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# Peace and Security in 2018

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An evaluation of EU  
peacebuilding in the  
Western Balkans

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STUDY

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**Ex-Post Evaluation Unit**

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# Peace and Security in 2018

## An evaluation of EU peacebuilding in the Western Balkans

This first thematic study of the Peace and Security series focuses on European Union (EU) peacebuilding efforts in the Western Balkans. The series will make an annual evaluation of EU performance in the field of peace and security in a specific geographical region.

Examining EU engagement in the Western Balkans, the study assesses the extent to which the Union has been able to transform and strengthen the region's governance, economy and resilience. The study is organised around three key inter-connected (and at times overlapping) phases in EU post-conflict peacebuilding – stabilisation, state-building and EU enlargement – to explain the strengths, weaknesses and limits of EU engagement. It ends with an assessment of the new EU strategy for the Western Balkans and analyses the potential to remedy past deficiencies and help move the region towards genuine, inclusive and sustainable peace.

A parallel study, published separately, provides an overview of current EU action on peace and security and of the outlook for the future. The studies have been drafted with a view to their presentation at the Normandy World Peace Forum, in June 2018.

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## EXECUTIVE SUMMARY

EU policy in the Western Balkans has shifted from one of stabilisation and containment to a much more ambitious policy of 'positive peace'-building, which is embodied in the EU enlargement process. It has implied that, in order to restore normality after a period of dramatic destruction of human and economic capital and to promote the re-establishment of an EU-like way of life in the Western Balkans, the EU has gone beyond disarming, repairing roads, re-establishing free flows of goods and helping refugees return home. In Bosnia-Herzegovina first, and then in the rest of the region, the EU has advocated a genuine and inclusive 'positive peace', which comprises reconciliation, respect for the rule of law, free elections, equal political and social opportunities, a free press, civil society participation, economic growth – i.e. not just paying lip service to bringing about peace, but actually putting ideas into practice.

In the 1990s, the EU and its Member States failed to secure the end of military conflict and bloodshed in Bosnia-Herzegovina (1992-1996) and Kosovo (1999). The EU was unprepared to tackle these challenges; and the United Nations, the United States and NATO had to step in to end the wars. Although Member States maintained a broad consensus on key decisions, they also faced, and continue to face, highly divisive moments (the recognition of Croatia in 1991, and the handling of the Kosovo 'status question' since 1999). Equally, other major powers – the United States, Russia, Turkey, and China – present in an already overcrowded international playground have exerted their influence in the region in recent years, some of them to the detriment of EU leverage.

In the post-conflict context – the stabilisation and state-building phases, which progressively led into the EU accession phase – the EU (in tandem with other donors) was engaged in political mediation in the Western Balkans, deployed considerable humanitarian relief, offered support to refugees and the displaced, and provided massive financial support and technical assistance for reconstruction. To deliver on this, the EU has used a country-by-country approach in parallel to a regional approach, progressively linking this with the EU enlargement strategy. Favouring a civilian approach that was tied to substantial financial and technical support, but also through the deployment of EU peace-support operations, the EU has pushed for the democratisation and resilience of Western Balkan institutions, societies and economies. This was made conditional upon the Western Balkans meeting 'European standards' (conditionality).

Although there has been undeniable progress in securing, stabilising and, to a certain degree, building and reforming the institutions and economies of the Western Balkan countries, the 'positive peace' agenda is still some way off completion.

- **The EU de-escalation and stabilisation** efforts of the 1990s and 2000s were fairly successful, but not without a cost: extended military presence, constant mediation efforts, and the heavy involvement of non-EU powers in the region, which has meant that their influence is still felt in the new economic and political fabric. The EU missions were to a certain extent too limited (in duration and scale) to provide the desired long-term effects. The **EU's state-building** efforts, tied to conditionality and therefore to a strong EU normative agenda, have been more complex. They have delivered mixed results and at times brought about 'faked compliance'.
- **The economic reform and development** measures were relatively successful, but for only part of the population: those benefiting from opportunities to study or work abroad and from inward investment. The EU policy on trade and monetary

integration has had measurable results. However, the benefits of an asymmetric economic policy mix that has led to 'too much market' have increased rather than reduced social inequalities, as compared to pre-war levels.

- **The results for EU enlargement** and by extension the 'positive peace' agenda have been suboptimal, especially at local level: democratic governance free from corruption and organised crime, fair economic competition, freedom of speech, and respect for the rule of law, are all distant realities in the everyday life of Serbs, Bosnians, Kosovars, Albanians, Macedonians and Montenegrins.

The EU's under-achievement on the 'positive peace' agenda in the Western Balkans – with the risks linked to a return to inter-ethnic tensions – may be related to:

- **a double logic:** the lack of a continuum between EU stabilisation strategies/instruments (that also favour EU security) and the EU pre-accession strategies/instruments has generated confusion and sometimes complex overlapping. This confusion has further exacerbated EU enlargement fatigue (partly a consequence of challenges internal to the Union);
- **a double divide among international donors:** the diversity of EU Member States' interests and views in the region has made it difficult to fully unify them behind a coherent and consistent policy. Moreover, the direct involvement of the United States, NATO, and Russia – to a great extent a hang-over from the stabilisation period – has created at some stages and in some places protectorate-like behaviours that limit EU leverage. Other countries, such as Turkey and China, may also be playing a destabilising role in the region;
- **a double credibility gap:** exasperation and fatigue with the EU enlargement process is not the monopoly of the Western Balkans, whose leaders usually deliver little on political, governance and social commitments in comparison to security or economic commitments. The credibility gap is also a reality on the EU side, which is torn between, on the one hand, declarations of high ambitions, and on the other, the reality of scarce funding and slow reactivity.

It is in this context of mutual disenchantment that the EU has revamped its enlargement strategy and push for the region's accession. This is seen as a way of reversing the shared EU enlargement fatigue while tackling the potential instability that non-EU powers' influence may trigger in the region. If genuine 'positive peace' in the Western Balkans is the ultimate objective, however, the EU would need to consider which reforms are key, which actors to engage with, and how to deal with the obstructive elites and spoilers of the peacebuilding process. For their part, the Western Balkan leaders need to truly commit to difficult but necessary reforms and implement them, as this is the only way for them to move forward on their path to EU accession.

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### List of main acronyms used

<b>ALDE:</b>	Alliance of Liberals and Democrats for Europe, European Parliament
<b>BiH:</b>	Bosnia-Herzegovina
<b>CARDS:</b>	Community Assistance for Reconstruction, Development and Stability
<b>CEE:</b>	Central and eastern Europe
<b>CFSP:</b>	Common Foreign and Security Policy
<b>CSCE/OSCE:</b>	Conference for Security and Co-operation in Europe/Organization for Security and Co-operation in Europe
<b>CSDP/ESDP:</b>	Common Security and Defence Policy/European Security and Defence Policy
<b>EBRD:</b>	European Bank for Reconstruction and Development
<b>EC:</b>	European Community
<b>EEAS:</b>	European External Action Service
<b>EIB:</b>	European Investment Bank
<b>EPP:</b>	European People's Party, European Parliament
<b>EPRS:</b>	European Parliamentary Research Service, European Parliament
<b>EU:</b>	European Union
<b>EUFOR:</b>	European Union Military Operation
<b>EUMM:</b>	European Union Monitoring Mission
<b>EUPAT:</b>	European Union Police Advisory Team
<b>EUPM:</b>	European Union Police Mission (in Bosnia-Herzegovina)
<b>EUSR:</b>	European Union Special Representative
<b>GDP:</b>	Gross domestic product
<b>ICITAP:</b>	International Criminal Investigative Training Assistance Programme, United States
<b>ICJ:</b>	International Court of Justice, United Nations
<b>ICTY:</b>	International Criminal Tribunal for the former Yugoslavia, United Nations
<b>IPA:</b>	Instrument for Pre-Accession, European Commission
<b>IPTF:</b>	International Police Task Force, United Nations
<b>KFOR:</b>	Kosovo Force, NATO
<b>MAPE:</b>	Police Advisory Mission to Albania, Western European Union
<b>NATO:</b>	North Atlantic Treaty Organisation
<b>NGO:</b>	Non-governmental organisation
<b>OBNOVA:</b>	European Community aid for Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and the former Yugoslav Republic of Macedonia
<b>ODA:</b>	Official development assistance
<b>OHR:</b>	Office of the High Representative
<b>PHARE:</b>	Poland and Hungary: Assistance for the Restructuring of the Economy, European Commission

<b>PPP:</b>	Purchasing power parity
<b>RCC:</b>	Regional Cooperation Council
<b>RS:</b>	Republika Srpska
<b>S&amp;D:</b>	Socialists & Democrats, European Parliament
<b>SAA:</b>	Stabilisation and Association Agreement
<b>SAP:</b>	Stabilisation and Association Process, European Commission
<b>SFOR:</b>	Stabilisation Force in Bosnia and Herzegovina, United Nations
<b>SFRY:</b>	Socialist Federal Republic of Yugoslavia
<b>UN:</b>	United Nations
<b>UNMIK:</b>	United Nations Mission in Kosovo
<b>UNPROFOR:</b>	United Nations Protection Force
<b>UNSC:</b>	United Nations Security Council
<b>UNSCR:</b>	United Nations Security Council Resolution
<b>USA:</b>	United States of America

## 1 Introduction

Today, more than 25 years since the beginning of the wars leading to Yugoslavia's dissolution, more than 20 years since the signature of the Dayton Peace Accords, and almost 20 years since the NATO intervention in Kosovo, the Balkan region and its future remain more than ever a European question. The Western Balkans, an EU geopolitical denomination that was coined to refer to Albania and the countries of the former Yugoslavia<sup>1</sup> minus Slovenia, have been a terrain of both trials and opportunities for the Union. On the one hand, it is a region where the EU has faced its biggest political-security challenges, but on the other, it is a region that has forced the EU to strengthen its political and security union and nurture its potential to be a peacebuilding actor on the global stage.

**Figure 1 – Status of EU-Western Balkan relations**



Map by Eulalia Clarós, EPRS.

While in the 1990s, Bosnia was the symbol of a collective failure, Kosovo later became a catalyst for an emerging Common Foreign and Security Policy (CFSP), and then a testing ground for its European Security and Defence Policy (ESDP, now CSDP)<sup>2</sup> peace support

<sup>1</sup> Bosnia-Herzegovina, the former Yugoslav Republic of Macedonia, Serbia, Kosovo, and Montenegro. Croatia no longer falls under this denomination as it joined the European Union in July 2013. For this reason, Croatia falls outside the remit of this study.

<sup>2</sup> For ease of reading, this paper uses the acronym CSDP – that is, Common Security and Defence Policy – throughout this study, although this term was introduced only in 2009 in the Treaty of Lisbon. Before that and as of 1999, the Union referred to the context within which its missions were deployed as ESDP.

operations (also in Bosnia-Herzegovina and the former Yugoslav Republic of Macedonia). Over the past two decades, the EU's policy for the region has moved from an agenda dominated by security issues related to the wars and the need for post-conflict stabilisation, to one of reconstruction and state-building, and to an agenda focused on the perspective of the Western Balkan states' accession to the European Union, which has now become the principal component of the EU's agenda for peace. On the eve of the 'big bang' EU enlargement that saw the Union grow by 10 new Member States, the Thessaloniki Declaration of June 2003 declared 'unequivocal support for the European perspective of the Western Balkan countries'.<sup>3</sup> This was a clear promise to move this isolated group of countries encircled by the Union into the European family. Since then, Croatia joined the Union in July 2013, while the rest of the region has made varying degrees of progress towards membership. Serbia and Montenegro have begun the EU accession process, Albania and the former Yugoslav Republic of Macedonia are official candidates, and Bosnia-Herzegovina and Kosovo are potential candidates (see **Figure 1**).

The consolidation of peacebuilding efforts – particularly on governance and rule of law issues, and on dealing with the legacies that the wars left behind – is a fundamental prerequisite for moving from 'negative peace' connected to the absence of war, to 'positive peace' that is linked to the removal of the systemic root causes of structural violence.<sup>4</sup> This move towards 'positive peace', which interestingly enough, Johan Galtung, first defined as 'the integration of human society',<sup>5</sup> has come to be tightly linked to the progress the Western Balkans make on their path to EU integration, that is, their membership of the EU. The EU itself defines the enlargement process as 'an investment in peace, security and stability in Europe: the prospect of EU membership has a powerful transformative effect on the partners in the process, embedding positive democratic, political, economic and societal change'.<sup>6</sup>

## 1.1 Objectives and structure of the study

Against this backdrop, this volume of 'Peace and Security in 2018' aims to evaluate EU engagement in the Western Balkan region to assess the extent to which the Union has been able to transform and strengthen the governance, economy and resilience of the region.<sup>7</sup> In doing so, the study examines the performance of EU action in the Western Balkans spanning the entire spectrum of activities from 'negative peace' to 'positive peace'. In line with the evolution of EU external action towards a 'comprehensive approach' – an approach to EU peacebuilding that aims to tackle the root causes of

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<sup>3</sup> [Declaration](#), EU-Western Balkans Summit, reference no: C/03/163, Thessaloniki, 21 June 2003.

<sup>4</sup> According to the Global Peace Index, 'positive peace' refers to the presence of attitudes, institutions and structures that create and sustain peaceful societies. The features of such societies include a well-functioning government, equitable distribution of resources, the free flow of information, good neighbourly relations, high levels of human capital, respect for human rights, low levels of corruption, and a sound business environment. *Global Peace Index 2017: Measuring Peace in a Complex World*, IEP Report 48, Institute for Economics and Peace, Sydney, June 2017.

<sup>5</sup> J. Galtung, 'An Editorial', *Journal of Peace Research*, Volume 1, Issue 1, pp. 1-4.

<sup>6</sup> European Commission, [Press release: Enlargement Package: Commission Publishes Reports on the Western Balkans Partners and Turkey](#), Brussels, 17 April 2018.

<sup>7</sup> Resilience refers to the ability of states and societies to reform, withstand and recover from internal and external crises. See A.E. Juncos, 'Resilience as the New EU Foreign Policy Paradigm: A Pragmatist Turn?', *European Security*, Volume 26, 2017, pp. 1-18; and W. Wagner and R. Anholt, 'Resilience as the EU Global Strategy's New Leitmotif: Pragmatic, Problematic or Promising?', *Contemporary Security Policy*, Volume 37, 2016, pp. 414-430.

conflict, and rebuild societies and states in a holistic manner – this study examines EU efforts to

- i) mediate conflicts, bring stability and restore order (stabilisation phase);
- ii) support security and political/governance reforms and rebuild economies (areas linked to state-building), and;
- iii) facilitate reconciliation and the transformation of societies, by, for instance, tackling historical legacies, assisting civil society capacity-building, and encouraging the implementation of sensitive rule of law reforms and the effective protection of human rights (actions linked to peacebuilding).

The study is therefore organised around three key inter-connected (and at times overlapping) phases in the EU's post-conflict peacebuilding action in the Western Balkans. First, the study examines EU efforts to stabilise the region following the wars and to re-establish a sense of security. Second, it examines the launch, creation and reform (according to the needs of the respective countries) of the security and rule of law apparatus. Third, it analyses the process of association of the Western Balkans countries with the EU, leading to eventual EU membership, which for the EU is a way of gauging the movement of the respective Western Balkan countries towards peace. Through an evaluation of these key stages of EU intervention, the study also points to the limits of EU engagement and explains why the prospect of EU membership has proven insufficient for incumbent elites to undertake meaningful democratisation in their respective countries.

The study acknowledges the action of a variety of other key actors in the Western Balkans, with which the EU has cooperated, but to which it has not been able to give the necessary attention owing to the constraints of this research project. It nevertheless touches on the role of EU Member States and other key powers active in the region, notably the role of the United States, NATO, Russia, China and Turkey. The study ends with an assessment of the EU's new strategy for the Western Balkans to assess the potential to remedy past deficiencies and help move the EU's peace efforts in the region forward.

## 2 EU stabilisation efforts following the Balkan wars

The Socialist Federal Republic of Yugoslavia (SFRY) was the first central and eastern European (CEE) state to accredit its diplomatic representative to the then European Community and open a diplomatic mission in Brussels in 1968. It was also the first CEE country to negotiate and implement a formal trade agreement with the European Community (EC) in 1970. The EC opened its mission in Belgrade and signed a Cooperation Agreement with Yugoslavia in 1980. The then EC's trade and diplomatic relations with Belgrade were founded on the Community concept of *Ostpolitik* – the opening and normalisation of Western relations with the eastern European bloc. The former SFRY was a major beneficiary of the EC's generalised system of preferences, a system of reduced tariffs on imports of goods from developing countries.<sup>8</sup>

When the Iron Curtain fell and the first wave of democratic elections swept through much of central and eastern Europe at the beginning of the 1990s, the SFRY – officially a non-aligned country throughout the Cold War – faced increasing tensions between its republics, where political elites – in some cases newly-elected in free and competitive polls – disagreed on the pace and direction of political and economic reforms, on relations between the constituent parts of the federal state, and on future statehood itself.<sup>9</sup>

In the post-Yugoslav Balkans, EU engagement in the crises of governance has been conceived strategically as leading on through successive stages of Europeanisation<sup>10</sup> to full EU membership in the long run. Europeanisation is linked to the EU integration process and therefore linked with the legislative adoption of EU norms and standards and their obligatory implementation. In that context, the diversity of political, economic and security instruments at the EU's disposal has enabled the Union to respond in a multi-faceted manner to the reconstruction of the Western Balkans, areas where other crisis management actors have been less well positioned.<sup>11</sup> In that sense, EU action in the Western Balkans created the need for a multi-layered response, leading to the emergence of the 'comprehensive approach', already explained in **Section 1.1 – Objectives and structure of the study**.

The first imperative of EU efforts in the region was to grapple with the need for stabilisation, that is, the end of violence and civil war and the reinstatement of order. Crisis management is in principle a temporary activity in any given theatre of operation. This is why most CSDP operations are usually too small or short-term to be considered as a 'strategic' involvement. The EU Police Mission (EUPM) in Bosnia-Herzegovina and the EU Rule of Law (EULEX) Kosovo mission are, however, exceptions. Accordingly, while it is understood that EU external action must fall within an overall strategy, CSDP operations are at best one element of that strategy, not the strategy in itself.<sup>12</sup> From

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<sup>8</sup> R. Zupančič and N. Pejič, [Limits to the European Union's Normative Power in a Post-conflict Society: EULEX and Peacebuilding in Kosovo](#), SpringerOpen, 2018, p. 34.

<sup>9</sup> A. Missiroli (ed.), [The EU and the World: Players and Policies Post-Lisbon: A Handbook](#), EU Institute for Security Studies, Paris, 2016, p. 111.

<sup>10</sup> K. Featherstone and C. Radaelli (eds), *The Politics of Europeanization*, Oxford University Press, Oxford, 2003.

<sup>11</sup> A. Missiroli (ed.), [The EU and the World: Players and Policies Post-Lisbon: A Handbook](#), EU Institute for Security Studies, Paris, 2016.

<sup>12</sup> *Ibid.*, p. 55.

police reform in Bosnia-Herzegovina to the installation of the Union between Serbia and Montenegro, the EU has clearly been involved in state-building practices, albeit with mixed results,<sup>13</sup> at times even resulting in 'faked compliance',<sup>14</sup> as will be shown.

## 2.1 EU diplomacy to counter violence and ethnic strife

In the early summer of 1991, a crumbling Yugoslavia on the brink of civil war became the subject of intense political consultations and diplomatic actions. Jacques Poos, the foreign minister of Luxembourg, then holding the rotating presidency of the Council, famously claimed that 'the hour of Europe' had come. His statement summarised the high expectations among EC members regarding the role of Europe on the global scene, expectations which made subsequent failure even more painful. Initially EC negotiators led the peace efforts and achieved the cease-fire which stopped the war in Slovenia in July 1991 (the Brioni Agreement), and the EC also put in place diplomatic and economic sanctions intended to force the parties to a negotiated solution. But quickly, the EC Member States found themselves divided over the handling of the conflicts, as explained in **Section 5.1 – The role of the EU Member States**, with detrimental consequences.

The ensuing decade witnessed three (civil) wars in the region, one international (humanitarian) military intervention, the falling apart of the federal state, the emergence of an alarming refugee crisis and the economic devastation of the region. Although Albania was not involved in the region's wars, it suffered severe economic repercussions, mass migration and near-collapse in the spring of 1997. Overwhelmed by the magnitude of the Yugoslav crisis, the EC initially lacked a coherent objective and strategy or the necessary policy framework and institutional capacity to react fast enough and effectively. Its role was clearly limited to the use of economic and diplomatic instruments (economic assistance, prospects of association, and membership), the only ones available to the EU at that time. According to some observers, however, the use of these traditional instruments of the EC was proposed too late, when the crisis in the former Yugoslavia was irreversible.<sup>15</sup>

Beyond trade and diplomatic relations, throughout the first half of the 1990s the EC and its Member States engaged with the region primarily through the Conference for Security and Co-operation in Europe (CSCE, later renamed OSCE) and the UN, including in Albania. Numerous studies have shown that EC efforts to contain and halt the outbreak of war in the former Yugoslav Republic were unsuccessful.<sup>16</sup> The civil war in Bosnia-Herzegovina (BiH) and the Dayton Peace Agreement brokered by the United States and NATO, in December 1995, forced the EU Member States to reflect on their legal and institutional set-up and overall policy towards the Western Balkans.

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<sup>13</sup> F. Bieber, 'Building Impossible States? State-Building Strategies and EU Membership in the Western Balkans', *Europe-Asia Studies*, Volume 63, Issue 10, 2011, pp. 1783-1802.

<sup>14</sup> G. Noutcheva, *European Foreign Policy and the Challenges of Balkan Accession*, Routledge, New York, 2012.

<sup>15</sup> S. Woodward, 1995, *Balkan Tragedy: Chaos and Dissolution after the Cold War*, Brookings Institution, Washington, DC, 1995.

<sup>16</sup> F. Andreatta, *The Bosnian War and the New World Order*, Occasional Paper 1, EU Institute for Security Studies, Paris, October 1997; A.E. Juncos, 'The EU's Post-Conflict Intervention in Bosnia and Herzegovina: (re)Integrating the Balkans and/or (re)Inventing the EU?', *Southeast European Politics*, Volume VI, No 2, November 2005, pp. 88-108; S. Keukeleire and J. MacNaughtan, *The Foreign Policy of the European Union*, Palgrave Macmillan, London, 2008.

The Dayton Peace Accords had to address the complex political, social and cultural environment in Bosnia-Herzegovina. It set out an intricate governing system that includes three presidents on a rotating basis, 14 parliaments and more than 100 ministers. Perhaps unsurprisingly, this complex system – where the three main ethnicities (Bosniaks, Croats and Serbs) are represented – empowered elites, but at the same time discouraged them from making the necessary structural changes to the country's governance. The same agreement presented a framework within which the EU (and the international community) specified its own goals regarding post-conflict reconstruction. Joint diplomatic efforts were channelled through ever-closer links between BiH leaders with the EU Special Representative (EUSR) for Bosnia-Herzegovina. They were also presented through the joint organisation of donor conferences and strengthened by the prospect for the countries of the region to enter contractual relations with the EU, made conditional upon regional cooperation and good neighbourly relations. While the EU (inter alia through the European Commission's presence in Sarajevo) took over the role of main coordinator of international financial support for post-conflict reconstruction, it was already providing the lion's share of humanitarian support for Bosnia-Herzegovina before the end of the hostilities, and embarked on the reconstruction of the city of Mostar as early as 1995, with its first ever CFSP Common Action.

Towards the end of the 1990s and in the early 2000s, the EU had established itself, within the region as well as the international community, as the main provider of humanitarian and economic assistance and a major political force in the region. The EU, through its High Representative for Common Foreign and Security Policy Javier Solana, played a key role in resolving the 2001 crisis in the former Yugoslav Republic of Macedonia, intervening early in the crisis, successfully employing economic and political incentives in the resolution of the conflict, which led to the signature of the Ohrid Framework Agreement. This agreement that ended the ethnic strife between the ethnic Albanian National Liberation Army and the Macedonian security forces, laid down clear objectives and benchmarks. More specifically, it addressed the issue of the inequitable representation of minorities in the police, the redeployment of mixed police patrols in the crisis areas, and the provision of technical assistance for institutional/procedural changes in public security institutions. The mediation of the 2001 crisis marked the first time that the EU had made use of crisis management tools under the CFSP, leading later on to the use of CSDP tools, as analysed in the next sub-section. It was also the first time that NATO and the EU had worked together on a practical level.<sup>17</sup>

EU High Representative Javier Solana also brokered the 2006 independence of Montenegro from Serbia. This was achieved through a process that included a three-year federative arrangement between Podgorica and Belgrade – a special union jokingly nicknamed 'Solania' precisely because of the EU High Representative's personal engagement – and a popular referendum held in Montenegro on 21 May 2006 and that had a threshold of 55 %. Independence was approved by 55.5% of voters, therefore only narrowly passing the required threshold. For a country that entered into this new era with a divided body politic, and a sense of embitterment among a significant minority (44.5 % of the population had voted to retain the joint state, and some within this group did not recognise the legitimacy of the result), Montenegro managed initially to make

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<sup>17</sup> J. Eldridge, 'Playing at Peace: Western Politics, Diplomacy and the Stabilisation of Macedonia', *European Security*, Volume 11, Issue 3, 2002, p. 46–90.



substantial progress in the stabilisation phase. This positive outlook on the Western Balkans story was welcomed, given that things were rather bleak at that stage in Serbia, the former Yugoslav Republic of Macedonia, Albania, or Bosnia-Herzegovina.<sup>18</sup>

The extent of direct involvement in the mediation of internal political differences in the Western Balkan countries has at times come under fire. This was the case in particular in Bosnia-Herzegovina, where the terms of the Dayton Peace Accords gave an 'executive mandate' – meaning the authority to intervene forcefully – to the international community. It allowed for the Office of the High Representative (OHR) to annul, amend, or impose laws, even remove officials or ban them from political life when he considered that the terms of the peace agreement had been violated. There are several kinds of executive authority powers, also in the context of the EU's missions (see **Sections 2.2 – EU stabilisation missions** and **3.2 – EU peace support missions**). Accordingly, at CSDP level, it implied arrests, physical intervention to stop outbreaks of violence and the dismissal of police officers, judges or other officials on grounds of corruption or failure to adhere to agreed political objectives. The existence of an executive mandate, or not, has been a political litmus test of the relationship between the EU and the partner state and has had implications as to whether the relationship is one of protector and protectorate.

In the context of Bosnia-Herzegovina, it has meant that while ethno-political elites in the country had leverage over their ethnic community by applying patronage and fear (and therefore never really had to earn consent, as the community was coerced), they also had to look up to a powerful international community that could execute externally-taken decisions that affected the internal functioning of the country. In particular, key reforms to centralise the state and strengthen Bosnia-Herzegovina's major institutions were only implemented after 2000, through impositions by international representatives. Moreover, this set up has led to a culture of dependency, in which local actors fail to agree on any decisions, because they rely on international actors to take these decisions for them. In fact, since the international community stopped intervening in the affairs of Bosnia-Herzegovina in 2006, the country has been at a standstill.<sup>19</sup> However, some scholars argue that maintaining the OHR as a legal placeholder only, rather than a vital and potent element of the country's constitutional architecture, pending a self-sustaining solution, as has been the case for the past decade, has been a major accelerant to the ongoing downward spiral on necessary governance reforms.<sup>20</sup>

## 2.2 EU stabilisation missions

In the absence of a (civilian) crisis management strategy per se, it has become easier to think of EU post-conflict stabilisation/reconstruction as synergy rather than strategy, therefore linking together different threads from conflict prevention, crisis management, peacemaking and post-conflict stabilisation, even development, depending at which

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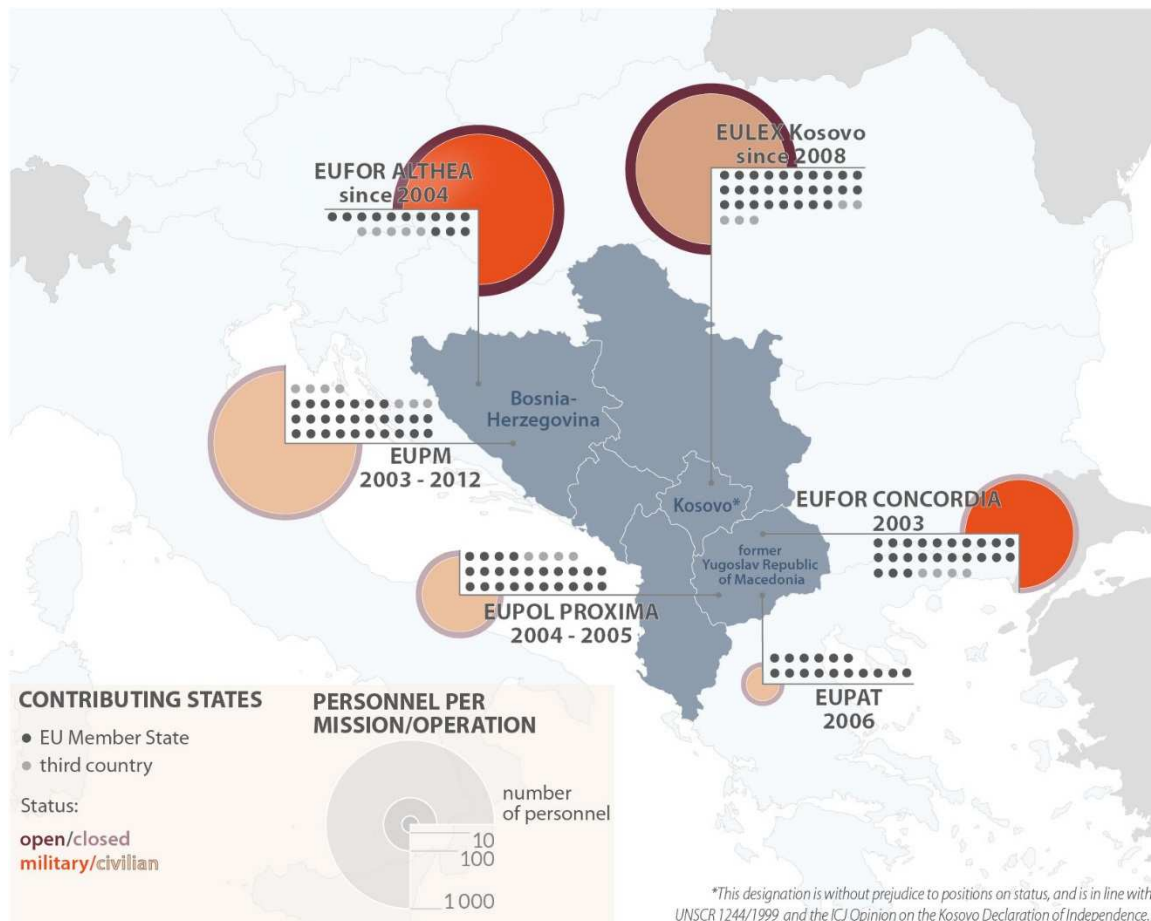
<sup>18</sup> K. Morrison, [Change, Continuity and Consolidation: Assessing Five Years of Montenegro's Independence](#), LSEE Papers on South Eastern Europe, Issue 2, London School of Economics and Political Science, London, February 2011.

<sup>19</sup> S. Keil, ['Explaining Democratic Stagnation in the Western Balkans'](#), *Mediterranean Politics*, 2012, pp. 198-201.

<sup>20</sup> K.W. Bassuener, [Written Statement for the Congressional Record, House Foreign Affairs Committee Hearing: "The Dayton Legacy and the Future of Bosnia and the Western Balkans"](#), US Congress, Washington, DC, 18 April 2018.

stage of the transition the recipient country is.<sup>21</sup> In that sense, CSDP presence has to a certain degree been considered symbolic. For the military missions but also some of the civilian missions, it could be said that the implicit objective has been to have a certain visibility of forces in European uniforms, sufficient to discourage outbreaks of renewed violence, perhaps under the assumption that potential troublemakers would be dissuaded if they believed that stronger forces or intervention mandates would be introduced if necessary.<sup>22</sup>

**Figure 2 – Completed and ongoing EU missions/operations in the Western Balkans**



Data source: European External Action Service ([EULEX Kosovo](#) and [EUFOR Althea](#)) and G. Grevi, D. Helly, and D. Keohane (eds), *ESDP: The First 10 Years (1999-2009)*, EU Institute for Security Studies, Paris, 2009. Map by Eulalia Clarós, EPRS.

EU missions initially launched in the Western Balkans (see **Figure 2**) were in general modelled on the concept of short-term advisory and training missions, which first gained ground in the context of the early Western European Union's Police Advisory Mission to Albania (MAPE) between 1997 and 2001. Deployed in agreement with the Albanian authorities, MAPE was part of the efforts undertaken notably by the OSCE and the EU, and aimed to advise the Albanian authorities on public order, border control, logistics

<sup>21</sup> I. Ioannides, EU Civilian Capabilities and Cooperation with the Military Sector, in E. Greco, N. Pirozzi and S. Silvestri (eds), *EU Crisis Management: Institutions and Capabilities in the Making*, Quaderni IAI No 19, Istituto Affari Internazionali, Rome, November 2010, p. 32.

<sup>22</sup> M. Emerson and E. Gross (eds), *Evaluating the EU's Crisis Missions in the Balkans*, Centre for European Policy Studies, Brussels, 2007, p. 10.

and communication. The mandate was expanded in the first year of its operation to include the task of educating, training and equipping police officers, and restructuring and supervising the police apparatus, particularly around the time of the local council elections of June 1998.<sup>23</sup>

Operational cooperation has been particularly rich in the Western Balkans, where both NATO and the EU have been simultaneously active. The EC Monitoring Mission (later the EU Monitoring Mission or EUMM) was dispatched in July 1991 to observe the cease-fire in Slovenia and was then deployed to other countries in the region, including Bosnia-Herzegovina and the former Yugoslav Republic of Macedonia, to monitor human rights and other security-related issues. In parallel, the European Commission had maintained various activities in Bosnia-Herzegovina since the beginning of the war in 1992 with the provision of humanitarian aid and, subsequently, technical assistance to the country in the framework of the Stabilisation and Association Process (SAP) (May 1999). Similarly, long-term efforts to assist the Macedonian government to improve internal security – develop a capable, depoliticised, decentralised, community-based, multi-ethnic police service, which was responsive to citizens' needs, accountable to the rule of law and transparent – were first launched in the former Yugoslav Republic of Macedonia in 2000. They were carried out under the Stabilisation and Association Agreement (SAA) (April 2001), which was further reinforced by the European Partnership for the former Yugoslav Republic of Macedonia and the Council decision to grant the country candidate status (December 2005).<sup>24</sup>

The CSDP instruments – the EU Police Mission (EUPM) and EU military mission (EUFOR) Althea – added some flesh to the EU's engagement in Bosnia-Herzegovina (BiH). In December 2004, EUFOR Althea took over from NATO's Stabilisation Force in Bosnia-Herzegovina (SFOR) on the mission to ensure a safe and secure environment in BiH. The EU Police Mission (EUPM) was initially deployed from 2003 to 2005. Merlingen and Ostrauskaite have argued that EUPM I was influenced by the conviction – shared with other international actors – that organised crime was the main police problem in Bosnia.<sup>25</sup> The police mission did not have an executive mandate, while EUFOR Althea could intervene.<sup>26</sup> This approach caused two problems. The relative weakness of the police mandate meant that the mission suffered in terms of reputation and motivation from not having the power to do those tasks for which its personnel were trained. On the other hand, the military mission was entrusted with police tasks for which it was not suited and had not been trained. Consequently, the combined EU civilian and military presence in Bosnia-Herzegovina was marked by poor coordination and a lack of

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<sup>23</sup> [WEU Today](#), Secretary General, Western European Union, Brussels, January 2000, pp. 13-14.

<sup>24</sup> I. Ioannides, EUPOL PROXIMA / EUPAT (FYROM), in G. Grevi, D. Helly and D. Koahane (eds), [European Security and Defence Policy: The First 10 Years \(1999-2009\)](#), EU Institute for Security Studies, Paris, 2009, p. 189.

<sup>25</sup> M. Merlingen and R. Ostrauskaite, *European Union Peacebuilding and Policing: Governance and the European Security and Defence Policy*, Routledge, London, 2006, p. 65.

<sup>26</sup> The renewal of the EUPM mandate consisted of tasks that fell more clearly under state-building, which is why it is examined in the relevant section of this study (**3 – EU contribution to state-building in the Western Balkans**).

delineation of tasks or clear hierarchies between the civilian and the military operations.<sup>27</sup>

In the former Yugoslav Republic of Macedonia, the EU military operation EUFOR Concordia, deployed in March 2003, was the first to be suggested and eventually realised under the new CFSP framework. Operation Concordia was also the first EU military mission to put into practice the 'Berlin Plus' agreement.<sup>28</sup> The EU had been present on the ground before the launch of Operation Concordia through the office of the EU Special Representative, the European Commission Delegation and a number of missions in the field. In line with the Ohrid Framework Agreement that provided the international community with a mandate to organise international assistance, including the police, the EU Special Representative was appointed to help ensure, inter alia, the coherence of the EU's external action and coordination of the international community's efforts. EUPOL Proxima, which came at the end of EUFOR Concordia, was the second police mission falling under CSDP, and will be examined in **Section 3 – EU contribution to state-building in the Western Balkans**. However, unlike the EU Police Mission in Bosnia-Herzegovina, which took over from the UN International Police Task Force (IPTF), EUPOL Proxima was the first to start from scratch.<sup>29</sup>

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<sup>27</sup> A.E. Juncos, Police Mission in Bosnia and Herzegovina, in M. Emerson and E. Gross (eds), [Evaluating the EU's Crisis Missions in the Balkans](#), Centre for European Policy Studies, Brussels, 2007, p. 54.

<sup>28</sup> The 'Berlin Plus' agreement refers to a comprehensive package of security arrangements finalised in early 2003 between the EU and the NATO that allows the EU to make use of NATO assets and capabilities (including its planning capabilities and NATO's Deputy Supreme Allied Commander Europe) for EU-led crisis management operations.

<sup>29</sup> I. Ioannides, Police Mission in Macedonia, in M. Emerson and E. Gross (eds), [Evaluating the EU's Crisis Missions in the Balkans](#), Centre for European Policy Studies, Brussels, 2007, p. 92.

### 3 EU contribution to state-building in the Western Balkans

It quickly became clear that CSDP operations in the Western Balkans would involve reforms in an area broadly defined as the 'rule of law', which covers functions within the fields of the police to the judiciary and penitentiary, with concerns for the general quality of governance. Progress in these areas is in turn recognised as a prerequisite for economic development. This is how what had begun as a crisis management exercise ended up as part of the pre-accession process of Europeanisation.

While Serbia had a tradition of statehood, having been an independent state before the break-up of the former Yugoslav federation in the 19th and early 20th centuries, others, such as Bosnia-Herzegovina and the former Yugoslav Republic of Macedonia were first recognised as states in the early 1990s. Moreover, in Serbia/Kosovo, Bosnia and Albania, state-building overlapped with violent conflict, resulting in deeply divided societies, widespread destruction and fatalities. These experiences and historical memory matter in any state-building and peacebuilding process – in the Western Balkans too – and invariably affect these processes negatively. The dominance of ethnic parties also represented and continues to represent another key feature of the political systems in the Western Balkans. In that context, nationalist parties across the region have often focused on reaping benefits for themselves, while other ethnic groups and minorities have been discriminated against. As progress was made on stabilisation, it became increasingly the case that organised crime was the main enemy, with the renewal of inter-ethnic violence becoming a more remote prospect.

#### 3.1 EU diplomacy to reinforce inter-ethnic relations

The EU initially emphasised its civilian approach to pursue the promotion of democracy, human rights, the rule of law, and multilateralism, which it applied in the Western Balkans at country level but also at regional level. The objective has been to push for reforms in each country while in parallel encouraging cooperation in the region, providing a long-term structural solution to the conflicts in the Western Balkans. This is how political and economic conditionality was introduced, developed further in **Section 4.1 – EU conditionality**. In the 1990s, this long-term and 'softer' (economically focused) EU approach in the region contrasted sharply with the 'tougher' short-term US military intervention in the conflict.<sup>30</sup>

Over the years and as the region progressed on its path to EU integration, EU budgetary support expanded and deepened. An important part of the SAP, a total of €20 billion, humanitarian aid aside, was allocated by the Union between 1995 and 2020. In July 1996, the OBNOVA programme (on reconstruction for Bosnia-Herzegovina, Croatia, the Federal Republic of Yugoslavia and the former Yugoslav Republic of Macedonia) committed €400 million, and later the PHARE programme (Poland and Hungary: assistance for the restructuring of the economy) was extended to Albania, the former Yugoslav Republic of Macedonia and Bosnia-Herzegovina. The CARDS programme (Community Assistance for Reconstruction, Development and Stability), which took over from OBNOVA, had a budget of €4.65 billion for the 2000 to 2006 period. The IPA (Instrument for Pre-Accession Assistance), which is ultimately a combination of these

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<sup>30</sup> A.E. Juncos, 'The EU's Post-Conflict Intervention in Bosnia and Herzegovina: (re)Integrating the Balkans and/or (re)Inventing the EU?', *Southeast European Politics*, Volume VI, No 2, November 2005, p. 96.

various older types of assistance, has existed since 2007.<sup>31</sup> It is examined in **Section 3 – EU contribution to state-building in the Western Balkans.**

EU-led efforts to promote regional cooperation have been key in pushing the 'positive peace' agenda forward. Right after the Kosovo war, the EU initiated the Stability Pact for South Eastern Europe, replaced in 2008 by the Regional Cooperation Council (RCC), and then launched the Stabilisation and Accession Process, with the objective of promoting closer contractual relations between some of the Western Balkans countries and the Union. The September 2000 elections in the former Federal Republic of Yugoslavia (at the time excluded from the SAP) provided new impetus and made it possible to extend the SAP to all the countries in the region. In November 2000, at a summit in Zagreb, the EU acknowledged them as potential candidates for EU membership, and the commitment was eventually formalised in Thessaloniki in 2003.<sup>32</sup>

In the wake of European Commission President Jean Claude Juncker's announcement in 2014 that no future enlargement was to be expected during his term, the Berlin Process was launched with a view to reinvigorating the integration process. In addition, the Brdo-Brijuni Process is a regionally-owned platform for political dialogue on sensitive bilateral and regional issues, initiated by Slovenia and Croatia (already EU Member States). The 'Western Balkans Six' format enables the region's governments to agree on and promote joint initiatives, with the full cooperation of the European Commission.<sup>33</sup>

The EU has also intervened as a mediator in bilateral disputes. In that context, the Union facilitates the Belgrade-Pristina dialogue, known as the 'Brussels dialogue', launched in March 2011 with the aim of 'normalising' relations between the two parties, finding solutions for long-standing disputes and, consequently, advancing their prospects of European integration. The first phase of the 'Brussels dialogue' (March 2011 to February 2012) consisted of technical discussions between the two parties and led to the signature of nine agreements between Serbia and Kosovo, not all of which have been implemented.<sup>34</sup> The second phase, which elevated the 'Brussels dialogue' to prime ministerial level, resulted in the historic 'First Agreement of Principles Governing the Normalisation of Relations' (known as the Brussels Agreement), signed in April 2013. Very importantly, it tackled issues relating to the establishment of the Association/Community of Serb majority municipalities and the dissolution of the Serbian parallel structures in north Kosovo. However, given the sensitivity of these issues, implementation of the Brussels Agreement has been at best partial and the creation of Serb majority municipalities has been a source of tension rather than of conflict resolution and peacebuilding.<sup>35</sup>

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<sup>31</sup> [The Western Balkans: between Stabilisation and Integration in the European Union](#), European Issue No 459, Fondation Robert Schuman, Paris/Brussels, 22 January 2018.

<sup>32</sup> A. Missiroli (ed.), [The EU and the World: Players and Policies Post-Lisbon: A Handbook](#), EU Institute for Security Studies, Paris, 2016, pp. 111-113.

<sup>33</sup> [Brdo-Brijuni Process: Summit in Sofia as a Concrete Expression of Reasserted EU's approach to the Region](#), *European Western Balkans*, 30 April 2018.

<sup>34</sup> The three agreements that have been fully implemented are: on custom stamps (to end the trade embargo on Kosovo); on making available civil registry status books; and on the allocation of a single international telephone code, replacing the three that currently exist in Kosovo (from Serbia, Slovenia and Monaco).

<sup>35</sup> D. Emini and I. Stakić, [Belgrade and Pristina: Lost in Normalisation?](#), EU Institute for Security Studies, Paris, 20 April 2018.

The aim of this step-by-step approach, that some scholars have called 'constructive ambiguity' on the recognition issue and that the EU in many ways inherited from its predecessor in the region (the UN), implied that the more political aspects (especially those linked to north Kosovo) would be tackled after the two sides had made progress on the more technical aspects.<sup>36</sup> However, this 'constructive ambiguity', though proffered as a deliberate policy designed to enable the situation within Kosovo to stabilise while at the same time accommodating the discord among EU Member States on Kosovo's 'status question', has not served Kosovo well. On the one hand, it has not pushed EU Member States to come up with a unified position on Kosovo, and on the other, it has not pushed leaders in Belgrade to address the difficult question of Kosovo's independence, nor leaders in Pristina to tackle the frustrations of non-recognition and emergent nationalist forces that are against the 'Brussels dialogue'. Some scholars also argue that this approach has led to the politicisation of issues that the EU defined as technical.<sup>37</sup> Concretely, during the seven years of the 'Brussels dialogue', relations between Kosovo and Serbia have oscillated between normalisation and a state of strained peace and conflict prevention. Recent events – the assassination of a Serbian politician from north Kosovo, Oliver Ivanović, in January 2018, and the arrest of the Serbian government official Marko Djurić by the Kosovo police in north Mitrovica, in March 2018 – have fuelled new tensions and increased uncertainty surrounding the future of the normalisation process.<sup>38</sup>

EU representatives have also played a key role in the former Yugoslav Republic of Macedonia, where they have been the main mediators between ethnic Macedonian and ethnic Albanian parties. A wiretapping scandal in early 2015 pushed the country into possibly its worst crisis since the inter-ethnic clashes of 2001, and sparked numerous protests throughout 2015 and 2016. Public trust in the government eroded as the release of illegally recorded conversations exposed abuse in the form of corruption, voter fraud, suppression of free media and efforts to manipulate the judiciary. The resulting political insecurity reignited inter-ethnic tensions and affected the economy. In July 2015, European Commissioner for Enlargement Negotiations Johannes Hahn and a delegation of three Members of the European Parliament – Ivo Vajgl (ALDE, Slovenia), Richard Howitt (S&D, UK) and Eduard Kukan, (EPP, Slovakia) – mediated the talks between the four main political parties in the former Yugoslav Republic of Macedonia and managed to broker the 'Pržino Agreement'.<sup>39</sup> Its implementation has become a clear benchmark for measuring progress, as set out in the 2016 European Commission's report for the country.<sup>40</sup>

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<sup>36</sup> The logic of the 'constructive ambiguity', proposed in 2000 by the Independent International Commission on Kosovo, was essentially based on the assumption that politics could be refocused on less emotive issues (e.g. unemployment and education) rather than the 'status question'. See A. Hehir, 'Kosovo's Final Status and the Viability of Ongoing International Administration', *Civil Wars*, Volume 9, Issue 3, 2007, pp. 243-261.

<sup>37</sup> M. Troncotă, *Post-conflict Europeanization and the War of Meanings: The Challenges of EU Conditionality in Bosnia-Herzegovina and Kosovo*, Tritonic, Bucarest, 2016.

<sup>38</sup> D. Emini and I. Stakić, [Belgrade and Pristina: Lost in Normalisation?](#), EU Institute for Security Studies, Paris, 20 April 2018.

<sup>39</sup> V. Lilyanova, [The former Yugoslav Republic of Macedonia in a State of Uncertainty](#), EPRS, European Parliament, December 2016.

<sup>40</sup> [Commission Staff Working Document, The former Yugoslav Republic of Macedonia 2016 Report, Accompanying the Communication from the Commission to the European Parliament, the Council, the](#)

### 3.2 EU peace support missions

During the past decade of internationally-monitored political development in the Western Balkans, the EU has become one of the leading actors involved in state-building and stabilisation in the respective countries. In this context, a general feature of the police/rule of law missions (see **Figure 2** in **Section 2.2 – EU stabilisation missions**) has been the objective of helping the local police to achieve 'European standards' that were only vaguely defined and were certainly not achievable in the short time spans of two- or three-year mission mandates. EUPM in Bosnia-Herzegovina, which was deployed for 10 years and which therefore had an opportunity to encourage a change of mentalities and consolidate a change in practice, was an exception. Although it did not plan its operations on a 10-year cycle, it was able to build on its experience as it developed and adapted to the situation on the ground.<sup>41</sup> Similarly, EULEX Kosovo, deployed since 2008, also has been a long enough mission to be able to have concrete results. Nevertheless, both missions have suffered from challenges, sometimes beyond their control. Security sector and rule of law missions, including police missions, are not simply 'technical' operations. They require political consensus among the EU and other international stakeholders, a political strategy for implementation, and the political will and agreement of host political authorities.

As already explained in **Section 2.2 – EU stabilisation missions**, in 2004 the EU military operation EUFOR Althea took over the mission to ensure a safe and secure environment in Bosnia-Herzegovina (BiH) from NATO's Stabilisation Force in Bosnia-Herzegovina (SFOR). The size of EUFOR has been shrinking constantly from its original size of just under 7 000 in 2004 to 600 troops today – a sign that the perception in the EU and its Member States, of progress in the security situation in the country, is improving. In that spirit, EUFOR also adapted its goals to also include 'progress towards [BiH's] sustainable stability and European future'.<sup>42</sup> EUFOR was therefore restructured accordingly: attention has shifted from the executive mandate for supporting and participating with BiH armed forces in operations to maintain a safe and secure environment to a non-executive mandate that focuses mainly on capacity-building and training of BiH's armed forces.<sup>43</sup>

The EU police mission (EUPM) in Bosnia-Herzegovina also went through a restructuring process in 2007 to adapt its missions to local needs and expand and strengthen the state-building process. Merlingen and Ostrauskaite argue that already in its first mandate (2003-2005), the EUPM included numerous 'low-key peacebuilding activities'.<sup>44</sup> Indeed, despite a slow start and numerous operational problems, organised crime and corruption co-existed with three other strategic priorities: police independence and accountability; financial viability and sustainability; and institution and capacity-building. These reforms were necessary to complete the unfinished work left from the UN period

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[European Economic and Social Committee and the Committee of the Regions, 2016 Communication on EU Enlargement Policy](#), SWD(2016) 362 final, Brussels, 9 November 2016.

<sup>41</sup> T. Flessenkemper and D. Helly (eds), [Ten Years After: Lessons from the EUPM in Bosnia and Herzegovina 2002-2012](#), Joint Report, EU Institute for Security Studies, Paris, January 2003.

<sup>42</sup> A. Waldner (Major General, Commander EUFOR), Foreword, [Forum Magazine](#), No 107, October 2017-January 2018, p. 2.

<sup>43</sup> [EUFOR ALTHEA](#), European External Action Service, Brussels, 28 March 2018.

<sup>44</sup> M. Merlingen and R. Ostrauskaite, *European Union Peacebuilding and Policing: Governance and the European Security and Defence Policy*, Routledge, London, 2006, p. 76.



(1995-2002) on the development of a 'democratic policing' framework, in accordance with the objectives of the Dayton Peace Accords. EUPM II and III (2006-2007 and 2008-2009) were narrower in focus and more pro-active: they were mandated to assist with the planning and conduct of organised crime investigations and operationalising the inspection side of the mandate, which had not been really implemented during the first mandate. The extension of the mission also tackled the police restructuring process and Bosnian police agencies took over relevant projects under EUPM supervision. Persistent legal and financial gaps, and insufficiently developed investigative practices and cooperation between and within law enforcement agencies, and between police and prosecutors, were some of the deficiencies raised.<sup>45</sup> Against this background, EUPM's last mandate (2010-2012) took the fight against organised crime and corruption a step further. With the closure of the mission, EU technical support to law enforcement agencies continued through pre-accession assistance. In addition, a new law enforcement section within the office of the EU Special Representative advises local legislative and executive authorities at political and strategic level, in order to ensure progressive development in the field of law enforcement.<sup>46</sup>

In the former Yugoslav Republic of Macedonia, the first police mission (EUPOL Proxima) was deployed in 2003, initially for one year and then extended for one more. The EU was therefore able to profit from its initial experience with the police mission in Bosnia-Herzegovina. As the country had slowly progressed towards stability, EUPOL Proxima followed the EU's first military mission from March to December 2003, as explained in **Section 2.2 – EU stabilisation missions**. Also, since the local police force had been redeployed in the former crisis areas from which it had been withdrawn during the interethnic crisis (February-August 2001), the EU's attention shifted to the qualitative improvement of the Macedonian police force. Improving relations between the police and ethnic minorities and ensuring the sustainability of institutional/procedural police reform were issues of primary concern. EUPOL Proxima's priority was to monitor, advise and provide training at the level of the relevant ministries and in police stations at central level in Skopje and at regional, sub-regional and local levels in the former crisis areas, home to a majority of ethnic Albanians. As progress was made, EU support became more specialised. EUPOL Proxima concentrated on improving leadership and crime scene management, border policing and the capacity of the department for state security and counter-intelligence to plan and manage operations to counter terrorism and fight organised crime.

Despite the undercurrents of instability in the region, the priority of the Macedonian government was to obtain EU candidate status, which led the government to push for an early end to the military operation and the civilian missions, which were seen as implying a protectorate status. This is how a compromise mission – the EU Police Advisory Team (EUPAT) that was a much smaller mission, deployed only for six months – replaced the bigger and more visible EUPOL Proxima. In contrast, EUPAT was presented as a reform-oriented effort rather than a stabilisation-oriented mission and was clearly linked to European Commission-funded projects. Arguably, this resulted in a premature end to

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<sup>45</sup> I. Ioannides and G. Collantes-Celador, 'The Internal-External Security Nexus and EU Police/Rule of Law Missions in the Western Balkans', *Conflict, Security & Development Journal*, Volume 11, Issue 4, 2011, pp. 429-432.

<sup>46</sup> [European Union Police Mission in Bosnia and Herzegovina \(EUPM\)](#), European External Action Service, Brussels, June 2012.

CSDP presence in the former Yugoslav Republic of Macedonia and the transfer of responsibility to the less hands-on European Commission-led police reform.<sup>47</sup>

In Kosovo, the EU Rule of Law (EULEX) mission, the biggest EU mission (in terms of both size and commitment of financial resources), was launched in December 2008. It is engaged in the reform of the entire spectrum of civilian law enforcement institutions through a combination of executive and non-executive powers. It is therefore more complex than any of the other EU peace support operations deployed in the Western Balkans. EULEX Kosovo has retained some executive powers in the broader field of the rule of law, particularly to investigate and prosecute serious crimes, carry out sensitive investigations, and reverse or annul—when necessary—operational decisions taken by the relevant Kosovo authorities. This feature was unlike the EU police missions in BiH and the former Yugoslav Republic of Macedonia, all of which had a non-executive mandate, whereby EU leverage – despite prescriptive recommendations and the EU's conditionality policy – was weaker.<sup>48</sup>

On a positive note, linking police reform with the reforms needed in the rest of the security sector demonstrated the EU's ability to learn from its past experience and to develop its capacity as a peacebuilder. To the benefit of the proper functioning of the Kosovo institutions, the mission developed police, justice, penal and border policies and reforms in parallel. On a less positive note, the mission suffered from a legitimacy deficit because local stakeholders and Kosovo society in general have tended to perceive the objectives, legal mandate and activities of the EU mission as a continuation of the failed policies of the United Nations Mission in Kosovo (UNMIK). Moreover, the use of an executive mandate has given an excuse to Kosovo authorities not to develop needed effective local capacity on key rule of law aspects: criminal investigations, action to address war crimes, and measures to tackle corruption. In addition, the mission has defined its tasks (emanating from its mandate) in a technical manner so as to avoid being caught up in the politics of non-recognition. The complex political situation in north Kosovo, however, has held EULEX back.<sup>49</sup>

The ever-more present EU and more complex EU missions has also created the need for better coordination in an overcrowded field. In Bosnia-Herzegovina, this complexity in coordinating the police mission (EUPM), the military mission (EUFOR Althea) and the political interface (through the EU's special representative or EUSR) resulted at the end of 2005 in the adoption by these three parties of a set of seven operating principles, with the EUSR taking responsibility for overall coordination. Similar issues of coordination also became apparent in the former Yugoslav Republic of Macedonia. This was the case with the EU's short-term stabilisation missions and long-term development programmes: the police mission in the country was seen as becoming involved in longer-term issues of institutional development and reform, which are central concerns of the European

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<sup>47</sup> I. Ioannides, EUPOL PROXIMA / EUPAT (FYROM), in G. Grevi, D. Helly and D. Koahane (eds), [European Security and Defence Policy: The First 10 Years \(1999-2009\)](#), EU Institute for Security Studies, Paris, 2009, pp. 186-199.

<sup>48</sup> I. Ioannides and G. Collantes-Celador, 'The Internal-External Security Nexus and EU Police/Rule of Law Missions in the Western Balkans', *Conflict, Security & Development Journal*, Volume 11, Issue 4, 2011, pp. 433-436.

<sup>49</sup> The EU realised at a practical level through its experience in Kosovo the benefits of linking conflict prevention with the promotion of human rights, development with security, and crisis management (CFSP/CSDP) with security sector reform policies that aim to promote good governance.

Commission-led programmes. In addition, there was notoriously poor communication between the different actors, including the EUSR, the EU Council presidency's ambassador, the head of the European Commission Delegation, the head of EUPOL Proxima, and the Skopje office of the European Agency for Reconstruction. This is how, in November 2005, the first ever 'double-hatting' of the head of the Commission Delegation and the EUSR in one person came about.<sup>50</sup> This 'double hatted' feature for better coordination was later used in Bosnia-Herzegovina, where the Head of Delegation also serves as EUSR, and in Kosovo where the EUSR is also the Head of the EU Office. Cooperation and coordination was also complicated with other multiple and overlapping international missions and donors, as explained in **Section 5 – Coherence and coordination**.

In terms of effectiveness, the EU missions experienced delays in the deployment of personnel (some of which have since been rectified with the creation of the European External Action Service or EEAS), with significant problems in recruiting the required numbers of civilian officers with the requisite skills, as well as lags in the procurement of equipment. Although EU Member States have substantial experience of military deployment under NATO or UN mandates, the scale of the police missions caught the Member States off guard, as they were insufficiently prepared, with complaints about their real level of commitment towards fulfilling their obligations. In addition, there was, at least initially, (for the missions in the former Yugoslav Republic of Macedonia and at the beginning of EUPM in Bosnia-Herzegovina) a lack of specific training for each mission.<sup>51</sup>

A more fundamental standard of successful performance is whether the peace has been kept and consolidated in theatres of operation previously suffering civil war or serious threats of inter-ethnic violence. This has to a large extent been the case for all three cases studied where the EU deployed CSDP missions: Bosnia-Herzegovina, the former Yugoslav Republic of Macedonia and Kosovo. While inter-ethnic tensions persist at the level of governmental structures in Bosnia-Herzegovina and are serious in north Kosovo, inter-ethnic violence is largely a memory of the past.

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<sup>50</sup> I. Ioannides, Police Mission in Macedonia, in M. Emerson and E. Gross (eds), [Evaluating the EU's Crisis Missions in the Balkans](#), Centre for European Policy Studies, Brussels, 2007, pp. 83-111.

<sup>51</sup> M. Emerson and E. Gross (eds), [Evaluating the EU's Crisis Missions in the Balkans](#), Centre for European Policy Studies, Brussels, 2007.

## 4 EU enlargement and peacebuilding in the Western Balkans

In the broad field of EU external action, it is often argued that EU enlargement policy has proven to be a unique and successful policy tool. The notion that, through the process of reform and change regulated by the Union, states could transform themselves into EU members (the process of Europeanisation) and reap the benefits of membership in the European family, puts the Union in a very strong position vis-à-vis potential candidates. The EU exercises considerable influence over the candidate states in the difficult apprenticeship period during which 'they strive to approximate their institutions, policies and values to those of the Union' with the financial support and guidance of the EU.<sup>52</sup>

In the last decade or so, the thrust of the EU's policy in the Western Balkans has moved from an agenda dominated by security issues related to the wars to an agenda focused on the countries' EU accession, thus, a turn from stabilisation to peacebuilding. To a large extent, the state-building activities examined in the previous section overlapped with, and developed in line with, the EU enlargement perspective. The countries of the Western Balkans have continued on the path to building peace through the process of moving towards EU accession: first, through the conclusion of Stabilisation and Association Agreements, and then within the framework of the EU's enlargement policy proper.

**Figure 3 – Progress of Western Balkans on their path to EU accession**



\*This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo Declaration of Independence.

Data source: [data](#) from the Directorate-General for European Neighbourhood Policy and Enlargement Negotiations, European Commission. Graphic by Eulalia Clarós, EPRS.

Initially plagued by the same tragedies as its neighbours – civil war, massive destruction of human and economic capital, nationalist politics and corruption – Croatia has successfully managed its EU accession process. An EU Member State as of July 2013, it has come to be seen as a model by the EU institutions and offers a glimmer of hope for the rest of the Western Balkans. The 'Croatian laboratory' for the EU integration of the former Yugoslav Republics has strengths unmatched by the rest of the region: its proximity to Austria and northern Italy, which facilitates industrial integration with EU

<sup>52</sup> C. Bretherton and J. Vogler, *The European Union as a Global Actor*, Routledge, New York, 2006, p. 137.

business; a dynamic and well-established tourist sector; and active and long-term support from Germany and the United States.<sup>53</sup>

The Western Balkans countries are at different stages on their accession paths, and progress is still rather slow and not always straightforward. See **Figure 3**. In this context, they are receiving important pre-accession assistance to meet the membership criteria, essentially through the Instrument for Pre-Accession (IPA). Over the past 10 years, during the 2007 to 2017 period, EU pre-accession assistance for the Western Balkans reached almost €9 billion.<sup>54</sup> For the 2014 to 2020 period, €3.74 billion of IPA was earmarked for bilateral assistance and €2.96 billion for regional programmes. This instrument offers technical and financial assistance, in support – among other issues – of civil society capacity-building, cross-border cooperation, transitional justice and reconciliation, refugee return and housing, and the integration of Roma communities. In addition, a visa-free travel regime is in place for all Western Balkan countries with the exception of Kosovo, whose independence – unilaterally declared in 2008 – is not recognised by five EU Member States (Cyprus, Greece, Romania, Slovakia and Spain).

The EU's core dilemma has been how to strike a balance between ensuring short-term stability in the Western Balkans and pressing for convergence with European norms. At the very heart of these, the Copenhagen criteria include political criteria that require a state to have institutions that preserve democratic governance and human rights; to have a functioning market economy; and to accept the obligations and intent of the EU. This is, however, only an initial benchmark. The most complex and demanding part of the process is the legislative, policy and institutional approximation of the candidate country with the EU's *acquis communautaire*—plainly said, adopting and implementing the EU body of laws, abiding by EU norms, and enjoying an EU-like way of life. Despite some initial success, the current approach to EU enlargement has reached its limits, as it seems to be slowing down the integration process rather than accelerating it. Commission President Jean-Claude Juncker's announcement in 2014, considered unfortunate by some, that no future enlargement was to be expected during his term, reinforced exasperation in the region (at government and societal levels) and further slowed much needed reforms. Some would argue that as a result, 'EU leverage in the Western Balkans has been disputed'.<sup>55</sup>

Meanwhile, the 2015 refugee crisis once again served as a reminder of the Western Balkans' role in Europe's stability and security. The migration crisis along the 'Balkan route' – with hundreds of thousands of refugees and migrants passing through the territories of countries in the region – imposed a severe strain on the affected societies and governments, and on bilateral relations between some countries. Accounts of increased radicalisation and high numbers of 'foreign fighters' originating from the Western Balkans also prompted the EU to step up its approach towards the region. The EU pledged assistance, and a series of high-level meetings in October 2015 resulted in a 17-point action plan agreed by the European Commission and the countries concerned.

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<sup>53</sup> The United States was directly involved in the Croatian 'liberation war' in Krajina and Western Slavonia, as well as in the implementation of the 1995 Erdut agreement on Eastern Slavonia, Baranja and Western Sirmium, which brought about the peaceful resolution to the Croatian war of independence in eastern Croatia.

<sup>54</sup> European Commission, [Strategy for the Western Balkans](#), Strasbourg, 6 February 2018.

<sup>55</sup> M. Troncotă, *Post-conflict Europeanization and the War of Meanings: The Challenges of EU Conditionality in Bosnia-Herzegovina and Kosovo*, Tritonic, Bucharest, 2016, p. 16.

For its part, the 2016 EU Global Strategy states that the challenges of migration, energy security, terrorism and organised crime are shared between the EU and its southeast neighbours, and recognises the urgency of fostering 'political reform, the rule of law, economic convergence and good neighbourly relations in the Western Balkans ..., while coherently pursuing cooperation across different sectors'.<sup>56</sup>

The slow pace of Europeanisation of the Western Balkans, leading to a standstill on progression to EU membership, has also been the result of resistance and contestation at local level by political leaders in the region. Some scholars have even alluded to the fact that this situation may be leading to the emergence of a new phenomenon, referred to as 'de-Europeanisation'.<sup>57</sup>

#### 4.1 EU conditionality

With the carrot of eventual membership, the EU has often dictated its own standards, norms and rules in the region, sometimes with ambiguous results. The success of the approach of EU conditionality lies in the link between direct rewards for political reforms and the threat of serious sanctions in the case of non-compliance. It is therefore based inherently on a dynamic but asymmetrical interaction and relationship between the EU and the Western Balkan countries. The negotiations are based on externally-defined/imposed requirements from the EU that are then interpreted and adapted by the authorities in potential and candidate countries, according to their own agendas. This situation has led to delays in the implementation of EU conditionality, especially on sensitive issues that touch on a country's sovereignty (security and the rule of law). As Troncotă demonstrates, the main stakeholders of those negotiations in the Western Balkans hide their positions on the adoption and implementation of required reforms for their countries in order to advance on the EU accession path.<sup>58</sup>

EU conditionality has become politicised for the most difficult cases: Bosnia-Herzegovina and Kosovo, where societies are deeply divided and inter-ethnic conflict is prevalent.<sup>59</sup> This has become visible, for example, in the Belgrade-Pristina dialogue and when pushing for police reform in Bosnia-Herzegovina. Scholars have argued that the EU incentives were not clearly defined and that reforms demanded as part of state-building threatened the dominant position of certain elites, thereby impacting on their willingness to comply. Another limitation of this EU 'carrot and stick' mechanism has been that it has focused on political elites: 'there are very few attempts to involve citizens, non-governmental organisations (NGOs) and other societal actors in the EU enlargement process, which gives political elites a unique chance to dominate the process and hijack it for their own interests'.<sup>60</sup> At a time when the space for civil society is shrinking, civil society actors in

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<sup>56</sup> European External Action Service and European Commission, *Shared Vision, Common Action: A Stronger Europe, A Global Strategy for the European Union's Foreign and Security Policy*, Brussels, June 2016, p. 24.

<sup>57</sup> A. Castaldo and A. Pinna, 'De-Europeanization in the Balkans. Media Freedom in Post-Milošević Serbia', *European Politics and Society*, Volume 19, Number 3, 2018, pp. 264-281.

<sup>58</sup> M. Troncotă, *Post-conflict Europeanization and the War of Meanings: The Challenges of EU Conditionality in Bosnia-Herzegovina and Kosovo*, Tritonic, Bucarest, 2016.

<sup>59</sup> F. Bieber and G. Aybet, 'From Dayton to Brussels: The Impact of EU and NATO Conditionality on State Building in Bosnia and Herzegovina', *Europe-Asia Studies*, Volume 63, Issue 10, 2011, pp. 1911-1937.

<sup>60</sup> S. Keil and Z. Arkan (eds), *The EU and Member State Building: European Foreign Policy in the Western Balkans*, Routledge, London/New York, 2015, p. 8.

the Western Balkans argue that it is not enough for the EU to support civil society through aid: 'the EU needs to facilitate our relationship with our governments'.<sup>61</sup>

In the case of Bosnia-Herzegovina (BiH), the Dayton Peace Agreement has continuously placed European integration under stress. This territorialised and ethnically-divided state has a governance system that is highly decentralised with very weak state-level institutions. The implementation of the Sejdić-Finci ruling of the European Court of Human Rights, which refers to discrimination against minorities and their exclusion from political representation, is a case in point.<sup>62</sup> Through EU leverage, the implementation of the ruling intended to resolve the constitutional reform conundrum in the country has become one of the most problematic areas of the Stabilisation and Association Agreement (SAA). More specifically, the Sejdić-Finci ruling was introduced as a central element of EU conditionality in EU-BiH relations in 2012, but after almost three years of intense negotiations, it led to no results and was abandoned in 2015. Following the 2014 citizen demonstrations, the EU sought a 'renewed approach' towards BiH, whereby the EU would reach a pre-accession deal with BiH, without the country having to change its constitution first. In return, in January 2015, the BiH leaders signed a written commitment to a package of reforms, including compliance with the Sejdić-Finci ruling. As a result, the SAA was unblocked and has been in force since June 2015.

Bosnia-Herzegovina is also an example of the consequences of 'cherry picking' in conditionality. Because critical political reforms have been put on the backburner ('renewed approach'), the general election in Bosnia-Herzegovina, planned for October 2018, and the legitimacy of the electoral results, are in danger. This is because of the political crisis and the stalemate over the changes to electoral legislation. The electoral legislation is not only a matter of contention within BiH, but has also attracted EU, US and OSCE attention, especially since the ruling of the 2016 BiH Constitutional Court is seen as being contrary to the Constitution of BiH and the principle of the constituency of the three peoples.<sup>63</sup>

## 4.2 Supporting economic development

The Western Balkan countries have experienced a notable economic transformation over the last 20 years with their transition to market-based systems, the privatisation of many inefficient state- and socially-owned enterprises, rapidly adopted modern banking systems, and an enhanced external orientation of their economies. The result has been a significant catching-up in living standards relative to their richer neighbours in advanced EU economies. Nevertheless, the pace of structural reforms has been disappointing, owing to a combination of reform fatigue, local and EU resistance from

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<sup>61</sup> Participant from the Western Balkan region, in '[Reflection Forum on the run-up to the Trieste Summit on Western Balkans](#)', Berlin Process side-event for think tanks, organised by Istituto Affari Internazionali (IAI), Rome, Centre international de formation européenne (CIFE), Nice/Berlin, Austro-French Centre for Rapprochement in Europe (CFA), Vienna, and supported by a number of other think tanks and EU Member States, in Trieste, 26-27 June 2017.

<sup>62</sup> V. Lilyanova, [Bosnia and Herzegovina: The 'Sejdić-Finci' Case](#), EPRS, European Parliament, June 2015.

<sup>63</sup> In December 2016, the Constitutional Court gave the BiH state parliament six months to fix problematic parts of the election law. Parliament, which did not have the necessary majority support, failed to amend the law. As a result, the court decided to remove the problematic parts of the law itself. In doing so, however, the court has also removed the legal basis for establishing the House of Peoples in the Federation, without which it is not possible to form governments in BiH either at federal or state levels. Parliament now has until the general elections to amend the election law.

vested interests, and difficult politics that have constrained reform efforts, and delayed EU membership.<sup>64</sup>

Three phases of economic transition in the Western Balkans can be distinguished. The first phase, during the 1990s and especially in the first half of the decade, was marked by deep recessions and the impact of conflicts in the region. From 2000 until the global financial crisis of 2008, there was rapid recovery in the Western Balkans, with the region managing to catch-up with the old EU Member States (the EU15) in most central and eastern European countries. The EU has had a strong influence on the region's economic transition since the end of the war in Kosovo in 1999 and in particular since the Thessaloniki Declaration of 2003. As of that date, the pace of convergence slowed globally, but especially in the Western Balkans. Overall, foreign ownership of the banking sector has led to a deep economic integration of the Western Balkans into EU capital markets.<sup>65</sup> Therefore, since the end of the global financial crisis, economic development in the region (with real GDP growth fluctuating around 3 %) has followed EU economic growth. See **Table 1**. However, this growth rate is insufficient when it comes to accelerating the process of convergence with the EU market.

**Table 1 – Real GDP growth trajectory (as a %), 2016-2019\***

	2016	2017	2018	2019*
<b>Albania</b>	3.4	3.8	3.6	3.5
<b>Bosnia-Herzegovina</b>	3.1	3.0	3.2	3.4
<b>Kosovo</b>	4.1	4.4	4.8	4.8
<b>former Yugoslav Republic of Macedonia</b>	2.9	0.0	2.3	2.7
<b>Montenegro</b>	2.9	4.3	2.8	2.5
<b>Serbia</b>	2.8	1.9	3.0	3.5
<b>Western Balkans</b>	<b>3.1</b>	<b>2.4</b>	<b>3.2</b>	<b>3.5</b>

\*World Bank Group forecast

Data source: World Bank Group, [Vulnerabilities Slow Growth](#), Western Balkans Regular Economic Report, No 13, Washington DC, spring 2018, p. 1.

The picture is worse, however, from the point of view of convergence in terms of GDP per capita at market exchange rates. When measured in this way, there has been little convergence between the Western Balkans and EU markets since the 2008 crisis. Bosnia-Herzegovina and Serbia are the worst off in terms of income inequality and recovery of their pre-transition GDP. Together with Montenegro, these three countries have not yet reached their real 1989 GDP level. In terms of the average GDP per capita at purchasing power parity (PPP) in 2016, the Western Balkan countries had not reached 28 % of the level in the old EU Member States (the EU15). A recent estimation by the World Bank indicates that at current growth rates, it would take about six decades for average per

<sup>64</sup> Z. Murgasova et al., *The Western Balkans: 15 years of Economic Transition*, Regional Economic Issues, Special Report, International Monetary Fund, Washington, DC, March 2015.

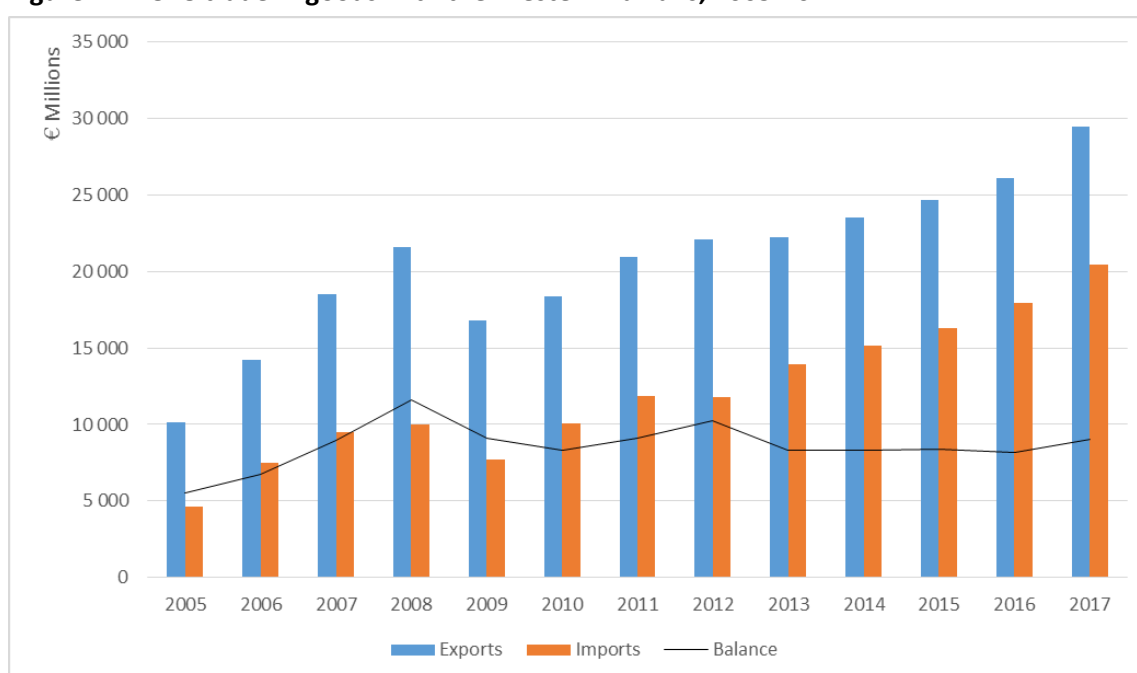
<sup>65</sup> W. Bartlett, 'The Political Economy of Accession', in S. Keil and Z. Arkan (eds), *The EU and Member State Building: European Foreign Policy in the Western Balkans*, Routledge, London/New York, 2015, p. 218.



capita Western Balkan income to converge with the EU average. With faster growth of 5-6 %, convergence could be achieved by the end of the 2030s.<sup>66</sup>

The EU's influence to encourage the Western Balkans to liberalise their trade and move toward greater regional cooperation occupies centre stage in the goals of the Stabilisation and Association Agreements (SAAs). Bosnia-Herzegovina is a case in point. The EU 'renewed approach' for the country, agreed in 2014, under which concrete, socio-economic issues took priority over constitutional reforms, helped revitalise its economy. In responding to the 'renewed approach', Bosnia-Herzegovina's new government committed in writing to EU-related reforms in February 2015, followed in July by a Reform Agenda (2015-2018), which led to the SAA (signed in 2008), which had been blocked by other EU reform priorities, entering into force.<sup>67</sup>

**Figure 4 – EU28 trade in goods with the Western Balkans, 2005-2017**



Data source: [EU trade since 1988 by SITC](#), Eurostat. Graphic by Odile Maise, EPRS.

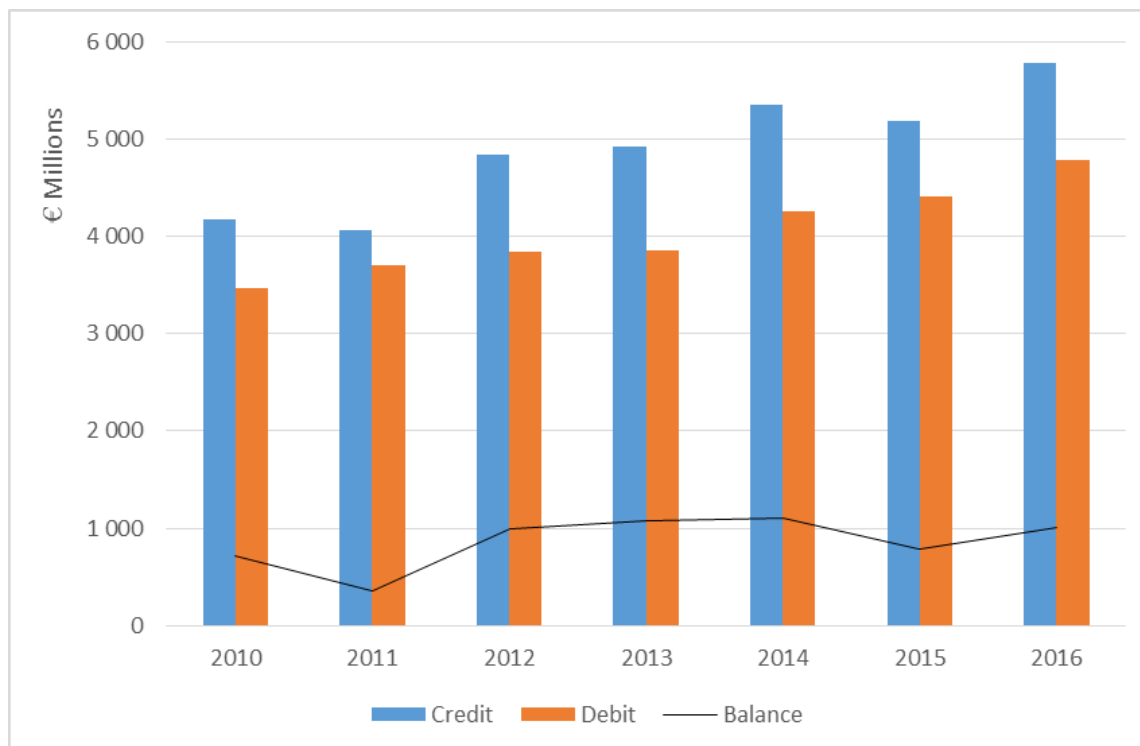
Trade between the EU and the Western Balkans has doubled in the last 10 years (from €21.4 billion in 2006 to €43.6 billion in 2016). See **Figure 4** and **Figure 5**. Moreover, the EU accounts for the majority of Western Balkan imports (67 %) and exports (83 %), facilitated by the fact that, since 2000, nearly all exports have had free entry to the EU without customs duties or limits on quantities. Accordingly, imports from the EU to the Western Balkans jumped from €14.08 billion in 2006 to €25.2 billion in 2016, which is equivalent to an increase of 85 % in this 10-year period. Equally, exports from the Western Balkans to the EU have increased from €7 337 billion in 2006 to €17 740 billion

<sup>66</sup> M. Bonomi and D. Reljić, [The EU and the Western Balkans: So Near and Yet So Far](#), SWP Comments 53, German Institute for International and Security Affairs, Berlin/Brussels, December 2017, p. 3.

<sup>67</sup> [Commission Staff Working Document, Bosnia and Herzegovina 2016 Report, Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2016 Communication on EU Enlargement Policy](#), SWD(2016) 365 final, Brussels, 9 November 2016.

in 2016, that is, a 140 % increase in this 10-year period. When it comes to foreign direct investments, EU companies are by far the largest investors in the Western Balkans, having invested €10 billion in the last five years.<sup>68</sup>

**Figure 5 – EU28 trade in services with the Western Balkans, 2010-2016<sup>69</sup>**



Data source: [Total services, detailed geographical breakdown by EU Member States \(since 2010\) \(BPM6\)](#), Eurostat. Graphic by Odile Maise, EPRS.

Furthermore, because of the high rate of emigration from the Western Balkans to more advanced economies and the subsequently large diaspora, the region's economy benefits from high remittances. See **Figure 6** overleaf. Already following the dissolution of Yugoslavia, 3.5 million people left the region. At the end of 2013, 5.7 million people originating from the Western Balkans were living abroad, which brought the rate of emigration to 31.2 % – ranging from 18.2 % of the total population in Serbia to as much as 45.3 % in Montenegro.<sup>70</sup> Hence, the emigration rate has been at 19.4 %, ranging from

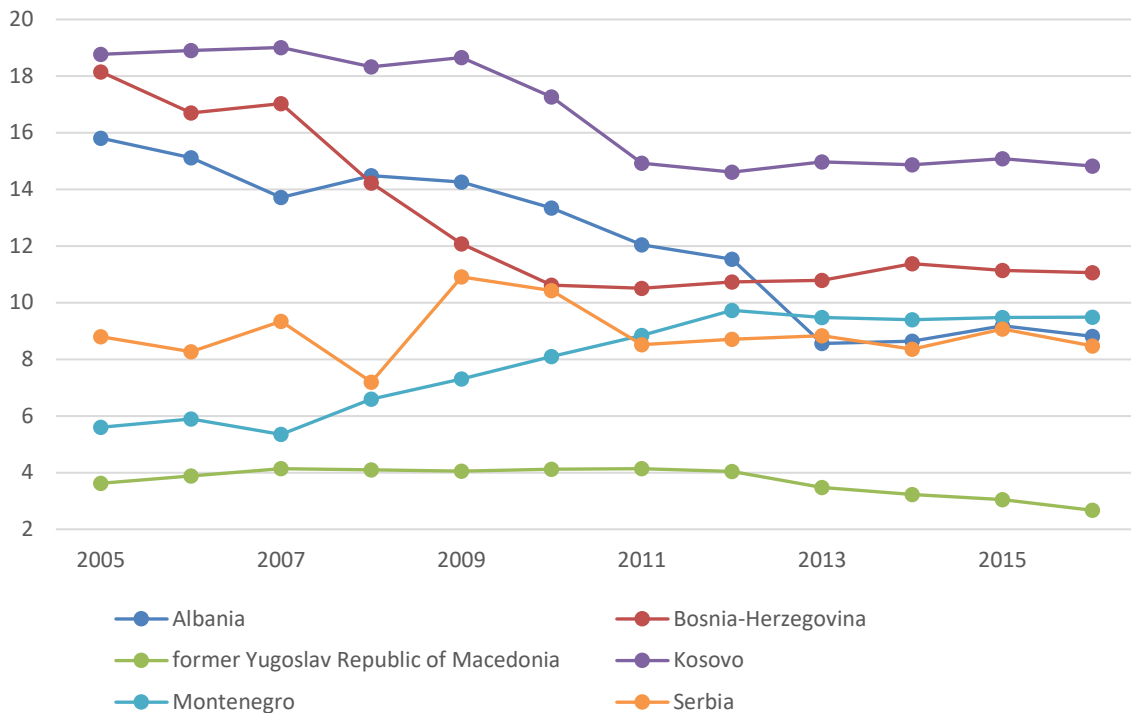
<sup>68</sup> [Infographic – EU and Western Balkans Intertwined](#), Council of the European Union, 30 April 2018; Bosnia and Herzegovina: Economic indicators and trade with EU, G. Sabbati, V. Lilyanova and C.F. Guidi, [Bosnia and Herzegovina: Economic Indicators and Trade with EU](#), EPRS, European Parliament/European University Institute, April 2018; G. Sabbati, V. Lilyanova and C.F. Guidi, [Montenegro: Economic Indicators and Trade with EU](#), EPRS, European Parliament/European University Institute, April 2018; G. Sabbati, V. Lilyanova and C.F. Guidi, [Albania: Economic Indicators and Trade with EU](#), EPRS, European Parliament /European University Institute, April 2018.

<sup>69</sup> No data on EU trade in services with Kosovo is included. The reason is that Eurostat does not publish the data on Kosovo because it is not a mandatory partner and because data on Kosovo is not complete (only a selective number of EU Member States send this information, on a voluntary basis).

<sup>70</sup> World Bank Group, [Migration and Remittances Factbook 2016, Third Edition](#), Washington DC, 2016.

9.1 % in Serbia to 38.5 % in Albania.<sup>71</sup> As a result, remittance flows have been sizable: the entire region received US\$8.6 billion in 2015, ranging from 3.1 % of GDP in the former Yugoslav Republic of Macedonia to 16.7 % in Kosovo. Thus, average remittances to the Western Balkans for the period of 2005-2016 (10.4 %) considerably exceeded the inflows from foreign direct investment (7.93 %) and official development assistance (ODA) (3.64 %) in GDP, hence reflecting the massive dependence of region's economies on the money the diaspora sends back.<sup>72</sup> Even after the global financial crisis hit the region in 2008, the remittances inflow in the Western Balkans preserved relative stability.<sup>73</sup>

**Figure 6 – Dynamics of remittances in the Western Balkan countries (% of GDP), 2005-2016**



Data source: Produced by the author with data from [World Bank Development Indicator](#), Washington DC, 2017 and calculations in R.M. Topxhiu, F.X. Krasniqi, 'The Relevance of Remittances in Fostering Economic Growth in the West Balkan Countries', *Ekonomika*, Volume 96, Issue 2, 2017, pp. 28-42.

One of the key weaknesses of economic transition in the Western Balkans has been that it has concentrated too much on creating a market economy, and that not enough attention has been given to reforming state institutions 'that could ameliorate the adverse social effects of an unregulated market'. Meanwhile, there has been insufficient state intervention of the kind that would stabilise economies in the face of external shocks, such as the recent economic crisis.<sup>74</sup> Indeed, the EU has been criticised for using

<sup>71</sup> M. Petreski et al., 'The Size and Effects of Emigration and Remittances in the Western Balkans. A Forecasting Based on a Delphi Process', *Südeuropa: Journal of Politics and Society*, Volume 65, Issue 4, 2017, pp. 679-695.

<sup>72</sup> R.M. Topxhiu and F.X. Krasniqi, 'The Relevance of Remittances In Fostering Economic Growth in the West Balkan Countries', *Ekonomika*, Volume 96, Issue 2, 2017, pp. 28-42.

<sup>73</sup> M. Petreski et al., 'The Size and Effects of Emigration and Remittances in the Western Balkans. A Forecasting Based on a Delphi Process', *Südeuropa: Journal of Politics and Society*, Volume 65, Issue 4, 2017, pp. 679-695.

<sup>74</sup> W. Bartlett, The Political Economy of Accession, in S. Keil and Z. Arkan (eds), *The EU and Member State Building: European Foreign Policy in the Western Balkans*, Routledge, London/New York, 2015, p. 209.

asymmetrical economic policies in the region that included direct budgetary assistance to incentivise top-down structural reforms based on Western models; long-term loans by the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD); the asymmetric opening of the EU market to goods from the Western Balkans; and the use of the euro as an external anchor.<sup>75</sup> The private sector grew fast, with assets, services or qualifications internationally tradable. As a result, it has taken the large chunk of the opportunities generated. In contrast, the public sector and traditional local private sectors have witnessed a dramatic lack of investment, scarcity of resources, and lack of rejuvenation. Another shortcoming has been the negative investment environment created by weak rule of law institutions, including the governance of security forces and the oversight of the judiciary – deficiencies that have increasingly been recognised and tackled by the EU. Reforms in the areas of education, health and the judicial system have lagged behind.<sup>76</sup>

### 4.3 Putting rule of law reforms at the heart of EU enlargement

Countries aspiring to join the European Union are asked to demonstrate their practical commitment to EU fundamental values at all stages in the EU enlargement process. Corruption and organised crime are an endemic problem in the Western Balkan region. For this reason and as a lesson learned from Romania and Bulgaria's EU accession path, which showed that the transformation of a country, in particular in the rule of law area, can be a lengthy and difficult process, added focus has been placed on this area. In order to remedy the shortcomings identified in the enlargement process, the 2005 negotiating framework for Croatia introduced a specific Chapter 23 on 'judiciary and fundamental rights' in addition to the existing and then renumbered Chapter 24 on 'justice, freedom and security' in the EU *acquis communautaire*.<sup>77</sup> Therefore, in order to ensure that persisting problems with corruption, organised crime and administrative capacity are tackled successfully, these two chapters were opened early in the EU accession negotiations with the Western Balkan states, and much focus has been directed not only at the adoption of relevant laws but also towards their enforcement. Under this new approach, the process is accompanied by safeguards and corrective measures to allow, for example, for the updating of benchmarks and to ensure an overall balance in the progress of negotiations across chapters. The new approach also provides for greater transparency and inclusiveness in the negotiation and reform process: candidates are encouraged to develop their reform priorities through a process of consultation with relevant stakeholders to ensure maximum support for their implementation.

This approach was reflected in the negotiating framework adopted in June 2012 for negotiations with Montenegro, which firmly anchored the rule of law in the EU accession process and laid the foundations for future negotiations. This focus on the rule of law had some results in the former Yugoslav Republic of Macedonia, where a High Level Accession Dialogue, launched in March 2012, pushed EU integration to the forefront of the domestic agenda, giving it a new boost by ensuring a structured, high-level discussion on the main reform challenges and opportunities. The key issues include freedom of

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<sup>75</sup> Almost all countries have adopted fixed exchange rate regimes, formally or de facto linking their currencies to the euro or using the euro (Kosovo, Montenegro).

<sup>76</sup> A.J. Kondonassis, A.G. Malliaris and C.C. Paraskevopoulos, 'Asymmetrical Economic and Institutional Changes in the Western Balkans: Cooperation with the European Union', *European Research Studies*, Volume VIII, Issue (1-2), 2005.

<sup>77</sup> W. Nozar, [The 100 % Union: The rise of Chapters 23 and 24](#), Clingendael, The Hague, August 2012.

expression, rule of law, ethnic relations, challenges for electoral reform, public administration reform, measures to strengthen the market economy, and good neighbourly relations. In June 2012, the EU launched a similar high-level dialogue in Bosnia-Herzegovina to help the country move forward in the EU accession process by explaining the requirements and the methodology of the accession negotiations, and especially to keep up the political momentum on the EU agenda despite the ongoing political crisis. The European Commission and Kosovo launched a 'Structured Dialogue on the Rule of Law' in May 2012 to focus on the challenges in the judiciary and the fight against organised crime and corruption.<sup>78</sup>

The story, however, is quite different on the ground. According to the data of the Crime and Corruption Reporting Network and Radio Free Europe, there have been 102 organised crime-related murders on the streets of Serbia and Montenegro since 2012. Only five cases have been successfully resolved, while the perpetrators remain unknown in 75 cases. Given that the overall clearance rate for murders is roughly 80 cases resolved out of 100,<sup>79</sup> it is considered that government structures, in particular law enforcement authorities, do not have control over the movements, intentions and behaviour of members of criminal groups. Moreover, think tanks in Montenegro working in the area of the rule of law argue that six years on from the start of accession negotiations, Montenegro government structures have links to organised crime and that there is corruption at all levels of the government. Examples cited by one report include: weak and politicised institutions; impunity for corrupt officials and those misusing public funds, state interference in the media market and the ruling party compromising the independence of the public broadcaster; hostile action against critical NGOs and targeting of their leaders.<sup>80</sup> In parallel, scholars criticise the EU for neither strengthening nor meaningfully including civil society, media and democratic opposition interested in engaging and encouraging reforms.<sup>81</sup>

On the other hand, Albania is currently undergoing an ambitious judicial reform, but this is just a beginning. Moreover, the parliament in Albania has conducted a structured review of annual reports from independent institutions and established a system for following up and monitoring recommendations by the parliament and independent institutions.<sup>82</sup> With the EU *acquis communautaire* becoming increasingly dense and demanding, the former Yugoslav Republic of Macedonia and Albania are in a situation where the European Commission is asking them to implement reforms that frontrunners Serbia and Montenegro have not yet completed – when neither of the former have yet opened EU accession negotiations.

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<sup>78</sup> I. Ioannides, [Rule of Law in European Union External Action: Guiding Principles, Practices and Lessons Learned](#), International Institute for Democracy and Electoral Assistance, Stockholm, 2014, pp. 16-17.

<sup>79</sup> Organised Crime and Corruption Reporting Project, [Serbia/Montenegro: Only Four Gang-related Murders Solved in Five Years](#), 4 July 2017.

<sup>80</sup> [Montenegro: Between Reform Leader and Reform Simulacrum](#), Joint report by Institut Alternativa (IA), Centre for Civic Education (CGO), Centre for Development of NGOs (CRNVO) and Centre for Monitoring and Research (CEMI), Podgorica, March 2018.

<sup>81</sup> Organised Crime and Corruption Reporting Project, [Serbia/Montenegro: Only Four Gang-related Murders Solved in Five Years](#), 4 July 2017.

<sup>82</sup> [Commission Staff Working Document, Albania 2018 Report, Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2018 Communication on EU Enlargement Policy](#), SWD(2018) 151 final, Strasbourg, 17 April 2018.

## 5 Coherence and coordination

EU action in the Western Balkans is intricately linked to its Member States' policies. Given the huge internal implications of admitting new members, it is unsurprising that EU Member States want to have a greater say over who gets in, when, and under what conditions. Equally, EU efforts in the Western Balkans are framed in the context of a crowded multilateral environment. Beyond the complexity internal to the EU (between the EU and its Member States and among different EU institutions), peacebuilding efforts in the Western Balkans must be seen within a context of further complexity, which includes the presence of virtually all the major powers and international organisations (NATO, UN agencies, the OSCE, the World Bank, the International Monetary Fund and the Council of Europe). This section concentrates on the role of the United States, Russia and NATO, which have been prominent actors in the region since before the dissolution of Yugoslavia, and on China and Turkey, which have become key actors in the Western Balkans in the last decade.

### 5.1 The role of the EU Member States

The role of the EU Member States in peacebuilding in the Western Balkans has been decisive. In the early 1990s, when the European institutions were not developed enough to deploy civilian and military capabilities, 'Europe' was visible through EU Member States' mediation efforts. The brokering of the end of the crisis in Slovenia (1990-1991) and the French-German initiatives (Juppé-Ginkel, 1994) during the war in Bosnia are just two key examples. Apart from the bilateral efforts expended by EU Member States in the region, which are beyond the remit of this study, the EU's internal procedures for handling enlargement have always been intergovernmental in nature. In that framework, Member States have taken crucial decisions at EU Council level that have pushed peace in the Western Balkans forward. The most vital one has been the Thessaloniki Declaration of 2003, which promised an EU perspective for the entire region.

More recently, in 2016, during the Macedonian political crisis evoked in Section 3.1 – EU diplomacy to reinforce inter-ethnic relations, the most influential EU Member States decided to work together, therefore capitalising on the potential to bring their respective national influence to bear so as to push for the implementation of the 'Pržino Agreement'. This is how the most influential EU Member States (Germany, the UK, Italy, France and the Netherlands) agreed for the first time on establishing a (common) Special Envoy model. In May 2016, Germany appointed a Special Envoy for the Macedonian political crisis, Johannes Haindl (German Ambassador to Vienna) with a three-fold goal: to help facilitate the talks and step up pressure on the Macedonian parties; to coordinate with the Ambassadors of the UK, Italy, France and the Netherlands; and to work alongside the EU and the USA.<sup>83</sup>

However, the Western Balkans has also been a playground for turf wars among EU Member States and for the fulfilment of geostrategic gains. The detrimental impact that disunity among EU Member States can have on the Union *per se*, but also on its external action is well known. In the 1990s, there were intense disagreements among the EC Member States on the recognition of Slovenia and Croatia, which Germany strongly

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<sup>83</sup> S. Dvornik (ed.), *'International Community' and the Limits of External Intervention*, Perspectives, Issue 2, Heinrich Böll Foundation, Office for Bosnia-Herzegovina, November 2016.

supported. These disagreements hindered efforts at the EC Peace Conference in September 1991, as did later negotiations regarding the war in Croatia and the first signs of violence in BiH.<sup>84</sup> The inability to act and even to agree on a common line during the first stages of the crisis in former Yugoslavia was also due to the limitations of the fledging CFSP, which has since made strides.

Likewise, the frequency of incursions and opportunities for the EU Member States to interfere and derail the EU enlargement process has increased over the past years, suggesting a 'nationalisation' of EU enlargement. Overall, the preoccupations that tend to influence the enlargement agenda in unpredictable ways and with uncertain outcomes include immigrants and asylum seekers, the sustainability of welfare systems, bilateral disputes between EU capitals and the Balkan neighbours, the unresolved status of Kosovo, poor governance practices in the region, and, increasingly, distrust in the EU institutions (especially the Brussels' executive) and the EU integration process, more generally. Nevertheless, public opinion on EU enlargement to the Western Balkans does not seem to be a dominant factor for EU capitals when they decide on the official national positions on this dossier.<sup>85</sup>

The EU has played a rather ambiguous role in Kosovo, because there is disunity on the 'status question' among EU Member States. Five Member States (Spain, Greece, Cyprus, Romania and Slovakia) have still not recognised Kosovo's independence and, in general, Member States engage with Kosovo to varying degrees, regardless of whether or not they recognise its statehood.<sup>86</sup> As a result, the EU itself refers only to 'Kosovo\*', with an asterisked footnote containing the text agreed to by the Belgrade-Pristina negotiations: 'This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence'. Paradoxically, as examined in **Section 3.2 – EU peace support missions**, the EU has established its largest mission in Kosovo, which, in principle, is 'status neutral' towards Kosovo's independence, but in effect, since it engages in state-building activities and in order to be able to implement its activities, it operates according to a 'status positive' stance.<sup>87</sup>

Another case in point is the former Yugoslav Republic of Macedonia and the negotiation of the 'name dispute'. Following the key role the country played in taking in approximately 300 000 refugees from Kosovo (1999), the painful concessions made by ethnic Macedonians, the initially successful push for reforms to meet the requirements of the Ohrid Framework Agreement (2001), and further reforms undertaken to move towards peace, its membership of NATO and the start of EU accession talks were blocked in 2008 because of the 'name dispute' with Greece. The European Council granted candidate country status to the former Yugoslav Republic of Macedonia in December 2005 and the European Commission recommended for the first time, in 2009, that the Council open accession negotiations with the country. Seen from Athens, the country

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<sup>84</sup> A.E. Juncos, 'The EU's Post-Conflict Intervention in Bosnia and Herzegovina: (re)Integrating the Balkans and/or (re)Inventing the EU?', *Southeast European Politics*, Volume VI, No 2, November 2005, p. 95.

<sup>85</sup> R. Balfour and C. Stratulat (eds), [EU Member States and Enlargement towards the Balkans](#), Issue Paper No 79, European Policy centre, Brussels, July 2015.

<sup>86</sup> J. Ker-Lindsay and I. Armakolas (eds), [Surveying the Spectrum of EU Member State Policies towards Kosovo](#), Kosovo Foundation for Open Society, Pristina, December 2017.

<sup>87</sup> I. Ioannides and G. Collantes-Celador, 'The Internal-External Security Nexus and EU Police/Rule of Law Missions in the Western Balkans', *Conflict, Security & Development Journal*, Volume 11, Issue 4, 2011, pp. 415-445.

cannot be offered NATO membership or the opening of EU accession negotiations, as long as it does not respect good neighbourly relations. Seen from Skopje and in accordance with the advisory 2008 International Court of Justice decision, by blocking its NATO bid in April 2008, Greece has breached a bilateral agreement signed between the two countries in 1995.<sup>88</sup> The 'name dispute' became so bitter that it negatively impacted on the political leadership needed for the former Yugoslav Republic of Macedonia to make the necessary 2001 concessions and reforms since then. The uncertainty that this backlash had created and the absence of a clear Euro-Atlantic perspective for the country, was partially behind its swing between reform and instability, facing nationalist tensions, corruption, and misrule.

Negotiations on the 'name dispute' have been led by the United Nations, but arguably the EU was slow to react and understand the potential instability in the country. It initially pulled back from what could have turned into widespread violence after the former government was embroiled in a wiretapping scandal aimed at silencing the opposition and intimidating civil society. Today, after so many failed attempts, the political momentum is there for Greece and the former Yugoslav Republic of Macedonia to change the strategic and political landscape of this part of the Western Balkans. The resolution of the 'name dispute' could pave the way for the country to join NATO, leading to a seamless span of the alliance from Montenegro across to Turkey. The new pro-reform government, led by Zoran Zaev, has moved quickly to reach out to Athens and, at domestic level, it has changed the government narrative. Changing the name of Skopje's airport, which had been called after Alexander the Great, was an important symbolic move. Other historical names and symbols that were offensive to Greece have also been removed. The European Commission has also encouraged the two parties to make the most of the momentum and called for 'the "name issue"...to be resolved as a matter of urgency' in its latest progress report on the country.<sup>89</sup>

The divergent positions between the EU and some of its Member States can also be seen in the way that autocratic leaders in the Western Balkans have been dealt with. For example, whereas the EU as an institution had been critical of the previous government in the former Yugoslav Republic of Macedonia and had accused it of 'state capture',<sup>90</sup> the foreign minister of an EU Member State had nonetheless participated in an election rally in Skopje in 2016 in support of the ruling party. That was most probably for geostrategic reasons, at a time when the governments in the region had closed the migration routes, in line with certain EU Member States' positions. Equally, Aleksandar Vučić received the support of another EU Member State before the Serbian presidential elections in 2017

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<sup>88</sup> Under the terms of the agreement, Greece agreed that it would not object to any application made by the former Yugoslav Republic of Macedonia to international/regional organisations so long as it used the appellation set out in 'paragraph 2 of the United Nations Security Council resolution 817' (i.e., 'former Yugoslav Republic of Macedonia').

<sup>89</sup> [Commission Staff Working Document, The former Yugoslav Republic of Macedonia 2018 Report, Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2018 Communication on EU Enlargement Policy](#), SWD(2018) 154 final, Strasbourg, 17 April 2018, p. 7.

<sup>90</sup> [Commission Staff Working Document, The former Yugoslav Republic of Macedonia 2016 Report, Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2016 Communication on EU Enlargement Policy](#), SWD(2016) 362 final, Brussels, 9 November 2016, p. 8.



on the basis of a promise that he would solve the Kosovo dispute rather than a commitment to democracy and necessary reform on the domestic front.<sup>91</sup>

EU Member States are also able to exert pressure when the European Commission prepares strategy documents on the region. It is allegedly owing to the interference of EU Member States that Kosovo's enlargement status was downgraded in the new EU enlargement strategy on the Western Balkans. While the published version speaks of a 'historic window of opportunity' for the 'Western Balkan countries', media outlets have claimed that earlier drafts had spoken of an opportunity for 'all six Western Balkan partners'—therefore including Kosovo in the list of possible EU Member States. The drafts had allegedly mentioned that EU entry talks with Kosovo as well as Bosnia-Herzegovina and others should be 'well advanced' by 2025.<sup>92</sup>

## 5.2 The role of other powers

The need for international cooperation in the negotiation of peace deals and peacekeeping in the Western Balkans is a given. In the early 1990s, the 'Europeans' acted within the framework of the United Nations, on which they called to establish a cease-fire in Croatia. The deal was brokered by former US Secretary of State, Cyrus Vance (1992) and led to the launch of the United Nations Protection Force (UNPROFOR) in Croatia and Bosnia-Herzegovina, a force in which troops from the EU Member States also participated. During the war in Bosnia (especially the initial phase), the Europeans were involved at the side of the United States but also Russia to support the various peace plans prepared in the UN Security Council. In early 1993, an International Conference on the former Yugoslavia was launched in Geneva under the auspices of the United Nations (represented by Cyrus Vance) and the EC (represented by David Owen) and later in the same year more rounds were organised with representatives of Bosnia-Herzegovina's warring factions and the UN mediator (Thorvald Stoltenberg) and David Owen.

Similarly, a new regime of sanctions was approved by subsequent UNSC Resolutions, and the EC/EU committed itself to assist in their implementation. During the Albanian 'civil war' (1996), the Europeans tried not only to involve UN Security Council members but also Turkey as a regional power with ties to the Albanian population. During the wars following the disintegration of Yugoslavia in the 1990s, China generally took a neutral standpoint and supported the decisions made by the UN Security Council. However, just like Russia, China opposed Kosovo's unilateral declaration of independence in 2008. The active participation of Russian peacekeepers was nevertheless sought in Kosovo. It could be argued, that in some cases, the importance of US involvement, combined with the wish of local leaders to also accommodate Russian (and Turkish) influence, has reduced the margins of manoeuvre or at least the leverage potential of the EU as a whole.

In mid-2017, after several years of neglect, the Western Balkans returned to the spotlight of the EU's attention as a geopolitical playground where rival powers may threaten Europe's stability as a whole and come to represent a test for the EU's capacity to act as a peacebuilder. The EU's unfinished business in the region could open the door to various political, economic and security alternatives. Accordingly, ethnic tensions simmering in certain parts of the Western Balkans, chronically high unemployment (an average of

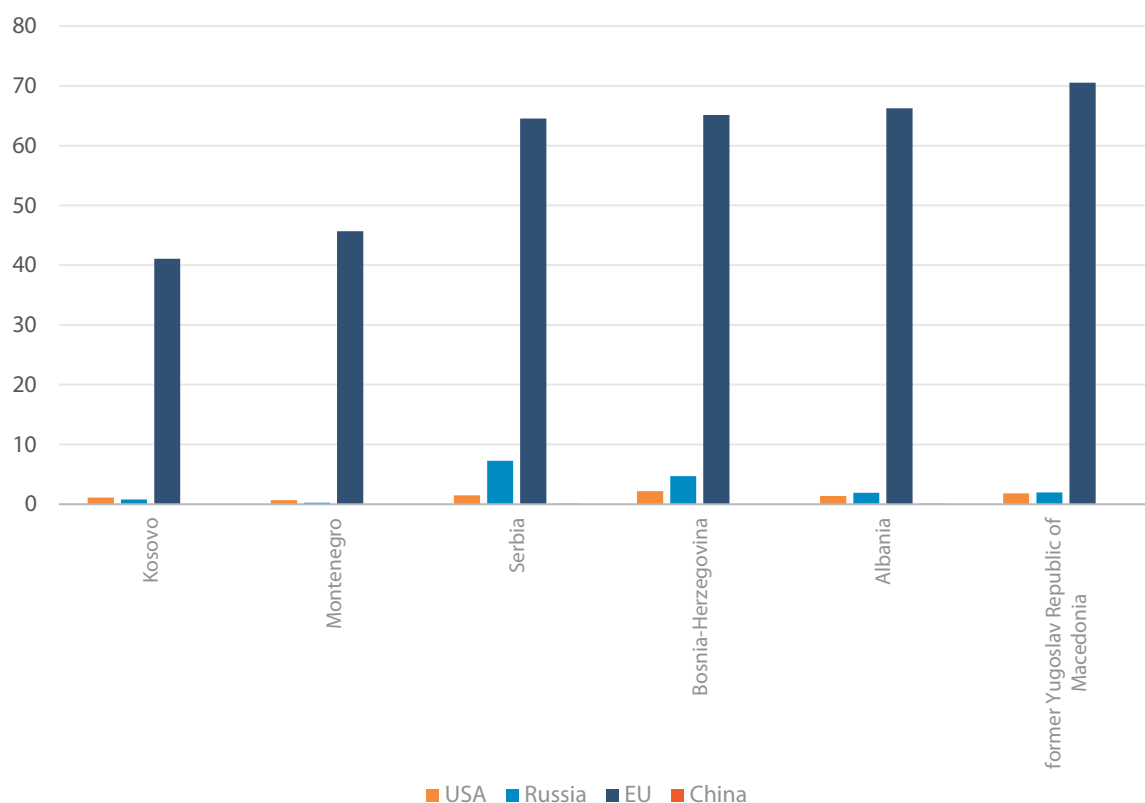
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<sup>91</sup> E. Fazliu, ['Florian Bieber: In Some Ways, the EU Encourages Regional Autocrats'](#), *K2.0*, 21 April 2018.

<sup>92</sup> A. Rettman, [EU Downgrades Kosovo Enlargement Status](#), *EUObserver*, Brussels, 6 February 2018.

25 % for the region),<sup>93</sup> and shaky constitutional arrangements in Bosnia-Herzegovina, fuel resentment at the region's pro-Western course, thus creating an opportunity for other powers – such as Russia, Turkey and China – to leverage their influence. While it is unlikely that the region will backtrack to a situation of war, it has become the turf for organised crime, corruption, human trafficking and a migratory corridor from the Middle East. The deeper encroachment into the Western Balkans of powers that are today perceived to be malign and illiberal (and by extension, anti-Western), are symptoms of a fundamental problem. Simply put, the 'carrots' of potential EU and NATO membership, which it was widely presumed a decade and a half ago would induce reforms that would yield self-sustaining representative and accountable democratic governance in the Western Balkans, have potentially proven insufficient.

**Figure 7 – Trade between the Western Balkans and respectively Russia, the United States, China and the EU (as a %) in 2017**



Data source: International Monetary Fund, [2017](#). Graphic by Cecilia Isaakson, EPRS.

As **Figure 7** shows, the EU is the Western Balkans' first trading partner at 73 %, contrasting starkly with China (5 %), Russia (4.8 %) and other major economic powers (17.2 %). In addition to trade, the EU provides the region with substantial funding – nearly €10 billion since 2007.<sup>94</sup> The Western Balkans are aware that the rewards to be reaped from the West were expected to be higher, but at the same time wish to keep

<sup>93</sup> The World Bank, [Growth Continues, Unemployment Remains High in Kosovo](#), Press release, 27 September 2016.

<sup>94</sup> [European Union, Trade in Goods with Western Balkans 6](#), Directorate-General for Trade, European Commission, 16 April 2018.

their options open. So, while neither Russia nor China can match these attractions, they appear to have a clear vision and set of goals regarding their intentions in the Western Balkans.

Given these circumstances, the Western Balkans have emerged as a front in Russia's geopolitical confrontation with the West. Moscow's approach to the Western Balkans has traditionally been to focus primarily on its relationship with Belgrade, acquiring a major stake in Serbia's energy sector in exchange for Russian backing of Serbia's position over Kosovo in the UN Security Council. In 1994 and 2015, Russia vetoed two UN Security Council resolutions condemning violence by Bosnian Serbs, the latter resolution qualifying the 1995 Srebrenica massacre as genocide. In 2007, a proposed resolution on Kosovo's independence was dropped after Russian objections.<sup>95</sup> After the International Court of Justice (ICJ) ruling of August 2010 on Kosovo independence and Belgrade's newfound pragmatism, however, Russia too has had to adjust, thus limiting obstruction in the Western Balkans.<sup>96</sup>

Scholars and policy-makers maintain that building on close historical ties, Moscow is today taking advantage of the political and economic difficulties to expand its influence, potentially undermining the region's stability.<sup>97</sup> Russian Gazprom's South Stream pipeline would have consolidated Moscow's dominance of gas markets in southeast Europe, but was abandoned in December 2014 after the European Commission ruled that it contravened EU energy legislation. Nevertheless, Russia still wields significant influence in the Western Balkans, mainly because most countries in the region remain dependent upon Russian natural gas deliveries. Its energy influence is greatest in Serbia, the former Yugoslav Republic of Macedonia, and Bosnia-Herzegovina, where it supplies close to 100 % of gas needs.<sup>98</sup>

In a more balanced analysis, Dimitar Bechev shows that historical and religious ties are less relevant factors than pragmatism and opportunism, when it comes to explaining Russia's relations with southeast European countries. This analysis highlights the role of local players who, far from being mere pawns, were able to take advantage of Moscow's game in the Western Balkans to exploit it for their own gains. These range from cuts in Russia's investment ventures (primarily in oil and gas) to playing a political game of threat projection where in response the West would need to protect the region from a possible Russian takeover. Bechev therefore shows that domestic deficiencies in the Western Balkan countries (e.g. dysfunctional democracies, 'state capture', and the relapse to authoritarian politics) are largely the result of internal political choices, rather than the outcome of one-sided Russian opportunism.<sup>99</sup>

Turkey's long presence in the Western Balkans has also been influential. During the Bosnian war (1992–1995), Turkey played an active role as part of the multilateral forces, putting an emphasis on the trials of the Muslims. During the bombing of Kosovo (1999)

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<sup>95</sup> M. Russell, [Russia in the Western Balkans](#), EPRS, European Parliament, July 2017.

<sup>96</sup> J. Rupnik (ed.), [The Western Balkans and the EU: 'The Hour of Europe'](#), Chaillot Paper No 126, EU Institute for Security Studies, Paris, June 2011.

<sup>97</sup> M. Galeotti, [Do the Western Balkans Face a Coming Russian Storm?](#) European Council on Foreign Relations, London, 4 April 2018; M. Russell, [Russia in the Western Balkans](#), EPRS, European Parliament, July 2017.

<sup>98</sup> Eurostat, [Natural Gas Market Indicators](#), Luxembourg, February 2017.

<sup>99</sup> D. Bechev, *Rival Power: Russia in Southeast Europe*, Yale University Press, New Haven, CT, 2017.

and throughout the long-standing 'name dispute' between the former Yugoslav Republic of Macedonia and Greece, Turkey has sought a role as a mediator in the region. In the early 2000s, with its foreign policy shift to one of 'zero problems with neighbours', developed by former Foreign Minister and then former Prime Minister Ahmet Davutoğlu,<sup>100</sup> Turkey increased its role in the region. Building on its Ottoman legacy, it tried to revive cultural relations in the Western Balkans and identify 'kin' communities. Capitalising on the stagnation of the EU enlargement process in the Western Balkans, Turkey focused on setting up networks of NGOs, religious centres, schools and colleges.

In parallel, the strong economic growth in Turkey in early 2000 translated into an important rise in Turkish investments in the Western Balkans.<sup>101</sup> Privatising national companies, building mosques, and renovating Ottoman buildings, providing student scholarships, investing in mining in Kosovo, establishing airline cooperation with Albania, and signing a new free trade agreement with Bosnia-Herzegovina. Turkey also has a major interest in securing the Balkan 'terrestrial bridge' to the Union – its main motorway that runs from Edirne to Greece, the former Yugoslav Republic of Macedonia, Serbia, Bosnia-Herzegovina and Croatia. It is the chief route for transporting its imports and exports to and from the European Union. Thus, keeping this major axis open and fluid is vital for Istanbul and the industrial hub of northwest Turkey, which is by far the largest in the sub-region. This axis is also important for keeping the Turkish diaspora living in Europe linked to the 'motherland'. This softer power has also been cultivated through the organisation of Turkish festivals and the export of soap operas to most of the Western Balkans.<sup>102</sup>

China has already made a range of strategic acquisitions and investments in southeast Europe in the transport sector. Its most significant investment so far has been the acquisition of the Port of Piraeus in Greece, which Beijing can use as a starting point for its Balkans Silk Road.<sup>103</sup> In order to connect the Port of Piraeus to central Europe, China has offered state-to-state loans for building roads and modernising railways across the Western Balkans.<sup>104</sup> In terms of project implementation, Serbia stands as the key partner. So far, China has invested more than US\$1 billion in Serbia alone, mostly in the form of loans, to finance the building of transport infrastructure and energy projects in the country. It is also financing infrastructure projects in Montenegro, the former Yugoslav Republic of Macedonia, Albania and Bosnia-Herzegovina. Moreover, Beijing has announced a US\$10 billion credit line to support Chinese investment in the region, and the creation of a secretariat to facilitate cooperation and the commitment to two-way trade. As a result, it is expected that in a few years, a China-funded transport infrastructure will criss-cross south-east Europe, connecting ports, capitals and vital

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<sup>100</sup> A. Davutoğlu, *Το Στρατηγικό Βάθος, Η Διεθνής Θέση της Τουρκίας* [*Strategic Depth: The International Position of Turkey*], Poiotita, Athens, 2010.

<sup>101</sup> A. Vračić, *Turkey's Role in the Western Balkans*, SWP Research Paper No 11, German Institute for International and Security Affairs, Berlin, December 2016.

<sup>102</sup> V. Xhambazi, *'The West and the Post-Yugoslav Political Architecture'*, *New Eastern Europe*, 22 November 2017.

<sup>103</sup> G.N. Tzogopoulos, *From China to Greece – on Track for the New Silk Road. Whither Sino-Greek Relations?*, CIFE Policy Paper No 32/2016, Nice, 15 March 2016.

<sup>104</sup> M. Stumvoll and T. Flessenkemper, *China's Balkans Silk Road: Does it Pave or Block the Way of Western Balkans to the European Union?*, CIFE Policy Paper No 66, Nice, 14 February 2018.

economic hubs.<sup>105</sup> Beyond investments in infrastructure, China plans provide funds for communication projects. Nevertheless, as **Figure 7** shows, compared with the EU, China has substantially less economic influence.

Overall, the USA has subscribed to the EU-led approach in the Western Balkans, which is seen as being one of appeasement: malign behaviour on domestic politics is tolerated in exchange for stability. Nevertheless, following the sustained attacks mounted by the leadership of the Republika Srpska (RS) against Bosnia-Herzegovina's constitutional, judicial, and state structure, the United States took a more forceful role. In 2017, it sanctioned RS President Milorad Dodik for his referendum in defiance of a Constitutional Court ruling; the EU, however, did not.<sup>106</sup> Recently, the US Deputy State Secretary told the Foreign Affairs Committee of the US House of Representatives that Bosnia-Herzegovina is 'facing its most serious challenges since the 1990s, which, left unchecked, could have serious consequences for the Western Balkans, Europe, and the United States'.<sup>107</sup> The story of Kosovo and Albania is however quite different, where the approval rate for US action in the region is over 70%.<sup>108</sup> Still reminiscent of the 1999 US-led NATO bombing campaign that paved the way to Kosovo's unilaterally declared independence, the United States can still influence domestic Kosovo politics.

At operational level, EU-US cooperation has been more complicated because of the differing security cultures. When the EU took over the police reform in the former Yugoslav Republic of Macedonia in 2001, it had to repeat much of the training that had been carried out by a law enforcement development programme of the US International Criminal Investigative Training Assistance Programme (ICITAP) throughout 2000, and which included technical assistance and 'train the trainers' programmes. The key issue was to ensure that rule of law services in the former Yugoslav Republic of Macedonia were in line with 'European standards'.<sup>109</sup> Similarly, on an operational level, the competitive relationship between the United States and EULEX in Kosovo has held up progress on key legislative changes in the field of police reform (e.g. anti-money laundering and data protection).<sup>110</sup> Even at political level, because of its role in the 1999 intervention in Kosovo and its subsequent influence on political developments there, the

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<sup>105</sup> P. Tonchev, [China's Road: into the Western Balkans](#), EU Institute for Security Studies, Paris, February 2017.

<sup>106</sup> K.W. Bassuener, [Written Statement for the Congressional Record, House Foreign Affairs Committee Hearing: "The Dayton Legacy and the Future of Bosnia and the Western Balkans"](#), US Congress, Washington, DC, 18 April 2018.

<sup>107</sup> M. Palmer, [Testimony by Acting Deputy Assistant Secretary of State Matthew Palmer House Foreign Affairs Committee Subcommittee on Europe, Eurasia, and Emerging Threats "The Dayton Legacy and the Future of Bosnia and the Western Balkans"](#), Washington, DC, 18 April 2018.

<sup>108</sup> M. Zivanovic, ['Kosovo Leads World in Cheering for Trump, Poll Shows'](#), *BalkanInsight*, 18 January 2018; D. Unsworth, ['Dispatch from Kosovo: The Most Pro-American Country in the World'](#), *Panam News*, 25 August 2017.

<sup>109</sup> I. Ioannides, Police Mission in Macedonia, in M. Emerson and E. Gross (eds), [Evaluating the EU's Crisis Missions in the Balkans](#), Centre for European Policy Studies, Brussels, 2007, pp. 100-101.

<sup>110</sup> I. Ioannides, Ethical Considerations and Value Dilemmas in the European Union Security Sector Reform Policy and its Implementation: The Example of the European Union Rule of Law Reforms in Kosovo, in I. Ioannides and M. Tondini, [Ethical Security in Europe? Empirical Findings on Value Shifts and Dilemmas Across European Internal-External Security Policies](#), Policy Recommendation Report, INEX Work Package 3: Value Dilemmas of Security Professionalism, September 2010, p. 38.

United States has been accused of hampering European law enforcement efforts by allowing corruption and links to organised crime to infiltrate the police force.<sup>111</sup>

Cooperation with NATO has also been key for the EU to carry out its peacebuilding efforts in the Western Balkans. It was under High Representative for the CFSP Javier Solana's stewardship that the 'Berlin-Plus' arrangement with NATO was finalised in late 2002. This was an essential step forward in the deployment of the first CSDP missions and operations – EUFOR Concordia in the former Yugoslav Republic of Macedonia and EUFOR Althea in Bosnia-Herzegovina. In that context, the NATO peacekeeping force (SFOR) deployed to Bosnia-Herzegovina after the war in 1996 was replaced by EUFOR Althea in December 2004. In Kosovo, since 2008, the NATO military peacekeeping force (KFOR) has co-existed with the EU's civilian mission (EULEX). In the former Yugoslav Republic of Macedonia, NATO's Operation Allied Harmony, in 2001, which aimed at providing support for the international monitors and advised and assisted the government in taking ownership of security throughout the country, was taken over – with only minor hiccups – by EUFOR Condordia in 2004.

In addition, good working relations between NATO's Secretary-General Lord Robertson and the European Commissioner for External Relations Chris Patten facilitated a number of CSDP achievements, demonstrating the added value of personal leadership qualities and public diplomacy to build confidence and bring results. This was a vital factor for creating an EU foreign and security policy that amounted to more than just the sum of its parts and that operated well above its lowest common denominator.<sup>112</sup>

Today, part of the region has moved from being a security consumer to a security provider: Albania joined NATO in 2009, and Montenegro in June 2017. Bosnia-Herzegovina joined the NATO 'Partnership for Peace' programme in 2006, signed an agreement on security cooperation in March 2007, deepened cooperation with NATO within its Individual Partnership Action Plan in January 2008, and started the process of intensified dialogue at the 2008 Bucharest summit. In April 2010, NATO agreed to launch the Membership Action Plan for Bosnia-Herzegovina, pending the fulfilment of certain conditions. Kosovo remains a NATO security consumer, given that NATO's peace support operation (KFOR), launched in 1999, is still deployed. Unlike the rest of the Western Balkans, Serbia does not aspire to join the Alliance. Nevertheless, a stronger NATO role in the Western Balkans, is seen by some experts as 'an opportunity for Turkey to play a constructive role in advancing security and stability in the Western Balkans, through NATO's institutions, by helping to bring Bosnia-Herzegovina a step closer to full NATO membership'.<sup>113</sup>

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<sup>111</sup> I. Ioannides and G. Collantes-Celador, 'The Internal-External Security Nexus and EU Police/Rule of Law Missions in the Western Balkans', *Conflict, Security & Development Journal*, Volume 11, Issue 4, 2011, pp. 415-445.

<sup>112</sup> A. Missiroli, (ed.), *The EU and the World: Players and Policies Post-Lisbon: A Handbook*, EU Institute for Security Studies, Paris, 2016, p. 20.

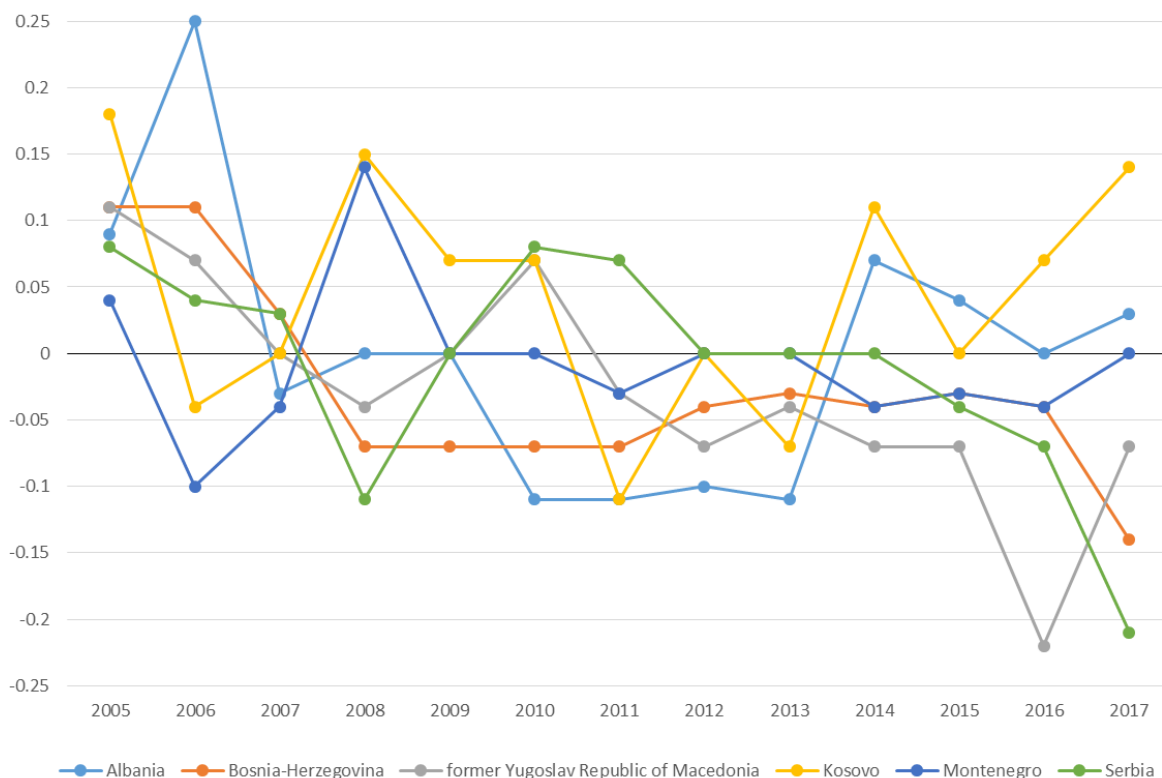
<sup>113</sup> S. Toperich, *Resolving Bosnia's Electoral Crisis*, Testimony before the House Committee on Foreign Affairs, Subcommittee on Europe, Eurasia, and Emerging Threats, Washington, DC, 18 April 2018.

## 6 Path forward: revamped EU strategy for the Western Balkans

Despite decades of EU – and other donors' – support for the Western Balkans to carry out needed reforms, the region still faces a number of challenges preventing the consolidation of peace: weak governance structures; internal and external contestation of the state; the lack of a democratic political culture; and weak economic structures. According to data from Freedom House for the 2005 to 2017 period, the democracy score<sup>114</sup> in the Western Balkans has been in steady decline since 2009. See **Figure 8**.

**Figure 8 – Democracy score in Western Balkans, 2005-2017**

(The closer a country moves towards 0 the more it moves towards democracy.)



Data source: Author's calculations using data from Freedom House, *Nations in Transition* [2011](#), [2016](#) and [2018](#), New York/Washington DC.

The nationalist incitement that drove the Yugoslav conflicts has again become the preferred vocabulary of politicians. According to Freedom House, Serbia (especially when under the leadership of Aleksandar Vučić) and Montenegro under Milo Djukanović have captured their respective states, turning them into mechanisms for distributing patronage that in turn strengthen their parties' grip on power.<sup>115</sup> Serbia's score has declined for the fourth straight year, threatening its status as a 'semi-consolidated

<sup>114</sup> The 'democracy score' produced by Freedom House, is a straight average of the ratings for all categories covered by Nations in Transit ratings for electoral process; civil society; independent media; national democratic governance; local democratic governance; judicial framework and independence; and corruption. See [Nations in Transit Methodology](#), Freedom House, New York, NY/Washington, DC.

<sup>115</sup> N. Schenkkan, [Nations in Transit 2018: Confronting Illiberalism](#), Freedom House, New York, NY/Washington, DC, 2018.

democracy'.<sup>116</sup> In Montenegro, EU membership has been a key driver since the country's independence from Serbia and has benefited from the willingness of Montenegrin elites. While Montenegro is the country in the region that has opened the most chapters in the EU accession negotiation process and is therefore perceived as the leader of European integration in the Western Balkans, it still needs to progress on the rule of law, including the fight against corruption and organised crime, and on the independence of the media.<sup>117</sup> Beyond institutional and judicial weaknesses in Montenegro, concerns have been voiced regarding Parliamentary oversight of legislation and policy-making.<sup>118</sup> But where Montenegro is ahead of its neighbours is in integrating the minorities, where in terms of its population, it is more multi-ethnic than Kosovo.<sup>119</sup>

This analysis contradicts the latest European Commission progress reports, which are more positive on Serbia and Montenegro. It credits Serbia with overall having 'made some progress' and having 'some level of preparation' on justice and home affairs and the fight against corruption and organised crime. The European Commission is also rather positive on the normalisation of relations with Kosovo.<sup>120</sup> It has been argued that the conflict over Kosovo's unilateral declaration of independence has also influenced developments in Serbia, where former nationals have taken control of the government and consequently, fundamental reforms linked to the independence of the judiciary and transparency have lagged behind.<sup>121</sup> Some analysts have criticised the European Commission for favouring superficial 'stability' in the Western Balkans over the need to use its considerable leverage for reforms on the rule of law. They argue that 'as long as Brussels turns a blind eye, there's no incentive for Balkan governments to make meaningful progress on the membership criteria'.<sup>122</sup> This is how, for example, 'in Montenegro, Djukanović has thrived by making mostly cosmetic changes'.<sup>123</sup> Similarly,

<sup>116</sup> A 'semi-consolidated democracy' is a country that is considered an electoral democracy that meets relatively high standards for the selection of national leaders, but exhibits some weaknesses in its defence of political rights and civil liberties. For further details, see [Nations in Transit Methodology](#), Freedom House, New York, NY/Washington, DC.

<sup>117</sup> V. Velebit, [Media Freedom and Rule of Law to be Improved on Montenegro's EU Path](#), *European Western Balkans*, 30 January 2018.

<sup>118</sup> F. Vicković, [Skupština bez Kontrolne Funkcije u 2017/Parliament without its Control Function in 2017](#), Politikon Network, 10 February 2018.

<sup>119</sup> See, for example, United Nations General Assembly, [Summary of Stakeholders' submissions on Montenegro\\*](#), Report of the Office of the United Nations High Commissioner for Human Rights, Human Rights Council, Working Group on the Universal Periodic Review, Twenty-ninth session 15-26 January 2018.

<sup>120</sup> [Commission Staff Working Document, Serbia 2018 Report, Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2018 Communication on EU Enlargement Policy](#), SWD(2018) 152 final, Strasbourg, 17 April 2018.

<sup>121</sup> V. Lilyanova, [Serbia: 2016 Country Report](#), EPRS, European Parliament, June 2017.

<sup>122</sup> S. Muk and S. Cvijić, ['Brussels' Loving Embrace Smothers Balkan Hopes of EU Membership'](#), *Politico*, Europe Edition, 22 April 2018.

<sup>123</sup> S. Cvijić, ['EU is ready to Trade Democracy for Stability in the Western Balkans'](#), *European Western Balkans*, 5 April 2017; F. Beiber and M. Kmezić, *The Crisis of Democracy in the Western Balkans. Authoritarianism and EU Stabilitocracy*, Centre for Southeast European Studies, University of Graz, Graz, Austria, March 2017; S. Pavlović, [West is Best: How 'Stabilitocracy' Undermines Democracy Building in the Balkans](#), European Institute, London School of Economics and Political Science, London, 5 May 2017; S. Muk and S. Cvijić, ['Brussels' Loving Embrace Smothers Balkan Hopes of EU Membership'](#), *Politico*, Europe Edition, 22 April 2018.



the EU (and its Member State leaders) are seen willing to extend credit to President Vučić in Serbia for geopolitical gains: 'he is seen as able to deliver a compromise package on Kosovo that a weaker leader would not be able to sell to Serbian public opinion, and...to counter Russian influence in the region'.<sup>124</sup>

Experts and the European Commission are more aligned on their analysis of the situation in Bosnia-Herzegovina (BiH), Kosovo, the former Yugoslav Republic of Macedonia and Albania. BiH has been stagnating since 2006, owing in particular to a constitutional blockage<sup>125</sup> and the subsequent stagnation in police reform.<sup>126</sup> The country is also internally challenged by the Bosnian Serbs<sup>127</sup> and externally contested by nationalists in Serbia.<sup>128</sup> Regarding the political criteria, the European Commission is calling for the electoral framework to 'be urgently amended with a view to ensuring the proper organisation of the October 2018 elections and the smooth implementation of the results', [...] 'all political leaders need to assume their responsibility and to find a solution with regard to the Federation House of Peoples'.<sup>129</sup> It has also pointed out that BiH remains in breach of the European Convention on Human Rights, in particular the Sejdić-Finci and related cases. It is also rather negative on progress on the institutional and policy frameworks for the observance of human rights and has stated that public administration reform has lagged behind.

In Kosovo, progress on governance and rule of law reforms has stalled and relations with Serbia remain problematic. In addition, the situation in north Kosovo remains volatile with renewed tensions threatening to undermine fragile regional stability.<sup>130</sup> Although the new government appointed in September 2017 committed itself to the implementation of EU-related reforms, progress to date has been slow. The continuing political fragmentation and polarisation have adversely affected the role of the Assembly and have impacted on the effectiveness of the government. The border/boundary demarcation agreement with Montenegro was ratified by the Kosovo Assembly in March 2018, constituting an important achievement and the fulfilment of one of the key criteria for Kosovo's visa liberalisation. Otherwise, the country is at an early stage in the fight

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<sup>124</sup> S. Walker, 'Now is Chance for Kosovo Deal, Says Serbian President – But at What Cost?', *The Guardian*, 26 April 2018.

<sup>125</sup> See, for example, R.M. Hayden, "'Democracy" without a Demos? The Bosnian Constitutional Experiment and the Intentional Construction of Nonfunctioning States', *East European Politics & Societies*, Volume 19, Issue 2, 2005, pp. 226-259.

<sup>126</sup> G. Collantes-Cellador, 'Becoming 'European' through Police Reform: A Successful Strategy in Bosnia and Herzegovina?', *Crime, Law and Social Change*, Volume 51, Issue 2, 2009, pp. 231-242.

<sup>127</sup> See, for example, J. Mujanović, [Republika Srpska's Referendum: A Prelude to a Nationalist Landslide in the Bosnian Elections](#), European Institute, London School of Economics and Political Science, London, 26 September 2016.

<sup>128</sup> E. Fazliu, ['Florian Bieber: In Some Ways, the EU Encourages Regional Autocrats'](#), K2.0, 21 April 2018.

<sup>129</sup> [Commission Staff Working Document, Bosnia and Herzegovina 2018 Report, Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2018 Communication on EU Enlargement Policy](#), SWD(2018) 155 final, Strasbourg, 17 April 2018, p. 2.

<sup>130</sup> See, Aktiv, [Trend Analysis: Citizens Opinion Survey in North Kosovo](#), north Mitrovica, October 2017; and International Crisis Group, [CrisisWatch: Tracking Conflict Worldwide](#), March 2018.

against organised crime and corruption and in terms of the functioning of its judicial system.<sup>131</sup>

In contrast, the former Yugoslav Republic of Macedonia's promising change of government is seen as having brought the country out of a lengthy situation of 'state capture'.<sup>132</sup> 'The transparency of decision-making has increased and proper checks and balances on the power of the executive by Parliament and civil society are gradually being restored'.<sup>133</sup> The former Yugoslav Republic of Macedonia has been an EU candidate country since 2005 but is still waiting for a date to start accession negotiations. The country has finally overcome its deep political crisis, which arose from the 2015 revelations of widespread illegal interception of communications (wiretaps). The political agreement (also called the 'Pržino Agreement') has been largely implemented and substantial progress has been made on implementing the 'Urgent Reform Priorities'.

Similarly, in Albania, public administration reform with a view to enhancing its professionalism and de-politicisation has progressed. The relevant legal and strategic frameworks are now in place. Thorough and comprehensive reforms of the justice are being implemented and good progress has been made in the fight against corruption, notably with the adoption of amendments to the criminal procedure code. However, effective police-prosecution cooperation has still to be improved. As regards the track record, there has been little progress in dismantling organised criminal groups and there are still problems with money laundering. While Albania has adopted a legal framework for the respect of human rights in line with European standards, enforcement and monitoring of human rights protection mechanisms have still to be strengthened.<sup>134</sup>

The EU enlargement strategy for the Western Balkans released in February 2017 aims to turn the tide and push the region towards EU membership and deep transformation. In this document, the European Commission proposes a number of measures, notably the progressive opening of EU funds, the inclusion of the governments of the Western Balkans in EU policy-making processes even before membership, and the removal of visible and invisible barriers to trade and travel.<sup>135</sup> In terms of content, the EU strategy reads as aspirational rather than operational and appears more elite than citizen/victim-centred, and more abstract than rooted in tangible needs and survivors' conceptions of justice. It also offers a more short-term and sectorial perspective, rather than demanding

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<sup>131</sup> [Commission Staff Working Document, Kosovo\\* 2018 Report, Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2018 Communication on EU Enlargement Policy](#), SWD(2018) 156 final, Strasbourg, 17 April 2018.

<sup>132</sup> F. Bieber, [Macedonia is the Only Country of the Western Balkans to End Stabilitocracy](#), *European Western Balkans*, 21 February 2018.

<sup>133</sup> [Commission Staff Working Document, The former Yugoslav Republic of Macedonia 2018 Report, Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2018 Communication on EU Enlargement Policy](#), SWD(2018) 154 final, Strasbourg, 17 April 2018.

<sup>134</sup> [Commission Staff Working Document, Albania 2018 Report, Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2018 Communication on EU Enlargement Policy](#), SWD(2018) 151 final, Strasbourg, 17 April 2018.

<sup>135</sup> [Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A Credible Enlargement Perspective for and Enhanced EU Engagement with the Western Balkans](#), COM(2018) 65 final, Strasbourg, 6 February 2018.

a comprehensive, inclusive and sustainable reconciliation agenda.<sup>136</sup> The strategy is accompanied by six flagship initiatives 'to support the transformation process of the Western Balkans'. They aim to strengthen the rule of law, to reinforce engagement on security and migration, to enhance support for socio-economic development, to increase connectivity, to develop a digital agenda for the region, and to support reconciliation and good neighbourly relations.<sup>137</sup>

## 6.1 EU credibility in the Western Balkans

The key word of the revamped EU strategy for the region will be 'credibility'. This implies offering the Western Balkan countries a credible – achievable and manageable – roadmap towards future EU membership. It also implies a departure from the policy of 'business as usual' to one where conditionality is applied: incentives are given for reforms to be adopted and implemented, but sanctions are applied when necessary reforms are not enforced. An EU approach that can help push forward the 'positive peace' agenda in the region will help EU credibility in the Western Balkans but also at home.

### 6.1.1 Increasing EU support for economic development

Almost two decades of EU-Balkan economic integration have led to a pronounced dependency on the EU.<sup>138</sup> In parallel, crippling unemployment rates, especially among young people, still push tens of thousands of migrants each month to seek work in the EU.<sup>139</sup> As already explained in **Section 4.2 – Supporting economic development**, the Western Balkan economies are already closely integrated with the EU; the EU is their largest trade partner, their largest source of incoming foreign investment and other financial flows, and the main destination for outward migration. Monetary and financial systems in the region are strongly dependent on the euro.<sup>140</sup> Therefore, a step in the right direction would be to apply economic instruments that would allow the region to speed up their progress towards the EU Member States' average level of economic development.

The current level of economic development in the region, and consequent negative social effects, is one of the generators of the political crisis in the Western Balkans. Most ethno-nationalists in the Western Balkans believe that their unfavourable situation is the result of the reforms undertaken in the context of the EU accession process and the transition to a market economy. It is necessary that these fears of 'transition losers' be recognised. In response to this need, the new EU strategy proposes a 'new reinforced social dimension for the Western Balkans', that will support employment and social

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<sup>136</sup> S. Lazić, [EU Enlargement Strategy: Rethinking Reconciliation?](#), *BiEPAG: The Balkans in Europe Policy Advisory Group*, European Fund for the Balkans and the Centre for Southeast European Studies of the University of Graz, 14 February 2018.

<sup>137</sup> European Commission, [EU-Western Balkans Six Flagship Initiatives](#), May 2018.

<sup>138</sup> M. Bonomi and D. Reljić, [The EU and the Western Balkans: So Near and Yet So Far](#), SWP Comments 53, German Institute for International and Security Affairs, Berlin/Brussels, December 2017.

<sup>139</sup> N. Schenckan, [Nations in Transit 2016: Europe and Eurasia Brace for Impact](#), Freedom House, New York, 2017.

<sup>140</sup> World Bank Group, [Vulnerabilities Slow Growth](#), Western Balkans Regular Economic Report, No 13, Washington, DC, spring 2018.

policy in the region, encouraging appropriate engagement from all levels of government, social partners and civil society.<sup>141</sup> This is a step in the right direction.

Bold structural reforms are also necessary if the region is to grow sustainably over the medium term. Regional GDP growth is projected to rise from 2.4 % in 2017 to 3.2 % in 2018 and 3.5 % in 2019. See **Table 1** in **Section 4.2 – Supporting economic development**. The countries are expected to grow faster, pushed along by projected stronger growth in Europe. The exceptions are Albania, where moderation is expected as large investment projects are completed, and Montenegro, which is expected to undergo a much-needed fiscal consolidation. Among the risks affecting the outlook are trade protectionism, normalisation of interest rates globally, and low potential growth and uncertainty about domestic policy or policy reversals.<sup>142</sup>

Previous experience of new Member States indicates that such a policy would also be beneficial in the long term. Providing additional resources would facilitate structural reforms, and therefore strengthen the Western Balkan countries' absorption capacity, allow for easier integration into EU politics, and enable a smoother transitional adaptation period following EU accession.<sup>143</sup> In that context, the credibility of the strategy's novel approach will be possible to measure by the eventual increase in necessary funds, which would be earmarked for aid for accession of the countries from the Western Balkan region (in addition to the existing IPA). Moreover, gradual and continuous growth of designated financial resources for the candidate countries, would represent a new quality in relation to current practice.

#### *6.1.2 Including candidate countries in EU sectoral policies*

In order to boost the credibility of the new approach, the European Commission could consider ways to include the Western Balkan countries in various sectoral policies and programmes of the Union as co-designers rather than mere funding recipients. More structured consultations would be mutually beneficial. On the one hand, it would enable the EU to tailor the programmes available to the region more effectively and ensure value for money. On the other hand, a higher level of integration of the region's countries could take place in such diverse areas as the common agricultural policy, environmental policy, scientific research, and education. As progress is made, more complex and sensitive policies could be added: security and the rule of law, energy and transport policies. Simultaneously, such inclusion would strengthen public perception – in the region and in EU Member States – on these countries' belonging in the European family.

In this regard, the inclusion of political representatives of the countries from the region in different EU bodies, where possible, would help their socialisation and better understanding of the consensual spirit and common EU policies. Some analysts also propose the 'participation of representatives of candidates in the working bodies and/or meetings of the Council [because they] would contribute significantly to strengthening the sense of belonging, networking, making contacts and transfer of experience from the

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<sup>141</sup> [Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A Credible Enlargement Perspective for and Enhanced EU Engagement with the Western Balkans](#), COM(2018) 65 final, Strasbourg, 6 February 2018, p. 13.

<sup>142</sup> Ibid.

<sup>143</sup> S. Majstorović, '[2018 – the Year Credible EU Enlargement Policy Returns?](#)', *European Western Balkans*, 2 February 2018.

Member States to the candidates'.<sup>144</sup> By extension, representatives of the region's countries should be included in the debate about the future of the EU, given that it is the common future of its current and future members. This would send a clear message to the Western Balkan region that their vested interests are within the EU and that their future membership is not in question. It would also give a sense of belonging to the countries of the Western Balkans.

In the spirit of boosting perceptions of the EU-Western Balkans relationship as mutually beneficial, the framework of the dialogue would also provide an opportunity for EU citizens to become better acquainted with the achievements, but also the challenges that determine the pace of further EU enlargement. Such a dialogue would include not only government representatives, but also civil society representatives in the broadest sense (including representatives of NGOs, think tanks, academia, professional associations, and the media). The importance of providing EU citizens with timely and objective information on the process of such defining importance is crucial in terms of EU democratic legitimacy.

### *6.1.3 Defining timelines more clearly*

Defining the timeframe and membership perspective of the frontrunners in the EU enlargement process (Serbia and Montenegro) to 2025, as the new EU strategy for the Western Balkans does, is not enough. In terms of EU credibility, it is key to propose a tentative timetable for integration of all candidates and even potential candidates. The absence of such a timetable could demotivate candidates from truly committing to reform and going beyond the adoption of laws and faked compliance.

It is therefore necessary to determine the timeframes of the EU enlargement process clearly, linking it to measurable benchmarks (similar to the implementation of the 'Pržino Agreement' in the former Yugoslav Republic of Macedonia) so as to assess the achievements of candidates and define the next stages of the process accordingly. In parallel, ensuring the transparency of the process and informing the public about the current state of the accession negotiations of each individual candidate will be key.

### *6.1.4 Budgeting for potential EU accession*

The best proof of certainty of outcome of the accession process and the credibility of intentions of the revamped EU strategy for the Western Balkans would be to provide funds for the financing of accession and membership of future members in the next EU Multiannual Financial Framework (multi-annual EU budget). In addition to unequivocal confirmation of the credibility of the perspective of accession for successful candidates, it would provide additional motivation for countries in the region to undertake all necessary reforms.

Given the rise of populism and the negative impact that disinformation has on the daily lives of citizens, a clearly defined perspective – with concrete finances attached to it – would have a significant impact on the certainty of the results of the process, as well as the attitudes of the citizens towards the EU. Apart from the obvious effects on social stability, it would also help address the 'Brussels blame game', whereby the EU institutions are blamed for difficult socioeconomic conditions and then consequently reduce the pressure on the political leaders in the region.<sup>145</sup>

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<sup>144</sup> Ibid.

<sup>145</sup> S. Majstorović, [2018 – the Year Credible EU Enlargement Policy Returns?](#), European Western Balkans, 2 February 2018.

### 6.1.5 *Insisting on the implementation of reforms*

Overall, the stated approach to EU enlargement has not changed: it will continue to be merit-based and will depend on individual countries meeting the necessary conditions and providing concrete results. It will not be enough to see legislation adopted: legislation will need to be implemented, institutions set up and strengthened; and, in many areas, it will also be important to assess how these institutions work in practice and what results they produce. To ensure that reforms are enforced, the new EU strategy for the Western Balkans provides for the creation of new instruments to monitor progress towards meeting EU enlargement requirements. These instruments are similar to those suggested in the Senior Experts' Group regarding corruption and the 2015 one-party takeover of state institutions in the former Yugoslav Republic of Macedonia.<sup>146</sup>

Corruption and organised crime are a key threat to stability in the region and hinder progress towards good governance, as already analysed in **Section 3 – EU contribution to state-building in the Western Balkans**. Nevertheless, for these new instruments to make a difference, the proposed system needs spelling out and consistent implementation. New tools need to be public, concrete and easily understandable. Furthermore, the European Commission and EU leaders will need to be bolder in naming and shaming laggards and fake reformers in the region.<sup>147</sup>

## 6.2 Political commitment of the Western Balkans

The incentives for reform included in the new EU enlargement strategy for the Western Balkans must be matched by clear standards toward which the region's governments can work. European Commission President Juncker stated on the occasion of the launch of the new EU enlargement strategy for the Western Balkans that, 'with strong political will, real and sustained reforms, and definitive solutions to disputes with neighbours, the Western Balkans can move forward on their respective European paths'.<sup>148</sup> On a similar note, European Commissioner for Enlargement Negotiations Johannes Hahn stated in the European Parliament: 'A credible enlargement perspective is not a free lunch. It requires a tough transformation by partners. They must now walk the talk and deliver'.<sup>149</sup>

### 6.2.1 *From 'stabilitocracy' to democracy*

The Western Balkans are now at a critical juncture. Further progress toward 'positive peace' can only be achieved if the Western Balkan governments give the utmost priority to tackling key weaknesses on the rule of law. Rule of law reforms are about deep, far-reaching, transformational changes. Strengthening the independence, impartiality and efficiency of the judiciary; stepping up the fight against corruption and organised crime; creating an environment that fully guarantees freedom of expression and of the media, are part and parcel of the European standards (and fundamental values) on which

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<sup>146</sup> Independent Senior Experts' Group, [The former Yugoslav Republic of Macedonia: Assessment and Recommendations of the Senior Experts' Group on Systemic Rule of Law issues 2017](#), report commissioned by the European Commission, Brussels, 14 September 2017.

<sup>147</sup> S. Cvijic, ['Western Balkans: A New Start for Europe'](#), *EUObserver*, Brussels, 6 February 2018.

<sup>148</sup> European Commission, [Strategy for the Western Balkans: EU Sets Out New flagship Initiatives and Support for the Reform-driven Region](#), Press release, Strasbourg, 6 February 2018.

<sup>149</sup> European Commissioner Johannes Hahn, [Presentation at the European Parliament Plenary on the occasion of the 'Statement by the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy - Decision adopted on the EU Enlargement Strategy – Western Balkans'](#), Strasbourg, on 6 February 2018.

ultimately there can be no compromise. This study has insisted on the focus, finances, and attention that the EU institutions have given to such rule-of-law related reforms. Shortcomings in this sector have a direct and tangible impact on citizens' lives and are therefore tied to efforts to ensure that the Western Balkans manage to establish an EU-way of life. 'For the EU, rule of law reforms are not a paper exercise! They are not only about strategies, action plans or reports – no matter how important they are; and certainly not simply about adopting legislation'.<sup>150</sup>

As an incentive for consolidating rule of law reforms, which has been a challenge across the region, the new EU enlargement strategy for the Western Balkans promises a shift in focus from the countries adopting EU legal frameworks to those that respect its fundamental values, that is, that apply the relevant legislation and effectively protect human rights. This effectively means that countries in the region that are not yet in negotiations could in theory leapfrog those further ahead to join the 2025 target date (mentioned in the EU enlargement strategy) if they are successful in implementing reforms.

### 6.2.2 Solving bilateral and border issues

The European Commission has warned in its new EU enlargement strategy that there will be no further enlargement before border disputes are completely resolved. It makes a clear point that the EU is not prepared 'to import these disputes and the instability they could entail'. It goes on to insist on that definitive and binding solutions be found and implemented before the country accedes. In concrete terms this means that Serbia needs to conclude and irreversibly implement a legally binding agreement with Pristina before it can join the EU. European Commissioner for Enlargement Negotiations Johannes Hahn has sent a strong message to Serbia that it must solve its bilateral and border issues before it can achieve membership of the EU.<sup>151</sup> Other border disputes compromise the European aspirations of the Western Balkan region countries (in Kosovo and Montenegro). As already explained in **Section 5.2 – The role of other powers**, the former Yugoslav Republic of Macedonia and Greece currently seem to be on the right path for resolving the 'name dispute'.

In parallel, it will be important to ensure that the EU sticks to its commitment. In the case of Montenegro, scholars maintain that good neighbourly relations and a constructive foreign policy, aligned with the EU and confirmed by NATO membership, stand as major indicators of the country's success, to the point that they outstrip the importance of the growing need for internal democratic reforms.<sup>152</sup> As demonstrated in **Section 5.1 – The role of the EU Member States**, the same seems to apply for Serbia in its relations with individual EU Member States.

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<sup>150</sup> European Commission, '[What the Western Balkans Strategy Means for Serbia](#)' – Speech by Commissioner Johannes Hahn, Belgrade, 8 February 2018.

<sup>151</sup> European Commission, '[What the Western Balkans Strategy Means for Serbia](#)' – Speech by Commissioner Johannes Hahn, Belgrade, 8 February 2018.

<sup>152</sup> [Montenegro: Between Reform Leader and Reform Simulacrum](#), Joint report by Institut Alternativa (IA), Centre for Civic Education (CGO), Centre for Development of NGOs (CRNVO) and Centre for Monitoring and Research (CEMI), Podgorica, March 2018.

### 6.2.3 Dealing with the past through reconciliation

The issue of reconciliation and transitional justice after the bitter conflicts of the early 1990s continues to pose a major challenge for the countries of the Western Balkan region. With the International Criminal Tribunal for the former Yugoslavia (ICTY) having terminated its mandate in December 2017, the focus of attention has shifted to the ability of the domestic judicial system to deal with war-related crimes. Moreover, the latest attempts in Kosovo to scrap or undermine Kosovo Specialist Chambers are not a good omen for commitment to reconciliation.<sup>153</sup> After two decades of post-conflict reconstruction, and despite strong EU involvement in peacebuilding efforts in Bosnia-Herzegovina, constitutional reform to move beyond ethno-territorial logic and ensure respect for the human rights of all minorities remains a perennial topic in the country. Furthermore, looking at the Belgrade-Pristina dialogue, there too elites appear to continue 'to nurture narratives of the past that are mutually exclusive, contradictory, and irreconcilable'.<sup>154</sup>

In its individual progress reports – particularly for Bosnia and Herzegovina, Kosovo, Montenegro and Serbia – the European Commission recognises the ethnic polarisation and inflammatory public discourses around diametrically opposed interpretations of the events of the 1990s, the steady decline of national war crimes prosecutions, the glorification and/or rehabilitation of war criminals, and most importantly (though sometimes forgotten) the still inadequate and insufficient provisions of justice for the victims of war crimes and their families.<sup>155</sup>

Given these circumstances, it is not surprising that the new EU strategy on enlargement to the Western Balkans places an emphasis on reconciliation and transitional justice. The revamped strategy clearly stresses that regional political leaders must take full ownership of the reconciliation processes and 'unequivocally commit, in both word and deed, to overcoming the legacy of the past, by achieving reconciliation and solving open issues well before their accession to the EU'.<sup>156</sup> Reconciliation is understood as taking place at political and institutional level and it is considered an 'index of political maturity'.<sup>157</sup>

Such efforts would be more fruitful if accompanied by public participation to promote tolerance and reconciliation, particularly in the education system (including history teaching) in the entire region. Experts maintain that institutions – in particular in the rule of law area – should be better assessed, and a special focus be given to public procurement and education.<sup>158</sup> Civil society consultations could also be key. At the level of the CSDP peace support missions, the EU realised when drafting a solid programme

<sup>153</sup> E. Fouéré, '[Reconciliation – A Critical Factor for Long Term Stability in the Western Balkans](#)', *European Western Balkans*, 23 April 2018.

<sup>154</sup> M. Troncotă, *Post-conflict Europeanization and the War of Meanings: The Challenges of EU Conditionality in Bosnia-Herzegovina and Kosovo*, Tritonic, Bucharest, 2016, p. 182.

<sup>155</sup> See the [European Commission progress reports for the individual countries of the Western Balkans](#), Directorate General for European Neighborhood Policy and Enlargement Negotiations, Brussels.

<sup>156</sup> [Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A credible enlargement perspective for and enhanced EU engagement with the Western Balkans](#), COM(2018) 65 final, Brussels, pp. 6-7.

<sup>157</sup> [Balkan States 'Expected to Sign Truth Commission Agreement'](#), *BIRN*, Sarajevo, 29 January 2018.

<sup>158</sup> N. Burazer, '[Bender: EU Needs to Clearly Define Accession Criteria on Rule of Law](#)', *European Western Balkans*, 25 April 2018.



strategy and strengthening evaluation mechanisms for EULEX Kosovo the need to systematically consult civil society in Kosovo. In that light, the mission has organised meetings and roundtable discussions with key local NGOs to share information and exchange concerns and ideas, even though civil society actors can be critical of EULEX's role in Kosovo. 'EULEX has learned to use civil society as a source of information, as a networking tool, and as a pulse of broader societal needs and expectations'.<sup>159</sup> However, the absence of clearly identifiable parameters for how progress in reconciliation should be scrutinised and measured, and what kind of consequences those who do not follow them might face, could lead to the repetition of scenarios already seen in Bosnia-Herzegovina and the former Yugoslav Republic of Macedonia.

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<sup>159</sup> I. Ioannides, Ethical Considerations and Value Dilemmas in the European Union Security Sector Reform Policy and its Implementation: The Example of the European Union Rule of Law Reforms in Kosovo, in I. Ioannides and M. Tondini, [Ethical Security in Europe? Empirical Findings on Value Shifts and Dilemmas Across European Internal-External Security Policies](#), Policy Recommendation Report, INEX Work Package 3: Value Dilemmas of Security Professionalism, September 2010, p. 52.

## 7 Conclusions

EU membership remains a key driver for change and therefore for building peace in the Western Balkans, since good governance, respect for the rule of law, minority protection, resilience of society and the transformation of the political culture are fundamental elements of the EU's accession criteria. However, as this study has demonstrated, consolidating peace in the Western Balkans, particularly in terms of developing a democratic political culture and moving away from a culture of dependencies, is a long and ongoing process that is currently suffering from potentially dangerous stagnation.

Experts have repeatedly pointed to the need for the EU to consider which reforms need to be promoted, which actors to engage with, and how to deal with obstructive elites and spoilers of the peacebuilding process. Through its policy on conditionality, the EU has the opportunity to praise and promise, while at the same time leveraging and pushing for change. However, the fear of instability and a failure to imagine alternatives, scholars argue, have turned the EU into an agent of the status quo and have created unrealistic expectations in the Western Balkans.<sup>160</sup> Balancing the carrots and sticks is key for the Union. The risk is a fierce Western Balkan backlash against the bloc when EU Member States suddenly pull back at the prospect of absorbing states where corruption and organised crime are still present.

The new EU strategy for the region has given a new political impulse by providing a clear time perspective, that of 2025, that could incentivise the Western Balkan countries, particularly Serbia and Montenegro, to remove domestic political obstacles to EU accession, solve conflicts with neighbours, speed up reforms and accelerate economic growth. The recent European Commission recommendations on the former Yugoslav Republic of Macedonia and Albania – the latter for the first time – for the EU to open accession negotiations with these two countries, is also encouraging. As Bosnia-Herzegovina awaits the European Commission's opinion on its EU application, Kosovo is the only one left in limbo. The new momentum created, further nourished by the EU-Western Balkan summit in Sofia in May 2018 and the summit organised under the Berlin Process in London in June 2018, should show other powers – notably Russia, Turkey and China – that the EU is in the region to stay. In that sense, the Western Balkans are still a test of the EU's commitment to be a credible peace actor.

This study also shows the limits of outside intervention, including EU support, in post-conflict peacebuilding in the Western Balkans, and points to the responsibility of political leaders in the Western Balkans. EU financial support, and the EU enlargement criteria and policy, cannot on their own alter the power games of ethno-nationalism that still structure domestic politics in Bosnia-Herzegovina and Kosovo, and the political interactions between Kosovo and Serbia. At this stage of state-building in the Western Balkans, the renewed 'EU policy reset' for the Western Balkans cannot be the sole force for moving the region forward. While consistent and committed EU engagement will be necessary, change cannot be imposed from outside. The primary responsibility for implementing reforms that lead the Western Balkans to 'democratic peace', especially on sensitive reforms that touch on sovereignty (such as security and rule of law reforms)

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<sup>160</sup> S. Keil and Z. Arkan (eds), *The EU and Member State Building: European Foreign Policy in the Western Balkans*, Routledge, London/New York, 2015; F. Bieber, *Post-War Bosnia: Ethnicity, Inequality and Public Sector Governance*, Palgrave MacMillan, Basingstoke, 2006; D. Chandler, *Bosnia: Faking Democracy after Dayton, 2nd edition*, Pluto Press, London and Sterling, 2000.

and the success of any reconciliation process, must be led and nurtured from inside the Western Balkans, primarily by local and national authorities.

Ultimately, the EU integration of the Western Balkans – the EU approach to peacebuilding in the region – is a 'win-win' scenario for both parties. A look at the map of Europe and the gaping hole formed by the Western Balkan region points to the inevitable fate of European integration and to the hope it represents. The geographical, historical, cultural, political and economic ties between the EU and the region should be enough of an incentive for commitment and action to build sustainable 'positive peace' in the Western Balkans and add Europe's missing puzzle pieces to the European Union.

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This first thematic study of the Peace and Security series focuses on European Union (EU) peacebuilding efforts in the Western Balkans. The series will make an annual evaluation of EU performance in the field of peace and security in a specific geographical region.

Examining EU engagement in the Western Balkans, the study assesses the extent to which the Union has been able to transform and strengthen the region's governance, economy and resilience. The study is organised around three key inter-connected (and at times overlapping) phases in EU post-conflict peacebuilding – stabilisation, state-building and EU enlargement – to explain the strengths, weaknesses and limits of EU engagement. It ends with an assessment of the new EU strategy for the Western Balkans and analyses the potential to remedy past deficiencies and help move the region towards genuine, inclusive and sustainable peace.

A parallel study, published separately, provides an overview of current EU action on peace and security and of the outlook for the future. The studies have been drafted with a view to their presentation at the Normandy World Peace Forum, in June 2018.

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