

## Regional Cooperation in the Western Balkans

The Council for Inclusive Governance (CIG) organized on October 16, 2021, in Skopje, North Macedonia, a roundtable for senior representatives of main political parties from the Western Balkans to discuss how the various regional initiatives could assist the region's economic and political cooperation. The German Federal Foreign Office supports the initiative. The report does not necessarily represent the views of individual participants or of CIG but rather reflects the discussion as a whole.

The participants recommended that the Western Balkan countries should jointly shape the regional initiatives that promote regional cooperation and move the region closer to the EU. Though the EU maintains that the Western Balkans remains high on its agenda, the roundtable participants were skeptical, arguing that the EU is “comfortable with the *status quo*.” However, they concluded that the region could “do more for itself” before it demands more attention from the EU. The region should show more willingness and ability to resolve its “many bilateral and internal issues before it asks the EU to take it more seriously.”

The Western Balkans confronts a number of internal problems, such as the internal infighting in Bosnia and Herzegovina and the status dispute between Kosovo and Serbia, and some external ones, such as Bulgaria's obstruction for opening accession negotiations with North Macedonia. The list of more minor issues is a lot longer. The EU's Western Balkans declaration in October reaffirmed EU's commitment to enlargement, but many speakers said it offered neither a tentative date nor a clear path to membership. Some participants suggested 2030 to become a “tentative, guiding date.” The EU itself is not without problems. The democratic backsliding in Hungary and Poland are causing quite a headache for the Union.

### Rich in initiatives, poor in results

The Berlin Process and the Open Balkan are two main initiatives in the Western Balkans. While some countries favor one over the other, almost all see them as an alternative to the EU enlargement. Various EU officials say the Berlin Process does not aim to replace EU integration, but rather accelerate it. However, many in the Balkans see it as replacement because they “lack the necessary information.” Regional cooperation does not replace EU membership. “It is in fact a condition for EU integration.” The Berlin Process could bring benefits to the Western Balkans and “the region could own the process.” Fears that the Berlin Process may slow down EU integration are “decreasing but are still there,” some speakers confirmed.

The Open Balkan initiative remains controversial largely because only three countries have so far joined it. It requires more discussions among the six countries of the region over a whole range of economic and political issues. The countries remain suspicious of each other and continue to see

more “risks than opportunities in cooperation.” The long-discussed four agreements stemming from the Berlin Process have not been reached yet. Problems are both political and technical. Countries agreed in principle but many technical adjustments need to be done before they could enter into force. Therefore, problems are not just political, as often perceived. “It is largely about system reform,” and that is where the countries lack capacities. In the political front, Kosovo opposes the term “six economies,” asking instead for “six countries.” But the Sarajevo-based Regional Cooperation Council (RCC), that facilitates the negotiations, cannot use the term “countries” because of political sensitivities of its mandate. Real progress towards the EU is not likely until there are “clear prospects, not necessarily a date, for membership.” The EU can have a more effective decision-making that considers the region also as an EU geopolitical interest, some speakers argued.

The Berlin Process and the Open Balkan both push for a common regional market and, as such, are not in conflict but there is confusion about the path to the goals, largely because substantive cooperation and deliberation among countries is lacking. “We have so many initiatives and none of them is working.” Unclear positions of the US and the EU, especially Germany, on the Open Balkan are discouraging some countries to join. “When Angela Merkel does not offer clear support for the initiative, it is enough evidence that there is a problem with the initiative.” The German position is also serving as an excuse for some countries not to join, a speaker said. But the isolation of the region could become a catalyst for the emergence of extreme views within the societies. “The EU and the Western Balkans should address regional cooperation and EU integration not only as a matter of choice, but primarily as a necessity.” Many said that the Berlin Process and the Open Balkan are essential vehicles for regional cooperation and, if implemented properly, they could complement each other.

The Open Balkan does not intend to compete with the Berlin Process. It is simply a result of the “slow progress of the Berlin Process,” a participant explained. The two initiatives are compatible and the doors to Open Balkan are open to every country. Disputes between Serbia and Kosovo seem to be the main obstacles to regional cooperation. “Kosovo and Serbia often block agreements on regional cooperation.” The two initiatives should be made compatible, not be stigmatized, and make every effort to bring everyone on board. Many speakers said the Open Balkan idea of common market is compatible with the international common market rules and standards. The initiative is aiming to become more practical, focusing more on trade and economics, and less on politics. “The initiative has the interests of the ordinary people as its main goal.” Some said that given the EU’s reluctance to take bolder steps, the region “needs to move things forward on its own.”

The dilemma that one has to choose between the Berlin Process and the Open Balkan is false. “Now we all can see that the Berlin Process did not intend to substitute the EU integration process, that we all feared at the beginning.” It indeed aims to resolve practical problems in the region, including freedom of travel and easing trade barriers, which “our countries should have been doing anyway.” There is a lot of frustration within the process though, especially when “an agreement is almost reached and one party walks out of the room.” The speaker said that “there is a lot of conspiracy surrounding regional cooperation, in particular the Berlin Process and the Open Balkan. We need to sift through and determine what is fact and what is fiction.” Many speakers said that the region “has the right to drive the processes itself,” especially that the EU-driven ones are “too

slow.” Another speaker alleged that the EU is moving away from leading “transformative processes” into the “ticking the box processes.” Some speakers reported that it is hard to sell the idea of EU integration “even to people who like the EU.” Polls show that support for the EU integration in North Macedonia fell from 70 percent to 53 percent. This is because people see that even though “the country delivers, the EU does not acknowledge the efforts and does not respond in kind.” In the absence of the EU prospects, there are and there will be internal competing initiatives, such as the Open Balkan, which, some predicted, would gradually become more popular than the EU initiatives. “What complicates matters is the absence of EU membership prospects.” Denying opening of negotiations to North Macedonia and Albania because of some “petty issues” sends a clear message to the Western Balkans that “the region is on its own.”

The main idea of the Open Balkan initiative is to establish a common market. “Our leaders realized they could not rely on the EU only.” The enlargement prospects look very distant, many speakers said. “We are past the state when just nice wording, such as the Brdo summit statement, is considered as accomplishment.” A speaker said that he is not convinced that influential members such as Germany and France cannot persuade Bulgaria to “abandon its petty veto on North Macedonia.” The EU membership prospects, however, remain key to regional integration. “It would be difficult to progress on regional cooperation without the EU membership in the picture.”

The EU should find a way to offer candidate status to Bosnia and Herzegovina, open negotiations with Albania and North Macedonia, and give visa liberalization to Kosovo. This is not a “big sacrifice for the EU and it would mean a lot for the region.” With these steps “the EU would show, not just say, that the region has credible EU prospects.” It would build momentum and encourage countries to speed up their reforms. The EU has the capacity to deal with “spoilers like Milorad Dodik,” but it needs to act “faster and bolder.”

Both the region and the EU can do more. Many speakers were critical of their institutions and leaderships. “Before we credibly blame the EU, we need to fulfill our own obligations.” The EU is clear that there will be no new members without “meeting the obligations.” Hungary and Poland are good examples of why the EU should not accept countries until their democracies become solid and irreversible. Many speakers singled out Germany as the most credible EU member-state and with ample resources and will to push the processes forward. Some speakers favored the Berlin Process over the Open Balkan. “We have no information about the Open Balkan.” Some said that “the Open Balkan leaders” are just picking bits and pieces from the Berlin Process and the RCC to largely promote themselves. “There is a degree of opportunism here.”

Montenegro, Bosnia and Herzegovina, and Kosovo refuse to join the Open Balkan, mostly because they fear “unfair and unregulated competition.” “My country is small and has weak potential and capacity to compete with the larger ones,” especially that “the arrangements seem benefit the larger economies.” The three Open Balkan members—Albania, North Macedonia, and Serbia—seem to cooperate better on other forums too. There is a chance that the three will alone agree on the four RCC agreements. “It may be unfair to the others, but some say better to have three countries than none.”

The process for the four agreements is quite complicated, especially on legal issues. There is also a question of duplication of resources between the Open Balkan and the Berlin Process, and some

unclear issues. For instance, it is not clear whether Serbia would accept Kosovo's documents and be treated equally in an eventual Open Balkan common market. "If extra papers are issued for Kosovo, then this would go against the very openness the initiative claims to promote." So, many questions remain unanswered, either because the Open Balkan leaders do not have the answers themselves or because they are uncomfortable disclosing them. A speaker said that there could be some merging of the Berlin Process and the Open Balkan. "The Berlin Process could become more of a facilitator of regional cooperation, supporting specific agreements and helping to establish a regional common market." The regional roaming agreement was considered as proof that cooperation is possible when efforts are coordinated among all actors. The objectives of both the Berlin Process and the Open Balkan are good but the two processes may require some additional mechanisms, better and inclusive consultations, and benefit equally all members. "Fairness is a key element for any process to become successful."

The Open Balkan and the Berlin Process have same intentions and visions, but there is "leadership competitiveness" about who is going to be in charge. The Berlin Process is more inclusive but "inclusion is not a criterion for success." Today's EU began with an initiative by two countries and slowly developed into an economic and political Union. It is also fine for the Open Balkan to begin with three countries and if it becomes successful, the rest will have to join on the way. Just like the EU process, the Open Balkan initiative is also a learning process. The speaker added that the EU is not holding its end of the bargain towards the Western Balkans. "Why should North Macedonia be punished for Hungary's and Poland's democratic underperformance?"

There is a lot of fear, skepticism, and confusion about the regional cooperation, another speaker argued. There are over thirty associations and initiatives promoting regional cooperation. The speaker said that some actors are simply looking for reasons to delay progress. "We always find excuses to delay things." There are no contradictions between the Berlin Processes and the Open Balkan. The region is aware that the EU integration process will be long and is looking for ways to improve the lives of its citizens even if the EU prospects are weak. Instead of showing its skepticism for the Open Balkan, "the EU should push the other three to join as the initiative would benefit all six." The main intention of the initiative is to remove barriers in the region and push for the four freedoms. "The region has a lot of problems and the EU cannot micromanage our issues, but we have a lot of micro problems that EU could help us with."

## **Conclusions and recommendations**

The participants urged the EU to begin negotiations with Albania and North Macedonia and support economic cooperation in the region and called on the region to engage more on rule of law, address their bilateral conflicts, and work with the EU on a establishing a regional common market aiming to ease trade and political barriers. Participants came up with the following suggestions.

1. Engage more on regional cooperation and address skepticism about the regional initiatives.
2. EU should offer Kosovo visa liberalization.
3. EU should begin accession talks with Albania and North Macedonia.
4. Actors should clarify the confusion between international and regional initiatives, primarily between the Berlin Process and the Open Balkan.

5. Some participants said the Open Balkans is a good initiative and all six should join it. Others wanted more information before deciding to join.
6. The region should begin discussing possible options for free trade agreements with the EU and the US.
7. The EU should consider a potential date for accession for prospective candidates.
8. The region should lobby for EU membership jointly.
9. The Western Balkan countries should not hamper each other in their EU paths.
10. The candidate countries should engage more on implementing the open chapters with the EU.
11. Bilateral disputes should be excluded from the integration process.
12. The region should help in shaping a compromise between Kosovo and Serbia.
13. The EU and the region should encourage Bulgaria to remove the obstacles for negotiations for North Macedonia.
14. The region should commit to accept the four agreements facilitated by the RCC.

## Participants

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**Shpetim Gashi**, Vice President, Council for Inclusive Governance

**Dukagjin Gorani**, Analyst, Kosovo

**Erjola Hoxha**, Member of the Parliament of Albania, Socialist Party

**Christiane Hullmann**, Head of Division, Western Balkans, German Federal Department of Foreign Affairs (via teleconference)

**Bojan Marichikj**, International Cooperation Secretary, Social Democratic Union of Macedonia; Minister of Justice of North Macedonia

**Vesna Markovic**, Member, Main Board, Serbian Progressive Party; Deputy Chair, Foreign Relations Committee, Parliament of Serbia

**Damir Masic**, Member, Presidency, Social Democratic Party; Head, Parliamentary group of the Social Democratic Party, Parliament of the Federation of Bosnia and Herzegovina

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