



# From Transactional to Transformational: Restoring Value-Based EU Integration for the Western Balkans

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## KEY CHALLENGES

The Western Balkans have demonstrated resilience to the security risks created by Russia's aggression in Ukraine. **But the momentum for EU enlargement of the past two years is already starting to fade** as both pull and push factors are weakening and a new stasis is visible on the horizon.

1. The Western prioritization of security and economic issues continues to embolden authoritarian rule and to undermine the institutional reforms needed for EU accession. **The EU has become less of a transformational actor and more of transactional one** preserving the illiberal status quo.
2. The EU has prioritized security over democracy but failed to fully achieve either. **The unresolved web of bilateral/ethnic disputes** is keeping security issues at the forefront of the agenda and remains a key obstacle for democratic reforms, regional integration and, ultimately, EU accession.
3. The citizens of the Western Balkans have shown resilience to warmongering rhetoric and – considering weak or non-credible opposition – grassroots civil society remains a key actor challenging the status quo. Yet **civil society's role as a catalyst for change is hampered by it being disempowered and disillusioned with the EU.**

## WHAT NEEDS TO BE DONE

**1. The supporters of EU enlargement within key Member States must invest serious political capital to remove obstacles to the process and eliminate asymmetric treatment of candidates. This is key to restoring the EU's credibility and signalling genuine interest.** Without bold political moves at the level of the EU Council, the rhetoric on enlargement and the institutional processes attached to it (including the Berlin Process) will continue to seem like meaningless empty shells, and the EU Commission will continue to be undermined, regardless of new promising appointments at DG Near and EEAS. The champions of EU enlargement in the Council, if they really do consider it as a priority, should elevate its importance in the usual horse-trading within the EU and not leave enlargement as an afterthought item. One practical reform that the EU can do regarding its decision-making is to introduce qualified majority voting (QMV) for the enlargement process. While the membership of Western Balkan countries into the EU will undoubtedly require consensus, allowing candidate countries to move forward with difficult reforms without the risk of the process being hijacked by bilateral disputes would be a game-changing development in accelerating this dynamic, particularly for countries like North Macedonia.

**2. The EU needs to show clarity regarding democratic standards and to incentivize a regional race towards accession on this basis. The financial envelope and other benefits should be substantially increased and clearly tied to performance on 'fundamentals.'** If the EU removes the structural obstacles to accession through measures like QMV in decision-making and reduces the weight of security concerns and bilateral disputes (see point 3), it will have even more leverage and less excuses to hold back on criticism against regional governments for the deterioration in governance standards. The EU's moral clarity in the case of Georgia should serve as a model of strategic communications towards the Western Balkans. This means that EU leaders should align their messaging with the findings of EU's own enlargement reports and not shower authoritarian leaders

with unmerited praise. The current approach is counterproductive to the enlargement goal and undermines the progressive actors in the countries. A few leading Brussels think tanks have for a while argued that the EU can become a more geopolitical actor only if it practices Kantian idealism at home and pragmatic Machiavellianism abroad. In this regard, the EU has to decide whether Western Balkans are considered home or abroad. A region which aspires to join cannot be treated as a space in which the EU disregards its ideals, but where it puts them into practice and treats values as non-negotiable. Beyond a shift in rhetoric, the EU also needs to incentivize a race between the countries of this region by clearly incentivizing performers and punishing laggards. Tangible and credible dates for accession could be given, attached with clear benefits provided during the process, like the gradual integration into the EU single market. This would change the domestic dynamic in the region to one in which reformers have the upper hand, and have the tools to deliver to citizens and offer a vision for the future. Greater economic transfers and access to the EU budget will also be needed to hold back the demographic hemorrhage and preserve the active involvement of reform-minded voters in the region.

**3. The bilateral/ethnic disputes that hold back the resolution of the security architecture need to be resolved or tamed with a sense of urgency and resolve. The West has all the leverage to strip regional leaders from the main weapon (i.e. geopolitical blackmail) by which they hold the region back.** The region's overwhelming economic dependence on the EU, coupled with NATO's unmatched role for regional security, dispel any notion that the West has no leverage over disruptive regional leaders. It shows that the EU simply does not want to use this leverage due to narrow national member state interests. It thus voluntarily grants authoritarian leaders the upper hand in their relations with the EU. The EU should be more assertive in using its leverage because the Western Balkans' path towards the EU cannot go ahead for as long as regional countries have existential security dilemmas. The implementation of the agreement on the full normalization of relations between Kosovo and Serbia needs to be an urgent priority, so that the north of Kosovo ceases to be a flashpoint of regional tensions and Kosovo is brought into equal footing in the integration process. The non-recognizers of Kosovo (Greece, Slovakia, Spain, Romania and Cyprus) need to be swayed towards no longer presenting an obstacle to Kosovo's candidate status and the EU should drop its restrictive measures. The EU considers the agreement on the path to normalization between Kosovo and Serbia to be legally binding for the EU. That agreement foresees an open path for Kosovo to membership in international organizations. The legally binding nature of this commitment should also apply to EU member states. The EU should use its leverage to demand Serbia's full alignment with Common Foreign Security Policy (CSFP). The resolution of bilateral disputes and Serbia's full alignment with the EU's CSFP is also a key precondition for making sure that regional integration and the Growth Plan can succeed.

**4. If the region is to use the window of opportunity for EU enlargement, progressive and genuine pro-democratic civil society actors and the media will have to be significantly empowered to press ahead with a new vigor to disrupt the illiberal status quo.** A potential increase in the EU's financial envelope for the Western Balkans carries with it the risk of further abuse and the capture of its benefits by authoritarian political elites. This is why any EU funding increase will have to also prioritize funding for civil society and the media as the key actors preserving democratic space and having a vested interest in EU accession. EU instruments of financial support should also entail support for the institutions regulating the space for civil society and media operations, as a means of preventing the further shrinking of civic space. Most importantly, the EU should also not shy away from funding civil society actors who are seen as more antagonistic towards governments for fear of political backlash, as the EU has all the leverage in the relationship. The focus of support could be not just on traditional watchdog/advocacy groups but also new less formal and structured actors that are emerging at the grassroots level and therefore enjoy greater legitimacy in the eyes of the public. In the case of the media, the EU could particularly examine ways in which it could support regional media to produce the kind of content that remains economically non-viable, particularly analytical and investigative content, while also preserving a focus on capacity-building for information integrity and vulnerability to disinformation.