

Building a Common Regional Agenda

The Council for Inclusive Governance (CIG) organized another roundtable for senior officials of main political parties from the Western Balkans, both government and opposition, in Tirana, Albania, on June 25, 2022 to discuss regional economic cooperation. The participants recommended that the Western Balkan countries should jointly shape the ongoing regional initiatives to make them as inclusive and effective as possible. They specifically recommended that the Berlin Process (BP) and the Open Balkans (OB) either merge into a single initiative or coordinate their efforts to push together for the Common Regional Market (CRM).

The roundtable was part of an ongoing initiative on regional cooperation supported by the German Federal Foreign Office (AA). The report is based on the roundtable discussions. The report does not necessarily represent the views of individual participants or those of CIG or AA but rather reflects the discussion as a whole.

The process of EU integration for the Western Balkans is littered with hurdles. Finally, Bulgaria and North Macedonia seem to have settled their dispute and the EU agreed to open accession negotiations with North Macedonia and Albania. In parallel with the EU process, there are a number of regional initiatives that aim to complement the efforts for the region's EU integration process. BP, OB, and the Regional Cooperation Council (RCC) are among the main ones. They all face certain problems in achieving their objectives.

The RCC was established before BP, but then BP used RCC as some kind of a secretariat, tasking it with facilitating implementation of certain policies and agreements, including a Common Regional Market (CRM), which RCC only facilitates. The future of CRM is in the hands of the Western Balkan governments. The RCC has successfully facilitated the free roaming and the green lanes agreements. The about 300,000 thousand trucks in the region are already waiting less at border controls. RCC is also preparing some deliverables from the green agenda, such as on curbing plastic pollution. The following are a number of recommendations by the participants.

Recommendations

- The BP participating states should revive the process and have it focus on more concrete results in the context of regional cooperation and EU enlargement. BP should improve its implementation mechanism, set up functional principles and baselines, be more active between its summits, and strive towards greater visibility. Germany needs to retake a greater role in overseeing BP. BP could focus on energy and the brain drain issues in the region.
- BP and OB should find a way to jointly push for the CRM. Ideally, some speakers said, BP and OB would fuse into one single initiative, but, many said, that is not likely to happen.

- The EU and the US need to coordinate their position on BP and OB. While the US seems to support OB, the EU is not clear about it.
- Though Kosovo is not likely to join OB, some speakers recommended that it sends a government representative, just like Montenegro and Bosnia and Herzegovina, but not necessarily the prime minister himself, to OB meetings to better understand the process and the stakes in it. Serbia should remove its non-tariff barriers to Kosovo to show that it is genuinely interested for free movement of peoples and goods in the region.
- BP and OB should support resolution of bilateral issues, namely between Kosovo and Serbia.

Coordinate among existing initiatives

OB is an independent initiative. It has its own structures, but only three Western Balkan countries have joined—Albania, North Macedonia, and Serbia. The Bosnia and Herzegovina government is against it, though the Republika Srpska leadership supports it, according to a speaker.

BP, some speakers said, has good objectives but has been slow, though majority of the speakers suggested “reviving it.” When discussing its revival, one needs to look at what Berlin and the Western Balkan countries get from it. The process is closely linked with the enlargement, but now that “enlargement is no longer on the table,” it is difficult to see BP as an “effective mechanism.” Also, merging BP and OB or even “Macron’s Political Community” is complicated. A speaker said that there are rumors about a new approach to enlargement. Many agreed that the enlargement process needs an overhaul, and one suggested “reducing the current initiatives into the CRM initiative.” BP needs a cause and “CRM could be it.” Otherwise, reviving it just for the sake of reviving “could damage Berlin’s reputation.”

The stakeholders need to streamline the two competing initiatives—BP and OB—to show more unity in the region, build more cohesion, and change the image of the region. Some welcomed a reported US’s support for the fusion of the two. In this context, the RCC role would also be reinforced. To achieve this, a few steps are needed. First, the US and the EU need to clearly support it. Second, the EU membership prospects for the Western Balkans should become clearer. The joint initiative could include issues such as green agenda and energy supply and diversification.

North Macedonia supports both BP and OB, but, a speaker reported, OB is gaining more momentum and visibility than BP. OB members have also appointed coordinators in the countries and so are engaged in promoting it more. The objective of OB is that “we need to focus on ourselves instead of waiting for the EU.” OB and BP have the same goal, which is to improve standards of living for citizens. Some said people need to know who is supporting what: the US says it supports both, but it is not unqualified support. The EU is not “clear at all.”

The EU enlargement is in crisis, but “it is not dead,” and BP could revive the process, but stakeholders need to figure out how to go about it.

Kosovo supports BP but not OB, and perhaps some goals could be merged—such as freedom of movement—but not all goals can. A speaker suggested that “OB becomes fused into BP.” Kosovo supports BP because it is inclusive and what we need now is to “reenergize it.”

Montenegro officially has not joined OB, but the political scene remains divided. The internal social division of the Montenegro's society is reflected also in foreign policy. "Some support BP because Germany is behind it and others support OB because Serbia is behind it." Some said the division is based more on "who is sponsoring what rather than on the goals."

Another speaker added that BP is not a clear initiative and it has members are also from outside of the Balkans. OB is a purely a regional initiative. Europeans implemented the Single European Act in eight years, while "we have been talking for eight years what to do. Let's do something similar like the Single European Act, moving from CRM to a Single Act, with clear benchmarks and deadlines." The speaker suggested removing the many non-tariff barriers as soon as possible and not "adding even more as we speak." BP should include incentives and penalties for non-implementation. The actors should also implement some changes in the decision-making bodies, such as CEFTA and RCC. "We need to consolidate the decision-making," and also set up a supervising mechanism. Kosovo is the most disadvantaged. "Everyone has unrestricted access to Kosovo's market, but Kosovo does not have equal access to other countries' markets because of many non-tariff barriers, especially by Serbia."

Balkan countries talk a lot about EU's credibility, but not enough about "their own credibility." The region cannot have OB without BP. In fact, there is only one initiative, BP, and OB is just "meddling around as it doesn't have any content of its own," a speaker said. Though the OB members say they are more effective, "they don't have content." And while Serbia promotes itself as the champion of free movement and trade, "it continues to replace Kosovo citizens' ID cards with white paper and impose crippling non-tariff barriers on Kosovo's products."

There is a lot of mythology about the two initiatives and not enough substantive discussion. A speaker agreed that both OB and BP should push for CRM, but, he added, BP is better positioned to address the energy issue in the region. A speaker reported that implementation of CRM would increase the region's GDP by seven percent, only if it reaches EU common market level, and increase FDI in the region by 45 percent. Another speaker said that "BP can become the region's green lane to EU membership," but "not an alternative to membership." The region is aware that for full membership, it needs to fulfill the criteria on rule of law and other related democracy issues.

Another speaker argued that trade, even it is fully liberalized, is not going to help much. "What we need is investment." But for investment to come, the region needs to reform its system. There is a question of chicken and egg: do the region first need the money to reform, or should first reform and then investment will follow. The speaker suggested that BP address also the brain drain issue, in addition to already suggested energy issue.

Some speakers said OB is a largely a political initiative as it is managed by the top level. "We don't see a lot of expertise and experts." But another speaker said that OB is not an initiative of only high-level leaders: "it has a team working on it, it has national coordinators in each country, relevant ministries follow up on each decision." OB's main objectives are a) free access to the labor market, including citizens staying and work freely in OB countries and having an OB ID number enabling access to joint market and interconnection of system for electronic identification. Albania, for instance, has a coordinating group and technical group, which is in charge of

overseeing the implementation and amendment of necessary laws to accommodate OB. The speaker said that OB is not a substitute for BP and EU. “It is just an operational branch of EU and BP.” BP mostly facilitates political and economic cooperation and BP could also have operational branches in each country to implement its policies. Responding to skepticism in the other three Balkan states, the speaker suggested that they “come and listen and see what the process has to offer, and then make an informed decision.” OB is simply implementing the four freedoms. The speaker also assured that Kosovo would be put into “equal footing with other members.” Some speakers said that equal representation is extremely important for Kosovo.

Some suggested to better define OB’s standards and areas of interest and operate on unanimity, add more flexibility in the process where members can join some agreement but not others, and, in some cases, problems can be resolved bilaterally. But what is needed the most is results. “BP is not delivering fast enough,” while “OB has more talk than work.” People want to see results, “they don’t care who delivers them.” GDP and investment growth are strong incentives for the region to cooperate. Investment and jobs would slow down the brain drain.

Some considered as problematic the fact that the EU does not fully support OB. A speaker said that Balkan societies are turning into proxies, some rallying behind Berlin and some behind Washington. Both BP and OB initiatives are bankrupt in the eyes of the public. The speaker suggested that OB could facilitate and accelerate the normalization of relations between Kosovo and Serbia, which is a regional concern. Kosovo and Serbia are the main obstacles to better cooperation in the region. And OB has further divided the societies and no one has a clear idea what BP or OB are in concrete terms. OB is taking a life of its own now, there is a different discourse in the region after OB took hold, but now is increasingly becoming a matter of dispute. The main problem for OB is that it is considered a “leaders’ initiative, not a countries’ initiative.” BP, on the other hand, seems to have a stronger institutional character. Despite its concerns, Kosovo’s government in cooperation with its partners should find a way for equal participation. “Kosovo can go to OB meetings without joining the initiative, and in the long-term Kosovo can’t afford to reject participation.”

A speaker reported that Germany’s envoy for the Western Balkans Manuel Sarrazin will focus on BP, since Chancellor Olaf Scholz wants to move forward with the process. “Scholz believes the Western Balkans is important.” The speaker raised a few questions: Do we need an implementation mechanism? What to do with OB and BP which while competing in some areas have CRM as a common objective? How to have quicker results?”

Participants concluded that regional cooperation requires several phases and transitional periods. The process is complicated but, if done properly, could bring results for the entire region. Inclusion in initiatives seems to be problematic, which reflects the region’s inability to find consensus and compromise in certain areas. Many concluded that the region and the EU increase their cooperation on reforms needed for the EU integration, and regional cooperation should be one of the priorities.

Participants

English alphabetical order

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