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WESTERN BALKANS FUTURES

Strategic Foresight Report for 2030

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MOVING TOWARDS EUROPEAN INTEGRATION

When Visegrad Insight started preparation of this report — Western Balkans Scenarios 2030 — with a series of scenario-building workshops, nobody could imagine how dramatically the situation in Europe would change in a matter of months. Despite our mutual effort to reflect on the future, no one anticipated the blatant violation of all basic principles of the international order committed by Putin's Russia.

The Russian invasion of Ukraine has sent shockwaves around the continent and the world. It took an act of aggression, unseen since World War II, to make Europe realise it is not just the future of Ukraine but also its own which is on the line. This has resulted in unprecedented unity across the continent and proved that Europe has the ability to consolidate its security and stability in the face of imminent danger.

The focus of this report is the Western Balkans (WB) region: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia. The stagnating years-long EU accession process did not eliminate the simmering instability in the region after the 1990s' Balkan wars, and the EU has acknowledged this state of affairs directly; the Union has nearly doubled the size of its peacekeeping force in Bosnia after the Russian attack on Ukraine. This has been imposed as a precautionary measure in case of any destabilising efforts from internal and external agents.

Although the Western Balkan's EU integration process has taken years, challenging questions remain and new ones arise as to the future of this region. The scenarios presented in this report were developed prior to the events in Ukraine; nevertheless, we still believe that they reflect pertinent trends. The authors and the experts that contributed to this publication have shared their assessments, as well as recommendations for improving the situation on the ground.

For the period up until 2030, this report identifies five possible scenarios that evolve around further integration between the Western Balkans and the EU (Forced Hand), the continuation of the unsatisfactory and potentially explosive status quo (Dark Future), everlasting EU accession negotiation process (Elusive Europeanisation), robust economic cooperation between the countries that nearly erases past grievances towards each other (Defragmenting the Western Balkans) and countries' uniting around global challenges (Banding Together).

The purpose of this publication is to instigate discourse about the future of the Western Balkans and place attention on the trends that the cooperating experts defined as critical. We hope that this report will inform the public and facilitate the policy debate on this key European region.

RECOMMENDATIONS



Spasimir Domaradzki
Visegrad Insight Fellow, Lecturer, University of Warsaw, Poland

- The EU should stop patronising stabilitocracy and openly articulate its benchmarks while providing a reliable membership perspective
- The EU should not be treated as a panacea for all the political, economic and social challenges at the national level



Konrad Pawłowski
Head, Department of the Balkans, Institute of Central Europe, Poland

- The accession process needs to be intensified with a clear membership perspective
- The non-transparent actions of Russia and China that are aimed at increasing their economic presence and political influence in the Western Balkans should be neutralized
- The post-conflict reconciliation process needs to be increasingly supported



Dimitar Nikolovski
Executive Director, Eurothink - Center for European Strategies, North Macedonia

- The EU should invest more funding into promoting civil society advocacy efforts
- The integrity of public administration needs to be strengthened in order to make them resilient to undue political influence
- Civil society needs to have its representatives at every stage of the implementation of infrastructure projects, in order to ensure and prevent the syphoning of public money



Krassen Stanchev
Associate Professor, Sofia University, Bulgaria

- Values, as defined in Art. 2 of TFEU (i.e., human dignity, freedom, democracy, the rule of law, and respect for human rights), should be put at the center of the negotiations for membership since they provide an opportunity for overcoming the negative focus on the past
- Western Balkans countries need to work on their independence from Russian energy resources



Barbora Chrzová
PhD Candidate, Department of Russian and East-European Studies, Charles University, Czech Republic



Anja Grabovac
Project Manager, Prague Security Studies Institute, Czech Republic

- Regular and constructive meetings need to be set up in order to keep the momentum for the cooperation and to deepen further integration
- The EU should welcome and praise the strengthening of regional cooperation and support the countries in achieving even more profound integration
- The EU enlargement process towards the Western Balkans needs to be significantly transformed

FIVE SCENARIOS *for 2030*

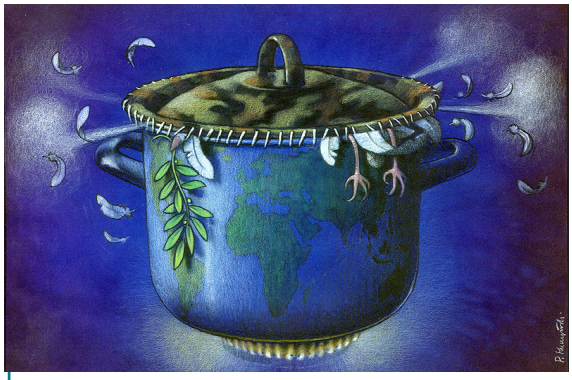
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Forced Hand

Wishing to thwart any further advancements from Russia and China in the region, the EU begins speeding up the ascension of the vulnerable Western Balkans.

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Dark Future

A perpetually 'unfinished' democratisation, protracted stabilitocracy and a growing dissatisfaction of Western Balkan citizens leads to prolonged regional disintegration and the declining prospect of EU membership.

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Elusive Europeanisation

With the EU entangled in its own problems, much less effort, energy and funds are invested from Brussels to aid the democratisation of the Western Balkans.

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Defragmenting the Western Balkans

Robust economic cooperation between the Western Balkans countries nearly erases past grievances and serves as the bedrock for reconciliation, democratic development and prosperity in the region.

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Banding Together

Region-wide solidarity inspires governments and civil societies to work collectively in tackling the most pressing issues facing the Western Balkans.

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1 Forced Hand



Russia and its proxies (i.e., Belarus) increase military engagments, invasions as well as hybrid attacks and threats on the EU's eastern borders while China continues to make inroads with large scale infrastructural investments, strengthening their presence on the continent. Wishing to thwart any further advancement, the EU begins speeding up the ascension of the vulnerable Western Balkans.

This scenario is grounded in the shared belief that the ultimate goal towards membership of the Western Balkans (WB) in the EU can be accomplished within the analysed time span. While the shared awareness of endless obstacles inhibits the scenario's realisation, the goal remains a consistent driver for political action.

The shared reflection on the hopes and expectations driving this process provides important insights for fine-tuning the whole process. The second variable is determined by the need to introduce tangible economic reforms that will push the region out of economic stagnation. The membership perspective and the need for economic reform are mutually dependent and can both serve as pull factors.

Relevant Variables

Achieving membership in the EU is the most essential game-changer in the region. Hence, its high impact can hardly be doubted. More questionable is its high probability, which does not necessarily have to occur. Simultaneously, this scenario should not be undermined, since it is the ultimate goal of the whole interaction between the EU and the Western Balkans countries and its denial practically stultifies the whole process.

The stagnated nature of the WB countries' development over the last three decades requires a political reply to satisfy growing social discontent, to prevent the endless brain drain and resolve demographic challenges. Hence, political elites will have to face either radical economic reforms in pursuit of a Western Balkans model of economic development or adapt to the global supply chains with regard to the growing tensions between the West and its contestants. Countries seem more likely to pursue the latter.

Paradoxically, the obstacle for this process lies in the current political elites, accurately described by the concept of stabilitocracy. The challenge ahead is the unsatisfactory nature of the current stability, which on one hand serves its purpose as an EU outer rim, whereas from another, has become a source of endless frustration for the ordinary people and smouldering instability. By supporting 'stabilocrats', the EU risks losing credibility among some of its strongest supporters.

The overlapping of these two variables (joining the EU and the need for radical economic reforms) has the potential to trigger massive changes in the region and more importantly, each one can serve as a catalyst for the other.

Assumptions

The anticipated consequences of the Forced Hand scenario drive stakeholders and national imaginations. While in many areas the pre-enlargement high hopes do not necessarily meet the post-enlargement reality, the expected changes identify directions worth a more thorough approach.

Membership in the EU is associated with dynamic economic growth, and this is the predominant driver for rapprochement with the EU for most of the countries with lower than the EU average level of development. However, while all the new EU member states generally develop faster than the old EU member states, challenges

remain. They concern both the pace and the nature of the catching up and do not relieve national political elites from the need for thoughtful exploitation of the advantages provided by the common market.

The EU has become a reconciliation role model that remains a beacon for the history-dominated national narratives of the Western Balkans (and not only). Indeed, the EU does serve as a platform for reconciliation, yet it is naïve to think that the EU and its top-down pressure will resolve identity questions or historical disputes. The EU was never vested with such competence, but rather it was a crucial trigger for economic rapprochement. The advantage of replacing historical and identity considerations with tangible economic entanglements driven by dry technocratic supranational regulations framed an alternative reality that coated the divisive narratives. The sense of belonging and uniqueness never disappeared within the member states, but the rational choice perception of the EU integration reshuffled the priorities and accents within the national political discourses.

Importantly, this was achieved not by a consciously steered remodelling of national identities to fit an EU standard but through the removal of obstacles for the enjoyment of shared spaces and dismantling prejudices. While there is still a long way within the EU itself on that matter, the integration constitutes a platform that offers a leeway for diffusing identity and historical concerns.

The perspective of EU membership sparks expectations way beyond the current EU tendencies. Whereas the economic development is noticeable in the current member states, high hopes should not be vested in the demand for reversing the negative demographic trends across the region. Conversely, as the 'new' EU member states experience shows, the membership has further deepened the demographic problems. For many employees, the free movement of people further encouraged the brain drain towards the better-paid member states. Simultaneously, the EU funds for the 'new' member states and decreasing unemployment (due to the free movement of people) discourage national elites from furthering internal reforms for the improvement of health conditions, living standards and economic growth. Hence, the post-accession reality requires an even stronger commitment in order to appropriately exploit the advantage of the EU membership for the improvement of a country's competitiveness, quality of life and demographic parameters.

Increased government accountability, consolidation of democracy and political stability are viewed as direct implications of EU membership at the national level. Whereas these perceptions are at the centre of the ongoing political struggle over the future of the European project, they indicate a demand for further improvement of democratic standards nationally. The consolidation of democracy is a prerequisite for membership and not its consequence.

It is worth underlying that the membership in the EU petrifies the political system of the member state as it obtains additional EU legitimisation. In the post-membership environment, the national political elites are further discouraged from introducing more reforms since they have been de facto appreciated by the EU member states. The membership of states with a questionable understanding of democracy's basic principles negatively impacts the process. However, despite the EU's rule of law efforts, nation-states play a paramount role and the lessons from the last enlargements reveal that the joint institutions are not equipped to sufficiently impact the quality of democracy at the national level. In other words, democracy is formed, tested and applied at the national level and stakeholders at this level carry the primary responsibility for its quality.

The shared EU rules, regulations and institutions can identify cases of collision, breaches of EU's acquis and incompatibility of domestic practises with the anticipated patterns of behaviour but the existence of working mechanisms of political and legal accountability belongs to the domestic political system.

The catching-up process should not be a Brussels-driven carrot and stick interaction with national elites but a conscious national choice. Opposition parties also share a responsibility here. The membership should not be considered as adjustment but joining a form of cooperation that prioritises the mutual bonds vis-a-vis other players united in diversity.

Implications

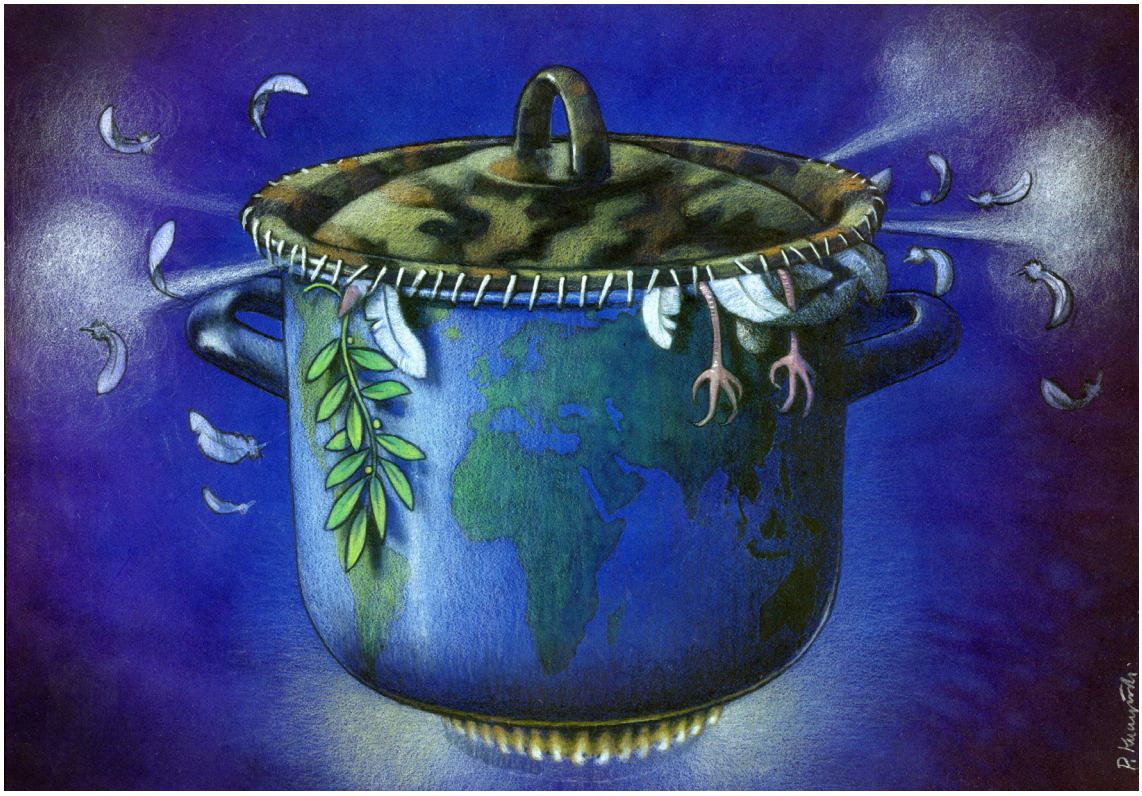
The fulfilment of this scenario will profoundly redefine the region. The influence of foreign players will decrease substantially, and their operations will have to adjust to the EU regulative framework. The engagement costs for non-EU countries will increase substantially. The new member states will obtain access to EU funds.

The membership will facilitate the complete application of the EU four freedoms thus diminishing the role of borders, state control and ability to steer people-to-people and economic relations in accordance with the national political leaders' interests.

The EU will make another step in its historical mission to unite the continent and will diminish the impact of a plethora of identity and historical issues. Simultaneously, the citizens of the new member states will take advantage of the new economic and investment opportunities.

The new member states need to define clearly their membership priorities. As the previous enlargements show, the membership brings serious challenges such as brain drain, depopulation and an unsatisfactory pace of catching up with the EU average economic indicators. To prevent such tendencies, the countries have to strengthen the integrity of the political systems and to provide comprehensive strategies exploiting the EU's pros and mitigating the cons. They need to build institutions their citizens can trust.

2 Dark Future



The most likely unoptimistic scenario is a long term continuation of the unsatisfactory and potentially explosive status quo. This means, among others, a perpetually 'unfinished' democratisation, protracted stabilitocracy and growing dissatisfaction of Balkan citizens. In some cases, a political regression cannot be ruled out either. This scenario also relates to prolonged regional disintegration and the declining prospect of EU membership. The possible political and socio-economic stagnation and the lack of tangible progress towards EU membership would also lead to the maintenance of non-transparent Russian influence and the growth of Chinese economic and political presence in the Western Balkans.

There are many – internal and international – undesirable factors, phenomena and processes which would have a substantial impact on the political stability and economic development of the Western Balkans.

It certainly relates to the 'unfinished' democratisation. This state of affairs is characterised, among others, by the autocratic modus operandi of political leaders, who are stronger than the law, state institutions and citizens; the lack of effective control mechanisms over government (as a result society is unable to impose on decision-makers certain standards of political responsibility, rule of law and professionalism); political populism; an unsatisfactory level of the rule of law; election fraud; the limited transition of political power; corruption; nepotism; clientelism, etc.

The scale and specificity of the above elements leads to the conclusion that Western Balkans states are actually struggling with the phenomenon of 'state capture', represented by the existence of 'untouchable' political and business elites who accumulate political power, social prestige and material wealth.

An Uncertain Future

The above considerations of the challenges and threats for the Western Balkans lead to the conclusion that the most likely, pessimistic scenario is a long term continuation of the unsatisfactory and potentially explosive status quo. This means, among others, a perpetually 'unfinished' democratisation, protracted stabilitocracy and growing

dissatisfaction of Western Balkans citizens. In some cases, a political regression cannot be ruled out either. This scenario also relates to prolonged regional disintegration and the declining prospect of EU membership.

In a situation of persistent pessimism and frustration among the population of the region (additionally reinforced by the wide ramifications of the COVID-19 pandemic and ongoing energy and security crises) combined with the lack of vision for a brighter future shared by many, the possibility cannot be eliminated that in the near future the WB countries could become an arena of further political crises and demonstrations. Moreover, in some cases, the political debate between the government, the opposition and dissatisfied citizens could radicalise and materialise in the streets, not at the parliamentary buildings. In other words, the next mass protests of dissatisfied Western Balkans citizens seem to be a very real perspective.

It is a serious risk that the process of European integration of the six Western Balkans countries would be stuck for a long time in the midway formula of the Berlin Process (i.e., economic cooperation, combined with the expansion of communication and transport routes, but without formal EU membership).

The unattractive status of non-EU countries also means that Western Balkan countries will likely adapt slower to the needs of the pro-ecological energy policy set out in the European Green Deal. This unfavourable situation would deepen the differences between the EU and the Western Balkans also in the field of environmental protection and the use of renewable energy sources.

There is a risk that Serbia, trapped between its nation-building Kosovo myth and complex political conditions, can function for years both without Kosovo and EU membership. It would be a worst-case scenario, and until the stance changes, it would perpetually block the completion of the Euro-Atlantic integration of the Western Balkans and challenge the future stability of this region.

The possible political and socio-economic stagnation as well as the lack of tangible progress towards EU membership would also lead to the maintenance of non-transparent Russian influence and the growth of Chinese economic and political presence in the Western Balkans.

Although Russia is not able to create political dynamics in the WB region, it has considerable potential to fuel regional conflicts and use them for its own geopolitical purposes. Russia's involvement in the Western Balkans, therefore, remains a challenge for regional stability, democratisation and integration. It may also complicate the process of Euro-Atlantic integration of the WB countries.

Cooperation with China also seems to be risky from the medium-to-long-term perspective. The growing indebtedness of the Western Balkans states towards China would lead to a debt trap. The acquisition of strategic communication hubs and industrial centres by Chinese capital is also possible. Additionally, the use of Chinese technologies with lower environmental standards and implementation of its extensive economic model would result in excessive pollution of air, soil and water, directly threatening the health of the residents. The dangerous dependence on Chinese IT technologies cannot be excluded either.

Last but not least, the development of economic relations with Beijing carries the risk that the Western Balkans countries will find themselves in the Chinese sphere of political influence. The implementation of this scenario would create a serious challenge not only for the WB countries but also for the entire EU.

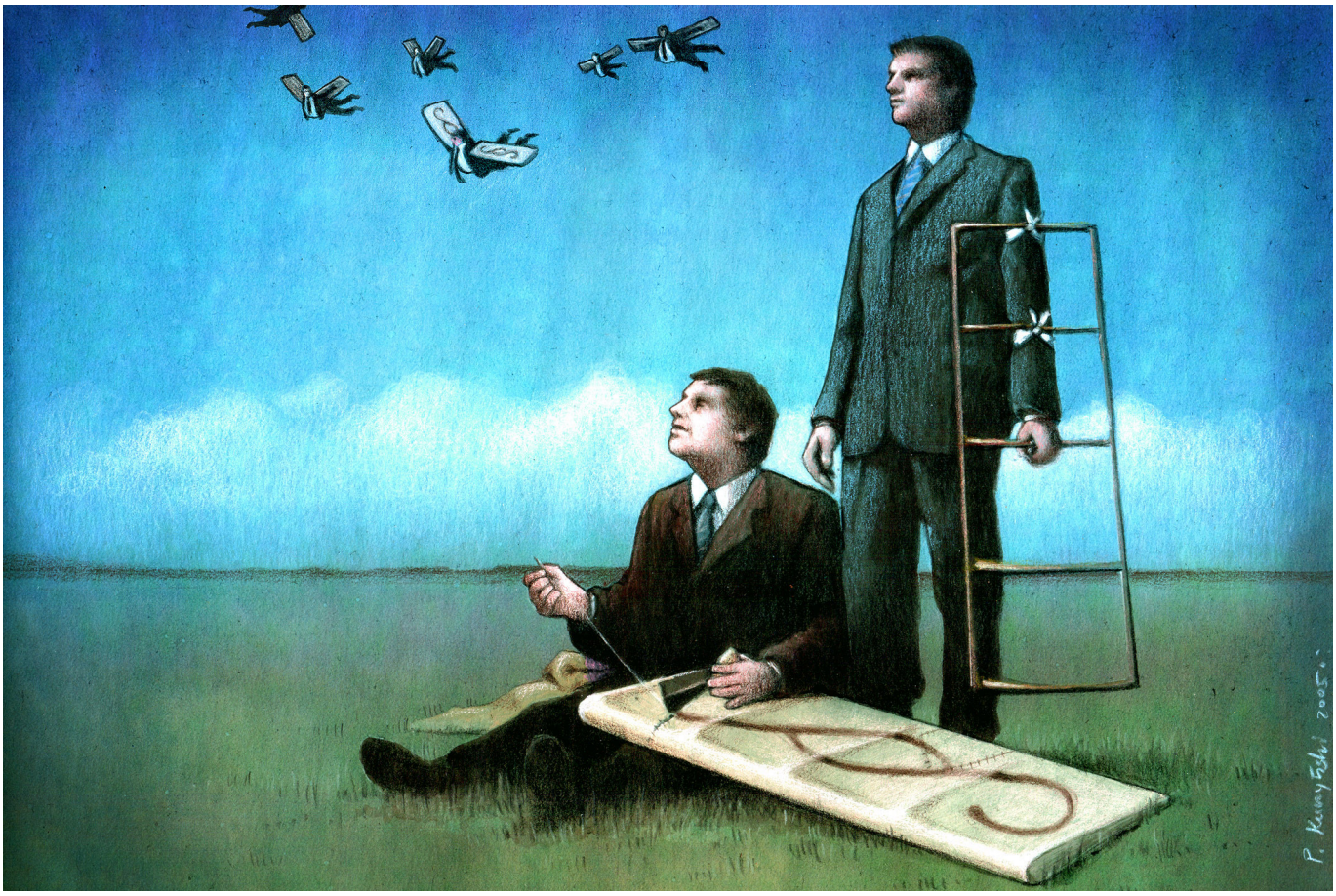
A less likely scenario is the 'return of history' i.e. the thaw of 'frozen' Western Balkans conflicts followed by the next phase of the region's destabilisation and fragmentation. There is no doubt that this scenario poses a direct threat to the stability, security and prosperity of the Western Balkans.

This scenario is based on the fact that despite decades of post-conflict transformation, the Western Balkans remain a region where the lack of hostilities still does not constitute an irrefutable guarantee of peace while the likelihood of further acts of armed violence cannot be definitively rejected. For that reason, the political, economic and even military engagement of the international community aimed at stabilisation of the WB region is still necessary.

What is more, the stability of the Western Balkans is definitely not immune from the global balance of power. As a result, risk persists that at the time of the future major systemic changes at the continental or global level, armed conflicts could again break out in the Western Balkans, and that the fate of some WB statehoods and their territorial shape would depend not only on the will of the WB nations but also on the direction of the evolution of the post-post-Cold War international order. That is because history – contrary to the belief of some modern philosophers – never 'ends', for good or bad.

To sum up, there is no doubt that the above 'dark future' scenarios overlap, condition and merge with each other. It is therefore very likely that the future situation in the Western Balkans would contain elements of all of these potential developments.

3 Elusive Europeanisation



There is an overall democratic decline both in the Western Balkans and in the EU. With the EU entangled in its own problems, much less effort, energy and funds are invested from Brussels to aid the democratisation of the Western Balkans. The disputes between the establishment in Brussels and leaders of Central European countries (notably Hungary and Poland) increase and the EU becomes more fragmented.

In light of the diminishing support of the EU to assist the democratisation process in Western Balkans, the enlargement policy becomes less lenient. Despite the fact that the doors to EU membership are not completely closed, the very fact that requirements for rule of law, economic freedom, and overall protection of human rights are so strict makes it practically impossible for some of the WB states to finalise negotiations. This 'unofficial' enlargement fatigue from the EU is exhausting for the Western Balkans side: The elites invest less effort to adhere to the Copenhagen criteria. Some of the WB countries, such as Serbia and North Macedonia, have left the accession process altogether.

This democratic decline worsens some of the already problematic benchmarks in WB societies. There is

a continued development of informal structures overlapping business and politics. Thus, the troublesome media sector becomes more dominated by states themselves, with oligarchs loyal to political leaders (and vice versa) shrinking the space for free and objective journalist activity. With the decreased interest in joining the EU, the role of international illiberal actors such as China, Russia, Turkey and the Gulf States increases, both politically and economically. In terms of economy, these trends draw the region even farther from the EU, making the economic convergence between the two less possible.

Additional Variables

Four additional global factors (and highly probable ones) can have a multiplying effect on the democratic decline in the region. A new pandemic, more severe than COVID-19, could decrease social trust and propel local authorities towawrds more restrictive measures. While initially acting in the interest of public health, the legislation gives more powers to state institutions which act repressively.

The global trend of polarisation as a result of the culture wars intensifies in the WB, which disunites societies and decreases the ability of civil society to safeguard democracy, now seen as a "Western import". Considering the lack of consensus on the coordinated effort to decrease the negative effects of climate change, environmental crises such as flooding and forest fires exacerbate the lower than EU-level living standards. As a result, a new migration crisis is caused by fleeing refugees passing through the territory of the WB leading to an additional securitisation of society and border region, and this trend compliments and abeds the pre-existing culture wars.

Plausibility

This scenario is quite possible considering global, European, and regional problems which aggravates all the variables listed above: the growing divide between political class and society.

In this light, we can observe several current phenomena which support this claim. There is a sense of general powerlessness and lack of agency by formalised civil society to influence politics, as an intermediary between citizens and government.

From a civilian perspective, there is a lack of trust in the civil society sector, due to conspiracy theories, corruption scandals and the growing divide between 'ordinary citizens' and NGOs. On the government side, the drive to control the civil society sector through collusion and threats is constant. This has an effect on the overall demand for transparency, as the number of pressure groups declines, in part due to the decreasing media freedom.

This gives more space for corrupt networks to enter government and make the bonds between illiberal international actors, government, and organised crime much stronger. The public administration is an additional problem as bureaucracy in the WB is over-populated (employing potential voters in the public sector is a way to gain support at elections). The administrations are not properly trained and do not have the IT and other tools to successfully cooperate with citizens and civil society to ensure greater transparency.

Consequently, political elites do not have the drive to work as representatives of the common good; moreover, they may actually fear exposure and opt rather to serve narrower interests within opaque networks. Since the EU is still officially part of the game and EU member states serve as trade partners, there is a push to at least astroturf civil involvement in the decision making regarding large infrastructural projects; GONGOs play the roles here, instead of genuine members of civil society.

Implications

The idea behind calling this scenario 'Elusive Europeanisation' is that the EU still promises integration for the WB countries. The geopolitical reasons for not completely abandoning the EU (i.e., to remove the negative influence of competitors such as China or Russia) override the ideological reasons (strengthening democracy in the European space).

The outcome of such a scenario would mean growing insecurity, the trampling of the human rights (and the EU as an important international ally would be less inclined to promote and protect them) as well as the consolidation of the autocratic and populist regimes.

4 Defragmenting the Western Balkans



Robust economic cooperation between the Western Balkans countries nearly erases past grievances towards each other and serves as the bedrock for reconciliation, democratic development and prosperity in the region.

Economically the Western Balkans are passing through the most prosperous and longest period of economic growth since the times the individual countries gained sovereignty. The common denominator and driver of these three options is the defragmentation of the Western Balkan EU aspirants and the prevention of 'Balkanisation' of the EU itself. This is the trajectory of development that transcends the current Balkan state of affairs with the EU, and this is the prospect that non-EU countries of the Peninsula eventually join the Union.

If the current state of affairs remains as it is — the WB fragmented by blockages to the prospect of joining the EU exercised currently by better-off neighbours like Bulgaria (effectively vis-a-vis North Macedonia and, in effect, Albania, since the fall of 2020) and Croatia (towards Serbia's and de facto Montenegro's prospect of EU membership, since the Spring of 2016) — the long-term probability is that the region will remain 'Balkanised' by counter-productive animosities stemming from past conflicts and nationalistic visions.

The defragmentation of the Western Balkans is a conditio sine qua non first for the existing Balkan members of the EU (i.e., Bulgaria and Croatia), for the EU enlargement sceptics and finally for the aspiring countries themselves; moreover, it can actually occur via economic cooperation within the Western Balkans and between the region and the EU, driven by the very gravity of the common market.

Both effective vetoes from Bulgaria and Croatia referred originally to the disrespecting of historic 'truths' by aspiring North Macedonia and Serbia, then the arguments evolved (partially disguised rhetorically) into claims about human rights and rule of law violations. In other words, focusing on the economy can overcome many of these issues by first reorienting the political thinking towards the future, helping resolve actual human rights and rule of law problems, and thus defragment the political attitudes.

Relevant Variables

Intra-WB disagreements do exist, political inclinations to outside powers are well recognised and some regional backgrounds and pretensions pose obvious political risks (e.g., a conflict between Serbia and the Republic of Kosovo or disintegration of the post-Dayton territorial settlements). Yet, none of the major political players on the ground envisages isolation from the EU economically and almost none of them question the European perspective, identity and/or EU membership of their countries.

The eventual Western Balkans membership in the EU is not an economic challenge: to a significant extent, the WB are already part of the EU, in micro-sectoral economic terms of trade, banking sectors and FDIs (but not in terms of levels of GDP per capita or the convergence of incomes, etc.). The WB are a de facto part of the common EU market.

The possible fragmentation and isolation of the Western Balkans is risky not only for the countries themselves but for the EU as well: without a clear enlargement and membership agenda (as a policy and de facto), the Union would

evolve into a new state of affairs with stronger centrifugal political tendencies. On the other side, the full membership of the WB matches both the centralisation and confederative visions of the future of Europe.

Credibility of Defragmentation

WB countries are growing faster than Western Europe and the EU average. The path to prosperity for the WB was opened in 2001 by the unilateral EU trade liberalisation (from which they gained five times increase of the exports to the Union and better integration of their own economies), and politically, the countries seem less risky than the members of the Eurasian Economic Union. 65 cents of every euro of income in the Western Balkans stem from the economic integration with the EU, and this is true for at least 25 per cent of the fixed capital formation.

The WB represent 'an integrated economic union' of sorts: foreign ownership of banks overlaps with the payment system, lead trading partners are from the common European area, Western Balkan countries and Moldova now constitute CEFTA, the markets are nearly unified and there is virtually common public procurement; shared civil society initiatives and structures are also commonplace though not universal.

By many international comparisons (The Good Country Index, Index for Economic Freedom, Global Terrorism Index, Doing Business, Rule of Law Index, Global Heath Security Index, World Electoral Freedom Index, suicide and homicide rates and Worldwide Governance Indicators), the Western Balkans tend to be near the group of the best-performing countries, just a notch below (but not always) the new EU member states and significantly better than countries that might be politically popular among the public in individual WB countries.

The economic influence of neighbouring geopolitical 'powers', like Turkey or Russia, is limited to certain sectoral dominance (e.g., the petrol production and supply of Serbia (but not the entire power sector) and real estate ownership in Montenegro) and up to 3 per cent ownership of banks in Republika Srpska. In contrast to economic presence, the political influence might be significant.

If the economic impact of the EU as a centre of gravity is a dominant factor in all Western Balkans' economies and their EU integration is a venue of natural political influence, the political impact of the Union at the moment fails to match its economic and business presence.

Assumptions

The core assumption is that the economic cooperation between the WB countries and the EU is already a proven venue for overcoming the political tensions between some EU members and countries of the Western Balkans. Related to this is the understanding that the EU has the means to tame the fragmenting vetoes of Bulgaria and Croatia applied currently to North Macedonia and Serbia, respectively. It is in the interest of the public, businesses and leading political parties on either side of the Western Balkans EU accession standoff that the issues raised are circumvented by projects and cooperation of mutual benefit.

The second assumption is that the intra-EU centrifugal and/or centralising political tendencies will remain 'in-limbo' and neither tendency will dominate for longer than the period of the EU accession of the Western Balkans.

The WB optimism for EU membership in the observable future is fading. This is well indicated by the public opinion polls of the Balkan Barometer. The pessimism is universally common for ex-Yugoslav countries but not so much for Albania and Kosovo. The assumption is that this mood can be and will be overturned relatively promptly if and when one or two of the countries enter the final stage of membership negotiations.

Last but not least, the developments associated with the state of affairs within or in relation to the 'rival powers' — e.g. the political developments on the periphery and with neighbours of the Russian Federation, Chinese loans to the government of Montenegro and the economic instability of Turkey — are expected to limit the political popularity of anti-EU and anti-NATO sentiments.

Implications

The main outcome would be a reinforcement of the positive economic developments of the last 20 years. Territorial disputes (associated with the recognition of Kosovo independence) and disagreements about the past will become of secondary importance, postponing matters that await better times to be resolved.

The reduced fragmentation of the Western Balkans will also benefit neighbouring countries. For instance, measured through the volumes of export, for the last 10-11 years North Macedonia has been more important for the revenue side of Bulgaria's economy than the Russian Federation and almost equally important as Hungary or Czechia. All the countries of the Western Balkans are very important for the banking industry of Italy, providing stability and arbitrage. The benefits of investing in the future of new WB EU members will be reinforced by the expected political and economic predictability.

In the past 12-13 years, the Western Balkans countries have profited from recessions and capital flight from Greece, Turkey and the Russian Federation. The possible negative developments in the main EU economies (inflation, government debt, non-performing loans, energy prices, etc.) would not negatively affect the prospects of doing business in the WB, but rather the opposite: due to comparative advantages of the region (e.g., lower prices and labour costs, productivity gains and better access to markets and pan-European initiatives), the already politically-connected economies of the peninsula will open opportunities for near-shoring.

The economic realities and EU political integration will eventually resolve the existing human rights and rule of law challenges, and the Western Balkans would contain elements of all of these challenging scenarios.

5 Banding Together



Region-wide solidarity inspires WB governments and civil societies to work more collectively in tackling the most pressing issues facing the Western Balkans. These in turn spur on pro-democratic movements, and new voices gain power in the WB capitals when simultaneously looking for additional opportunities to overcome some of the larger historical and security-based issues plaguing their collective ascension to the EU though do not necessarily lead to further integration in EU or Transatlantic structures.

The growing number of emergencies around the globe, such as the next waves of COVID-19 pandemic or environmental issues, has posed a great challenge to the Western Balkans region. They have made the region even more vulnerable to external influences, be it of a political or social nature.

In this scenario, the Western Balkans region is being challenged by various external factors and local leaders embark on an uneasy and mostly pragmatic collaboration to face these challenges together. With time, transnational integration takes place that in its turn prompts strong pro-democratic tendencies and eventual EU integration.

Relevant Variables

The main variable of this scenario is the growing number of global challenges and their impact on the Western Balkans countries. Being united and working together against various environmental, financial or social challenges, such as depopulation, could help tackle them. As shown in the example of two recently-relevant challenges — the pandemic and environmental issues — this variable can influence regional cooperation.

One of the most pressing challenges currently is the continued COVID-19 pandemic and the inconsistent approach of the local political elites in tackling it. Weak crisis management and low vaccination rates result in persisting pressure on countries' health systems and impediments to economic recovery. The pandemic has, however, shown that solidarity and mutual affinity exist in the region. At the early stages of the vaccine rollout, the better-supplied Serbia and Albania provided neighbours with thousands of acutely needed vaccines. Serbia also made vaccination available for non-nationals so that people from the region could travel there and get their jabs for free. This has shown that when faced with serious challenges, the WB states can transcend their differences, especially if it implies the self-promotion of respective elites.

The environmental issues and dubious and opaque environmental policies represent another common challenge. Natural disasters (such as floods or fires), high air and soil pollution levels, environmental damage, or stalled progress in decarbonisation objectives and green transition generate popular discontent and civic mobilisation.

In some cases, civil society's watchdog activities and protests bring occasional success in achieving more sustainable policies and keeping environmental issues on the agenda. In others, governments reinforce the clampdown on civil liberties and remove certain projects and contracts from public scrutiny. Foreign investors, especially from China and Russia, are keen to exploit this situation that allows them to proceed with undisclosed investments disregarding compliance with environmental regulation or transparent public procurement. Such investments may have a potentially harmful impact on the environment

(e.g. high air pollution) and a destabilisation effect on the countries, which can cause adverse emigration.

Environmental concerns, therefore, influence regional cooperation on several levels. They incentivise closer collaboration of civil society organisations and activists as many of the disputed projects have cross-border or region-wide impacts on the environment. At the same time, they show that coordinated responses to environmental challenges, including when negotiating the terms of foreign investments, could bring positive value to the region. Furthermore, natural disasters have been shown to be the main catalysts for feelings of regional solidarity. Other emerging crises and challenges such as migratory pressures or conflicts in the vicinity can follow similar patterns in raising mutual solidarity and instigating multi-level cooperation in the Western Balkans.

Among the variables deemed to have potentially the greatest impact is a pro-democratic transition and reconciliation that would disrupt the current course of the region. Over the past decade, autocratic leaders have strived to further consolidate their power. The democratic backsliding has been recently most manifested in Serbia, the key player in the region influential of Western Balkans' image among Western policy-makers.

The lack of progress in the Euro-Atlantic integration has undermined pro-European reform forces in North Macedonia and Albania. Bosnia and Herzegovina has found itself on the brink of a collapse as the Republika Srpska leadership has proceeded with withdrawal from state institutions. Montenegro has been also dealing with internal tensions and rocky relations with Serbia and Kosovo has remained in a stalemate situation with Serbia when it comes to reaching an agreement on its status and normalising relations.

The prospect of EU enlargement seems the least credible than it has for the past twenty years and has effectively stopped being any driver for change. Pro-democratic forces in the region have suffered the most from the vanishing European vision for the WB. Yet, if the EU revisits its position on the enlargement and clearly stipulates the perspectives for the Western Balkans countries, and at the same time, democratic forces use the momentum to carry out a pro-democratic transition, the course of development would be reversed. It would signify a radical break with the current situation and enable the countries to move forward with many pending burdens, including the solution of bilateral disputes and achieving real progress in transitional justice.

Assumptions

A stable political situation together with institutions ensuring that the rule of law, democracy and human rights being adhered to will become a norm. In relation to that, welcoming mutual collaboration at a bilateral as well as on a regional level will become one of the cornerstones of the countries' foreign policy agenda. Transparent and publicly available documents together with the promotion of regional cooperation among the public would also boost the civil societies' roles and encourage more people to join various cross-border collaboration initiatives.

Working more closely together will also incite the countries to address a range of historical issues deeply rooted in the political and social realms. Therefore, reconciliation and democratisation processes could in fact serve as means of bringing the countries even closer, addressing the past conflicts and working together against various external threats posed by global events.

In terms of the reconciliation process, the political elites will publicly address and accept controversial topics and challenges caused by the 1990s conflicts, for example, related to the genocide in Srebrenica. For instance, the countries will collaborate in capturing war criminals and their prosecution, moving forward with domestic trials, and building on national strategies and national laws. Historical events (e.g., war crimes) will be depicted in the media and within schools without an ethnic or a religious undertone, and historical books used for educational purposes will also depart from ethnically-biased interpretations. These actions will eventually lead to a change in the political memory across the Western Balkans. Furthermore, the protection and respect of ethnic and religious minorities will be further consolidated at the political and legislative levels.

Additionally, the integration of the Western Balkans will have a significant impact on external actors' power plays in the region. On the one hand, the region's proclaimed multivectorial foreign policy attests to the fact that the Euro-Atlantic orientation is not the only game in town. On the other hand, the strengthening of regional cooperation as such is not contradictory to the prospect of EU membership but rather the opposite. Although declaratory welcoming non-Western investment, the Western Balkan countries will use their cooperation to enhance their standing vis a vis China or Russia, thus increasing resilience to harmful impacts brought about by their activities. Even if it is a by-product of the scenario, progress will be made towards European Union membership.

Implications

If this scenario unfolds and global challenges bring positive impacts in terms of fostering greater cooperation and integration of the region, the political reality of the states would be one much more resembling those of the European Member states.

Staying outside of unified Europe and facing global challenges such as climate change or COVID-19, the regional leaders have strengthened mutual cooperation and pursued pragmatically oriented alliances focused on the economic sector (e.g., the Open Balkans Initiative). Pro-democratic change then made room for integration on other societal levels, including the cultural one. A new platform has been established to discuss common problems, overcome mutual economic and societal barriers, and search for consensus to have a stronger negotiating position vis-à-vis other external actors and contractual parties. The collaborative platform consists of regular summits of countries' leaders or relevant ministers and several working groups that work on preparing summits and materials for decision-making. The summits are organised in various formats and not all of the WB countries take part in each of them. The integration thus runs in a multi-speed scheme, at different paces and intensities.

All the above-mentioned steps will demonstrate to the European Union that the countries remain committed to their EU agenda and are willing to work on deep structural issues that will in the long run bring them closer to the membership and to their own political stability. In turn, the Union will re-focus its attention on the Western Balkan region and restore its commitment to further enlargement. This will lead to regular meetings and negotiations across different political levels with an aim to complete the negotiation process and welcome the countries into the EU.

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