus on local matters only, in domains that are not exclusively related to EU matters. In this way, local politicians in the WB6 would be able to focus their attention on reforms that remain nationally relevant to their citizens, and they would not be able to divert their attention to decisions that pertain to EU regulations, which they are effectively not able to negotiate or change.

In essence, the “acquired” WB6 entities and their legal orders would be effectively subjected to painful and long-delayed system interference (i.e. reform processes) that might be perceived as adversarial and undemocratically imposed by an externalized group of experts, although they would ultimately be based on democratically transferred powers, working under a specific set of agreed rules. While there might be resistance to this process in the beginning, in the long run, the responsible elected leaders in the “acquired societies” would benefit from the top-down exchange, as opposed to the ongoing and painful adaptation processes that demonstrate no visible progress, and the overall effects of the reform processes directed and guided by the experiences of various societies that have already managed to integrate into the EU, as well as the structural changes and specific skills that are being transplanted, including the adoption of the policies and practices of the acquiring entity.

Such a transformational process would, at first, most definitely awaken sentiments of the neo-colonial and post-colonial tutorship the EU wants to avoid at all costs. It would most certainly also deepen “them versus us” types of societal conflicts and cultural differentiations. The psychological effects of such top-down acquisition-based integration procedures are severe, and they can negatively affect the overall process. They can even shake the basic principles of the EU as a democratic legal order.

However, it is important to remember that any successful acquisition process needs to be based on integration as its key principle. Added values are only created when the two involved entities come together and begin to work toward the purpose of the acquisition. As outlined, at the outset, the enhanced integration might lead to more cultural clashes and negative attitudes and reactions, as well as very high degrees of stress and anxiety. Only in the “consolidation phase” of the acquisition would the real sociocultural integration values emerge, when the two “corporate cultures” are truly blended. This is when the integrative maturity phase starts, and the new social norms, previously thought to be foreign and imposed, are understood as internal, cohesive, and integrative components of the candidate states, now new EU member states about to assume their full and formal membership and regain their full national sovereignty.

Concluding Remarks

Although the WB6 counterparts should be held accountable for their own inability to carry out the essential EU-oriented reforms, there is a growing belief in the region that the current EU enlargement system is over-bureaucratized and far from the big-picture objectives the EU should normatively pursue for its own long-term stability.

The goal of this essay was to purposefully radicalize the ongoing discussions over the Western Balkans’ weariness over the EU’s enlargement policy by offering a new approach to the process. The model advocated in this essay proposes a merger and acquisition (M&A) design as a substitute for the “accreditation-based” integration methodology the EU is using in its current enlargement policy.

The entire acquisition-based integrative enlargement process of the EU is essentially seen as a sequenced activity with many steps, governed by mutually binding contracts that temporarily suspend candidate states' decision-making sovereignty in all EU-related reform processes and their a priori transfer to the EU's "acquisition commissioners", who are charged with managing the transformation process until full membership takes place.

Such a top-down transformational process would undoubtedly stir feelings of neo-colonial and post-colonial tutorship at first, which the EU is determined to avoid at all costs. However, the true sociocultural integration values of such a radical model might only manifest after the "consolidation phase" of the acquisition begins. Only when the two "corporate cultures" are really merged and the integrative maturity phase begins, will the cohesive and integrative elements of the process become apparent and justifiable.

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European Political Community: A New Strategic Framework on the Horizon?

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Abstract: Although an ambitious initiative, the European Political Community (EPC) has left experts wondering as to what it will entail in practice. Its greatest advantage (and disadvantage) is that it can still become anything countries happen to agree on: an inter-governmental, non-institutionalized platform, where leaders can discuss strategic questions of the continent without visible commitments, written statements, or pressure to deliver results. When it comes to the enlargement of the Western Balkans and the Associated Trio, the EPC is unlikely to speed up the process or deliver tangible steps forward. Its added value for the (potential) candidate countries remains that they are also included in the debates concerning European questions of strategic importance.

Keywords: European Political Community, EU, enlargement policy, Western Balkans.

French ambitions, multifaceted challenges, and the war in Ukraine: the birth of the European Political Community

Although the idea of the European Political Community (EPC) first appeared in May 2022, its roots can be traced back earlier (European Parliament Multimedia Centre, 2022). The past decade has been marred

by a series of external and internal crises in the EU (the migration crisis, Brexit, the COVID-19 pandemic), which have urged the EU to undergo a serious face-lift. A comprehensive reform with the aim of creating a more resilient and self-reliant EU, to become the major and credible political actor that its economic size would imply. At the same time, debates on how the EU as an institution must work more effectively and whether it is the capitals or the supranational institutions that have the final word in decision-making have been shaping EU politics in recent years. Clearly, the EU is at a crossroads: finding a common voice on any issue is as difficult as it can get, which hinders the community's prospects of becoming a credible and proactive member of the international community.

This political and institutional climate resulted in an EU-wide and multi-level consultation in 2021, in the form of the Conference on the Future of Europe (Juzová, Marciacq, and Schlie, 2021). At the end of the Conference in May 2022, French President Emmanuel Macron not only outlined the success of the year-long period, he also announced his vision of the future of the continent itself, now known as the EPC. Although it was presented in vague terms and without substantial detail, the EPC soon became the most discussed concept concerning the future of the European continent.

The psyche of the French views on European politics shaped the initial concept of the EPC without a doubt. Macron had already called for a comprehensive EU reform in 2019, as well as for having the relationship between the EU and its direct neighbourhood rethought (and possibly reorganized). Moreover, ever since entering office, Macron has tried to be the driving force behind the potential EU reforms; thus, the core idea of a more independent Europe (as foreseen by the EPC) is not new in French political circles. The departure of the United Kingdom from the EU, the Trump administration's stance on the NATO/EU, as well as China's ever-growing presence (and influence) both globally and in Europe had initiated the concept of strategic autonomy, predating the EPC.

In addition to the multi-dimensional (internal and external) challenges, major shifts in European politics and the French President's ambitions to take the leading role within the EU also paved the way for the grand idea of the EPC. Brexit in 2020 and Chancellor Angela Merkel's departure

from power in 2021 created a serious power vacuum within the EU. Although the rivalry between Germany and France over the unofficial title of the “leader of the EU” was visible even during the Merkel era, the leadership change in Berlin presented a prime opportunity for Paris to take the driver’s seat in reframing the initiatives about the future of the EU to its own liking (Cohen, 2022).

Although the arrival of the EPC to the centre stage of European politics in 2022 can be explained by the EU’s own (lack of) political developments and struggles, the greatest push was certainly Russia’s aggression against Ukraine. The war in Ukraine that started in February 2022 has not only been a major geopolitical shift for Europe, it has also accelerated idea(s) about the future of the continent. The EPC, subsequently, became one of the biggest beneficiaries of the need for the EU to respond reasonably to the changing security and political environment of Europe.

From Ukraine to Prague and Chişinău

The war in Ukraine crystallized the initial French idea by May 2022. In a sense, Ukraine shaped the basis for renewed conversations about the future of the continent in a major way. As in recent years the EU lacked mutually acceptable, tangible goals that could serve as a common denominator for all nations involved, Ukraine has also changed this trajectory. The actors represented within the EPC (including all EU member states, the UK, potential and candidate countries, and the representatives of EU institutions) have condemned Russia’s aggression in Ukraine on various multinational platforms for the sake of European security and peace. Capitalizing on this seemingly unanimous and never-seen-before understanding regarding the importance of stability, the idea of the EPC was born.

The kick-off meeting of the EPC, held on 6 October, 2022 in Prague, resulted in mixed reactions. Some considered it a success, as there had been no real expectations towards the conference. In addition, the fact that 44 state leaders and EU top officials would come to the Czech capital just a few months after the idea of the EPC had been announced was noteworthy. The participation of the UK (*The UK has been given an opportunity to help shape the future of the European Political Community*

– *it should take it*, 2022), which had seemed reluctant about the platform at first, was also hailed as a French success, as Macron wanted to bring London closer to the continent once again (Droin and Martinez, 2022).

The first meeting also established how European leaders wish to label their cooperation under the EPC. The countries would be part of “a community of shared principles, values and cooperation in various fields”, which first and foremost includes security and the reduction of Europe’s vulnerabilities and exposure to malicious influences. It also became clear that solidarity with Ukraine (and in parallel, the condemnation of Russia’s actions in Ukraine) would serve as the glue that keeps this politically heterogeneous group of 40+ states together.

Hailed as a success by its ability to bring various leaders (including hostile parties) together, there has also been much criticism projected towards the EPC after the Prague Summit. These remarks mainly concern the initiative’s lack of clear focus and structure (its non-institutionalized nature), and the means through which its objectives (i.e. peace and security) would be achievable (Droin and Martinez, 2022). Moreover, the missed opportunity of having synergies with the already existing European and regional institutions (such as the OSCE, the Council of Europe, and the EU) has led experts to believe that the EPC would be just another platform yet again.

The greatest benefit of the EPC, however, comes from its greatest weakness, its flexibility. At the current stage, the initiative, kept as an inter-governmental, elite-led political forum, could serve as a place where the most pressing permanent or ad-hoc issues could be discussed behind closed doors, without outside pressure to deliver solutions. The lack of a fixed focus gives the EPC larger space to operate in to map out the future trajectories of Europe.

Despite its flaws concerning the substantive parts of the initiative, the kick-off meeting in Prague was a political success. The months leading up to the next gathering in the capital of Moldova, however, passed by without any major development about the EPC. The second summit, to be held on 1 June in Chişinău, defines the EPC as a “platform for political coordination among European countries” to discuss topics including peace and security, energy resilience and climate actions (European Political Community, 2022). It is doubtful that the meeting will create a clearer

understanding of how the objectives of the EPC will be carried out in practice; rather, issues of great importance for the entire continent are expected to be centre stage once again. Finally, it is also yet to be seen how cooperation among more than forty states under the EPC umbrella will hold up after the war in Ukraine ends. Questions concerning Russia's place in Europe and regional structures (such as the EPC or OSCE) remain open.

EU enlargement meets the European Political Community

The Prague Summit of the EPC has left many questions open; one of these is its connection to EU enlargement policy (Pierini, 2022). Although all countries with a “European perspective” (the Western Balkans, Türkiye, and the Associated Trio) were present, little attention was paid to their respective paths to the EU. Moreover, the war in Ukraine has made the leading powers of Europe (France, in particular) realize that their approach to neighbourhood (and possibly enlargement) policy must be rethought. Hence, how can the EPC's vision for the Western Balkans and the EU accession process of the region be assessed?

Since the EPC can be considered a “love child” of France, the standpoints of Paris on future EU enlargement must not be overlooked. The French veto that blocked opening accession negotiations with Albania and North Macedonia in 2019, its overall reluctance over the Western Balkans' preparedness in key areas (including rule of law, the fight against corruption and organized crime, and the high level of asylum seekers from the region) and its long-standing stance on Kosovo's visa liberalization has made France a difficult but dominant actor in enlargement policy. The French President, having been an open sceptic concerning EU enlargement for years, as well as German Chancellor Olaf Scholz have acknowledged the need to “re-design the European Union' relationship with its neighbourhood”; however, a comprehensive EU (institutional) reform must be a prerequisite to that (Mayer, Pisani-Ferry, Schwarzer, and Vallée, 2022). Knowing the context of France's standpoint and actions, the EPC has understandably raised many eyebrows in the Western Balkan states.

The approach of the EPC (and France) towards (potential) candidate countries has gone through a major change since its announcement in May 2022. In the first few weeks, the EPC had a closer connection to EU enlargement policy: the concept itself resembled the French idea of concentric circles, with the EU being in the centre, with a possibility for non-EU states to gain access to certain fields and deepen their institutional relations with the EU prior to or without gaining membership status. Starting from June 2022, however, the emphasis has been placed on strategic cooperation among states (no matter their status with or relations to the EU), and less attention has been paid to enlargement as such (Nguyen, 2022).

There seems to be an agreement that the EPC and the EU enlargement policy do not go hand in hand; rather, they are two separate processes without any (in)direct impact on each other. Charles Michel, President of the European Council, has even stated that the EPC “aims to go beyond enlargement and will steer political dialogue and coordination, mainly on security issues, with like-minded countries, those that have an ambition to join the EU and those that do not” (European Parliament Think Tank, 2022). Consequently, there seems to be a consensus among EU institutions and leading member states (including France and Germany) that participation in the EPC will not result in direct, enlargement-related benefits for the countries that wish to join the EU in the foreseeable future. In this case, however, what is the added value of the EPC to the countries of the Western Balkans?

The Western Balkans met the original idea of the EPC with a high degree of suspicion. Their EU integration path has been challenging enough with new rules, benchmarks, and even methodology thrown into the field; hence, there was a lingering fear that the EPC would attach additional criteria to their accession process or, as a worst-case scenario, it would side-line EU enlargement policy for good. It was, furthermore, perceived as yet another waiting room for candidate countries, only with dubious rewards that might come as a compensatory reward instead of a clear commitment to fully integrating these group of countries into the EU (Droin and Martinez, 2022). The months that followed the announcement of the EPC could therefore be described as the Western Balkans taking on a “wait-and-see attitude” in hopes of a clearer picture as to what the initiative can bring to the table (Marciacq, 2022).

The fact that the EPC will formally have nothing to do with EU enlargement policy is a mixed development for all (potential) candidate countries. On the brighter side, there will not be new conditions set under the framework of the EPC; on the other hand, the initiative will not reenergize the enlargement process or make it slightly easier for countries to get closer to certain EU structures (General Secretariat of the Council 2022). This also implies that the EPC is unlikely to speed up or change the overall course of the EU enlargement policy, let alone the stances of certain sceptical EU member states on the (geopolitical) importance of enlargement for the Western Balkans. The region is stuck with stagnation in terms of the enlargement process, dubious signals from EU member states about their willingness to have the Western Balkans as full-fledged members, as well as plans of “staged integration” and “phase-ins”.

In light of no tangible progress in the Western Balkans’ EU bid, what is the added value of the EPC to the region? The EPC has promised permanent and direct dialogue between participating (European) states, including the ones that have been waiting for EU membership for years; this embodies great potential for the region (Navracsics, 2022). Topics of strategic importance for the entire continent will be discussed with the involvement of the Western Balkan states; and it is high time to have their voices heard at the table and be part of the conversation that, as part of Europe, impacts the Western Balkans just as much as it does EU member states. In addition, judging by the example of Armenia and Azerbaijan at the Prague Summit, meetings could potentially enable countries with complicated relations (i.e. Serbia and Kosovo; North Macedonia and Bulgaria) to have an additional platform where their relations and path toward normalisation could be discussed (Brzozowski, 2022).

Conclusions

The EPC as an initiative still leaves a lot to be desired, and it remains unknown whether it will be remembered in a few years’ time. Given its vague substance, it is highly unlikely that this idea could turn into a new European strategic framework. On the other side, its greatest advantage

is its flexibility: an ad-hoc high-level, inter-governmental forum open to all European countries to discuss the most pressing or strategic issues of the continent. Although there are still doubts regarding the durability of the platform and whether it will be able to pass the test of time, especially after the war in Ukraine ends, having an inter-governmental platform about strategic questions that encompasses the Western Balkans is an added value for both Europe and the countries of the region.

The greatest advantage of the EPC for the Western Balkans is its inclusivity: an inter-governmental platform where leaders can meet and possibly discuss regional affairs without any significant pressure and mingle with EU leaders. Discussing issues of strategic importance for the entire continent is also key to the Western Balkans, especially given their geopolitical situation. The EPC should nevertheless work on raising awareness of the Western Balkans' geopolitical importance and the added value of having the region incorporated into the EU.

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**EUROPEAN
AND REGIONAL RESPONSES
TO GLOBAL CHALLENGES**

Countering Geopolitical Competition in the Western Balkans: the EU, Russia, and China

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Abstract: While the European Union (EU) has long considered the Western Balkans its sphere of influence, the growing geopolitical competition from Russia and China has created harmful countercurrents in the region. In order to adequately challenge these, the EU needs to overcome its credibility crisis in the Western Balkans, produced by years of national vetoes and enlargement fatigue in the EU, paired with slow reforms or even democratic backsliding in the region. This situation could be remedied by focusing on Montenegro, which has long been considered the region's frontrunner in the EU accession process and is already a NATO member. By actively working towards full EU membership for the smallest country in the Western Balkans, the EU would not only be able to fortify its geopolitical role in the region, it could simultaneously create positive momentum, proving that there is indeed a believable path towards EU membership, which remains the most reliable tool to combat destructive influence from Russia and China.

Keywords: geopolitical competition; EU enlargement; Western Balkans; Russia; China

Introduction

In June 2022, Russian Foreign Minister Sergei Lavrov had to cancel his flight from Moscow to Belgrade because the NATO members Bulgaria, Montenegro, and North Macedonia had closed their air spaces to

Russian flights following the country's invasion of Ukraine, thus making it geographically impossible to fly from Russia to Serbia (Reuters, 2022). This anecdote effectively demonstrates some of the manifold layers of politics, competing actors and their agendas in the region.

The EU has long perceived the Western Balkans as its sphere of influence, referring to the region as its 'backyard' during the Yugoslav wars in the 1990s, and more recently as the "inner courtyard" or 'patio' of the EU. Rhetorically the aim remains the same: to underline the geographical proximity of the region to "the West", which was illustrated so clearly by Lavrov's failed attempt to fly to Belgrade.

However, it can be argued that there is limited political will among EU members to include the Western Balkans as fully integrated members in the foreseeable future. Instead, the insistence on reforming the EU from within before further enlargement (e.g. through Qualified Majority Voting in Common Foreign and Security Policy decisions or by regulating the number of Commissioners) implies years of inward-looking debates rather than a comprehensive geopolitical vision for the EU's so-called "inner courtyard". Simultaneously, the EU's influence in the region is increasingly rivalled by that of various countries, including Turkey, the United Arab Emirates, and most significantly, Russia and China, which have been expanding their influence in the Western Balkans since 2008. The year of the financial crisis, when the EU turned inward to address its internal problems, marks a watershed moment that created a permissive environment allowing other actors to expand their influence in the Western Balkans. Equally, Russia's 2008 war against Georgia marks a shift towards neo-imperialist foreign policy in Russia, which has also been palpable in the Western Balkans since. While the EU remains the region's foremost economic and political partner, with 68% of trade in 2021 occurring between the Western Balkans and the EU and only 8% between the Western Balkans and China and 3% with Russia (European Council, 2023), the current trajectory is no longer sustainable. The confrontational world order that became the new geopolitical reality after the Russian invasion of Ukraine in February 2022 underlines the acute necessity to counter the geopolitical competition that originates from the EU's systemic rivals. Arguably, the only way to do so in a believable manner is to revive the promise

of full EU membership. One conceivable path would be to work towards Montenegro's membership by the end of this decade, which would, of course, be contingent on the country fulfilling the demands of the *acquis*. This would set a positive example for the rest of the region to stay on the path towards EU membership and prove that full-fledged membership is indeed a viable option.

Geopolitical Competition from China and Russia

Since its independence in 2006, Montenegro has been subjected to harmful influence from both Russia and China. In 2016, a Russian-backed coup aimed to obstruct Montenegro's imminent NATO membership by attempting to topple the government. In 2021, the country nearly fell into a debt trap due to a controversial loan contract with China involving a costly infrastructure project. These examples can be applied to the region as whole, with Russia often taking the role of the spoiler in the Western Balkans, aiming to undermine the countries' development towards the EU and NATO, and China using the economic sphere to establish long-term leverage over the region.

Russia

Russia's goal to create political instability is visible throughout the entire region, although two examples stand out: first, Russia's support of Milorad Dodik's secessionist efforts in Bosnia and Herzegovina's Republika Srpska (RS), and second, Russia's role as Serbia's ally. President of the Republika Srpska and leader of the Bosnian Serbs, Dodik, started his political career as a Social Democrat, but during the past few years he has embraced divisive ethno-nationalist rhetoric and politics. By openly pursuing secessionist goals, he has been destabilizing the fragile post-Dayton peace in Bosnia and Herzegovina (BiH). While an independent Republika Srpska is not in Belgrade's interest and has not received backing from Serbian President Aleksandar Vučić, Moscow has repeatedly demonstrated its support. This includes inviting Dodik to Moscow and establishing

a training centre for RS police led by Russian special forces. On the international stage, Russia has routinely obstructed the work of the Peace Implementation Council (PIC), which oversees the UN-mandated Office of the High Representative in BiH and has attempted to dismantle the latter. As Marina Vulović summarizes, alone “in the five years between 2017 and 2022..., Moscow vetoed the appointment of the current High Representative Christian Schmidt in the UNSC, opposed the PIC’s declaration that Republika Srpska had no right to secede and questioned the legitimacy of rulings from the International Criminal Tribunal for the former Yugoslavia” (Vulović, 2022). While Russia’s influence should not be overestimated, its role as a disrupter of BiH’s fragile peace is clearly harmful for the future development of the country (and the entire region).

Russia’s relationship with Serbia is often condensed to key phrases like “Slavic brotherhood”, although nowadays it is much more transactional and constitutes another example of the damaging effect of Russia’s harmful influence in the region. Russia’s non-recognition of Kosovo’s independence and subsequent use of its veto power in the UN Security Council, for example to block Kosovo’s membership with UNESCO and Interpol, has been a strategic advantage to Serbia. Equally, Russia has exported weapons to Serbia and has been allowed to establish a “Humanitarian Center” near Niš, which is approx. 250 kilometres from the NATO base Bondsteel in Kosovo and is widely seen as an espionage outpost for the Kremlin. In return, Serbia has refused to impose sanctions on Russia following the invasion of Ukraine, even though this has led to a significant decrease of foreign policy alignment with the EU, from 64% in 2021 to 45% in 2022 (European Commission, 2022), thus harming the country’s path towards EU membership. Moreover, spreading disinformation through its media outlet Sputnik has allowed Russia’s propaganda to be amplified and made it possible for Russia to position itself as an “ally” (54%) or at least a “necessary partner” (95%) to large parts of the Serbian population. Conversely, the same poll found that only 11% of Serbian citizens view the EU as an ally, underlining the effectiveness of Russia to present itself as a viable alternative to closer political cooperation with the EU (Morina, 2022).

China

China's influence in the region is primarily economic and focuses on expanding its Belt and Road Initiative through transport infrastructure or mining projects. In the 12 years between 2009 and 2021, 136 Chinese investment projects were identified by the Balkans Investigative Reporting Network (BIRN) in the Western Balkans, amounting to EUR 32 billion of investment (Stojkovski et al., 2021). In comparison, China invested approximately the same amount in Germany (EUR 30.1 billion) within a time span of 21 years between 2000 and 2021 (Statista, 2022). In addition to the condensed timespan of 12 vs. 21 years, it is worth considering that Germany's GDP is approximately 35 times the size of the six West Balkans countries (WB6) combined, and its population is more than four times the size of the WB6, underlining the extent of Chinese investment in the region, which per capita was significantly higher than for example in Germany.

The investment projects funded in the Western Balkans include the Safe-City-Project in Serbian cities, where Chinese high-tech companies such as Huawei have installed 1,000 CCTV cameras in 800 secret locations throughout Belgrade (Vulović, 2023). Equipped with facial recognition software and the ability to identify license plates, this technology is particularly dangerous because the Chinese companies involved are "... required under the Chinese National Security Act to relay all data in their possession to Beijing's intelligence service" (European Parliament, 2019). Moreover, these facial recognition cameras have been unlawfully used by Serbian police to film and later identify protesters demonstrating against the low environmental standards of a lithium mine in Serbia (Standish, 2022). Another Chinese investment project was the EUR 1 billion loan granted to Montenegro by China to fund a short, 44-kilometre segment of a highway, which led to Montenegro's national debt rising to more than 100% of the country's GDP, effectively creating a debt trap. The highly problematic loan contract even allowed China to seize land inside Montenegro should the country be unable to repay the loan (Schmitz, 2021). The European Commission made it clear in 2021 that it would not help Montenegro with repaying its loan, although the EU did end up financing the remaining highway segments and helped refinance the loan through European banks.

The biggest problem with these investments is that by the non-adherence to EU standards in the tendering, competition laws, labour laws, and other legal technicalities, the countries subjected to Chinese economic influence are moving farther away from EU standards. Therefore, the Chinese investments in the Western Balkans stand in stark contrast to the geopolitical goals the countries may be pursuing towards EU membership. Nevertheless, they remain attractive because the Chinese loans are not linked with the same environmental and anti-corruption standards that are applied to “Western” investments.

The EU: A geopolitical actor?

Already in 2019, the newly appointed President of the European Commission, Ursula von der Leyen, announced that she aimed to lead a ‘geopolitical Commission’ with a focus on security and defence policy, as well as external relations, including enlargement in the Western Balkans (Bayer, 2019). However, it was only after the full-scale Russian invasion of Ukraine in February 2022 and the EU’s determined, coherent, and swift response to the Russian aggression that a certain geostrategic process could be observed, prompting the EU High Representative for Foreign Affairs and Security Policy, Josep Borrell, to herald the ‘birth of a geopolitical Europe’ (Torreblanca et al., 2022).

An immediate effect of this renewed geopolitical thinking can be traced with regard to the Western Balkans. Fearing a spillover of instability or even open conflict into BiH or Kosovo, the EU made up for many shortcomings and failings of the past in the year following the full-scale war in Ukraine. Albania and North Macedonia were allowed to start negotiations with the EU after being blocked by various national vetoes for many years, although North Macedonia is still required to change its constitution to fulfil terms prescribed by Bulgaria. Kosovo will receive visa liberalization by 1 January, 2024. BiH was granted candidate status in December 2022, eight years after applying, although only after Ukraine and Moldova had been granted candidate status in June 2022, mere months after applying.

The utilization of awarding candidate status underlines the EU's geostrategic thinking most clearly, especially considering that Ukraine is currently at war and that BiH has produced "overall limited progress in reform" (European Council, 2022). In times of war in Europe, it is more beneficial to keep these politically instable countries closely associated with the EU and working towards a potential EU membership – however slowly. Moreover, the EU had to counter the utter disappointment felt in BiH and the wider region when Ukraine and Moldova received candidate status before a country that had applied in 2016 and, however instable, was not physically under attack from a third country.

These developments indicate that the EU acknowledges the increased geopolitical competition it is facing in the Western Balkans and that it needs to take strategic steps to cement the EU as the foremost political and economic influence in the region. However, if geopolitics is to be defined as "external power-projection" the mere unblocking of certain processes is not enough to declare the EU a geopolitical actor in the Western Balkans (Youngs, 2022). In light of the geopolitical competition the EU is facing in the Western Balkans, a game-changing rejuvenation of the EU accession process with palpable results is needed.

Overcoming the Credibility Crisis

The currently missing vision of a believable and reliable path towards the EU has created widespread disappointment in the region. In a 2022 poll conducted by the Institute of European Affairs, support for EU membership in Serbia has fallen below 50% for the first time in 13 years. Moreover, according to IPSOS polls, in April 2022, only 35% of the Serbian population would have voted in favour of EU membership if a referendum had been held (Beckmann-Dierkes and Rankić, 2022). Simultaneously, according to a representative study conducted in Serbia by the Henry Jackson Society in 2022, there seems to be a pervasive feeling in Serbia that the "EU has often blackmailed us during the accession talks" (74%), that the "EU does not accept us for who we are and keeps asking us to change" (68%), and that the "EU does not treat us equally and with respect" (68%) (Ivanov and Laruelle, 2022).

Conversely, the positive impetus from the EU does not seem to have a positive effect on the perception of the region, be it the EUR 1 billion “Energy Support Package” to help cushion the rising energy prices in the Western Balkans following Russia’s war in Ukraine (European Commission, 2022), or the EUR 3.3 billion mobilized by the EU and the European Investment Bank to support the Western Balkans during and after the COVID-19 pandemic (European Commission, 2021). It seems that, perhaps understandably, after more than 20 years, the enthusiasm felt by the region towards the EU cannot be reignited by generous financial backing or by a new forum of cooperation, such as French President Macron’s European Political Community. Rather, granting full EU membership is the only way to counteract the assessment that the EU enlargement process in the Western Balkans is “clinically dead” and “kept artificially alive by summits with the EU” (Mirel, 2022). Considering the EU’s purported geopolitical role, communicating a genuine, reliable path towards EU membership is the only remedy to overcome the EU’s severe credibility crisis in the Western Balkans and the most reliable tool to combat damaging influence from Russia and China.

Parallel to re-establishing the credibility of the region’s future within the EU, the slow pace of reforms in the six countries must be reversed. Indeed, a dramatic calculation estimates that if the pace of reforms from the past five years continues, it would take Montenegro 45 years to become an EU member, while Bosnia and Herzegovina would need 80 years. Serbia, North Macedonia, and Albania lie between these two estimates, while Kosovo was not included in the estimates, as it was merely a potential candidate for EU membership at the time of the estimation (Shasha, 2022). By grouping such disparate countries together in one enlargement process, it is difficult to create the positive momentum and enthusiasm needed to implement further reforms and counter enlargement fatigue.

Therefore, it could be argued that the EU should now focus on Montenegro and lay out a credible path for membership by the end of this decade. Already a NATO member since 2017, and long considered the region’s frontrunner in the EU accession process, this country of merely 600,000 people, which introduced the euro as its de facto currency in 2002, has already opened 33 chapters of the *acquis* and provisionally closed

three. In April 2023, a new pro-European president, Jakov Milatović, was elected, hopefully settling the political turmoil of the past years. Milatović, whose first trip abroad will be to Brussels, has declared his ambitious, but in his eyes achievable goal to support the Montenegrin government in achieving EU membership within five years (Martens, 2023). If the EU clearly committed to Montenegro's membership within such a timeframe, it would not only support the country's pro-European government, motivating it to hasten reforms, but it would also be genuine proof to the remaining countries in the Western Balkans, especially Serbia, that implementing reforms and staying on the path towards the EU is going to produce results (Ignac and Morris, 2023).

Conclusion

Despite the numerous actors pursuing their political and economic interests in the Western Balkans, the region must not be perceived as a chess board on which imperial powers compete. Rather, the region has agency and will not continue to wait for an elusive future as a full-fledged EU member without engaging with other world powers, many of which are geopolitical competitors to the EU. Thus, the EU must have a bolder geopolitical approach to the region and focus on Montenegro's full EU membership.

Parallel to the ongoing and undoubtedly slow-moving enlargement process, the EU must continue to engage with the Western Balkans politically and economically. This can be achieved by continuing to include the region in geostrategic decisions, such as the joint procurement of gas or combatting cyber security threats. Equally, it is vital to significantly increase the next funding cycle of the primary tool of the enlargement policy, the Instrument for Pre-Accession Assistance (IPA) starting in 2028. The current IPA III cycle (2021-2027) has allocated EUR 14.16 billion to the entire region for its socio-economic development and reforms. In terms of purchasing power, this is in fact a 1% decrease from the previous IPA II cycle, which amounted to EUR 11.7 billion for 2014-2020. Moreover, according to Dušan Reljić, half of the IPA II budget was allocated to Turkey, leaving only approx. EUR 5.9 billion for the WB6 in seven years (Reljić, 2021). Only a significant

financial increase for the next cycle can contribute to socio-economic convergence rather than continuing divergence while the Western Balkans work towards EU membership.

This level of engagement will require a level of political will among European member states and the political leadership in the Western Balkan countries that is currently lacking. Therefore, while the war in Ukraine has caused a significant shift in the EU's threat perception regarding Russia and China, the desired effect of a bold and committed path towards EU enlargement for the Western Balkans remains lacking.

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Energy Diplomacy in the Western Balkans

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Abstract: The Western Balkans is facing a critical juncture in its energy landscape as it navigates multiple historical developments and geopolitical struggles. The European integration process, which entered a new stage in the aftermath of the war in Ukraine, has put energy at the forefront of the accession process. The push towards renewable energy sources over the past decade has failed to make a significant impact in the Western Balkans, leaving the region with an aging energy infrastructure and in need of an energy revolution. In this context, energy diplomacy is taking centre stage, rubbing against long-established structural and geopolitical path dependencies. The newly found integration impetus, corroborated with the newly embedded energy conditionality in the European Union acquis, has the potential to mobilize the necessary material and immaterial resources for the region to successfully manage transition towards a sustainable energy mix while moving away from its dependency on Russian energy. This paper explores the three-pronged process driven by geopolitical, diplomatic, and material factors that is reshaping the energy landscape of the region.

Keywords: energy diplomacy, EU conditionality, green energy transition, geopolitics

Introduction

When consumed, energy is a critical commodity for national economies and a geopolitical toolkit in its own right for the few states that make up the bulk of global energy exports. This dynamic has come to define

Europe's lust for cheap and secure sources of energy and Russia's geopolitical ethos, with ever-increasing geopolitical repercussions since the turn of the millennium. Russia's ability to wage war against its neighbour and its belief that it has the necessary continental leverage to do so with few repercussions were both fuelled by energy. The overarching assumption has failed. The expected energy blackmail has translated into a systemic shift rather than the expected systematic indifference towards the atrocities in Ukraine. What started off as an emergency response in the face of Russia's weaponization of energy has turned into a structural pivot augmented by the already existing climate ambitions. The systemic change currently underway is co-determined by the European ambitions, with effects that will be most acutely felt by those most affected by the current crisis.

Through a mix of structural and economic factors, the Western Balkans has been the most affected by this momentous pivot, with repercussions spilling into the geopolitical realm. This paper analyses the systemic shift that is currently underway by looking at the European Union's energy diplomacy and the dynamics of Russian influence in the light of the war in Ukraine and the renewed push for European integration that has become intimately intertwined with the energy transition.

Energy diplomacy in the Western Balkans – between immediate needs and European integration

Today, the Western Balkans sit at the crossroads of multiple historical developments that are converging to create a new energy reality in this troubled region. Twenty years since the Thessaloniki summit, the European integration process has entered a new phase on the back of the Russian invasion of Ukraine. Energy sits at the forefront of this geopolitical struggle, adding a second layer of urgency to the energy shift towards renewables that is currently underway.

The effects of the current energy crisis have been felt most acutely in the Western Balkans, while the push of the past decade towards renewable sources of energy has failed to come up with any tangible results in the region. With the vast majority of its energy infrastructure older than thirty years, mostly made up of highly polluting coal plants,

the region is on the cusp of an energy revolution, whether it wants it or not. The labelling of energy as a key contemporary challenge makes it one of the most important issues in terms of international relations, while its vital role in the basic functioning of modern societies makes it unavoidable in a region known for its adeptness in avoiding problems. We are thus witnessing a three-pronged process, driven by geopolitical, diplomatic, and material factors. The systemic energy shift brought on by Russia's invasion of Ukraine is amplified by the EU's diplomatic push on the energy front for decarbonization, which seem to be finding an unintentionally fertile soil for transformation due to the crumbling energy infrastructure of the region. External and internal factors are coming together in the critical energy realm, fuelling strategic prioritization and resource mobilization.

During the energy crisis that started in 2021, the Western Balkans have proven to be the most vulnerable to price fluctuations (Balkan Green Foundation, 2022) due to both situational and structural factors. North Macedonia and Bosnia and Herzegovina import all of their gas from Russia, while Serbia imports 89% of its gas from Russia. Nonetheless, natural gas is only a modest part of the energy mix in Bosnia and Herzegovina (IEA, 2020), 9% in North Macedonia, and 13% in Serbia (Morina, 2022). Coal constitutes the backbone of the energy mix in the region, providing 40% of Montenegro's energy, a third in Bosnia and Herzegovina, over a quarter in Serbia, and 15% in North Macedonia (Ciuta & Gallop, 2022). The energy mix of the region experienced diachronic development relative to the rest of the continent, with lignite use having grown by almost a quarter since the 1990s (Eurostat, 2023). Half of the coal used for energy generation is imported, with two thirds coming from Russia (**Łoskot-Strachota, 2023**). When it comes to gas, Russia has a near 100% share, with oil slightly behind at over 80% (**Łoskot-Strachota, 2023**).

Serbia's balancing act and the new reality on the ground

While Serbia's alignment with EU foreign policy has dropped on the back of the non-implementation of sanctions, the country is feeling the pinch in relation to the energy shift prompted by Russia's invasion of

Ukraine. In May 2022, Serbia signed a deal with Moscow that amounts to 2.2 bcm gas per year, with prices 100% tied to oil prices, a concession aimed at preserving price stability (Argus Media, 2022). Despite its favourable relationship with Russia, the country's entire gas supply rests upon TurkStream and Bulgaria's transit country status, after Russia has cut its gas supplies to Bulgaria in response to the country's support for Ukraine (Strzelecki *et al.*, 2022). Greece's LNG terminals to the south, the Greek-Bulgarian interconnector, and the North Macedonian-Greek interconnector make diversification feasible, a situation that will only be strengthened by Romania's plans to exploit its Black Sea gas resources. The biggest unknown in the country's ability to pursue its strategic interests in the energy realm is the degree to which Russian influence will interfere with these goals.

Russia's presence in the energy sector is deeply entrenched in the political landscape, best exemplified by the Russia-leaning Socialist Party of Serbia (SPS), which is a junior partner in Serbia's current ruling coalition. This party is led by Serbia's First Deputy Prime Minister responsible for Foreign Policy and Security and Minister of Foreign Minister Ivica Dačić, while the director of Serbia's state-owned natural gas provider Srbijagas, Dušan Bajatović, another player closely linked to Russia, is also a member of the SPS (Mitrescu & Vuksanovic, 2022, p. 30) and a former member of the National Assembly. Russian influence spans beyond the political scene. The Serbian length of TurkStream (built by Gastrans) has Gazprom as its indirect shareholder through its Swiss-registered South Stream AG (Energy Community, 2019). Gazprom still holds a 51% stake in Banatski Dvor, Serbia's only gas storage facility (Dimitrov, 2022), and a 56.15% stake (Ralev, 2022) in the Serbian multinational oil and gas company Naftna Industrija Srbije (Petroleum Industry of Serbia, NIS), acquired in 2008 (NS Energy, 2009).

In spite of Serbia's preference for energy deals with Moscow, the precarious international context, combined with the European Union's renewed diplomatic offensive in the region and the infrastructure developments to the south, is forcing Serbia to reconsider its position. The latest EU sanction packages are starting to bite, especially with the December 2022 crude oil embargo, which effectively prevents the transfer of Russian oil through Croatian territory, while Gazprom's ownership of NIS is also uncertain in light of the EU sanctions.

Serbia's President declared back in July 2022 that Serbia may have to temporarily "take over" the mainly Russian-owned NIS oil company while the Western sanctions on Russian energy are in force (Stojanović, 2022). Elsewhere, it is becoming obvious that in the wider regional rush for energy diversification, time has no patience: the Bulgaria Greece Interconnector (IGB) was booked for almost 100% in December 2022 (Koralova-Gray, 2023). After three years with little progress on the diplomatic front, North Macedonia and Bulgaria signed an energy deal covering the exports of surplus energy to North Macedonia, building on Bulgaria's energy partnership with Azerbaijan (Jovanovski, 2022), while Joseph Borrell confirmed that Bosnia and Herzegovina has joined the sanctions regime on Russia (Sarajevo Times, 2023).

In this geopolitical and energy transformation, Serbia stands out as the largest energy consumer and the only country to not have aligned with EU sanctions on Russia in the aftermath of its invasion of Ukraine. Serbia's energy diplomacy, aligning with the European Union's overall foreign policy, has often been conflicting. Serbia refused to join the EU Energy Platform, together with Kosovo, which opted out due to a lack of integration with the EU energy infrastructure (EWB, 2022). It simultaneously joined the Open Balkan crisis response group in September 2022, together with North Macedonia and Albania (Ozturk, 2022). Serbian President Aleksandar Vučić declared that "[e]verything available to Serbia will be made available to North Macedonia and Albania as well, and vice versa. The success of this project will determine how much we will be able to strengthen peace and stability in our region" (Ifimes, 2022), highlighting how the lust for energy security acts as a stepping stone for further cooperation. Belgrade began to strengthen energy cooperation with Hungary in May 2022, roughly at the same time as it signed off its new deal with Gazprom. In February 2023, Serbia and Hungary agreed to double their cross-border power transmission capacity by 2028 (Spasić, 2023). Serbia's recent energy initiatives fit into a wider foreign policy *modus operandi*, with the government in Belgrade keen to lower its dependency on Russian energy without putting all its eggs in one basket.

In March, Aleksandar Vučić, President of Serbia, could not "swear" that Serbia will not join sanctions on Russia (Dragojlo, 2023), while Minister of Mining and Energy Dubravka Đedović confirmed back in December

2022 that Serbia can count on getting a third of its annual gas needs from Azerbaijan (The Government of the Republic of Serbia, 2022). Serbia's timid distancing from Russia is shrouded in cautiousness and is deeply tied to its ability to partly diversify away from Russian energy through long-standing and newly found international partners. Only further diversification will shed light on the degree of influence that the dependency on Russian energy has on bilateral relations.

The three historic sources of Russian influence in Serbia (energy, the unresolved Kosovo dispute, and soft power) are affected by the systemic energy shift currently underway and the renewed push for European integration. Serbian national identity is intertwined with its religious one, offering a springboard for Russian influence in the country, given the strong links between Putin's regime and the Serbian Orthodox Church (Corbally, 2020). On the media front, Russian propaganda is rampant, often intersecting with nationally produced narratives. Given that the country has not adhered to any of the sanction packages, including the 6th package restrictions on media, Serbia remains a safe haven for Russian narratives. In February 2023, Kosovo and Serbia tacitly agreed on an EU-backed normalization deal, with a particular focus on EU integration (Ozturk, 2023). If the EU is successful in achieving tangible progress on the Kosovo issue while enabling Serbia to diversify its energy supply via the Greek LNG terminals and Romania when its Black Sea projects go online (Mitrescu and Vuksanovic, 2022, p. 14), the foundation and rationale of Russia's hard power in the country will be severely diminished, a process that will be reflected in Serbia's foreign policy. The changing European power dynamics influencing the country's foreign policy are complemented by China's ever-increasing role providing a back-up option in the UN Security Council, which in case of further frictions between Russia and Europe might well morph into all-out replacement. Chinese soft power is also playing an increasingly important the region, propelled by its Confucius Institutes, vaccine diplomacy, and favourable loans for often dubious infrastructure projects (Colibășanu and Mitrescu, 2021). There is still a long road ahead, which will be littered with instances of Russia flexing its remaining hard and soft power in a bid to slow down the shift. Nevertheless, the winds of change are being felt in Belgrade at an intensity unseen in recent years. While Russian hard power is on

the wane, its allure will continue to yield a significant degree of soft power through its religious and cultural ties, propped up by a media environment eager to spread Russian propaganda or the indigenous narratives aligned with it.

Russia's energy leverage

In the wider region, Russia's influence has always been an indicator of its global influence and less of a strategic priority. While the Kosovo issue offered the Kremlin pretend justification for its actions in Georgia and Ukraine, the Western Balkans have long been out of its direct reach. Moscow pulled out its peacekeepers from Kosovo and Bosnia and Herzegovina in 2003, so unlike the EU, it does not have any boots on the ground, which is telling for a country that has constructed its foreign policy around military interventions. In the absence of any credible hard power instruments except for its energy exports, Russia's policy towards the region resembles what Burazer (2017) calls a "spoiler power", understood as an actor focused on undermining Western policies in the region rather than providing a viable alternative (Vuksanovic, 2023, p. 36).

Russian influence in the Balkans is limited in both economic and security terms, particularly compared to the EU. For the Western Balkans, the EU is their main partner for exports (81.0 %) and imports (57.9 %) (Eurostat, 2023). In comparison, except for energy, Russia is a minor partner in exports (2.7 %) and imports (3.9 %) (ERPS, 2022). The Economic and Investment Plan for the Western Balkans of EUR 9 billion in grants and the ultimate aim of mobilising EUR 30 billion in total (European Parliament, 2022) build on the financial support awarded during the COVID-19 pandemic and the Energy Support Package agreed on during the November 2022 Berlin Summit (WBIF, 2022). Even before the war in Ukraine, in 2021 Russia's Sberbank sold its subsidiaries in Southeastern Europe (Reuters, 2021), saying a lot about the Kremlin's ability to economically influence the region. Alongside its soft power and being a counterbalance to Western influence, the Kremlin only retains its energy leverage, which continues to yield a disproportionate influence.

Short-term needs versus the EU's climate ambitions

Short-term developments point towards a continued heavy reliance on coal: out of the six countries, only North Macedonia has specific plans to phase out coal by 2030 (Todorović, 2022), 2020), while both Serbia and North Macedonia are raising coal power generation in response to the crisis (Bytyci & Teofilovski, 2022). The relatively high indigenous lignite production makes coal dependency tempting, in spite of the highly polluting and inefficient thermal plants. The 16 coal plants in the Western Balkans pollute as much as the 250 EU ones combined (Kokkalis & von Cramon, 2019). Up until now, the distant EU membership and the climate conditionality that it would bring have done little to motivate the Western Balkan states to ditch their dirty energy habit. As the EU progresses towards a carbon-free future by the current target date of 2050, the share of the Western Balkans' emissions will only continue to increase, a position that will continue to become all the more awkward as the EU Member States shut down their own, far less polluting coal power plants. The cross-border nature of pollution is already translating into higher prioritization, reflected by the connectivity agenda of the Berlin process and the EU's prioritization of its own climate agenda.

At the Western Balkans Summit in Tirana, which was the first summit that took place in the region (European Council, 2022) in December 2022, the EU launched a EUR 1 billion energy support package for the Western Balkans. Half of the amount is dedicated to mitigating the immediate effects of the energy price spikes. The other half is dedicated to medium-term projects with the conditionality that it must be used to diversify away from Russian gas and towards renewable sources of energy. Conversely, a renewed impetus for integration will only serve to harden the EU's carrot and stick approach, incentivizing the allocation of internal resources towards the energy transition. Once the integration curse is broken by one or more Western Balkan states acceding, supported by advances in the EU's Climate Agenda, it will reinforce issue linkage at a diplomatic level. The Regional Cooperation Council, supported by the EU, has put forward a proposal for deeper energy cooperation (Regional Cooperation Council, 2022), highlighting an institutional synchronicity in energy prioritization and embedding energy diplomacy in the wider integration process. It remains to be seen what role the EU-funded Energy

Commission will play in the medium term, as enlargement diplomacy meets energy realities. As of now, the initiative is heavily involved in Moldova's and Ukraine's energy transition, which will provide a good benchmark for what can be achieved in the Western Balkans.

The recent adoption of the Carbon Border Adjustment Mechanism (CBAM) will further link EU integration with the energy transition, as aspiring Balkan EU members will have to align with the EU *acquis*. If until now it was up to national governments how hard they wanted to press with EU membership, the process will now be conditioned by an instrument designed by the EU, with the decisions taken in the EU. The Western Balkan states risk facing levies starting from 2026, or they can take advantage of the existing exemptions and carve out some breathing space until 2030 (Taylor, 2023). Either way, after many years of solo dancing, the EU and the Western Balkans are lock-stepped in a conditionality-driven tango. This will have a great impact at the national level: with domestic pricing mechanisms in place, the Western Balkan countries could collect at least EUR 2.8 billion annually, which could be channelled into renewable sources of energy (Ciuta & Gallop, 2022). The renewable energy potential of the region has been widely commented upon, further raising European incentives for investment, which have the potential to turn a vicious cycle of wasteful dirty energy generation into a virtuous investment cycle in renewable energy. Whether it is Serbia's geothermal potential (Cariaga, September 2022), Albania's hydropower (IHA, 2019), or the wind and solar energy potential of Bosnia and Herzegovina (ITA, 2022), the region as a whole is well set to reaping the benefits of the energy transition. A rather aggressive approach on the EU's part, building on the existing momentum and a coordinated diplomatic offensive, is slowly building up towards a situation where the Western Balkan states have a binary choice between EU membership and a pre-accession grey zone in the absence of a credible geopolitical alternative.

The region is experiencing a positive energy encirclement. The Greek LNG terminals are creating connectivity waves northwards with the Greece-Bulgaria and Greece-North Macedonia interconnectors, while construction work on the Serbia-Bulgaria interconnector (IBS) started in February 2023 (Onyango, 2023). To the east, the proposed Arad-Morkin pipeline will connect Serbia to the Romanian section of the BRUA

pipeline, which takes its name from the Romanian initials of Bulgaria, Romania, Hungary, and Austria, the four countries it transits, connecting later in this decade to Romania's Black Sea gas as well (Patricolo, 2022). Further east, the Azerbaijan-Georgia-Romania energy cable will give the Western Balkans access to Azeri electrical energy, further contributing to the available resources for energy diversifications. Finally, Türkiye's ambitions to become a regional energy hub, recently translated into an energy deal with Bulgaria (Kobeszko *et al*, 2023), will bring the region closer to the Caucasian and Central Asian energy resources.

The Western Balkans sit at the centre of this infrastructure shift, with legitimate expectations that the region can go beyond being a mere consumer. Ever since the 2006 and 2009 Russo-Ukrainian gas spats, the region has been seen as a geographically viable alternative to the transit routes through Ukraine, a tendency best exemplified by TurkStream and the role that the TransBalkan pipeline now plays in bringing in Azeri gas. A clearer geopolitical orientation and the predictability of the business environment brought by the EU integration process might well see the region reap some of the benefits associated with transit fees, which can provide a substantial economic lifeline for the clean energy ambitions of the region.

Conclusion

The Western Balkans are on the cusp of an energy revolution, which for the first time in recent history is a factual reality of internal and external developments rather than an expectation of a certain course of action. With the country energy infrastructure of the region bound to reach a breaking point during the current decade, a structural energy transformation is becoming a prerequisite for the functioning of society rather than a political choice. In this process, the Western Balkans have great qualities – their relatively small size, comprising just 3% of the EU's population, making external investment meant to achieve stability much cheaper than managing a crisis. The EU has mustered up new enlargement strength after a period of relative apathy, best epitomized by enlargement fatigue and failed vaccine diplomacy. The war in Ukraine will long linger in the minds of European strategic elites, with

the energy sector as a potent outlier: the West has successfully propped up Ukraine's energy grid, thrice the size of that of the Western Balkans, under constant bombardment by Russian forces, a political and logistic feat that will shape strategic thinking in the West regarding its ability to change the energy fate of the region.

Indigenous political will and material resources will play a co-determining role in this shift, fuelled by the climate conditionality embedded in the EU *acquis*, which with new instruments at its disposal will amp up the pressure on the Union's carrot and stick approach towards the region. After years of frustrating progress, the EU is slowly building up towards a more sustainable accession process, intertwining it with an energy transition. Once the accession curse is broken, internal discourse will change in the countries that are still waiting, and together with it the strategic prioritization of energy transition as a prerequisite for European ascension. The entire process will be partly directed at and will indirectly affect Russian influence in the region, with energy diplomacy spearheading European alignment.

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An Assessment of the Potential of EU-Azerbaijan Energy Cooperation and its Impact on EU Gas Dependence on Russia

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Abstract: According to the Memorandum of Understanding (MoU) on a strategic partnership in the field of energy between the European Commission and Azerbaijan, the latter will double its current supply of natural gas to Europe until 2027. That being said, does Azerbaijan have the capacity to produce and transport this increased volume – and what role will cooperation with Azerbaijan play in reducing EU gas dependence on Russia? In this paper, the authors explore the country's energy production and transport capacity, assess its potential, and define future challenges.

Keywords: Azerbaijan, EU, natural gas, crude oil, green energy

Introduction

Azerbaijan has a 25-year history in energy cooperation with Europe, which can be divided into three stages: past (oil), current (gas), and prospective (green energy).

The past stage consists of crude oil export to Europe, which started in 1994 and is still ongoing. In 1994, the Government of Azerbaijan signed a Production Sharing Agreement (PSA) on the Joint Development of

the Deep-Water Reserves of Azeri, Chirag, and Gunashli (ACG) with 13 international energy giants, mainly Western companies (BP, Amoco, Unocal, LUKoil, Statoil, Exxon, TPAO, Pennzoil, McDermott, Ramco, and Delta Nimir). After signing the PSA, Azerbaijan first sent crude oil to the British market through the Novorossiysk seaport in the Black Sea in 1998 (Shaban, 2019). Azerbaijan extracted more than 607 million tonnes of oil from Azeri-Chirag-Gunashli and Shah Deniz between 1994 and 2023, more than 605 million tonnes of which were exported to various European countries and Israel (Ministry of Energy of Azerbaijan, 2023).

Azerbaijan has three crude oil export pipelines, all of them serving the Western market. The country has exported most of its oil to the European market through the Baku-Tbilisi-Ceyhan (BTC) pipeline since 2006. In 2017, Azerbaijan and the shareholders in the ACG venture, i.e. BP (Operator, 30.37%), SOCAR (25.00%), Chevron (9.57%), INPEX (9.31%), Statoil (7.27%), ExxonMobil (6.79%), TPAO (5.73%), and ONGC Videsh Limited (2.31%) signed an amended and revised agreement for the Joint Development of the ACG fields in the Azerbaijani Sector of the Caspian Sea (BP, 2017), in which the exploitation of the ACG field was expanded until 2050.

Since 2011, there has been a natural decrease in oil production in Azerbaijan, both on land and in the Caspian Sea. Onshore deposits have been developed for a long time, and most are already obsolete. The situation is better offshore; however, the main volume of oil is provided by the ACG block, which has been developed since 1997, and production is decreasing year by year. In 2022, production in Azerbaijan was 32.6 million tonnes, 0.88 % less than in 2021 and 2.35 % less than in 2020. According to the government's forecasts for 2023-2026, domestic oil production should total around 31.222 million tonnes in 2023, nearly 30.65 million tonnes in 2024, about 30.695 million tonnes in 2025, and around 30.274 million tonnes in 2026. The latter would be 3% below the figure forecast for the current year (Interfax, 2023).

The current stage of Azerbaijan's energy cooperation with Europe covers gas export cooperation between the European Union (EU) and Azerbaijan while reducing oil production in the country. During this stage, Azerbaijan extracted approximately 203.4 bcm of gas from the ACG and more than 182.8 bcm of gas from Shah Deniz between the establishment of the ACG and Shah Deniz until 2023.

The task of increasing and diversifying Europe's energy supply by bringing gas resources from the Caspian Sea is implemented within the framework of the Southern Gas Corridor (SGC) project. The foundation of the SGC project was laid in 2014, where the SGC project was an initiative of the European Commission (EC) for a natural gas supply route from the Caspian and Middle Eastern regions to Europe. The purpose of the SGC project is to ensure the export of natural gas to Türkiye and from there to Southern Europe. The main elements of the SGC project include a full-scale development of the Shah Deniz gas condensate field; the expansion of the South Caucasus Pipeline (SCPX); the Trans Anatolian Natural Gas Pipeline (TANAP) project, and the Trans-Adriatic Pipeline (TAP) project. With three interconnected pipelines (SCPX, TANAP, and TAP) traversing seven countries (Azerbaijan, Georgia, Turkey, Bulgaria, Greece, Albania, and Italy) the SGC is a project unlike any other (BP, 2021).

Supplying Azerbaijani natural gas to the European market through TAP started in 2020. Since the day TAP was commissioned, 18.5 bcm gas has been transported through the pipeline, of which about 16 bcm has been sent to Italy. Thus, Azerbaijan supplies more than 14% of Italy's demand for natural gas. In 2021, Azerbaijan supplied 8.15 bcm of gas to the European market via the TAP pipeline, of which 6.8 bcm was sent to Italy and about 1.2 bcm to Greece and Bulgaria. In 2022, Azerbaijan supplied 11.3 bcm of gas to the European market, of which 9.8 bcm gas was transported to Italy and 1.5 bcm to Greece and Bulgaria.

As a part of the SGC project, the Shah Deniz natural gas-condensate field operates in two stages, Shah Deniz 1 and 2. Stage 1 covers about 10 billion cubic metres of gas per year. The output in the Shah Deniz-1 field is decreasing, but the Shah Deniz Stage 2 field has the potential to produce 16 billion cubic metres of gas.

In 2022, President of the EC Ursula von der Leyen visited Baku and signed a new agreement with Azerbaijan aimed at increasing the country's gas exports to the EU. The new agreement envisages a substantial increase in the annual volume of gas exported from Azerbaijan to Europe over the next four years. Under the new agreement, the country is expected to increase its gas exports to the EU within the framework of the SGC project to 11.6 bcm by 2023, and 20 bcm by 2027.

The prospective stage of cooperation covers renewable energy. Azerbaijan has a rich renewable energy potential, as it is possible to implement solar energy projects in almost the entire territory of the country. In terms of wind energy, the Caspian Sea area, the Absheron peninsula, Baku, and the Khizi region are considered favourable. The solar energy potential is high in the Karabakh region, including the liberated territories.

Thus, solar energy has high potential in the Kalbajar, Lachin, Gubadli, Zangilan, Jabrayil, and Fuzuli regions, while wind energy is more highly valued in the Lachin and Kalbajar regions. The average annual wind speed in the mountainous areas of the Kalbajar region is 7-8 m/s, which is favourable for the production of wind energy. Considering that 25 percent of the local water resources in Azerbaijan is located in Karabakh, electricity production from the main rivers, such as Tartar, Bazarchay, and Hekari, and their tributaries is considered favourable.

The Caspian Sea also has excellent potential in terms of offshore wind energy. According to preliminary estimates, the Caspian Sea is considered to have 157,000 megawatts of energy in the Azerbaijani sector alone. This is twenty times more than Azerbaijan's current capacity of power plants.

Azerbaijan is starting to become an exporter of electricity and green energy to European markets, and transitioning from alternative energy to renewable energy sources is an essential task for the country. Azerbaijan, Georgia, Romania, and Hungary signed an agreement in 2022 on the construction of an electric cable running under the Black Sea to carry green Azeri energy from the planned Caspian Sea wind parks to Europe. According to the document, the agreement involves a 1,100 km (685 mile), 1,000 MW cable running from Azerbaijan to Romania as part of wider EU efforts to diversify energy resources away from Russia amid the Ukraine war. The project looks viable in the context of the EU's Green Deal and specific EU emission reduction targets for 2030. However, it requires further development of renewable energy sources in Azerbaijan, as the country's green energy sector is still nascent, and the numerous memoranda and partnerships regarding future investment opportunities in the country have yet to materialize (Kubiak, 2023).

By supporting green energy, Azerbaijan will balance the use of natural gas and renewables in electricity production, which will increase the country's potential for electricity production and export. Europe also aims to speed up the green energy transition to support sustainable development by saving energy and diversifying energy supplies. So far, the Black Sea submarine electricity cable project shows that regional cooperation is vital for implementing strategic projects.

Hence, the aims of Azerbaijan and the EU overlap through an increasing reliance on green and renewable energy, especially in the shadow of the war in Ukraine and the energy crisis. Regarding the potential in this field, "although the price of equipment operating based on renewable energy technologies has decreased many times in the world market in the last ten years, this equipment is still expensive for households in Azerbaijan. Therefore, in these conditions, suddenly abandoning traditional energy carriers can lead to an increase in prices and an energy crisis; hence, the process of transition to „green energy” sources in Azerbaijan should be carried out thoughtfully, with the application of a comprehensive approach to environmental, economic, and energy security issues" (Ibadoghlu, 2022).

A retrospective analysis of the energy sector in Azerbaijan

President Ilham Aliyev has presented Azerbaijan as a hydrocarbon-rich country on various platforms. In a 2023 interview to local television channels he stated that "Azerbaijan's confirmed reserves are well known. I have stated the figure many times - 2.6 trillion cubic meters, but I am sure it will be much more. Azerbaijan's fields will supply gas to international markets for at least another 100 years, i.e. as technologies develop, production opportunities will increase" (Aliyev, 2023). However, according to the Annual Statistical Bulletin of the Gas Exporting Countries Forum, the confirmed gas reserves of Azerbaijan amounted to 1.917 trillion cubic meters at the end of 2021, which is 12.86 % less than at the end of 2020 (Gas Exporting Countries Forum, 2021). To assess the potential of the energy sector

of Azerbaijan, a retrospective analysis is necessary to explore its reserves, along with indicators of production, domestic demand, and export potential. For this, the government of Azerbaijan should first improve and unify its national energy statistics, especially the actual and forecast indicators of production.

On the whole, there are problems in ensuring the availability of detailed statistical data on the energy sector in Azerbaijan, as well as in the presentation of statistical data on the leading performance indicators of government bodies that produce and export energy. The national energy statistics are not perfect, and several government bodies publish different indicators for the same activities in the energy sector. In particular, there are significant differences between the indicators of natural gas losses, electricity transmission, and distribution losses, which play an essential role in the evaluation of the efficiency of energy use. The reason for this is that the recommendations put forward in the In-depth Review of the Energy Efficiency Policy of the Republic of Azerbaijan prepared in 2019 have not been implemented yet, and the information base does not use a unified methodology for national energy statistics. Currently, the State Statistical Committee (SSC), the Ministry of Energy (MoE), the State Oil Company of the Republic of Azerbaijan (SOCAR), and the State Customs Committee (SCC) release data on energy statistics, but sometimes the statistics released by the President of Azerbaijan raise questions because there is no agreement between them. Therefore, independent experts prefer to apply a mirror customs statistics methodology to support the data on import and export operations, using data and statistics from IEA, EBRD, WB, OECD, and various energy companies.

According to information from the SSC, gas and oil retained a leading position in the final consumption of energy products in Azerbaijan until 2022, and a deterioration in the dynamics of energy dependence and energy self-sufficiency indicators was recorded. At the same time, during the five-year period of 2017-2021, the specific weight of electricity received from renewable energy sources in total electricity production also decreased.

Table 1.
Final consumption of energy products, in %

	Gas	Oil	Electricity	Thermal	Renewable
2021	45.1	37.2	14.6	2.8	0.3
2020	46.3	36.2	14.5	2.7	0.3
2019	42.3	40.4	14.1	2.8	0.4
2018	36.2	45.1	15.5	2.8	0.4
2017	39.2	43.2	15.7	1.5	0.4

Source: State Statistical Committee, 2023

As can be seen from Table 1, compared to 2017, the share of gas in the final consumption of energy products in 2021 increased from 39.2 % to 45.1 %, the share of oil decreased from 43.3 % to 37.2 %, the share of electricity decreased from 15.7 % to 14.6 %, and the share of thermal energy increased from 1.5 % to 2.8 %. During the five years between 2017-2021, the share of renewable energy decreased from 0.4 % to 0.3 %, and the share of gas and thermal energy in the final consumption of energy products increased in Azerbaijan, while the share of oil, electricity, and renewable energy decreased. During this period, the specific weight of electricity received from renewable energy sources in the total electricity production decreased from 8.1 % to 5.8 %. The main source of the final consumption of energy products in Azerbaijan is traditional energy sources, among which the share of the depleted oil and gas resources is more than 80 %, which indicates a high potential for a transition to renewable energy and that there is much work to be done.

As can be seen, although the number of Azerbaijan's energy transition initiatives is increasing, to mobilize the existing and prospective potential in this field, new and innovative technologies, and skilled personnel

with modern knowledge is required, as is the investment of billions of dollars. All this should begin after thorough studies and calculations on the efficiency of the investments.

Finally, the structural analysis indicates that traditional energy sources dominate final consumption, and the trend analysis shows that the role of renewable and alternative energy sources in ensuring final consumption is noticeable and requires a lot of time. In addition, during the last five years, the role of gas in final consumption has increased, the special weight of oil has decreased, and the share of electricity, thermal, and renewable energy sources has remained the same. The increase in the role of gas in the final consumption can be explained by the level of industrialisation in the gas-chemical sector (e.g. the fact that some industrial enterprises under SOCAR such as “SOCAR Methanol” and “SOCAR Carbamide” have started to operate, where natural gas is used as a raw material, as well as replacing fuel oil with gas in the energy supply of power plants, and increasing the level of gasification in the population).

Table 2.
The specific weight of electricity from renewable energy sources in total electricity production, in %

Years	The specific weight of electricity from renewable energy sources in total electricity production, in %
2021	5.8
2020	5.5
2019	7.3
2018	8.1
2017	8.1

Source: State Statistical Committee, 2023

As can be seen from Table 2, the specific weight of electricity received from renewable energy sources in the total electricity production in Azerbaijan during 2017-2021 reached a maximum level of 8.1 % in 2017, while it was 3 percentage points lower in 2021. This can be explained

by the increase in investments in thermal and hydroelectric power plants and the increase in production. However, the Strategy of Socio-Economic Development of the Republic of Azerbaijan for 2022-2026 aims to increase the share of renewable energy sources in the installed power of electricity production to 30% by 2030.

Table 3.
Gas production in Azerbaijan, in bcm, 2023

Years	Natural gas - total (in bcm)
2021	43,867
for commodity	32,578
2020	37,140
for commodity	26,487
2019	35,610
for commodity	24,514
2018	30,490
for commodity	19,207
2017	28,596
for commodity	18,186

Source: State Statistical Committee, 2023

Table 4 presents the indicators of gas export from Azerbaijan for the period of 2017-2021, based on information determined by the SCC on the basis of meter readings.

Table 4.
Gas export of Azerbaijan, in bcm

	2017	2018	2019	2020	2021
Natural gas, bcm	7,543	7,900	12,537	12,424	20,046

Source: State Customs Committee, 2023

The export of Azerbaijani gas to Europe through TAP began on 31 December, 2020. Current buyers of Azerbaijani gas in the EU are Italy, Greece, Bulgaria, and Romania. In 2022, Azerbaijan increased its gas export by 18 % to 22.3 bcm. Azerbaijani gas exports to Europe amounted to 11.4 bcm in 2021, or 51 % of all supplies from Azerbaijan. Azerbaijan plans to export 24 bcm of gas in 2023 in total, of which Europe will receive approximately 11.6 bcm. The rest of the export goes to Turkey and Georgia. In 2021, the export to Turkey was 8.4 bcm, while the export to Georgia was 2.5 bcm. Azerbaijan will increase its gas supply to Turkey by 19 percent to 10 billion cubic meters in 2023.

Table 5.
Energy dependence and self-sufficiency, in %

	Energy dependence	Self-sufficiency
2021	-267.6	376.9
2020	-253.8	363.3
2019	-253.0	361.3
2018	-268.1	372.9
2017	-259.3	367.8

Source: State Statistical Committee, 2023

As seen in Table 5, Azerbaijan's energy self-sufficiency rate¹ was 376.9 % higher in 2021 compared to 2017. A similar trend can be observed in the dynamics of the energy dependence indicator over the analysed five-year period. As it can be observed, the peak level of Azerbaijan's independence and energy self-sufficiency was recorded in 2018. The main factor determining the change in this situation is the high growth rate of domestic demand for energy compared to production during the period.

1 The energy self-sufficiency rate is the ratio between national primary energy output and the consumption of primary energy each year. A rate of over 100% indicates a national production surplus in relation to domestic demand and therefore net exports.

A perspective analysis of the energy sector in Azerbaijan

MoE, SCC, and SOCAR publish statistics on gas production and consumption in Azerbaijan. The indicator on the export of natural gas is issued based on customs declarations, with the declaration on the executed gas not submitted during its pipeline transportation but after its actual sale. SSC does not publish a ranking of the countries where Azerbaijan exports gas. Table 6 summarizes these indicators.

Table 6.
Gas production, consumption, and export in Azerbaijan, in bcm

	2017	2018	2019	2020	2021	2022	2023*
Commodity gas production	18.2	19.2	24.5	26.5	32.6	35.0	36.2
Consumption	10.5	10.8	11.8	12.5	13.0	13.5	14.0
Export	8.6	9.6	11.7	13.5	18.9	22.3	24.5
Turkey	6.5	7.5	9.2	11.5	8.8	8.4	10.0
Georgia	2.3	2.4	2.4	2.3	2.3	2.5	2.9
Europe	-	-	-	-	8.2	11.4	11.6
including Italy					6.8	10.2	-
Greece					1.4	0.6	-
Bulgaria					-	0.6	-

Source: Ministry of Energy and the Annual Statistical Bulletin of the Gas Exporting Countries Forum (GECF), 2023 (Note: The figures for 2023 are forecast indicators.)

As seen from the data in Table 6, gas production, consumption, and export in Azerbaijan display a positive trend. One main point that draws attention here is regular consumption and production growth. Thus, domestic consumption in 2021 was 13 bcm, 8.4 % more than in 2020. Domestic gas consumption in Azerbaijan increased by 6.27 % in 2020 compared to 2019 and reached 12.53 bcm. Azerbaijan's natural gas export to the EU market in 2021 was 43.15 % of the total gas export or 8.2 bcm. In 2022, it was 50.67 % or 11.3 bcm. These indicators are expected to be 47.34 % or 11.6 bcm in the current year. In 2023, the total volume of natural gas to be exported from Azerbaijan will be 24.5 bcm, of which 11.6 bcm will be delivered to Europe (Ilham Aliyev, 2023).

Table 7.

Forecast indicators for the production of commercial natural gas in Azerbaijan covering the years 2023-2031

Indicators	2023	2024	2025	2026	2027	2028	2029	2030	2031
Commodity gas production, in bcm	36.2	36.6	36.6	36.5	36.4	36.2	36.0	36.4	37.3
In comparison with the previous year, in %	2.0	1.0	0.0	-0.3	-0.3	-0.5	-0.5	1.0	2.5

Source: Fitch Ratings international rating agency, 2023

As we can see from Table 7, the forecast of Fitch Ratings international rating agency for natural gas production in Azerbaijan until 2032 shows that gas production in the country is expected to change in a wavelike manner (Fitch Ratings international rating agency, 2023). Thus, in the interval between 2023 and 2025, gas production will increase, beginning

to decrease in 2026, and returning to growth from 2030. According to the forecast, between 2023 and 2031, the highest indicator of gas production (37.3 bcm), will be recorded in 2031, and the lowest indicator (36.2 bcm) will be recorded in 2023 and 2028.

Challenges ahead

Although gas production and export in Azerbaijan show a positive trend, an analysis of the actual and forecasting data show that Azerbaijan cannot meet the volume requested by the Memorandum of Understanding between the EC and Azerbaijan in the energy field (Memo, 2022).

The first challenge is related to the volume of gas production and consumption. In addition to the Shah Deniz gas field, the largest gas field in Azerbaijan, there are three other gas fields that are of particular importance, namely the Absheron, Shafaq-Asiman, and Umid-Babek gas fields. Ilham Shaban, head of the Oil Research Center, has told RFE/RL that Azerbaijan currently has three potential gas-related projects: “The first is a gas field in the deep layer of the ACG block. It can be developed and put on the market by 2025 at the earliest. It is possible to launch the Absheron-2 project by 2028 at the earliest. The third project is Umid and Babek. We extracted 1.5 bcm of gas from Umid last year, and it is planned to extract 3 bcm from there in the next five years” (Shaban, 2023). Thus, according to local energy expert estimation and Fitch forecasting, a slight increase in commodity gas production is expected in Azerbaijan until 2027.

This indicates that Azerbaijan’s ability to export more gas to European markets will lead to significant changes at the end of this decade, but it does not change the current situation substantially. Alongside this slowly increasing gas production, there is also a steadily growing gas demand from Azerbaijan’s population and the country’s growing economy. Launching new production capacities in the industry creates additional demand for gas, and population growth and the restoration of territorial integrity are also expected to increase the demand for gas (Ibadoghlu, 2023).

Thus, both gas production and the demand for gas in the country's industry and the population is expected to keep increasing in Azerbaijan until 2027. Although there is a policy to improve energy efficiency to reduce the growth rate of domestic demand, the indicators confirm that no significant results have been achieved in this direction. Therefore, one of means in this field is to increase the share of renewable energy sources in the energy balance and reduce the losses in gas delivery in order to reduce domestic gas consumption.

The current trends suggest that domestic consumption will hit 14 bcm in 2023 and around 15 bcm in 2026. In this case, the volume of natural gas in Azerbaijan will increase by 3-4 million barrels compared to the current level of export to the European market. Considering domestic consumption, exports can be increased by an additional 2.5-3.0 bcm by 2026. This means Azerbaijan's EU exports can be increased to around 15 bcm by 2027. As there will likely be no significant increase in production in Azerbaijan before the end of the current decade, Azerbaijan needs more time to be able to export 20 bcm to Europe. Plans to increase the gas supply to Europe will likely be undermined by Azerbaijan's growing domestic demand (extra gas for industrial needs and the gasification of residential areas) and slow gas production. Indeed, the only viable way for the country to fulfil its obligations to Europe by 2027 would be to purchase additional gas from Russia and Turkmenistan. This would be entirely counterproductive given the political rationale of the EU-Azerbaijan energy memorandum. As for the export of green energy, significant changes in this field require a large amount of investment and an extended period of time.

The second challenge is related to the capacity of gas transportation. The capacity of the TAP pipeline can be expanded from 11 to 20 bcm, while TANAP's annual capacity can be increased from 16 bcm to 24 bcm and then to 31 bcm. At the same time, European gas buyers must make legal and commercial commitments to Azerbaijani gas producers. These changes will also take time and financial resources.

Finally, whether tangible results can be achieved will depend not only on the decisions made by the Azerbaijani government but also on the positions taken by transit countries and the companies that own the associated gas fields and pipelines. Reconciling these competing interests will require considerable time and financial resources. All

of this will likely make the goal of substituting Russian gas imports with gas from Azerbaijan something of a pipe dream in the near term. Natural gas supplied by Azerbaijan to the EU market last year was 2.35 % of its consumed volume and 7.35 % of the Russian gas imported to the European market in 2021.

Future expectations for Central and Southeast Europe

Around 15 bcm is undersized for the European market, covering a tiny part of demand in the EU markets. However, Azerbaijan can make a difference in individual countries in Central and Southeast Europe, such as Greece and Bulgaria, where it now supplies one-third, and Italy, where it supplies 14 % of annual gas consumed. This will also likely be the case in Serbia, Croatia, Albania, Hungary, Bosnia and Herzegovina, and Slovakia in the future.

According to Baku-based energy research organisation Caspian Barrel, during the first quarter of 2023, the Greek gas transmission system DESFA reported that Azerbaijani gas transported via the TAP pipeline covered 21.6% of Greek gas imports, followed by Russian gas imports at 19%. This comes after Greece reduced Russian gas imports by 56% during the first quarter of 2023 (Caspian Barrel, 2023).

Romania's natural gas producers ROMGAZ and SOCAR TRADING, a subsidiary of Azerbaijan's State Oil Company, have signed the first individual contract for gas deliveries from Azerbaijan to Romania. The individual contract allows gas deliveries through the Southern Corridor, using the transportation capacities of TAP, the Interconnector Greece-Bulgaria (IGB), and the Bulgarian and Romanian transmission systems. SOCAR will supply Romanian state oil and gas producer Romgaz between 1 April, 2023 and 31 March, 2024.

Bulgaria and Serbia are also looking to Azerbaijan for diversifying their gas supply. Bulgaria has finished an interconnector with Greece, so now it has the technical conditions to increase imports, while Serbia is building a pipeline with Bulgaria for such an option. Serbia is currently negotiating gas from Azerbaijan, and supply through a gas interconnector

with Bulgaria could begin next year. Additionally, Romania, Azerbaijan, Turkey, Bulgaria, Hungary, and Slovakia as a member of the “Solidarity Ring” initiative, signed a new agreement on the import of Azerbaijani gas at the 25-26 April conference in Sofia. Plans will be implemented to expand gas infrastructure from Azerbaijan to Central Europe through Bulgaria (Energynomics, 2023).

At this meeting, President Ilham Aliyev said that Azerbaijan plans to start gas supplies to Hungary and Slovakia at the end of 2023. “Today, Azerbaijani gas is exported to Georgia, Turkey, Greece, Bulgaria, Italy, and from this year to Romania. By the end of this year, subject to the availability of all necessary interconnectors, we plan to start gas supplies to Hungary and Slovakia”. According to him, Azerbaijan also continues negotiations with Albania on the construction of a local gas distribution system, as well as with Slovakia, as a member of the “Solidarity Ring.” (Interfax a, 2023)

Azerbaijan-Hungary relations have additional development prospects in a bilateral and multilateral format (within the framework of the Turkic States). Thus, in the 2000s, Hungary was an interested party in the Nabucco project through MOL. In 2009, Hungary hosted a Nabucco Conference in Budapest, with Ilham Aliyev as a special guest. The oldest practical aspect of energy cooperation between the two countries is the AGRI gas project, launched in 2010. A project company was set up with a 25 % share of each participant (the energy companies of Azerbaijan, Georgia, Romania, and Hungary), with Hungary’s share belonging to MVM. The project has been mothballed since the mid-2010s, but the project company still exists.

In early 2020, Hungarian oil company MOL purchased 9.57 % of ACG concession share from Chevron. The deal also included the purchase of an 8.9 % share in the BTC oil pipeline. MOL is currently looking for investment opportunities in producing Azerbaijani onshore gas fields, and a SOCAR delegation has visited the MOL office on this topic. Although commercial talks have been going on between state-owned gas wholesaler MVM CEEnergy and SOCAR since early 2020, these talks have gained momentum in 2023. As for natural gas, a political agreement was made in 2023 about future long-term gas supply from Azerbaijan to Hungary, and during President Ilham Aliyev’s visit, an MOU was signed about cooperation in the field of natural gas supply between the two countries.

The EU supports a green energy corridor from Azerbaijan to Georgia, the Black Sea, and Romania to Hungary. The energy would come from various Azerbaijani renewables, such as future Caspian wind parks. A viability study is expected to be ordered soon for this project. For Azerbaijan to meet the energy demand of the countries of Central and Southeast Europe, however, billions in new investments and patience will be required.

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Lost Generations Losing Generation: the Consequences of the Demographic Crisis in the Western Balkans

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Abstract: The countries of the Western Balkans are facing a serious demographic crisis due to a declining birth rate that is in line with European trends, and the situation is exacerbated by high levels of migration, mainly towards the European Union. A cheap, well-educated labour force from the Balkans has been working as guest workers in Western European countries since the late 1960s, a tradition that has continued and even intensified since then. The exodus of the population, especially young and skilled workers, is already leading to labour shortages in the region, which discourages the inflow of FDI that would be essential for development. Outlining the current demographic trends, this paper concludes that the demographic crisis in the Western Balkans is irreversible; governments are failing to provide adequate incentives to increase birth rates, while labour and brain drain increases.

Keywords: demography, migration, emigration, population decline, Western Balkans

Introduction

The countries of the Western Balkans (WBs) are facing depopulation, with serious political, social, and economic consequences. The causes of the population decline are multifaceted: in addition to low and declining

fertility rates and ageing societies, the high level of emigration is a major challenge. While the region is in line with the European Union (EU) average in terms of demographic indicators, it is also affected by emigration, which is atypical within the EU. While some EU member states can make up for their declining population, the Western Balkans do not have a similar migration hinterland. Data indicates that for instance, Serbia may soon have more pensioners than working-age individuals (Statistical Office of the Republic of Serbia, 2023). The fertility rates in the Balkans are among the lowest in the world, with Bosnian women averaging 1.35 children (The World Bank Data, Fertility rate, total (births per woman), 2023). On the other hand, while Kosovo has a relatively young population, its fertility rate has also been declining.

Although the region will (soon) face labour shortages, the political leaders are unable to address the challenge, which is mainly due to structural weaknesses in the economies of the countries. The unfavourable economic situation, with its bleak outlook, both increases the propensity to emigrate and prevents the development of effective incentives or family support schemes to encourage people to stay and have children. While emigration initially lowers unemployment and increases remittances, it has long-term negative consequences for these countries. The political situation in the region is not conducive to reversing demographic decline, either. EU membership and its benefits seem an increasingly distant (or unthinkable) future, while the citizens of the Western Balkan countries, with the exception of Kosovo¹, can travel to the EU visa-free, which also facilitates the decision to leave their home country. This paper introduces the demographic and migration trends in the Western Balkans and sheds light on the structural consequences of declining birth rates and extreme emigration.

From baby boom to one child

According to the World Bank, the population of the Western Balkans was 19,879,398 in 1990, shrinking to 17,387,276 in 2021. Albania and Bosnia and Herzegovina have been hit hardest by this population decline,

1 The citizens of the Republic of Kosovo will be able to travel to the European Union visa-free from 1 January, 2024.

losing 25 and 30 percent of their population, respectively (The World Bank Data, Population, total, 2023). In the case of Albania, the extreme population decline is particularly worrying, as the country has not been affected by war conflicts, although major waves of emigration started leaving a repressive and poor Albania when the borders opened after the fall of socialism in the early 1990s. The rapid decline in population is in part due to a declining fertility rate that is in line with Western European trends, the low value of which is especially alarming given the relatively low median age in these countries. While the European median age average is 42 years, in the Western Balkan countries it is 38 years, and Albania and Kosovo have the youngest populations in Europe, with half of their respective populations aged 34 and under 30.5 years (The World Factbook, Median Age, 2023). Following the traditional family model, the fertility rates in Albania and Kosovo were 6.5 and 6.4 in 1960. This underwent a natural decline, but even in 1980 they were still at 3.6 and 4.9, when the fertility rates in the other Western Balkan countries were just at or below the 2.1, which value is needed to reproduce a society. The 2021 fertility rates for all six countries are worrying. Albania and Bosnia and Herzegovina are below 1.4: Bosnia and Herzegovina has the lowest fertility rate in the world at 1.26, Kosovo and Serbia 1.5, while North Macedonia and Montenegro are slightly better off, with fertility rates of 1.6 and 1.75, respectively (The World Bank Data, Fertility rate, total (births per woman), 2023). This trend is fully in line with the EU normal, where fertility rates averaged 1.53 in 2021 (Eurostat, Total fertility rate, 2023). This is supported by the fact that women have their first child at a similar age, and although the society is young, the average age of women at the birth of their first child in Kosovo is 27.3 years and 26.6 years in Albania, which is not different from Serbia, where the median age is 43.3 years, and the average age of women having their first child is 28 years (Eurostat, Mean age of women at childbirth and at birth of first child, 2023).

The percentages may differ, but the trend of population decline is the same for all Western Balkan countries. It is particularly worrying that four Western Balkan countries are among the top 20 countries in the world with the highest population decline. On current trends, between 2020 and 2050, Serbia's population will decrease by 19%, Bosnia and Herzegovina's by 18.2%, Albania's by 16%, and North Macedonia's by

11%. The problem is not unique, among the 20 countries, only Japan (16.3%) and Cuba (10.3%) are not from Southern, Southeastern, or Eastern Europe. Central Eastern and the Southeast European region are at the top of the list not only due to declining birth rates, but also because of the high levels of migration that have traditionally been a feature of the region (DevelopmentAid, 2023).

A culture of emigration

The Western Balkan region has a longstanding history of emigration, starting from the late nineteenth century, when people migrated to the United States, Australia, and Turkey due to various factors, such as the fall of the Ottoman Empire, when the Muslim population was displaced. Emigration continued during the interwar period, World War II, and post-WWII, when labour recruitment agreements were signed with Western European countries, leading to emigration to countries like West Germany (Oruč, 2022). The so-called “Gastarbeiter system” was set up in the 1960s, when citizens of the former Yugoslavia were legally allowed to leave the country to work in Western Europe. By the early 1970s, more than 1 million Yugoslav citizens were living and working abroad, two-thirds of them in the German Federal Republic (GFR), with whom Yugoslavia had signed a recruitment agreement in 1968 (Brunnbauer, 2019, p. 416). This made Yugoslavia the only socialist country to allow economic emigration to the West. The adoption of the agreement (which was signed in 1968 and came into force in 1969) was also one of the direct causes of the 1968 student protests in Belgrade, as students considered the supporting of emigration an admission of the inadequacies of socialism. Economic migration quickly became a hot topic for the demonstrators, who demanded that the government prevent the flow of skilled labour abroad. However, what the government aimed for was to reduce illegal emigration and unemployment, which was incompatible with the socialist ideal, by creating the guest worker system; despite the ban, from the 1960s onwards, more people left Yugoslavia and took jobs abroad. It should also be noted that the political leadership recognised the importance of remittances from Western Europe, which represented a significant share of the country’s GDP (Brunnbauer, 2019, p. 420).

Under the bilateral agreements with Western European countries (France in 1965, then Austria, and finally the most far-reaching agreement with the GFR in 1969), guest workers were (supposed) to return to Yugoslavia as soon as their contract expired, so that new workers could then try their luck. As well as receiving remittances, the Yugoslav leadership also wanted to benefit from the know-how the workers had acquired abroad, in order to contribute to economic growth at home. Labour migration was thus seen as a temporary phenomenon, reflected in the official term “temporary foreign worker” (*radnici na privremenom radu u inostranstvu*) (Brunnbauer, 2019, p. 423) used to describe migrant workers in Yugoslavia. In practice, however, the vast majority of guest workers remained abroad. On the one hand, German employers were reluctant to extend the contracts of skilled and experienced workers; on the other hand, the income in Yugoslavia was not comparable to the opportunities offered in Western Europe. The first generation of guest workers comprised single men aged between 20 and 40, and by 1971 there were 469,000 Yugoslav workers in Germany. By 1973, Yugoslavs accounted for 17.7 per cent of foreign workers in the FRG, making them the second largest group after Turks. Although the oil crisis of 1973 reduced the demand for labour, the workers who had emigrated by then tended to settle in West Germany and start family reunification (Martínez et al., 2006, pp. 8-9).

The next major wave of migration from Yugoslavia to Western Europe began with the fall of the socialist regimes in Central and Eastern Europe, which was further exacerbated by the wave of refugees from the wars in Croatia and Bosnia and Herzegovina following the disintegration of Yugoslavia. For those who left in the 1990s, there was a strong narrative of nineteenth-century emigration to seek better economic opportunities elsewhere and then return to contribute to the building of a new, prosperous, democratic state after World War I. However, these ideas have not been realised, as citizens in the EU have much better economic opportunities, and it is not in their interest to return home. Unlike earlier labour migration, emigration from the 1990s onwards involved entire families, who settled abroad permanently (Oruč, 2022).

Thus, emigration has resulted in a substantial diaspora community worldwide, and since 1990, the number of migrants from the Western Balkans has doubled to almost 3.8 million in 2019. According to World

Bank data, 47% of Bosnians, 45% of Montenegrins, 41% of Albanians, 30% of Kosovars and Macedonians, and 30% of Serbs live abroad (Oruč, 2022). This compares with an average of roughly 11 per cent for all EU countries. Yet the most pressing problem is that young and skilled workers are leaving the region, with economic opportunities an important driver. The EU-27 countries are the primary destination for emigrants from the region. North Macedonia is the only exception to this trend, with 30% of its population (the vast majority of them being Albanians) indicating Turkey as a destination. Intra-regional migration, which is a type of circular migration, with people going back and forth between the countries of the region, is also common in the Western Balkans, making up 15% of the total emigration of the WB. The drivers of intra-regional migration are economic aspects (Susan, 2022, p. 35), with Serbia tempting the largest workforce from Montenegro (more than 50%) (Oruč, 2022). Intra-regional migration is expected to become more significant due to the plans of the Open Balkan initiative regarding the free flow of workforce, although it is to be seen whether the Balkan economies will be able to compete with what the Western European countries can offer. Youth emigration and brain drain are currently prominent issues in the region, with a survey revealing that 33 percent of young people aspire to emigrate. Historically, irregular channels and asylum applications were sought by many emigrants, and it is still common practice among Albanians to submit an asylum request mainly to France and the United Kingdom (Eurostat, Asylum applicants by type of applicant, citizenship, age and sex - annual aggregated data, 2023). Recent developments, such as new regulations and bilateral employment programs, have led to a decrease in asylum applications while also exacerbating skill shortages in specific sectors (e.g. services, especially tourism or the healthcare sector) in the Western Balkans.

Who will work at home?

The declining demographic figures and emigration are leading to labour shortages everywhere. While before 1990, migration was a solution for unemployment and a way to alleviate livelihood problems through remittances, following traditional migration patterns is now leading to labour shortages. In line with European trends, unemployment in

the Western Balkans is also at a historic low, having fallen to 13.5% by mid-2022. However, regional disparities persist, and only half of the working-age population of the region is in employment. A further problem is that youth unemployment is still high, although it reached a record low of 27.1 percent by mid-2022. Furthermore, the favourable employment ratios and unemployment rates are not only the result of out-migration and declining birth rates but also of employment expansion after the COVID-19 pandemic; the resumption of tourism has played a particularly important role in the recovery of the labour market (Madzarevic-Sujster-Record, 2022).

Labour shortages are highlighted as a key problem by businesses in the region and also threaten the volume of foreign capital investment. In the Balkan Barometer 2021 business survey, 43% of respondents indicated that the availability of labour is a major obstacle to doing business and that the situation has worsened compared to previous years. In Bosnia and Herzegovina in particular, labour shortages are a main obstacle to economic development, with 61 percent of respondents saying that the situation has worsened somewhat or significantly. Bosnia and Herzegovina has the highest proportion of people living abroad, most of whom returned to the labour market of their host country after the pandemic was over and restrictive measures were lifted. The highest proportion (50%) was measured in Kosovo, where respondents feel that availability of labour has improved significantly or somewhat (Balkan Barometer, 2022, p. 61).

The Western Balkans are much more vulnerable and exposed to economic shocks than the European Union, which puts additional strains on the region as it emerges from the COVID-19 crisis and experiences the current global energy crisis. High energy and food prices have also led to a significant increase in inflation, which has affected export-import trade and reduced consumer and investor confidence. In addition to the labour market shortages, the current market conditions contribute to the decline in foreign direct investment (FDI) inflow into the region, with additional consequences. The regional external imbalances in the Balkans were largely financed by net inflows of foreign direct investment (FDI) in 2022, accounting for 7.0 percent of GDP. However, levels of FDI inflow varied significantly among the countries. Bosnia and Herzegovina had the lowest net FDI inflows at 2.9 percent of GDP,

indicating a modest increase compared to the previous year (2.7%), due to political frictions and a complex institutional setup impacting foreign investor confidence. Kosovo and North Macedonia trailed behind other Balkan countries in terms of FDI inflows, with their FDI accounting for 6.6 percent and 5.2 percent of GDP, respectively. FDI inflow to Serbia has been unsteady in the past years, as in 2022 it could not reach the 2018 level (8%) with 7.1% (The World Bank Data, Foreign direct investment, net inflows (% of GDP), 2023). In contrast, Montenegro experienced the strongest FDI inflows at 13.5 percent of GDP, driven by tourism, followed by Serbia at 7.1 percent of GDP, particularly in the productive manufacturing subsectors. The rebound in net FDI inflows since 2019 indicates the potential benefits of nearshoring and business relocations from countries like Ukraine and Russia. Without the right amount and quality of foreign direct investment in the Western Balkans (much of the FDI in the region is targeted at low-productivity sectors and low-cost labour), structural adjustment and catching up with the European Union will not be possible, and it will only contribute to further outward migration (World Bank Group, 2023, pp. 42-45.).

However, no change in migration trends is expected which could mitigate the employment shortage, as the diaspora from the Western Balkans represents a—sometimes still—underutilized resource for the development of their home countries. Remittances sent by migrants are a significant source of income for the region, with Serbia receiving the largest amount of remittance (approximately 4,000 million USD in 2019) and North Macedonia receiving the smallest amount (approximately 450 million USD in 2019), although the amounts are better interpreted as a percentage of each country's GDP. The region has seen a consistent inflow of remittances, accounting for 7.1 percent of GDP, maintaining the upward trend observed since 2016. Notably, Kosovo and Bosnia and Herzegovina experienced significant outmigration, reflected in their remittance inflows amounting to approximately 13 percent and 9 percent of GDP, respectively. In contrast, North Macedonia, Albania, and Serbia recorded relatively lower remittance flows, representing a respective 2.7 percent and 5.5 percent of GDP (World Bank Group, 2023, p. 44). In 2022, net remittance inflows in the Western Balkans remained stable, supported by a robust labour market in the European Union, where unemployment rates reached an all-time low of 6.1 percent.

However, based on the recent experience of the COVID-19 pandemic, the impact of a crisis on remittances remains unclear. Serbia, Bosnia and Herzegovina, and Albania experienced a decline in remittances due to their citizens residing in European countries that were affected by the economic recession caused by the pandemic. In contrast, Montenegro, Kosovo, and North Macedonia recorded an increase in official remittances, possibly due to a shift towards formal channels, as informal remittances became difficult during border closures. Lessons from the 2008-2012 global economic crisis, on the other hand, suggest that the average amount of remittance may increase during economic crises in migrants' home countries, as they feel a stronger need to support their families.

Remittances are seen as an informal social protection mechanism for vulnerable groups in the Western Balkans, contributing significantly to recipient households' income and poverty reduction. However, the potential contributions of the diaspora to development, such as investments, knowledge transfer, tourism, and community infrastructure, are largely overlooked by policymakers. The governments in the region have not yet created an enabling environment to harness these contributions. They struggle to attract foreign direct investment and fail to offer preferential treatment to diaspora investors, despite their patriotic interest in investing in the region. Administrative barriers, government inefficiency, and corruption further hinder efficient and sustainable diaspora and foreign investments (Oruč, 2022).

Conclusion

The demographic crisis in the Western Balkans is irreversible, as we are not facing an early crisis, but a deepening one. The WB countries are stagnating politically, their reform efforts have stalled, and attempts to reduce corruption, nepotism, organised crime, or the grey economy, or to ensure the rule of law, media freedom, and the independence of the judiciary remain fruitless. The prospect of joining the European Union is not an incentive anymore to solve these problems either, as all the Western Balkan countries have recognised that they will not be part of the community in the near future. At the same time, the tradition of

working abroad, the possibility of visa-free travel to the EU, and the EU's hunger for labour mean that the Western Balkans will start to empty out, and citizens will live and work in the EU one way or another.

Germany, the EU's largest and most labour-hungry economy, issued the Western Balkans Regulations in 2016 to open its labour market to the six Western Balkan countries, so that their citizens can enter the country's labour market simply, without qualification requirements. In addition, the German Skilled Workers Immigration Act 2020 facilitates access to work in skills gaps for non-EU citizens, with the Western Balkan countries having benefited from this act the most. The same can be said of seasonal work visa schemes from Italy and Greece, which mainly target Albanian guest workers (Susan, 2022, pp. 127-128). The image of a well-educated but cheap workforce from the Balkans is fading for those looking to invest in the region, as the countries in the region are facing labour shortages and, as is the practice in the EU, are trying to bridge the gap with workers from Asia (Hila, 2021). However, without a sufficient inflow of FDI, the Western Balkans will have no chance to complete the structural reforms that the EU (also) expects, and they will face a stalemate if the region cannot provide the appropriate labour force, and its population is already putting its skills to work in the EU.

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Annexes

Table 1.
Fertility rate in the Western Balkans.

Country	1960	1980	1990	2000	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Albania	6.5	3.6	2.9	2.2	1.6	1.7	1.7	1.7	1.7	1.6	1.6	1.5	1.4	1.4	1.4	1.4
Bosnia and Herzegovina	3.9	2	1.8	1.3	1.3	1.2	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4
Kosovo	6.3	4.9	3.6	2.7	2.4	2	2	2.1	1.9	1.8	1.7	1.6	1.6	1.5	1.5	1.5
North Macedonia	3.9	2.4	2.2	1.9	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.3	1.3	1.6
Montenegro	3.4	2.2	1.9	2.1	1.7	1.7	1.7	1.7	1.8	1.7	1.8	1.9	1.8	1.8	1.8	1.8
Serbia	2.1	1.87	1.7	1.5	1.4	1.4	1.5	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

Source: World Bank Data, 2023.

Table 2.
Population of the Western Balkans.

Country	1960	1990	2000	2010	2020	2021
Albania	1,608,800	3,286,542	3,089,027	2,913,021	2,837,849	2,811,666
Bosnia and Herzegovina	3,262,539	4,494,310	4,179,350	3,811,088	3,318,407	3,270,943
Kosovo	947,000	1,862,000	1,700,000	1,775,680	1,790,133	1,786,038
North Macedonia	1,462,368	2,044,174	2,026,350	2,055,004	2,072,531	2,065,092
Montenegro	480,579	606,372	604,950	619,428	621,306	619,211
Serbia	6,608,000	7,586,000	7,516,346	7,291,436	6,899,126	6,834,326
Kosovo	947,000	1,862,000	1,700,000	1,775,680	1,790,133	1,786,038

Source: World Bank Data, 2023.

COUNTRY STUDIES

Culture of Dependency and Federal Spirit in Bosnia and Herzegovina

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Abstract: Almost thirty years after the General Framework for Peace (DPA) was initialled in Dayton and then signed in Paris, Bosnia and Herzegovina has not taken full ownership over its governance. The Office of the High Representative (OHR), which has been given the responsibility to oversee the civilian implementation of the DPA, has been heavily criticized for being controversial, undemocratic, illegal, and it has been seen as an obstacle to the EU integration of the country. This paper analyses the effects of civilian international presence on the governance of Bosnia and Herzegovina. It argues that such strong and long-lasting international control fosters a culture of dependency in Bosnia and Herzegovina, which in turn jeopardizes the creation of federal spirit in the country.

Keywords: federalism, federal spirit, international dependency, Bosnia and Herzegovina

Introduction

In 2000, Wolfgang Petritsch, then the High Representative for Bosnia and Herzegovina, called for local ownership in Bosnia and Herzegovina and warned that even “the limited powers of the High Representative had led to a certain culture of dependency” (Office of High Representative, 2000). Twenty-five years later, local ownership has still not seen the light of day, and a culture of dependency has taken over the political and social

landscape of the country. Local ownership is a debated and contested concept, in the literature often related to peace building or development aid. Some argue¹ that it is a concept deeply rooted in liberal governance, while others see it as a colonial principle of indirect rule (Ejdus, 2017). As the purpose of this article is not to examine these and similar claims, the concept of local ownership is understood here as the capacity, responsibility, and accountability of a country to set its own agenda, to define and implement projects, policies, and strategies on its own, in other words, to exercise full autonomy and sovereignty over its territory.

Culture of dependency is a broad phenomenon that has many aspects, including social, economic, cultural, and political ones. Social or welfare dependency, for example, relates to the state in which people rely on government welfare benefits and programs as their main source of income, without which they would be in a state of poverty (Cronin, 2007). In social sciences, especially in economics, the theory of dependency is used as a theoretical tool to understand underdevelopment and explain global inequalities and the so-called North-South divide. This theory emerged in the 1950s as a reaction to modernization theory (Herath, 2008), and it was very prominent in the 1960s and the 1970s. For the purpose of this article, culture of dependency will be used to denote a reliance on external patronage and international support, and it is understood here as a concept that is the polar opposite of local ownership.

This article argues that strong international presence creates a culture of dependency in which local stakeholders rely on the support of the international community in the decision-making process and governance. This in turn goes against the backbone of local ownership and can have a negative effect on fostering a federal spirit in multinational federal countries, such as Bosnia and Herzegovina.

The Constitution of Bosnia and Herzegovina does not *per se* define Bosnia and Herzegovina as a federal state. While the Bosniak political elite never refers to the country as a federation, Serbs say the country needs to be set up as a form of federation or confederation (RTS News, 2009), and Croats suggest “a federal model” of state organisation (RTVBN News, 2015). Domestic rivalry between those advocating more autonomy and those with centralist aspirations seems to be the main generator of

1 For more discussion see Ejdus (2017)

internal disputes and tensions in Bosnia and Herzegovina. Critics of the current arrangement (mostly the Bosniak political elite) claim that the “complicated” system makes Bosnia and Herzegovina inefficient. This paper argues that the federal structure is not really to blame; more at fault is the culture of dependency and the lack of a “spirit of federalism” or “federal spirit.” In order to show this correlation, the paper looks at the main features of the institutional architecture of Bosnia and Herzegovina and its internal dynamics, followed by an analysis of the civilian international presence in the country that has created a culture of dependency.

Consociational federal designs and internal dynamics

The war in Bosnia and Herzegovina ended in November 1995, when the General Framework Agreement for Peace was negotiated in Dayton (USA); the agreement was signed in Paris in December 1995.

The bulk of the literature on the war in Bosnia and Herzegovina ignores the complex interethnic dynamics of alliance formation, including infighting within the alliance or even within the same ethnic group. One of the few authors to deal with this is (Fotini, 2012), who states that “all warring parties were both foes and allies at different times throughout the conflict: Serbs against Muslims and Croats, Serbs with Muslims, Serbs with Croats, and Muslims against Croats” (Fotini, 2012). There was also interethnic conflict between Muslims (called Bosniaks from 1993) in Cazinska Krajina, the western part of Bosnia and Herzegovina. The creation and shifting of loose interethnic alliances that were seen during the war has continued to be an important feature of the political dynamics of the country. For example, during the last decade Croats and Serbs have formed a sort of informal political alliance as a response to a growing Bosniak demand for the unitarization of the country.

Bosnia and Herzegovina has often been portrayed as a frozen conflict, a failed, fragile, or dysfunctional state in danger of collapse, especially in the Western press and literature (Belloni, 2009; Bieber, 2010). Bosnia and Herzegovina has often been called “little Yugoslavia,” referencing

the fact that different nations and religious groups have lived together peacefully for a long time. However, a closer look at the history of this region shows that the peaceful multi-ethnic coexistence is more of a political myth than a reality. If we look at the wars that have been waged in this region, the nations or ethnic and religious groups living in the territory of today's Bosnia and Herzegovina have rarely fought on the same side, including the two World Wars.² The turbulent history of the area that constitutes today's Bosnia and Herzegovina is reflected in the internal dynamics of the country. How the history of Bosnia and Herzegovina is interpreted by Bosniak, Serb, and Croat historians is also translated into the political life of the country, mirroring the long-lasting divisions of the society. As (Kasapović, 2005) points out, the work of Bosniak, Croat, and Serb historians on Bosnia and Herzegovina differs to the extent that a reader has the impression that they are writing about three different countries; in some cases, only the dates and locations match.

Federal structures in Bosnia and Herzegovina were introduced, or rather, imposed by the international community to resolve a four-year civil war. Some of the federal arrangements of the Socialist Federal Republic of Yugoslavia, including the collective presidency, principle of rotation, principle of ethnic balance, and principle of constituent peoples, are part of the federal structure of Bosnia and Herzegovina. (Pearson, 2015) observes that the idea of ethnic balance, also called the “national key,” was not invented in Dayton, but it was an “important reality” in the former SFR Yugoslavia.

Proposed solutions to problems of plural societies are often found in constitutional models of federalism and consociationalism (Lijphart, 1997). Although federalism and consociationalism may appear to be different concepts, they are in fact closely related, and under certain conditions a federation can be a consociation and vice versa (Lijphart, 1997). A federation, according to (Lijphart, 1997), is fully consociational “only if all four principles of consociational democracy are present”,

2 See for example Holzer, A. (2008). *Das Lächeln der Henker. Der unbekannte Krieg gegen die Zivilbevölkerung, 1914-1918*. Wissenschaftliche Buchgesellschaft; Milosevic, B. (2016), *Srpska pravoslavna crkva i svestenstvo u Bosni i Hercegovini u Prvom svjetskom ratu*. Andricev Institut; Hautman, H. & Kazimirovic, M. (2016). *Dzelatov smesak: Nepoznati rat protiv civilnog stanovništva*. Prometej. Ekmečić, M. (2007). *Dugo kretanje između klanja i oranja: Istorija Srba u Novom Veku 1492-1992*. Zavod za udzbenike.

which include segmental autonomy, informal and formal grand coalition, proportionality, and veto powers. However, as correctly pointed out by (Caluwerts and Reuchamps, 2015), federal and consociational elements are rarely found simultaneously in a political system. For example, today only Switzerland, Bosnia and Herzegovina, and Belgium could be seen as true examples of political systems that combine consociationalism and federalism (Caluwerts and Reuchamps, 2015). Bosnia and Herzegovina represents what (Strochein, 2003) calls “divided house states”. The main characteristics of divided house states are severe ethnic cleavages (e.g. political parties composed along ethnic/linguistic lines) and diverging views on whether the state should be more unitary or decentralised. While consociational federal designs have been criticized for creating deadlocks and malfunctioning states and perpetuating divisions, they can be regarded as successful conflict management tools that have bought off peace in Bosnia and Herzegovina.

Complex consociational federal institutional architectures such as the one found in Bosnia and Herzegovina, Belgium, or Switzerland, require a high degree of mutual cooperation, mutual trust, and a common will for the system to function. Such an environment would necessitate the creation of highly institutionalised or ad hoc mechanisms of cooperation and coordination to stimulate cooperative intragovernmental relations in all spheres of mutual interests. However, these mechanisms remain underdeveloped except in EU affairs. The necessity of having more institutionalised cooperation and coordination is evident in the process of EU integration, as many EU issues have a regional dimension. Therefore, one of the conditions for Bosnia and Herzegovina to submit a credible application for EU candidacy status was its demonstration of an effective mechanism of coordination between all levels of the administration in EU matters. Although negotiations on the issue lasted several years, a mechanism of coordination was adopted in 2016.

The functionality of multinational federations also necessitates federal loyalty, also known as *Bundestreue* or *loyauté fédérale*, which represents “the commitment to work together to achieve the objectives and fulfil the needs of the federal polity” (Kincaid, 2005). The success of a federation is characterised not only by its constitutional arrangements but also by the country’s “permeation with the spirit of federalism in sharing through negotiation, mutual forbearance and self-restraint in the pursuit of goals, and a consideration of the system as well as

substantive consequences of one's acts" (Elazar, 1987). Federal spirit, according to (Burgess, 2006), refers to "the bonds that unite the political community - the reconciliation of individual and collective needs that bind the political community". This loyalty, commitment, mutual trust, and forbearance are not something that can be imposed or forced upon by outsiders, in the case of Bosnia and Herzegovina by the OHR, but it has to come from within. The question is whether under the circumstances of a "quasi-protectorate" through the Office of the High Representative federal loyalty or the federal spirit has ever had a chance to evolve.

International civilian presence and a culture of dependency

The position of the High Representative was created under the Dayton Peace Agreement, and the Office of the High Representative (OHR) is an *ad hoc* international institution responsible for overseeing the implementation of the Agreement. In December 1997, the Peace Implementation Council (PIC), an *ad hoc* body composed of 55 states and international organisations³ interested in Bosnia and Herzegovina, gave the High Representative (HR) vast powers ("Bonn powers") including the competency to remove elected politicians and officials, to make binding decisions, and to impose legislation. There have been no legal justifications or grounds, as some authors suggest (Gromes, 2010; Banning, 2014; Parish, 2007), for such vast powers to be given to the HR. As correctly pointed out by (Parish, 2007), the declaration that was issued after the PIC meeting in Bonn in 1997⁴ "runs

3 PIC was created at a conference in London on 8-9 December, 1995; however, although it had been created before the Dayton Agreement was signed in Paris, it was not an official part of the Dayton Peace Agreement. PIC members and participants include, among others, the US, the UK, the Russian Federation, France, Germany, Italy, Japan, China (resigned in 2000), the IMF, NATO, ICRC, the UN, OSCE, UNCHR, ICTY, the World Bank, etc. The PIC Steering Board is composed of Canada, France, the UK, the US, Germany, Italy, the Russian Federation (in July 2021 the Russian Federation advised that it would no longer participate in PIC Steering Board meetings, and since February 2022 it has suspended the financing of the OHR), the Presidency of the EU, the EU Commission, and the OIC represented by Turkey. For more see <http://www.ohr.int/international-community-in-bih/peace-implementation-council/>

4 For more see <http://www.ohr.int/pic-bonn-conclusions/#11>

quite contrary to the spirit and text of Annex 10 to the DPA and was legally indefensible". In other words, the HR moved from being a facilitator and mediator, as envisaged by the International Treaty of Dayton, to being able to issue binding decisions (Parish, 2007). With these Bonn powers, (Gromes, 2010) argues, the OHR has "served as an additional centre of legislative and executive rights". (Banning, 2014) also analyses at length the absence of legal grounds for the Bonn powers to be introduced in the first place and argues that they could not be delegated through the PIC for several reasons. Primarily, the OHR is not a subsidiary organ of the PIC, so the PIC could not delegate such powers to the OHR; secondly, the PIC could not designate powers that it does not possess itself, and a delegation of powers was never intended (Banning, 2014).

The transfer of most of the powers to the central state was either imposed or initiated by the OHR. Since December 1997, the High Representative has extensively exercised its Bonn powers: politicians and high-level officials have been dismissed, and laws and decisions have been imposed by the OHR. (Gromes, 2010) states that in seven years (from December 1997 to December 2004), almost 190 politicians and other officials (including directly elected Croat members of the Presidency)⁵ were dismissed⁶ by the High Representative; in the same period, the High Representative made more than 660 decisions. President of the Republika Srpska Milorad Dodik (2015) claims that since December 1997, the High Representative has imposed 900 decisions, and the Republika Srpska has lost over 80 powers,⁷ out of which only three⁸ were transferred in accordance with the Constitution of Bosnia and Herzegovina and the Dayton Peace Accords.

5 In 2001, Ante Jelavić, the Croat member of the Presidency was dismissed by the High Representative. In 2005, another Croat member of the Presidency, Dragan Cović, was dismissed by the High Representative (re-elected as a Croat member of the Presidency in 2014). Banning (2014)

6 Officials were often dismissed without the allegations against them ever being proved. See Parish (2007).

7 These include certain powers that relate to education, health, agriculture, metrology, intellectual property, veterinary issues, statistics, insurance, public procurement, energy, judiciary, IT, and public administration, which led to the creation of over 40 different agencies and institutions at the BiH level. Most of these agencies and institution exist at the entity level. See Vranjes (2020).

8 The Constitution provides that Bosnia and Herzegovina shall assume other responsibilities as agreed by the entities. As for the transfer of powers from the entities to the BiH state level, the former have only agreed in three cases so far: Indirect Taxation (VAT), defence, notably the creation of the joint armed forces of BiH, and the creation of the High Judicial and Prosecutorial Council of Bosnia and Herzegovina.

(Gromes, 2010) argues that the transfer of powers and responsibilities from the entities to the level of Bosnia and Herzegovina can be partly explained by the prospect of the EU integration. According to (Woelk, 2012), however, while EU integration is a shared goal of all political stakeholders in Bosnia and Herzegovina, it is not “neutral to the positions of the entities: strengthening the state threatens the full autonomy of the Republika Srpska and favours the position of Bosniaks (and to a lesser extent, of Croats)”. In fact, many in the Republika Srpska say the desire for EU integration is often used as an excuse to make Bosnia and Herzegovina more centralised. In his memoirs, former High Representative Paddy Ashdown (2007) confirms this claim and says that he persuaded former EU commissioner for External Relations Chris Patten that police reform in Bosnia and Herzegovina should fall under the EU umbrella: “I rang Chris Patten in late October and asked him if he would weigh in as Commissioner and say that these reforms were required if Bosnia and Herzegovina wanted to join Europe. As always he agreed, and we drafted a letter for him to send to the Presidents”.

Most of the OHR decisions, especially those related to the removal from public office, were not based on solid evidence, but on rather vague grounds of some sort of policy failure or failure to comply. Those removed had no right to appeal. In one day only, 30 June, 2004, 58 people, all of them Serbs, were dismissed from public office by High Representative Lord Paddy Ashdown (Parish, 2007). His predecessor Petritsch, right before he finished his mandate, issued 44 decisions, removing 12 people, imposing 24 laws, and amending the constitution of both Entities, in a tradition of what has become known as “airport decisions” (Parish, 2007). This trend of airport decisions has continued; the most recent example being Valention Inzko’s decision to impose amendments to the BiH Criminal Code in 2021, then leaving the country⁹. As (Knaus and Martin 2003) correctly state, the imposition of laws as well as institutions without public participation, which will be financed by the taxpayers of Bosnia and Herzegovina, are in direct violation of the most basic democratic link between taxation and representation.

With the High Representative’s imposition of many laws that transferred powers (Keil, 2013) from the entities to central authorities, power-sharing arrangements in Bosnia and Herzegovina have been

9 See <http://www.ohr.int/hrs-decision-on-enacting-the-law-on-amendment-to-the-criminal-code-of-bosnia-and-herzegovina/>

ignored, and the principles of reciprocity and consensual decision-making are undermined. (Keil, 2013) points out that with the extensive use of external impositions, Bosnia and Herzegovina has developed a political culture of dependency, leaving little room for a culture of consensus to evolve. It is also a clear indication that the long-term strategy of the international community in Bosnia and Herzegovina is to strengthen the central level. This vision is shared by the Bosniaks, who see the transfer of powers to the level of Bosnia and Herzegovina as a step closer to their ultimate goal – a unitary centralised state. Serbs, however, vigorously oppose the strengthening of the state and advocate more autonomy for the entities; they want Bosnia and Herzegovina to return to the “original” Dayton Agreement. Croats fall somewhere in between: while they do not oppose, at least not publicly, the strengthening of the central state, they have been campaigning for the revision of the Dayton Agreement to give Croats territorial autonomy. These divergent aspirations and visions on power sharing and the functioning of Bosnia and Herzegovina among Bosniaks, Croats, and Serbs, not to mention the international community, creates a fertile ground for tensions. As (Keil, 2013) sums it up, the biggest problem of Bosnia and Herzegovina is the “continued absence of consensus on the nature of the state, and the relations of the three constituent peoples to the state”. This absence of consensus is directly linked to the existence of a culture of dependency. Relying on someone else, mostly on the OHR, to solve internal problems and tackle challenges, instead of consensus-seeking, has become the new normal, especially among the Bosniak political elite.

The international presence in Bosnia and Herzegovina has had, according to (Knaus and Martin, 2003), two dynamics. First, the goalposts have been constantly moving, as challenges and aims are being met. “Like Proteus in the Greek myth, every time it appears to have been defeated, the problem with Bosnia changes shape” (Knaus and Martin, 2003). Second, each newly defined challenge has expanded the OHR’s power in order to fit the changing perceptions of why Bosnia and Herzegovina requires an OHR. The powers have grown “in scope and severity from nothing at all, through powers to impose sanctions and the interim laws designed to support the Dayton process, to absolute powers over an open-ended spectrum of issues” (Knaus and Martin,

2003). (Banning, 2014) questions to what extent the OHR “actually represents the supposedly unified interests of the international community and to what extent this dynamic represents the OHR’s strive for self-preservation”.

Conclusion

Bosnia and Herzegovina represents, as correctly pointed out by (Stroschein, 2003), a divided house state, “which contains proportionally similar groups with opposing views regarding whether the state should be more unitary or more decentralized”. While Serbs and Croats demand more autonomy on the grounds that the current constitutional arrangements are not efficient, Bosniaks and the majority of the international community use the same argument to ask for tighter centralisation.

The complexity of the institutional structure of Bosnia and Herzegovina was not, according to (Stroschein, 2003), produced by accident; asymmetric and complex governing institutions were introduced so that groups that disagree on the nature of governance could coexist. Such complex decision-making structures require a high degree of cooperation, and trust is the “oil” that makes the process go smoothly. “Without it, gridlock and polarization are more likely to surface and to remain a feature of politics, notwithstanding the arrival of a (fragile) agreement” (Swenden, 2013). However, in Bosnia and Herzegovina outsiders, who are not accountable to any elected institution at all, actually set the agenda, impose it, and punish those who refuse to implement it with sanctions (Knaus and Martin, 2003).

The Bonn powers and their extensive use are controversial at the very least. (Banning, 2014) argues that the Bonn powers do not even qualify as legal powers: the doctrine of implied powers does not apply in this case, nor could these powers be inferred from the UNSC resolutions. The UNSC support for their practice is merely political, and their existence, albeit powerful, is a delusive legal fiction (Banning, 2014).

Local ownership has remained a mere theoretical concept or a rhetorically accepted notion in Bosnia and Herzegovina, with no clear sign of when and how it will be operationalized. The interventionist

nature of the international presence in Bosnia and Herzegovina directly contradicts the idea of local ownership. It goes without saying that the international community has brought peace to Bosnia and Herzegovina; however its long-lasting involvement through the OHR has created a culture of dependency, which runs directly counter to the federal spirit, democracy, and equality of the peoples. It undermines a culture of dialogue, consensus, and trust, which is sine qua non for the functioning of any multinational and polarized federal country. Under the quasi-protectorate of the OHR, mutual commitment to the Dayton federal arrangement has not been able to emerge.

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High Representative in Bosnia and Herzegovina: Is the More Interventionist Way the Right Way to Go?

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Abstract: The Office of the High Representative was established by the Dayton Peace Agreement in 1995 to assist the implementation of the civilian aspects of the agreement. Since then, the High Representative (HR) has been authorised to intervene directly in domestic affairs if the HR considers it necessary. The use of the so-called Bonn powers and its impact on the peace and state-building process divides both policymakers and experts. This paper draws attention to the fact that the role of the HR cannot be assessed without considering the constantly changing domestic and international political context. The paper also shows that the extensive use of these executive powers has played a controversial role in achieving the original goals of the Agreement.

Keywords: Bosnia and Herzegovina, High Representative, peace-building and state-building

Introduction

Evaluating the role of international actors in peace and state-building processes often generates disputes among policymakers and experts, as the outcomes of the interventions often differ from what was originally intended. There may be several reasons behind this gap:

domestic dynamics might have been misunderstood or incorrectly assessed, inappropriate tools might have been chosen or used at an inopportune time, and even the international context might have an impact on the decisions made by the local and international actors. Bosnia and Herzegovina (BiH) is one successor state of former Yugoslavia that still carries the burden of the war and the deep wounds stemming from it, still under international supervision almost 30 years after the war.

The Dayton Peace Agreement (DPA)¹ put an end to the war in Bosnia and Herzegovina in 1995, having been reached under huge international pressure. The DPA stipulates that the High Representative (HR) facilitates and monitors the civilian aspects of the implementation of the Agreement. After the establishment of the position, the HR was given additional executive powers by the Peace Implementation Conference in Bonn in 1997 in that the HR was called on to directly intervene by imposing laws and removing local officials. The use of these powers has divided not only the local actors and civil society but the countries and organisations that appoint the HR as well. Those who² favour an interventionist approach believe that overcoming political deadlocks among the local actors and the implementation of reform will not happen without external pressure and intervention. Those who reject this idea claim that such interventions undermine local ownership, go against democratic principles, and lack accountability.³ Both groups can find supporting arguments in the history and activities of the OHR.

This longstanding debate came into focus again after former HR Valentin Inzko criminalised genocide denial in Bosnia and Herzegovina in July 2021, and German politician Christian Schmidt was appointed as HR in May 2021 under challenging circumstances and surrounded by high expectations. Both High Representatives intervened by using the so-called Bonn powers, which has led to controversial outcomes.

1 The full text of the Dayton Peace Agreement is available on the website of the Office of the High Representative in Bosnia and Herzegovina: <http://www.ohr.int/dayton-peace-agreement/>.

2 The Biden administration supports the use of the Bonn powers.

3 For example, David Chandler, professor at the Centre for the Study of Democracy at Westminster University in London.

After a short institutional introduction and a brief review of the debate on the Bonn powers, this policy brief uses HR Inzko's decision on the criminalisation of genocide denial and HR Schmidt's intervention after the elections in BiH on 2 October, 2022 to demonstrate the contradictory character of such interventions, while also considering the domestic and international context of HR Schmidt's decision and evaluating the outcomes of these steps.

The Office of the High Representative in Bosnia and Herzegovina: institutional and legal background

The Office of the High Representative (OHR) was established by the Dayton Peace Agreement. According to Article II of Annex 10 of the DPA, the mandate of the OHR is to facilitate and monitor the civilian aspects of the implementation of the Agreement and report to the United Nations, the European Union, the United States, the Russian Federation, and other interested governments, parties, and organisations. The OHR serves its mandate in consultation with the Peace Implementation Council (PIC), which was established by the Peace Implementation Conference in London in December 1995 to ensure international support for the Agreement.

PIC has 55 members from 40 member states and 15 international organisations and agencies. The London Peace Implementation Conference also established the Steering Board of the PIC to work under the chairmanship of the High Representative as the executive arm of the PIC. Steering Board members include Canada, France, Germany, Italy, Japan, Russia⁴, the United Kingdom, the United States, the Presidency of the European Union, the European Commission, and the Organisation of the Islamic Conference (OIC), which is represented by Turkey. The Steering Board provides the High Representative with political guidance.

4 Russia decided to leave PIC SB in July 2021.

In the post-war period, the international community found it necessary to intervene more directly in the peace implementation process,⁵ and therefore, elaborating on Annex 10 of the DPA, the Peace Implementation Council requested the High Representative at its Conference in Bonn in December 1997 to remove from office public officials who violate the legal commitments and the Dayton Peace Agreement, and to impose laws as the HR sees fit if Bosnia and Herzegovina's legislative bodies fail to do so.

Nonetheless, the governing principle of the OHR's engagement in Bosnia and Herzegovina is the concept of domestic responsibility, also known as local ownership. This concept calls for the officials and citizens of Bosnia and Herzegovina to take responsibility for the peace process and the problems that their country faces.

The use of the Bonn Powers: legal and political debate about the need to intervene

After the Peace Implementation Conference in Bonn, the HR was authorised to impose legal decisions and suspend public officials in order to support the implementation of the DPA. It is clear that the removal of locally elected officials undermines the democratic principle, but in the post-war period some could argue that such interventions were necessary, otherwise the basic elements of the peace process could not be implemented. Without the intervention of the OHR, the introduction of the common currency, national symbols, and the establishment of common institutions could hardly have been imagined. There was also

5 Some examples that contributed to the decision of the PIC include the following. In the elections held in September 1996, the three major nationalist parties managed to get 86% of the seats in the bicameral parliament of BiH (Bideleux & Jeffries, 2007, p. 363). In the Republika Srpska, there was a power struggle to push the associates and supporters of Radovan Karadžić out of power, who was later brought to the Hague and convicted of war crimes (Ibid. pp. 365-370). Furthermore, nationalist representatives boycotted the return of internally displaced persons and refugees. During the night of 2-3 May, 1997, some 25 houses were set ablaze in the Croat-controlled municipality of Drvar, Federation of Bosnia and Herzegovina (Federation). The arson occurred after an international delegation headed by Federation mediator Dr Christian Schwarz-Schilling had met with local authorities and other international agencies earlier in the day to discuss the return of displaced Serbs to the area (ICG, 1997).

a need to counterbalance the major ethnonationalist parties that strongly resisted the implementation of the DPA. It should be noted that until the early 2000s, the major ethnonationalist Croat and Serb parties, the Croatian Democratic Union of Bosnia and Herzegovina (*Hrvatska demokratska zajednica* Bosnie i Herzegovine, HDZ BiH) and the Serb Democratic Party (*Srpska demokratska stranka*, SDS) did not declare openly that they had given up the idea of secession and accession to Croatia and Serbia (Bideleux & Jeffries, 2008).

Nonetheless, there were some “extreme” cases in the use of the Bonn powers. More than 130 officials had been removed from or banned from taking public positions by 2004 (Dijkstra & Raadschelders, 2022, p. 300). Furthermore, in some cases, especially during the mandate of Wolfgang Pertritsch and Paddy Ashdown, the removals happened *en masse*: HR Ashdown dismissed 58 public officials from their office on 30 June, 2004 (Banning, 2014, p. 268). According to the information on the website of the OHR, Wolfgang Pertritsch removed 23 persons from public office on 29 November, 1999. One frequent reason was related to the obstruction of the return of refugees or displaced persons, but HR Ashdown also dismissed several public officials based on the allegation that they were supporting and hiding Radovan Karadžić as well as sustaining criminal networks.

Although these steps might have been justifiable, it should also be highlighted that, as Bideleux and Jeffries (2008) point out, HR Ashdown’s activities in some cases made more moderate Serb politicians, such as the Prime Minister of the Republika Srpska, Dragan Mikerević, resign, and only time will tell whether it was a good decision to go so far. Since then, even those Serb politicians like the former President of RS, Dragan Čavić who once showed readiness to deal with the war and the Srebrenica genocide (Trifunovic, 2020), have joined Milorad Dodik, the current President of the RS, and his radical nationalist rhetoric (N1 Sarajevo, 2018).

The extensive use of the Bonn powers was followed by a sudden shutdown in the mid-2000s. HR Christian Schwarz-Schilling was appointed, and he was asked by the PIC to decrease the use of the Bonn powers, as there was increasing international demand for local ownership of the decisions and measures made in the country. On the other hand, it was becoming difficult to make this interventionist approach acceptable for the domestic public of the Western countries. Even a plan to close the OHR was announced, but then in 2008 the Steering Board of the PIC

decided to define a set of criteria as a prerequisite for the closure, known as the *Agenda 5+2*⁶. Due to those decisions, the OHR, whose capacities were significantly decreased, has lost a great part of its leverage and power to influence.

The criminalisation of genocide denial

HR Inzko was the High Representative in Bosnia and Herzegovina from 2009 to 2021. During his mandate, he regularly reported to the PIC and the UN Security Council about the worsening political environment in Bosnia and Herzegovina, including secessionist rhetoric and actions in Republika Srpska, worsening interparty relations in the country, as well as ongoing genocide denial and the glorification of convicted war criminals (OHR, 2021). He often directly criticized Bosnian Serb politicians for glorifying convicted war criminals and engaging in genocide denial, claiming that the Srebrenica genocide was just a myth. Despite his reports and calls for action, no major legal change has taken place.

As the BiH Parliament failed to adopt a law on banning genocide denial, HR Inzko decided to criminalise genocide denial and the glorification of war criminals, amending the Criminal Code of BiH by using his Bonn powers right before the end of his mandate in July 2021. This decision would have made sense if it had been done much earlier, and the HR had had time to properly explain, facilitate, and foster implementation. In addition, such a drastic intervention after long years of inaction was difficult to understand.

6 The objectives that need to be delivered by the BiH authorities prior to OHR closure are:

1. Acceptable and Sustainable Resolution of the Issue of Apportionment of Property between State and other levels of government;
2. Acceptable and Sustainable Resolution of Defence Property;
3. Completion of the Brčko Final Award;
4. Fiscal Sustainability (promoted through an Agreement on a Permanent ITA Co-efficient methodology and establishment of a National Fiscal Council); and
5. Entrenchment of the Rule of Law (demonstrated through Adoption of National War Crimes Strategy, passage of Law on Aliens and Asylum, and adoption of National Justice Sector Reform Strategy).

In addition to these objectives, the PIC SB agreed that two conditions need to be fulfilled prior to OHR closure:

1. Signing of the SAA; and
2. a positive assessment of the situation in BiH by the PIC SB based on full compliance with the Dayton Peace Agreement (Source: Website of the OHR, <https://www.ohr.int/agenda-52/>).

Beyond the timing, the measure itself was also controversial. Although Pistan (2021) acknowledges that such a law on genocide denial is necessary in Bosnia and Herzegovina, she also underlines that “[i]n the absence of an internal political will to address past wrongs, the imposed legislation risks to trigger an internal memory war and further exacerbate divisions”. After the decision, the domestic political context became even more tense. Milorad Dodik (the Serb member of the tripartite Presidency of BiH at the time) immediately announced that the law would not enter into force in RS, even stating that secession from BiH was the only way for Republika Srpska to go. Serbian politicians started to boycott the work of state institutions. The RS National Assembly also adopted a law banning any definition of the entity as based on genocide (Crawford, 2021). It is important to add, as László Márkus, former Senior Researcher of the Institute for Foreign Affairs and Trade and Hungarian diplomat also underlines, that some of the Bosniak parties in BiH wish to abolish RS based on the argument that it is the result of a genocide. This significantly contributes to RS resistance to accepting that what happened in Srebrenica was a genocide (Külügyi és Külgazdasági Intézet, 2021).

While the Director of the Srebrenica Memorial Center, Emir Suljagić, stated that Inzko’s move was a “relief” in a climate of increasing genocide denial by some Bosnian Serbs and in Serbia (Crawford, 2021), the outcome of imposing the law is not fully positive for the victims. Namely, the amendment to the criminal code also put a break on several trials that were launched on the basis of the existing legislation on hate speech, and the HR’s intervention left many important ongoing cases without a final verdict.

To conclude, although Inzko tried to overcome a legal gap in the absence of consensus among the representatives of the constituent peoples, it is doubtful whether his decision really contributes to the reconciliation process and helps victims, even if it was to serve the morally right goal. Furthermore, it seems that HR Inzko thus left behind a BiH with even more tensions for his successor to deal with.

The appointment of Christian Schmidt and increasing domestic and international polarisation

Partly as a consequence of Inzko’s last decision, the next High Representative, German politician Christian Schmidt was appointed under worsening domestic political conditions, which were accompanied

by deteriorating international circumstances. The increasing tension between the West and Russia affected the decision-making on the OHR and the appointment of the new HR.

Moscow (and Beijing) did not support the extension of the mandate of the OHR and the appointment of the German politician. Although it is legally not necessary, this time the appointment of the HR was not confirmed by the UN Security Council, and therefore both China and Russia refused to accept Schmidt as High Representative. The two UNSC members even initiated in the UN the closure of the OHR by July 2022. Milorad Dodik, who is a close partner of Russian President Vladimir Putin, also announced that he would not cooperate with the new, in his view illegal and illegitimate HR (AFP, 2021).

Despite Dodik's and Putin's resistance, the West decided to maintain support for the OHR, and the PIC appointed Schmidt. The Russian Federation, in an official letter addressed to the High Representative on 28 July, 2021, announced that it would no longer participate in the meetings of the PIC Steering Board under the chairmanship of the High Representative. In another letter sent on 17 February, 2022, the Russian Federation announced its suspension of financing the OHR (OHR, 2022). The Bosniak political leaders welcomed the decision to sustain the OHR in light of the strengthening secessionism in the RS.

Changing the rules of the game after it is over – Schmidt's measures after the 2022 elections

Despite the secessionist actions in RS, Schmidt's first "memorable" decision was not related to this issue but to the elections held in October 2022. The election of Croat representatives⁷ at the state level

⁷ In the Federation, both the Bosniak and the Croat members of the tripartite Presidency are directly elected, and it has happened on several occasions that Željko Komšić, a Croat social democrat politician was elected mainly by Bosniak voters, whose ratio in the population is significantly higher than that of Croats. The HDZ BiH considers itself the legitimate representative of Croats in BiH, and it wished to change the election law in a way that only Croats could vote for the Croat Presidency member. Furthermore, there were additional attempts by mainly Bosniak-favoured parties to exclude HDZ BiH from the government coalition. HDZ BiH expressed its objection to this practice by blocking decision-making processes at the entity level.

and in the Federation of Bosnia and Herzegovina has for many years been an obstacle to forming governments and the proper functioning of the entity. During the summer, news was leaked that Schmidt would intervene if the parties could not agree on the amendments to the election law. The leaked “plans” were considered to favour HDZ BiH, which led to protests among the Bosniaks. The timing was already a problem, as the elections were too close. Schmidt later only made some technical changes (e.g. on institutional funding and the election budget⁸), but he then decided to use his Bonn powers more extensively to amend the Election Law of BiH and the constitution of the Federation on election eve, after the closure of polls on 2 October. This timing of his actions raised even more concerns, as it happened after the votes had been cast. Although the High Representative emphasised that his amendments did not influence the directly elected officials, and the intention was to make coalition formation and the elections of officials in the Federation more efficient, the move was definitely not in line with democratic principles.

As Sahadžić (2022) summarizes, “[t]he election-eve decisions of the HR did not tackle the quota issue, but they did tackle the number and proportional representation of the constituent peoples, based on the 2013 census. The HR’s decision increased the number of seats in the Federation House of Peoples from 17 to 23 seats per constituent people. Because the Schmidt decisions appear to give Croats a more prominent place, it is understood that the decisions are an appeasement to HDZ BiH.” This assessment seemed to be confirmed by the statements of Andrej Plenković, the Prime Minister of Croatia, who presented the decision of the HR as a victory for Croatia. While the decision is likely to bring more seats for HDZ BiH, it could be justified with the “perceived underrepresentation of Croats in institutions at the state level in BiH” (Sahadžić, 2022). On the other hand, the decision also for the first time facilitates “Others” to be elected in each canton, which was not the case previously.

As HR Schmidt also argued during his hearing in the UK Parliament’s Foreign Affairs Committee on 30 January, 2023, his intervention was necessary to overcome political deadlock in the Federation, to

8 The HR’s decisions are available on the website of the OHR: <https://www.ohr.int/decisions-of-the-high-representative/>

bring all parties on board again, to make the Federation functional again. After the elections, it seemed that in contrast with previous political stalemates, there would be a chance to form a government coalition more smoothly at the federation and the state level. As an ESI analysis (2023) highlights, the process went smoothly at the state level: the tripartite Presidency was inaugurated on 16 November, 2022 and nominated a new Chairwoman (Borjana Kristo, HDZ BiH). The appointment was approved by the majority of the House of People in December 2022. In January 2023, the upper house also approved the new Council of Ministers.

In contrast, in the Federation of Bosnia and Herzegovina the political stalemate continued at the federation level (although not at the cantonal level), as HDZ BiH and the Social Democratic Party (*Socijaldemokratska partija Bosne i Hercegovine*, SDP BiH) agreed to form a government coalition with eight smaller parties (*Osrnorska*), thus excluding the leading Bosniak Party, the Party for Democratic Action (*Stranka demokratske akcije*, SDA). However, they lacked the necessary support to implement this agreement. Consequently, the crisis of building coalitions continued (ESI 2023).⁹

While the use of the Bonn powers on the eve of elections has not managed to resolve the obstacles, it has also increased the gap among the Western allies. While the US Embassy explicitly supported the direct intervention of the HR (US Embassy, 2022), the European Union only took note of the decision (EEAS, 2022) and did not express any direct support for it.

Based on these examples of the decisions made by HR Inzko and Schmidt, it can be concluded that direct intervention via the Bonn powers is a risky practice. On the one hand, it can strengthen domestic fragmentation and undermine the relations of the OHR with the political actors in BiH. On the other hand, it can cause conflicts among the international partners as well, and the unintended consequences can easily undermine the leverage of the West in the country.

⁹ The deadlock was finally resolved by another intervention of HR Schmidt in April through which he took away the opportunity from the Bosniak Vice-President of the Federation (coming from the SDA) to endlessly block the formation of the coalition government without the SDA (Kurtic, 2023). This intervention, however, can be easily interpreted as a direct intervention to domestic (party) politics of BiH.

Conclusion

As domestic political conditions deteriorated in Bosnia and Herzegovina, Western (especially US) demand increased for more direct intervention by the High Representative in Bosnia and Herzegovina. This paper did not have the space to introduce all the details of how the international and domestic conditions have changed over the almost three decades of the existence of the OHR, but the above examples of the use of the Bonn powers by the High Representative allow us to understand the complexity of their impact and the challenges to predicting the final outcomes of such interventions.

While it must be added that the deteriorating situation makes the OHR's work in early warning necessary, sometimes these actions even sped up the negative spillover effects on entity-state and/or interparty relations. Reconciliation cannot be put in place by external actors, and sustainable solutions necessitate local compromises.

The war in Ukraine and the rising tension between Moscow and Washington has increased Western (US and EU) demand for resolving conflicts more quickly in the Western Balkans so that the region is more resilient towards Russia. This puts great pressure on the High Representative as well. The question is, however, whether in light of previous experiences this is really the right way to go.

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Perspectives for North Macedonia's EU Integration after the French EU Framework Solution in 2022

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Abstract: This paper discusses the influence of Bulgarian–North Macedonian bilateral relations on the perspectives of North Macedonia's EU integration after the adoption of the EU–North Macedonia negotiation framework in July 2022, advanced by the French EU Presidency. The main focus is on two of the most salient and sensitive elements of these relations – the incorporation of the Bulgarian community in North Macedonia's constitution and the role of the Joint Historical Commission in adjusting and synchronising the historical perspectives of the two societies. Progress in both issues would be extremely beneficial for North Macedonia's prospects. Any retreat from or erosion of the French EU framework solution would mean a return to the stalled situation before 2022, which would be hardly beneficial either for North Macedonia or for the wider Southeast European region.

Keywords: EU Enlargement, Negotiation Framework, North Macedonia, Constitutional Amendments, Joint Historical Commission

Introduction

In June 2022, the French presidency of the Council of the European Union advanced a negotiation framework (Negotiation Framework, 2022) for North Macedonia's accession to the EU that managed to resolve the

disputes over framework's content that had been raging for two years and had thwarted the country's progress. After minor revisions of its wording, it was adopted both by all member states, including Bulgaria, and the authorities of the candidate country. Sofia's approval was crucial because since March 2020 (Statement by the Republic of Bulgaria, 2020) it had advanced specific requirements to the framework that prevented the opening of the accession negotiations with Skopje. On 17 July 2022 the protocol of the Bulgaria–North Macedonia Joint Intergovernmental Commission established under Article 12 of the bilateral 2017 Treaty of Friendship, Good-neighbourliness and Cooperation was signed in Sofia. On the next day, the relevant conclusions of the Council of the EU on enlargement were adopted in Brussels. Thus, on 19 July, 2022 the leaders of the EU and North Macedonia were able to officially declare the start of the opening phase of the accession negotiations. These developments had the side effect of allowing the beginning of accession negotiations with Albania as well, on the very same day. Dubbed as the “French proposal” by both the media and political actors, the Paris-driven EU move has in fact provided a framework solution to the previous impasse in North Macedonia's accession process.

Most of the subsequent attention of foreign analysts and the dynamics of internal politics has switched to a great extent to the requirement of introducing the Bulgarian community in North Macedonia's constitution as a condition for ending the initial opening period and starting the first cluster/chapter of the negotiations. The framework indeed emphasizes the Copenhagen criterion of the importance of human rights and the protection of minorities or communities. Politically adopted by the Council of the EU of 18 July, 2022 (Council Conclusions, 2022) and later delivered by different EU leaders, the constitutional amendment requirement was first officially inscribed in the bilateral protocol of Bulgaria–North Macedonia Joint Intergovernmental Commission, signed on 17 July, 2022, agreeing that “the next Intergovernmental Conference with the EU to close the opening phase of the negotiations for the membership of the Republic of North Macedonia in the EU will take place after the entry into force of the amendments to the Constitution of the Republic of North Macedonia to include those of its citizens who live on the territory of this country and are part of other peoples, such as the Bulgarian people, according to internal procedures, including through a constitutional law for their implementation” (Protocol 2022, p. 23).

This approach is connected to the second important feature of the negotiation framework: an enhanced emphasis on regional cooperation and good neighbourly relations, which has been a hallmark of the EU approach to the integration of the Western Balkan countries through the Stabilization and Association Process since the late 1990s. Thus, the framework provides that North Macedonia's progress in preparing for accession and fostering economic and social convergence will be measured by requirements that include the country's "commitment to good neighbourly relations and closer regional cooperation, including through achieving tangible results and implementing in good faith bilateral agreements, including the Prespa Agreement with Greece and the Treaty of Good Neighbourly Relations with Bulgaria of 2017 as well as the annual reviews and measures for its effective implementation under its Article 12" (Negotiation Framework 2020, p. 7). Precisely this bounding of the framework with the implementation of the Treaty of Friendship, Good-neighbourliness and Cooperation was the main impetus that induced the Bulgarian parliament (in a situation of intensive internal political turmoil with a deposed government and looming new general elections) to accept the negotiation framework on 24 June, 2022 (Decision 2022).

In this context, the following text analyses the influence of bilateral relations with Bulgaria on the perspectives of North Macedonia's EU integration, more specifically two of the most salient and sensitive elements of these relations: the incorporation of the Bulgarian community in North Macedonia's constitution and the role of the Joint Historical Commission in adjusting and synchronising the historical perspectives of the two societies.

Inclusion of the Bulgarian community in North Macedonia's Constitution

The implementation of the above-mentioned Copenhagen criterion takes into account North Macedonia's constitutional context, that since 2001, the Ohrid Framework Agreement has defined the country as constituted by a number of equal ethnic communities. The preamble of the main law of the country states that "the citizens of the Republic

of North Macedonia, the Macedonian people, as well as part of the Albanian people, the Turkish people, the Vlach people, the Serbian people, the Roma people, the Bosniak people and others ... adopt this Constitution” (Constitution 2019, p. 48). Noticing that seven communities are listed but that Bulgarians are conspicuously missing, the bilateral intergovernmental Bulgaria–North Macedonia Protocol and the Council of the EU advanced the provision that Bulgarians should also be included in the constitution (Protocol 2022, p. 23, Council Conclusions 2022).

According to the 2021 census, Bulgarians numbered around 3,500 people, or just 0.2 % of the resident population. This is quite a low figure in comparison with the up to 120,000 Bulgarian citizens of ethnic Bulgarian descent living in the country (Vice President 2017, Radev 2021), yet it is still the ninth group, immediately behind the constitutional communities and the up to 4,200 Torbeshi, a specific Muslim Macedonian ethnoreligious community (Census 2021, p. 8-9).

The new requirement was met with very mixed response in North Macedonia. The government in principle and Foreign Minister Bujar Osmani in particular emphasized the benefits of adopting these constitutional amendments. While all Albanian parties, both in the government (DUI, Alternativa, DPA) and in the opposition (Alliance for Albanians, Besa), supported the changes, the main opposition block led by VMRO-DPMNE, including a plethora of junior partners such as the Socialist Party of Macedonia and the Democratic Party of Serbs in Macedonia, was vehemently against the amendments, as was the openly pro-Moscow *Levitsa* party. Most of the minor parties participating in the government (Liberal Democratic Party, Democratic Renewal of Macedonia) stood by the Social Democratic Union of Macedonia (SDSM) in supporting the French EU framework solution, but the leader of the Democratic Union, Pavle Trajanov voted against it in parliament and later on, in February 2023, withdrew his party from the government and went into opposition (then the Alliance for Albanians entered the government, while Alternativa left it due to unrelated issues).

The issue was further complicated by the treatment of the Bulgarian community in the country, which has influenced bilateral relations. On 4 June, 2022 the entrance of the Bulgarian club “Ivan Mihaylov”

in Bitola was set on fire. The perpetrator of this symbolic attack was allegedly the popular singer Lambe Alabakovski, who enjoyed lenient treatment by the authorities, concluded a deal with the prosecutor's office, and received the minimum suspended sentence of six months (Lambe 2022, Lambe 2023). In September 2022, the Bulgarian club "King Boris III" was subjected to rifle fire in Ohrid, while on 19 January, 2023 the club's secretary Hritiyan Pendikov was severely beaten in the same town, and then transported with a Bulgarian government plane for medical treatment in a Sofia hospital (Government plane 2023). The fallout resulted in the Bulgarian ambassador in Skopje being recalled for consultations for a week.

Even more revealing were the political actions of the authorities in Skopje. The ruling coalition and the VMRO-DPMNE opposition are at loggerheads on virtually every other issue, but they found quick unanimity to adopt amendments to the Law on Foundations and Associations in parliament by a fast-track procedure on 2 November, 2022. Despite the significant impact of the new legislation on civil society, no public consultations were held before it was adopted and entered into force. The legislation was not consulted about with either the EU Delegation or the OSCE mission to Skopje, the Venice Commission, or any other relevant international body. Clearly aimed at the Bulgarian community, under the new legislation, the registration of any association or foundation bearing the name, surname, pseudonym, abbreviation or initials of a historical figure required preliminary permission from a newly established special body, the Commission on the Use of the Names of Historical Personalities. Moreover, the legislation was introduced with retroactive force, requiring all already registered and functioning associations to comply (Law 2022). Thus, out of the more than 17,000 already existing associations the two above-mentioned Bulgarian clubs were earmarked, and the new amendment was only applied to them. By the end of March 2023, the Commission on the Use of the Names of Historical Personalities made an unfavourable decision, and the clubs were banned by the Minister of Justice (Statement 2023). There are no clear, objective criteria based on which the Commission is acting, and the refusal to register a non-governmental organization under a particular name depends entirely on the subjective historical views of its members.

In this complicated context for Bulgarians in North Macedonia, which was not in harmony with the spirit and letter of the French negotiation network solution, the primary attention from abroad has shifted towards the possibilities for a constitutional amendment that would inscribe the Bulgarian community on equal footing with the other ones listed in the constitution. A number of high-ranking EU politicians have visited Skopje and insisted on such changes. However, the government coalition and the opposition Albanian parties, which generally support amendments, are seven to eight MPs short of the required qualified majority of two-thirds (80 votes out of 120). The leader of the opposition VMRO-DPMNE party, Hristijan Mickoski adamantly opposes any constitutional changes in the current parliament and demands early parliamentary elections instead. The only feasible perspective for achieving amendments in 2023 is a repeat of the 2018 Prespa Agreement model, when eight MPs were induced to split from a VMRO-DPMNE-led opposition and vote for the necessary amendments in the constitution. This time a similar option is complicated by the prospect of the impending victory of the opposition: VMRO-DPMNE has a convincing lead over the ruling Social Democrats in the opinion polls, while the regular parliamentary elections should be held in July 2024 the latest. If the changes do not take effect until December 2023, the country will delay or self-block its next accession steps, possibly lagging behind neighbouring Albania, which has no such obstacles hindering the opening of the first clusters/chapters. It remains to be seen if the external pressure, including that coming from the European People's Party, will produce any results regarding VMRO-DPMNE's position and moves.

On the other hand, all mainstream political parties in Bulgaria voted for the French EU framework solution, with BSP abstaining and the pro-Moscow Revival party and the populist "There is such a people" voting against it. Overall, all Bulgarian political players insist on the need to incorporate Bulgarians in North Macedonia's constitution.

Joint Historical Commission in the background

On 4 February, 2023 the entire border was closed for any entry (but not exit) on North Macedonia's side for several hours due to "electricity failures". This suppression of the right to free movement was caused by

the same issues as the prohibitions of the Bulgarian clubs in Bitola and Ohrid – different views on history, and the willingness to preserve a kind of state monopoly over who should be remembered and celebrated and how. On 4 February, the authorities wanted to prevent Bulgarian citizens from commemorating Gotse Delchev at his resting place in Skopje, an Ottoman-era late nineteenth-century revolutionary celebrated by both countries (Traffic across Border 2023, Bulgaria Accuses North Macedonia 2023).

Faced with these long-standing, deep-rooted causes of misunderstanding, at Bulgaria's initiative the two governments (Kaytchev 2021, pp. 231–232) included a provision in the preamble of the bilateral Treaty of Friendship, Good-neighbourliness and Cooperation in 2017 on “their common history that connects the two countries and their peoples”. The provision further postulated that the two states will organize “joint celebrations of the common historical events and personalities aimed at strengthening the good-neighbourly relations in the spirit of European values” (Treaty 2017, pp. 14-16).

To this end, the treaty also established a Joint Multidisciplinary Expert Commission on Historical and Educational Issues “to contribute to the objective, based on authentic and based on proofs of historical sources for scientific explanation of historical events” (Treaty 2017, p. 16). Thus, the concept of a “common history” of the two countries was officially and legally inscribed, and a special bilateral state body was institutionalized for its implementation. This body, both formal and academic, was created for the obvious purpose of encouraging a wider understanding between two societies that should be united rather than divided by historical issues. This process is a major element envisaged by the creators of the Treaty of Friendship, Good-neighbourliness and Cooperation.

Constituted in mid-2018, the Joint Historical Commission has become a constant feature of bilateral relations, achieving some outcomes in the first year, but stalling and producing barely any results after mid-2019, especially since its members from North Macedonia withdrew from its sessions in November 2019, citing the forthcoming 2020 parliamentary elections as their reason for doing so. With the emergence of the Covid-19 pandemic, the interruption was extended for almost a year, to October 2020. The Commission has a wide scope, but it has concentrated

on two major tracks: suggestions for the improvement of textbooks in both countries and recommendations for joint official celebrations of common historical figures and events. The Commission's activities are evaluated and directed by the bilateral Joint Intergovernmental Commission, established under Article 12 of the Treaty of Friendship, Good-neighbourliness and Cooperation. In the protocols of the two sessions of the latter body held so far in June 2019 and July 2022, the work of the Historical Commission has been assessed extensively, and its future progress has been encouraged.

The pros and cons of the Joint Historical Commission after the French EU solution

After the adoption of the negotiation framework, the work of the Joint Historical Commission became more difficult in some respects, although in others there was more room for optimism. On the one hand, the public context around the Commission has only deteriorated in North Macedonia. There is permanent political party pressure by the opposition VMRO-DPMNE, which vocally opposes the very existence of the Joint Historical Commission and the Good-neighbourliness Treaty itself. In October 2021, a North Macedonian member of the Commission, prof. Vancho Gorgiev, publicly and vocally resigned in open disagreement, citing alleged pressure from a Foreign Ministry official. In open partisan interference, leader of the opposition Mickoski publicly supported his actions and asked all other members to follow his example and dissolve the body itself: “[the historians from the commission] should be aware that serving those who are selling Macedonia would be written on the dark side of the Macedonian history... they should be careful what they are negotiating and signing” (Mickoski 2021). In August 2022, VMRO-DPMNE launched a new campaign against the Commission. The leader of the opposition personally attacked North Macedonia's co-chairman Prof. Dragi Gorgiev, recounting his alleged gross remuneration (Mickoski 2022). On 4 February, 2023 the party issued a statement against commission member Prof. Petar Todorov, stating that “the treacherous policies of [prime minister] Kovachevski requires treacherous clientelists like Todorov” (VMRO-DPMNE 2023). This pressure is not negligible, given

that the VMRO-DPMNE opposition won the 2021 local elections and is leading in the polls ahead of the parliamentary elections to be held until July 2024.

Equally substantial is the social pressure, articulated by a variety of interested forces. The national media give ample voice to the renunciations of the commission, including those coming from interested fellow historians. In late November 2022, the orthodox bishops of Ohrid and Bitola attacked the commission for meddling in the history of the Ohrid Archbishopric, while on 6 April, 2023 the Holy Synod of the orthodox church in North Macedonia issued an announcement that rejected the Commission's decision on a joint celebration of Sts. Cyril and Methodius and lectured it on church history (Announcement 2023). An especially negative role against the Commission is played by a number of involved historians and members of the Macedonian Academy of Sciences and Arts, including its President.

In this context, North Macedonia's co-chairman declared both during the commission's discussions and in the media that the public environment does not allow reaching decisions in the Commission (Dragi Gorgiev 2023). In my opinion, it is inappropriate to stick to the conjuncture of the day - we, historians, should contribute to the ethics of our profession, to the sources and to the prevailing contemporary historiography, and not follow the public current, which in symbiosis with the fallacies of Yugoslav Macedonianism, does not contribute to the European integration of the region.

As a result, in this wider political and public context in North Macedonia, the Joint Historical Commission is stalled and has not produced any decision for more than a year. The specific issue under discussion is how to address the founding of the Ohrid Archbishopric by Byzantine emperor Basil II in 1019, which is extensively covered in North Macedonia's seventh-grade textbooks. Both historical sources and eminent world historiography (e.g. the Oxford Dictionary of Byzantium (1991, p. 1514) or the Cambridge History of the Byzantine Empire (2008, pp. 528, 671)) are unanimous in that it is a continuation of the church of the First Bulgarian Kingdom, conquered by Basil II in 1018, and that it was created under the name "Archbishopric of Bulgaria", with headquarters in Ohrid. Yet the colleagues from Skopje still refuse to accept unequivocal historical evidence.

On the other hand, the French EU framework solution has had some positive effects on the environment and work of the Joint Historical Commission. After a three-year delay, the decisions of the Commission on fifth and sixth-grade textbooks on ancient history and the joint celebration of five important medieval figures were confirmed in June 2019 by the Joint Intergovernmental Commission established under Article 12, and they were finally made public in August 2022.

The public's attention was driven mainly to the decisions on the joint celebrations, especially that of the ninth-century spiritual figures of Sts. Cyril and Methodius and their pupils St. Kliment Ohridski and St. Naum Ohridski. The recommendation for the first two figures runs as follows:

The missionary work of the holy brothers Sts. Cyril and Methodius laid down the foundations of the Christian culture and spirituality of the Slavic peoples. The adoption and proliferation of the script and translations of liturgical books allowed Slavic peoples to become familiar with Christian teaching in an understandable language. The work of the holy brothers was preserved and developed in the literary centres in Preslav and Ohrid, which are located in the medieval Bulgarian state, where their pupils found conditions for work. This gives a substantial reason for the modern states the Republic of Bulgaria and the Republic of North Macedonia to jointly celebrate the day of Sts. Cyril and Methodius.

The intensive cultural processes that began to develop in the nineteenth century found also expression in the increased interest in the life and work of Sts. Cyril and Methodius. In the middle of the nineteenth century, the memory of the Holy Brothers became part of the secular cultural tradition, when the day of their church holiday began to be celebrated in schools. For the first time this took place in Plovdiv in 1851. The process of spiritual awakening found expression in the widespread celebration of the holiday in many schools on the territory of the modern Republic of Bulgaria and the Republic of North Macedonia. Subsequently, the work of the Holy Brothers Cyril and Methodius and their students began to be celebrated in other Slavic countries, and their contribution to European civilization was also recognized by the Catholic Church, which declared them "Co-Patrons of Europe".

What has been said so far provides a basis and obliges both countries with the responsibility of preserving the memory of the work of the Holy Brothers Cyril and Methodius and their pupils through annual joint celebrations. (Protocol 2019, p. 19)

Another important historical issue that has been dealt with concerns influential ruler Tsar Samuel, who is prominent in the imagination of both countries. The relatively short recommendation explains that

Tsar Samuel was a ruler of the big medieval state defined by the main part of the contemporary historiography as a Bulgarian kingdom [*tsarstvo*] with a centre on the territory of today's Republic of North Macedonia. It encompassed considerable part of the lands and population of the Balkan peninsula. Tsar Samuel and his dramatic destiny are a symbol of the common history that is shared by the two contemporary states Republic of Bulgaria and Republic of North Macedonia.

The Joint Commission proposes to the two governments in the spirit of the signed bilateral Treaty, the commemoration of tsar Samuel to be a sign of shared values and true good-neighbourliness and friendship. (Protocol 2019, p. 22)

The texts are relatively modest in professional terms, yet they could be viewed as a remarkable achievement precisely because they endorse and legitimize comprehension and mutual agreement on the reading of the common history of the two countries. If there was goodwill, if they were implemented and further advanced by the political and intellectual elites of the two countries, there would be a chance to bring the two societies closer to each other in the spirit of good-neighbourliness and European values.

The second protocol of the Intergovernmental Commission under Article 12 of the Treaty has outlined the next steps for the implementation of the Joint Historical Commission's decisions. Until September 2024, changes in fifth and sixth-grade textbooks on ancient history in both countries should take effect. Furthermore, the two countries drew up a calendar of the official joint history commemoration in 2022-2023. The first ceremony took place on 7 December, 2022 in Skopje, by the two Ministers of Foreign Affairs on the occasion of the Day of St. Kliment Ohridski. If accomplished properly, with the relevant public effect, the official joint

historical commemorations will relax the mood in both societies to a great extent and help in this crucial aspect of the implementation of the Treaty of Friendship, Good-neighbourliness and Cooperation, which has been imbedded in the negotiation framework.

Conclusion

The French EU negotiation framework solution has thus opened a way forward for North Macedonia's further EU integration. The solution requires real equality for Bulgarians and other ethnic communities in the country, including through the relevant constitutional changes. Another important aspect of the negotiation framework is the added value to the Good-neighbourliness and regional cooperation principle, including through the good-faith implementation of the Prespa Agreement and the Treaty of Friendship, Good-neighbourliness and Cooperation with Bulgaria. The bilateral Joint Historical Commission is an important element of that treaty, and the future progress of this body would resolve the causes of the lingering misunderstanding between the two neighbouring countries to a great extent.

Any retreat from or erosion of the French EU framework solution would mean a return to the situation before 2022, which would hardly be beneficial for the candidate country or for the wider Southeast European region. At the end of the day, North Macedonia's political and social elites should decide whether to advance on the road toward EU accession or risk further delays, not unlike those under the VMRO-DPMNE rule in 2006-2017.

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The French Proposal: A Turning Point in the Balkans or a Dead End?

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Abstract: North Macedonia's long-standing bid for EU accession was hindered by a Bulgarian veto that had lasted for two years until a French proposal emerged as a last-minute solution. However, this proposal presents potential pitfalls for new vetoes and has exacerbated political polarization in North Macedonia, thereby threatening inter-ethnic relations in the country. The proposal requires North Macedonia to include ethnic Bulgarians in its constitutional preamble, a move that seems unlikely given the opposition's firm resistance to any such constitutional amendment. This raises questions about the EU's decision to comply with the Bulgarian demands and the likelihood of achieving a sustainable solution to long-standing bilateral issues.

Keywords: North Macedonia, Bulgaria, EU accession negotiations, Bulgarian veto, French proposal, constitutional amendment, inter-ethnic tensions

Introduction

In a dramatic turn of events, a French proposal emerged as a last-minute solution to the Bulgarian veto that had blocked North Macedonia's EU accession negotiations for two years. However, this veto was just one in a series of vetoes that have hindered North Macedonia's path to accession

since it became a candidate in 2005. While the proposal appeared to break the stalemate, it also introduced potential pitfalls for new vetoes, particularly from Bulgaria. Additionally, the proposal has exacerbated political polarization in North Macedonia, threatening to also impact inter-ethnic relations negatively in the country.

The French proposal hinges on a critical condition that mandates North Macedonia to include ethnic Bulgarians in its constitutional preamble and other areas, despite there being only 3,500 Bulgarians in the country according to the latest census (only less than half of whom claim Bulgarian as their native language). Unfortunately, due to the current political climate, meeting this requirement seems highly unlikely, as the opposition has staunchly opposed any constitutional amendment. As the opposition is poised to gain significant support in the 2024 elections, the fate of the responsibilities outlined in the French proposal hangs precariously in the balance.

This begs the question: why did the EU choose to comply with the Bulgarian demands and create a negotiation framework that includes historically contentious bilateral issues? Is this approach likely to lead to a sustainable solution or will it only serve to exacerbate long-term tensions?

The Proposal: A Dubious Solution for North Macedonia's EU Accession?

The French EU Presidency's negotiation framework for North Macedonia's EU accession is anything but straightforward. While it splits the process into a formal political opening with screening and a subsequent negotiation stage, it introduces a new condition for negotiations to actually begin: North Macedonia must amend its constitution to include ethnic Bulgarians. This provision, along with others that address bilateral issues between North Macedonia and Bulgaria, has been met with great opposition within the country.

Initially rejected by North Macedonia's government and President, the negotiation framework was later accepted after reportedly having been modified to remove the contentious bilateral issues (Damceska, 2022; EWB, 2022). However, experts claim that the proposal has remained largely intact, with only superficial alterations to the language (A1on,

2022). This acceptance has only fuelled the opposition's fervour, as political opponents and independent NGO experts specializing in European integration have criticized the proposal and its potential consequences. Adding insult to injury, the Bulgarian government has issued a unilateral declaration to the EU stating that it does not recognize the Macedonian language and considers it a mere variant of western Bulgarian (Republika, 2022). This move, made shortly after the Bulgarian parliament accepted the French proposal, serves as further evidence that Bulgaria's previously entrenched positions, which had led to its veto, remain unyielding. As North Macedonia attempts to navigate this precarious negotiation framework, the question remains: will this approach ultimately help or hinder the country's EU accession efforts?

The gauntlet thrown down by the French proposal thus demands a Herculean task from North Macedonia - the amendment of its constitution to include ethnic Bulgarians before negotiations on the clusters can even begin (Altiparmakova, 2023). This formidable challenge was set to take place during the year-long screening phase, which commenced in the autumn of 2022. However, the political landscape of the country quickly transformed into a minefield after the government assented to the proposal, rendering the constitutional change virtually impossible to carry out. The governing coalition's lack of a two-thirds majority vote in parliament made it imperative for the opposition to lend their support to the cause, exacerbating an already complex situation. The opposition, led by VMRO-DPMNE and its coalition with Levica, an opposition party also gaining popularity, has taken a strong stance against the constitutional change set out in the EU negotiation framework (Marusic, 2022). They have vowed to resist this change at any cost and have also promised to demand an overhaul of the negotiation framework if they emerge victorious in the 2024 elections.

Trapped by the Proposal: How it Can Escalate Tensions and Further Fuel Bulgaria's Denial of the Macedonian People and Language

The Bulgarian veto was based on Bulgaria's claim that North Macedonia had failed to comply with the 2017 Treaty of Friendship, Good-neighbourliness and Cooperation, specifically regarding the progress

of the Joint Historical Commission¹, which aims to find some common ground in terms of historical representations in the curriculum of the two countries. In documents issued by the Bulgarian government and parliament prior to lodging the veto, it was claimed that the Macedonians are a historical aberration, artificially created in 1944 from ethnic Bulgarians who had allegedly inhabited North Macedonia for a millennium, with the same being true for their language.² Bulgaria argued that this should be reflected in North Macedonia's history textbooks and educational curricula. The Macedonian side of the Commission was accused of resisting any solution that would reflect Bulgaria's "historical truth". Bulgaria's demands for North Macedonia's EU accession seem to be unrelenting and have taken a more forceful tone, as compliance is now presented as the sole path forward. This position can be seen as a form of coercion, potentially limiting North Macedonia's options for its European future.

The acceptance of the proposal was shrouded in mystery, as a key bilateral protocol at the heart of the negotiation framework debate was not immediately disclosed (BNR, 2022). However, once it was revealed several weeks later, it was immediately apparent that this bilateral protocol contained several conditions related to the Joint Historical Commission (Georgievski, 2022). These conditions included setting timelines for the Commission's work and "encouraging" a complete resolution of its work before North Macedonia can join the EU. Essentially, if the Commission fails to produce the desired results as outlined by Bulgaria, Bulgaria can again claim grounds for North Macedonia's failure to fulfil its obligations and indefinitely delay North Macedonia's accession to the EU until it finally complies with Bulgaria's demands for the revision of its history textbooks and other curricula. According to what appears to be Bulgaria's strategic position as outlined in its Framework Position and the subsequent Explanatory Memorandum, this would lead to the establishment of

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- 1 The full name of the commission is Joint Multidisciplinary Expert Commission on Historical and Education Issues Between the Republic of North Macedonia and the Republic of Bulgaria.
 - 2 More details in the Bulgarian Government's Framework Position: Council of Ministers of the Republic of Bulgaria. (9 October, 2019). *Ramkova pozitsia otnosno razshiryavane na ES i procesa na stabilizirane i asociirane*: Republika Severna Makedonia. <https://www.gov.bg/bg/prestsentar/novini/ramkova-pozitsia>

a narrative that presents modern Macedonians as being of Bulgarian ethnicity. The creators of this policy appear to believe that the new narrative will eventually “reverse-engineer” the Macedonian people back into their “true” Bulgarian origin, as they believe that ethnic Macedonians were artificially created as a nation from ethnic Bulgarians in North Macedonia.

It is abundantly clear from even a cursory analysis of the official documents issued by Bulgarian institutions, such as the Explanatory Memorandum that was sent to all EU members in 2020, that Bulgaria’s purported strategy is not merely a far-fetched interpretation of the Bulgarian positions (European Western Balkans, 2020). These claims persist in mainstream political debates and continue to be advocated in Bulgaria even today. This suggests that Bulgaria has no intention of relinquishing these outrageous demands in its bilateral negotiations with North Macedonia and will likely insist on them as a prerequisite for North Macedonia’s accession to the EU.

For instance, as recently as in 2022, Bulgaria’s popular and influential president, Rumen Radev, made the statement that “Bulgaria will not permit the legitimization of Macedonism in the EU” (Republika, 2022). The term “Macedonism” is employed in a derogatory manner in Bulgarian discourse, which claims that the expression of a unique Macedonian identity and language, not founded on Bulgarian identity and language, is intolerable. This perspective is reflected in said official documents issued by the Bulgarian government and parliament, including the Explanatory Memorandum, which characterizes the Macedonian identity as a consequence of “Yugoslav totalitarianism.”

Equally importantly, the Bulgarian members of the Joint Historical Commission have consistently expressed comparable viewpoints in the media, accusing their Macedonian counterparts of obstinacy and incapacity for failing to recognize the alleged historical truth that the history of modern Macedonians until 1944 had been Bulgarian and only strayed from it due to Yugoslav oppression. One instance of such remarks comes from Angel Dimitrov, the Bulgarian co-chair of the Commission, who utilized language similar to that later used by President Radev as early as 2018, when the Commission was first established. Dimitrov contended that “Anti-Bulgarian myths and

stereotypes developed during Yugoslavia and the concept of Macedonism obstructed bilateral communication.” Furthermore, he asserted that due to this doctrine, there is a “lack of clarity regarding contemporary Macedonia’s identity because a small group of people continue to propagate an alleged independent origin of the Macedonian nation” (Express, 2018). This serves as an unequivocal sign of the strong concurrence between the official political rhetoric in Bulgaria and the language employed by purported experts in the Commission.

These comments strongly imply that there is minimal or no scope for advancement within the Commission. They provide clear evidence of the belief that Macedonians must be convinced of their “true identity” and “re-engineered” into Bulgarians by imposing the Bulgarian version of history in North Macedonia’s educational system. All of this is expected to be the outcome of North Macedonia’s EU accession process, relying on this not-so-hidden strategy. The shocking similarity between the argumentation employed by Bulgaria to deny the existence of the Macedonian nation and the Russian propaganda that fuelled the aggression towards Ukraine is both alarming and deeply troubling.³ The fact that the European Union seems to be unaware of these striking similarities is a cause for deep concern, especially as this rhetoric, even if implicitly, has found its way into the negotiation framework for North Macedonia’s EU accession. This kind of insidious and hateful vitriol threatens not only to derail North Macedonia’s progress towards EU membership, but it could also have grave consequences for both political stability and inter-ethnic relations within the country and beyond.

3 Russian President Vladimir Putin’s essay on Ukraine, which was published in July 2021, and his subsequent address to the nation on 21 February, 2022, just before the Russian invasion of Ukraine, contain a number of points that dismiss and negate the Ukrainian nation and its history. Notably, these positions bear striking similarities to those expressed in Bulgaria’s Framework Position and the subsequent Explanatory Memorandum. For instance, Putin’s essay portrays Ukrainians as an integral part of the Russian people, who were artificially separated by the communists, much like how the Bulgarian documents describe Macedonians as being part of the Bulgarian people, also artificially separated by the communists. Additionally, the essay portrays the Ukrainian language as a part of the Russian language, much like official Sofia claims Macedonian to be a Bulgarian dialect, among other similarities. The narratives in Putin’s essay and Bulgaria’s documents are strikingly similar and employ nearly identical lines of argumentation.

Unpacking the Impact: Escalating Political Tensions and Potential Inter-Ethnic Risks Triggered in North Macedonia

As previously mentioned, the disclosure of the French proposal for the EU negotiation framework had an instant impact on the nation, causing intense political divisions and sparking anti-government demonstrations that, at times, had the potential to escalate into violence (DW, 2022, July 6). Despite the protests eventually losing steam, the stark political polarization within the country has only intensified. A preliminary poll indicated that over 70 percent of respondents rejected the French proposal, underscoring the level of dissatisfaction with the negotiation framework (Spasovski, 2022). The results of a recent poll have confirmed the prevailing sentiment of opposition towards the terms outlined in the negotiation framework. Additionally, the poll has brought to light a profound inter-ethnic divide on this issue. Specifically, overall 70 percent of Macedonians expressed their rejection of the negotiation framework with the EU, while 75 percent of ethnic Albanians expressed their support for it. Furthermore, this opposition is even more pronounced at a regional level, with over 80 percent of the population in two-thirds of the country rejecting the negotiation framework. In regions with mixed populations, the level of rejection is comparatively lower, but the overall inter-ethnic division on this matter is alarming (Sitel Television, 2023). Previously, the demand for a referendum on the issue by VMRO-DPMNE was met with a resounding refusal from Parliament Speaker Talat Xhaferi, who belongs to the ethnic Albanian DUI party, a junior partner in the ruling coalition (Taylor, 2022). Following this, Levica (Left) put forth a fresh referendum proposal, only to have it rejected once again by Xhaferi for parliamentary review (Vecer, 2022). With the matter now in the hands of the Constitutional Court, the French proposal and the conditions outlined in the negotiation framework have the potential to become a highly charged topic in the upcoming 2024 elections (Levica, 2023).

In the meantime, despite the governing coalition's inability to secure a two-thirds majority in parliament for constitutional amendments, they have forged ahead with establishing a working group within the

Ministry of Justice to draft these amendments, which the opposition has refused to join (Frontline, 2023). This move appears to be in direct contravention of the Constitution of North Macedonia, which explicitly stipulates that any proposal for constitutional amendment must originate from the national assembly. The discussion surrounding constitutional amendments has the potential to escalate quickly and also impact inter-ethnic relations, particularly as most ethnic Albanian parties have called for changes that go beyond the requirements outlined in the French proposal. The existing constitution, which was largely amended with the Ohrid Framework Agreement (OFA) after the inter-ethnic conflict in 2001, designates the Macedonian language as the official language of the then Republic of Macedonia, as well as any language spoken by at least 20 percent of the population, which is governed by a special law. However, several ethnic Albanian political parties are now advocating for the 20 percent provision to be replaced with the “Albanian language” (since the Albanians are the only non-majority ethnic community exceeding the 20 percent threshold nationally), a move that would notably alter the current constitutional framework as a document that defines the state as unitary, yet multicultural⁴ (DW, 2022, November 1). The proposal to name a specific second official language could significantly heighten inter-ethnic tensions and imply that North Macedonia is heading towards becoming a bi-national state. The constitutional change proposed by the Albanian ethnic parties, when coupled with Bulgaria’s vehement denial of the Macedonian language, has the potential to ignite heightened frustration and distrust among the Macedonian majority population, making it a volatile combination that poses a dangerous threat to the delicate stability of inter-ethnic relations.

Furthermore, the rejection of the French proposal by the Macedonian opposition and a large portion of the public, coupled with the unanimous support it has received from the ethnic Albanian parties, has also created a dangerous potential for inter-ethnic conflict. This is because North Macedonia’s and Albania’s accession paths to the EU were previously tied

4 While Albanians are the only ethnic community that surpasses the 20 percent threshold at the national level, other ethnic communities exceed this mark at the local level. As such, the 20 percent provision serves as a general guideline that applies not only nationally but also locally. It was originally designed to accommodate a unitary and multicultural society.

together. If North Macedonia's path remained blocked due to a potential refusal of the French proposal, it could also block Albania's path, as some EU member states were reluctant to decouple the two countries' paths (Euronews Albania, 2023). While the ethnic Albanian parties in North Macedonia may not necessarily support Bulgaria's stance on the Macedonian identity issue (and indeed some Albanian politicians have vigorously criticized the Bulgarian stance), their support for the French proposal could be perceived by many Macedonians as indirectly siding with the Bulgarians, intensifying inter-ethnic tensions, and negatively affecting the overall public support for North Macedonia's accession to the EU. In other words, this situation could be seen as a concerted effort to undermine the Macedonian identity both from outside and within the country, complicating the significant strides that have been made in stabilizing inter-ethnic relations and promoting integration and reconciliation efforts since the 2001 conflict.

Simultaneously, following the acceptance of the French proposal and the negotiation framework, Bulgaria has been asserting with greater insistence that ethnic Bulgarians residing in North Macedonia are experiencing discrimination. Therefore, Bulgaria argues that it is even more crucial to recognize them as a constitutional "founding" people of the country (Kolekeski, 2023). For this purpose, a Bulgarian mogul, likely in coordination with the Bulgarian state, has been organizing the establishment of so-called "Bulgarian clubs" in North Macedonia, with the stated aim of opening such clubs in every town (NetPress, 2022). The first two clubs have already been established in Bitola and Ohrid, respectively the second largest city and the birthplace of Slavic literacy. However, the names chosen for these clubs were drawn from the most controversial historical figures imaginable - Vancho Mihajlov, a Nazi collaborator during Bulgaria's occupation in World War II, and Tsar Boris III, who led Bulgaria during the war and oversaw the occupation of Macedonia, as well as the extermination of the entire Jewish population of Macedonia by sending them to the Treblinka concentration camp.

As expected, the creation of these clubs sparked an immediate public outcry, as they were viewed as an insult to the memory of World War II and further evidence of Bulgaria's hostile intentions. The backlash was so significant that it prompted the amendment of the Law on

Foundations and Associations, creating a permanent commission responsible for reviewing club names before granting approval for registration (Stojanchova, 2022). Several months after the creation of these Bulgarian clubs, the Commission reviewed their names and issued a negative opinion, requiring the clubs to change their names. However, the clubs refused to comply, leading to their eventual outlawing and removal from the Central Registry (Novinite, 2023). Moreover, it seems that this had been Bulgaria's plan all along - to help establish clubs with highly provocative names and goals, only to have them banned later and subsequently use this as evidence that North Macedonia discriminates against ethnic Bulgarians. Similarly, a highly questionable incident involving the secretary of the Ohrid club, which occurred while the club was still operating, was exploited by Bulgarian officials to incite outrage within Bulgaria by claiming that ethnic Bulgarians in North Macedonia are facing threats to their physical safety. The young secretary was involved in a physical altercation that resulted in his injury, prompting Bulgaria to dispatch a government plane to transport him to a hospital in Sofia (Vassev, 2023). This incident was widely publicized in Bulgaria as evidence that North Macedonia fosters hatred towards ethnic Bulgarians, providing further justification for the country to face an ongoing threat of veto and a demand for it fulfil all Bulgarian conditions if it wishes to join the EU. Consequently, the relationship between the two nations has plummeted to an all-time low, potentially marking the worst point in their history since North Macedonia's independence.

Conclusion and the Way Forward

The French proposal was likely intended to be a breakthrough, clearing the path for North Macedonia's EU accession while mending its rocky relationship with Bulgaria. However, it was hastily presented during the final moments of the French EU Presidency, amid the ongoing conflict in Ukraine and a desire to demonstrate progress in the Western Balkans, following the granting of accession paths to Ukraine and Moldova. While it ostensibly allowed North Macedonia to move forward in the accession process, it has also emboldened Bulgaria's hardline stance and sparked a renewed wave of hostility towards its

neighbour. The EU's credibility as an impartial mediator has been severely undermined, and prospects for a lasting resolution to this longstanding dispute seem increasingly remote. Bulgaria's demands have been acquiesced to, with conditions imposed that Bulgaria will monitor throughout the accession process.

As a result, the already complicated and deteriorating relationship between the two countries, which had been exacerbated by Bulgaria's previous veto, has become even more intricate and convoluted. Instead of engaging in constructive dialogue and building trust, Bulgarian officials have relentlessly and irresponsibly fanned the flames of animosity, further inflaming an already explosive situation and deepening the rift between the two countries. The French proposal has been celebrated in Bulgaria as a triumph of its "historic truth," and the country is determined to leverage every possible means to coerce North Macedonia into capitulating to its demands if it wishes to join the EU. This, in turn, has significantly contributed to the exacerbation of political polarization in North Macedonia and threatens to upset the delicate inter-ethnic balance that has been achieved through decades of hard work following the 2001 conflict and the implementation of the Ohrid Framework Agreement.

To address the escalating crisis, a potential solution is for EU member states to adopt a unified stance by unequivocally reaffirming their recognition of the Macedonian language, culture, and identity in a legal capacity, as the German Bundestag did in its resolution of 16 June 2023 (Telma, 2023). This would effectively counter and isolate Bulgaria's aggressive denialist policies and rhetoric, which mirror Russia's denialist narrative regarding Ukrainian identity and nationhood. Additionally, the EU can insist on including highly respected European experts from leading educational institutions in the Joint Historical Commission between North Macedonia and Bulgaria. These experts could provide valuable insights into the Commission's operations, help enhance its capabilities, and facilitate a path towards mutual understanding and eventual reconciliation, without necessarily acting as arbiters.

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The Franco-German Proposal to Normalise Relations between Serbia and Kosovo

A Historic Opportunity to Unblock the EU Accession Perspective for the Entire Western Balkans

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Abstract: Serbia's non-recognition of Kosovo is at the core of many problems in the region. Not only does it prevent progress towards EU accession, which both countries explicitly seek, it also hinders important regional economic cooperation and repeatedly destabilises the entire region. The Franco-German proposal is yet another attempt to normalize relations between the two countries. The proposal envisages a normalisation of relations between Serbia and Kosovo along the lines of the historic Basic Treaty signed in 1972 between the Federal Republic of Germany (FRG) and the German Democratic Republic (GDR). This more active Western Balkans policy on the part of Berlin is also an expression of the "Zeitenwende" announced by Chancellor Scholz. Despite the support of all 27 EU members and the US, the normalisation process is proceeding very slowly, which shows the limited ability of the EU and the US to pressure the two counterparts.

Keywords: Serbia-Kosovo normalization, Belgrade-Pristina Dialogue, Franco-German proposal, EU accession

Introduction

Russia's unprovoked large-scale attack on Ukraine on 24 February, 2022 has renewed fears in Europe of destabilisation in the Western Balkans. The close ties of Serbian President Aleksandar Vučić and Milorad Dodik, the strongman of Republika Srpska and current President of the Republika Srpska, the Serbian part of Bosnia and Herzegovina, to Russian President Vladimir Putin, together with major pro-Russian demonstrations in Belgrade and Banja Luka, fuelled these fears in the first half of 2022. China's growing engagement in the Western Balkans, especially in Serbia, is also viewed critically in Brussels and most EU capitals in the wake of China's growing rivalry with both the US and the EU. Against this background, the EU accession process of the six Western Balkan states (WB6), which has been stagnating for years, is seen as a geopolitical problem in Brussels, Berlin, Paris, and other capitals: the Western Balkans is seen as a potential gateway for opposing powers to enter the EU's inner courtyard. While European Commission (EC) President Ursula von der Leyen had already announced that the Commission she heads would be a "geo-political" one in her inaugural speech on 27 November, 2019 (European Commission [EC], 2019), it took Russia's aggression against Ukraine to herald a political turning point that led to the granting of EU candidate status to Ukraine (and Moldova) in June 2022. This has also brought new momentum to the EU accession perspective of the WB6, which had already been promised to the countries at the Thessaloniki European Council Summit in 2003 and has been reiterated several times ever since. However, only Serbia and Montenegro have made progress on this path, and only at a snail's pace.

Apart from Bosnia and Herzegovina's internal political situation, Serbia's non-recognition of Kosovo, which declared independence in 2008, is at the core of many problems in the region. Not only does it prevent progress towards EU accession, which both countries explicitly seek, it also hinders important regional economic cooperation and has repeatedly destabilised the entire region. Most recently, an escalation of the conflict seemed close in December 2022 and again in May 2023

Historical reference for the Franco-German proposal

In order to defuse this core problem and resolve it in the long term, Berlin and Paris launched a new initiative in autumn 2022 to dynamize the Belgrade-Pristina Dialogue (Brussels Dialogue) that had been initiated and promoted by the EU in 2011 and has hardly made any concrete progress at the political level. To this end, German Chancellor Olaf Scholz and French President Emanuel Macron sent letters to Serbia's President Aleksandar Vučić and Kosovo's Prime Minister Albin Kurti in early September 2022 with a proposal to normalise relations between the two states. At the same time, they sent their two most important foreign policy advisors, Jens Plötner and Emmanuel Bonne, to support the EU Special Representative for Dialogue between Belgrade and Pristina and other Western Balkan regional issues, Miroslav Lajčák. The Franco-German proposal, which has been endorsed as a European proposal by all 27 EU members (including the five¹ that do not recognise Kosovo), envisages a normalisation of relations between Serbia and Kosovo along the lines of the historic Basic Treaty signed in 1972 between the Federal Republic of Germany (FRG) and the German Democratic Republic (GDR). The treaty normalised relations between the two German states without the FRG recognising the GDR as a sovereign state under international law (and thus complying with the reunification requirement of the Basic Law), but de facto recognising its sovereignty.

Overall, many passages were taken verbatim from the Basic Treaty. For example, the Franco-German proposal requires Serbia to de facto recognise Kosovo's independence but not its de jure sovereignty. The preamble states that "...without prejudice to the different view of the Parties on fundamental questions, including on status questions, ..." (see annex). This does not force Belgrade to change its constitution, which considers Kosovo part of Serbia (Milanović, 2023).

The very first sentence of Article 1, analogous to the German model, stipulates the agreement of normal good neighbourly relations. In addition, Serbia is to recognise certain features of Kosovar independence over which there have been repeated disputes, such as the recognition of

1 Spain, Greece, Romania, Slovakia, and Cyprus.

car registration plates. Article 1 states: “The Parties shall develop normal, good-neighbourly relations with each other on the basis of equal rights. Both Parties shall mutually recognize their respective documents and national symbols, including passports, diplomas, licence plates, and customs stamp.” The recognition of state sovereignty features is also found in Articles 4 and 6 of the Basic Treaty. The agreement to establish permanent representations at the respective seat of the other government was taken from Article 8 of the Basic Treaty. As in the FRG-GDR case, it cannot be a matter of establishing embassies. The permanent representative of the Federal Republic of Germany in East Berlin was not sent by the Foreign Office but by the Chancellor’s Office, to which they were also obliged to report.

The Kosovar side is expected to implement the agreements signed in the framework of the Brussels dialogue. The most important demand is for Kosovo to allow the formation of a community of municipalities with a Serbian majority, which the government in Pristina had already agreed to in 2013 within the framework of the so-called Brussels Agreement (First Agreement of Principles Governing the Normalisation of Relations). This would grant these municipalities greater autonomy, but Pristina sees it as a danger to the cohesion of the country. In addition, the status of the Serbian Orthodox Church in Kosovo is to be formally established, thus protecting the religion and culture of the Serbian minority.

The Franco-German proposal goes some way beyond the Brussels Agreement, as Serbia not only recognises Kosovar authority within its own territory, including the majority Serb-inhabited northern part of the country, it also recognises it outside the country. Thus, Serbia abandons its active obstruction of Kosovo’s membership in international organisations, de facto accepting the country’s sovereignty in the international space as well.

On 27 February, 2023, both President Vučić and Prime Minister Kurti agreed to the proposal at a meeting in Brussels with EU High Representative for External Affairs and Security Policy Josep Borrell and EUSR Lajčák, but no agreement was reached on the order of implementation set out in the annex. Vučić, for example, insisted that the Serbian Association of Municipalities in Kosovo should be established first, which Kurti rejected. Kurti, who argued that the stability of the

country should be preserved, also demanded that Serbia establish a similar association of municipalities with a Kosovar minority in the Serbian Presevo Valley in the spirit of political reciprocity.

Since the agreement in question is not very popular with the party supporters of either Vučić or Kurti, and it is vehemently opposed by some of them, both were unwilling to initial the agreement for reasons of domestic politics.

At the most recent meeting between Vučić and Kurti on 18 March, 2023, again moderated by Borrell and Lajčák in Ohrid, North Macedonia, there was further convergence on the implementation of the agreement during eight hours of negotiations, but Vučić refused to sign the agreement, as the EU mediators had hoped.² Since both sides had already agreed to the agreement in February, the negotiations in Ohrid now focused on the deadlines and dates, formulated in the annex, by which the individual points of the agreement are to be implemented. This also includes obligations for the EU, which is to organise a donor conference for financial aid for Serbia and Kosovo in the coming months.

The EU's influence on Serbia is limited...

The EU's influence on the two rivals is limited. Serbia still aspires to join the EU, even though its popularity has declined significantly in recent years. In an opinion poll conducted in the summer of 2022, 40 percent of Serbs named Russia as Serbia's most important partner. Forty-five percent of respondents had a positive opinion of Russian President Putin. At the same time, 43 percent of Serbs would advise their government not to pursue EU membership (Džihic, 2023).

Moreover, the EU cannot offer Belgrade an acceleration of the accession process in exchange for the recognition of Kosovo, as the country's democratic deficits and corruption are simply too great. Instead of moving towards the EU through reforms, the EU has had to note backward steps in its last progress report for Serbia and a weakening alignment of

² As both parties accepted the roadmap verbally, according to the Vienna Convention it is treated as if it had been formally signed.

Serbia's foreign policy with the common positions of the EU, to which it has committed itself as an EU accession candidate. However, it is clear to both Vučić and the Serbian elite that the country's future can only lie in Europe. Thus, it was probably no coincidence that the biggest funding pledge the EU has ever made to Serbia was made public after Vučić had agreed in principle to normalise relations with Kosovo on 27 February, 2023. The EU, together with the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), has pledged a total of up to EUR 2.2 billion for the modernisation of the 230 km railway line between Belgrade and Niš, the country's second largest city.

Maintaining political relations with Moscow and the expansion of economic relations with Beijing, considered highly problematic by the EU, is also seen in Belgrade as a means of exerting counter-pressure on the EU, although recently there have been signs that Serbia's balancing in its foreign policy is shifting more towards the EU.

... as is the EU's influence on Kosovo

The EU's popularity in Kosovo is also limited, since five member states (Spain, Greece, Romania, Slovakia, and Cyprus) have not recognised Kosovo's sovereignty so far, all of which would have to agree to Kosovo's admission to the EU. However, all 27 EU states endorsed the "European proposal" in the conclusions of the European Council on 9 February, 2023, which has given it the necessary political weight.

It is also not surprising that Pristina looks to Washington at least as often as to Brussels due to the leading role of the US in NATO's KFOR mission, which is essential for the country's security. For this reason, the EU is also striving for close coordination with the US in its approach. In addition to the long-term goal of EU accession (Pristina submitted an official application for membership in December 2022), the Kosovar government is striving to join the Council of Europe, pointing to the great progress made in the rule of law and the consolidation of democracy, which has catapulted the country to the top of all Western Balkan states in the relevant rankings.

A “Zeitenwende” (turning point) in Germany’s Western Balkans policy

When EU Commission President Jean-Claude Juncker announced a freeze on EU enlargement in 2014 (Juncker, 2014), it was Chancellor Angela Merkel who invited the Western Balkan states to the German capital in August 2014, thus initiating the “Berlin Process” to improve cooperation among the WB6. However, this brought only very limited results, also because the WB6 had the impression that the Berlin Process was only a consolation price for the prospect of the EU accession that had been postponed.

The Russian attack on Ukraine also led to a turning point in German policy on the Western Balkans. The new coalition government under Chancellor Olaf Scholz, which had come into office only a few months before the war, appointed a Special Representative for the Countries of the Western Balkans for the first time in March 2022, in the person of former Bundestag member and Balkan expert Manuel Sarrazin. Since his appointment, Sarrazin has visited all the capitals of the WB6. In Belgrade he made the German position very clear when he stated that “Serbia cannot join the EU without recognizing Kosovo” (RTKLive, 2023). Also in March, Foreign Minister Annalena Baerbock visited Sarajevo, Pristina, Mitrovica, and Belgrade. Federal Defence Minister Christine Lambrecht followed her in May, when she also visited Sarajevo, Belgrade, and Pristina. Also in May, President Vučić and Prime Minister Kurti met with Chancellor Scholz and Foreign Minister Baerbock in Berlin. In June, it was Chancellor Scholz himself who set off on his first trip to the region, holding talks in Pristina and Belgrade before attending the Southeast Europe Cooperation Council in Thessaloniki on 11 June. This was followed by visits to Skopje and Sofia. This unprecedented density of visits shows the importance Germany attaches to the region.

In September, Chancellor Scholz invited the WB6 to Berlin for the ninth Western Balkans Summit of the Berlin Process. There Chancellor Scholz declared his commitment to the enlargement of the EU to include the states of the Western Balkans and linked the success of enlargement to the Berlin Process. The mobility agreements on ID-cards and diplomas

concluded at the summit were very much welcomed in the region, as they enhance freedom of movement for their citizens. Parallel to the Berlin Summit, Berlin, in close coordination with Paris, launched the Franco-German proposal for the normalisation of relations between Serbia and Kosovo. To this end, an old proposal by former German diplomat and President of the Munich Security Conference Wolfgang Ischinger was taken up. In October 2007, in his function as the EU representative of the “Kosovo Troika” that consisted of the EU, the US, and Russia, the latter had suggested in an interview with the *Frankfurter Allgemeine Zeitung* that the German Basic Treaty of 1972 should be taken as a model in order to exclude what cannot be resolved and still come to an understanding on the urgent issues (*Frankfurter Allgemeine Zeitung*, 2007). In a joint letter to President Vučić and Prime Minister Kurti, coordinated with Brussels, Chancellor Scholz and President Macron submitted their proposal and sent their closest foreign policy advisors Plötner and Bonne together with EU Special Representative Lajčák to Pristina and Belgrade. On the next visit, just a few days later, the group was expanded to include the United States’ Balkan envoy, Gabriel Escobar.

In the run-up to Vučić and Kurti’s meeting with Borrel and Lajčák on 27 February, 2023 in Brussels, Italy joined the Franco-German duo. Further joint letters from Scholz and Macron to Vučić and Kurti dated 25 February, 2023 were also signed by Italian Prime Minister Giorgia Meloni, and her diplomatic advisor Francesco Taló joined the group of personal representatives.

After an agreement in principle to the European proposal by Vučić and Kurti on 27 February, 2023, but no agreement on the order of implementation and no signature, the parties agreed to meet again on 18 March in Ohrid, North Macedonia. In the meantime, diplomacy between the parties was in full swing. EU Special Representative Lajčák travelled to Belgrade and Pristina. The envoys of Berlin, Paris, and Rome jointly published an op-ed in a Kosovar (*Koha*) and a Serbian newspaper (*Blic*). The US Special Envoy and the US Ambassadors in Pristina and Belgrade demarched at the highest levels in Serbia and Kosovo, as did the Ambassadors of Germany, France, and Italy. Support also came from the non-EU states of Norway and Switzerland, so the two adversaries faced a great Euro-American union.

Conclusion

And yet, although progress was made regarding normalisation between Serbia and Kosovo in Ohrid, the big breakthrough once again failed to materialise. While EU High Representative for Foreign Affairs and Security Policy Borell announced the agreement (“We have a deal”) in front of the cameras (Delegation of the European Union to the Council of Europe [EEAS], 2023), President Vučić underlined, as he had done after the February meeting in Brussels, that he had signed nothing. The historic opportunity to solve one of the core problems in the Western Balkans has thus not yet been completely lost, but time has once again been lost in bringing the region closer to and eventually into the EU.

Annex

Belgrade-Pristina Dialogue: EU Proposal - Agreement on the path to normalisation between Kosovo and Serbia

Brussels, 27 February, 2023

The Contracting Parties,

Conscious of their responsibility for the preservation of peace,

Committed to contribute to fruitful regional co-operation and security in Europe and to overcome the legacy of the past, Aware that the inviolability of frontiers and respect for territorial integrity and sovereignty and the protection of national minorities are a basic condition for peace, Proceeding from the historical facts and without prejudice to the different view of the Parties on fundamental questions, including on status questions, Desirous to create the conditions for cooperation between the Parties for the benefit of the people, Have agreed as follows:

Article 1

The Parties shall develop normal, good-neighbourly relations with each other on the basis of equal rights. Both Parties shall mutually recognise their respective documents and national symbols, including passports, diplomas, licence plates, and customs stamps.

Article 2

Both Parties will be guided by the aims and principles laid down in the United Nations Charter, especially those of the sovereign equality of all States, respect for their independence, autonomy and territorial integrity, the right of self-determination, the protection of human rights, and non-discrimination.

Article 3

In conformity with the United Nations Charter, the Parties shall settle any disputes between them exclusively by peaceful means and refrain from the threat or use of force.

Article 4

The Parties proceed on the assumption that neither of the two can represent the other in the international sphere or act on its behalf. Serbia will not object to Kosovo's membership in any international organisation.

Article 5

Neither Party will block, nor encourage others to block, the other Party's progress in their respective EU path based on their own merits. Both Parties shall respect the values referred to in Articles 2 and 21 of the Treaty of the European Union.

Article 6

While the present Agreement constitutes an important step of normalization, both Parties will continue with new impetus the EU-led Dialogue process which should lead to a legally binding agreement on comprehensive normalization of their relations. The Parties agree to deepen future cooperation in the fields of economy, science and technology, transport and connectivity, judicial and law enforcement relations, posts and telecommunications, health, culture, religion, sport, environmental protection, missing persons, displaced persons and other similar areas through the conclusion of specific agreements. The details will be agreed in additional agreements facilitated by the EU-led Dialogue.

Article 7

Both Parties commit to establish specific arrangements and guarantees, in accordance with relevant Council of Europe instruments and by drawing on existing European experiences, to ensure an appropriate level of self-management for the Serbian community in Kosovo and ability for service provision in specific areas, including the possibility for financial support by Serbia and a direct communication channel for the Serbian community to the Government of Kosovo. The Parties shall formalise the status of the Serbian Orthodox Church in Kosovo and afford strong level of protection to the Serbian religious and cultural heritage sites, in line with existing European models.

Article 8

The Parties shall exchange Permanent Missions. They shall be established at the respective Government's seat. Practical questions relating to the establishment of the Missions shall be dealt with separately.

Article 9

Both Parties take note of the EU's and other donors' commitment to establish a special investment and financial support package for joint projects of the Parties in economic development, connectivity, green transition and other key areas.

Article 10

The Parties shall establish a joint Committee, chaired by the EU, for monitoring the implementation of this Agreement. Both Parties confirm their obligation to implement all past Dialogue agreements, which remain valid and binding.

Article 11

Both Parties commit to respect the Implementation Roadmap annexed to this Agreement (The Diplomatic Service of the European Union, 2023).

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