

POLICY RECOMMENDATIONS

Study Group Regional Stability in South East Europe (RSSEE SG)

“Chances and Challenges in South East Europe in Times of and beyond Pandemics – Situation Analysis and Recommendations”

2nd Virtual RSSEE Meeting
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PfP Consortium of Defense
Academies and Security
Studies Institutes



Executive Summary of Recommendations:¹

- **EU/US:** To ensure a common Western consolidation policy, the EU-US alliance on the Belgrade-Prishtina/Priština dialogue as well as on other important Western Balkan (WB) issues should be renewed.
- **EU:** All EU member states should be engaged to prevent a new long-term blockade in the enlargement process and should advocate for an imminent start of negotiations with North Macedonia and Albania.
- **EU:** A phased economic integration of the WB-6 into the EU should be made possible, also to increase their resilience toward non-Western influence.
- **EU:** Investigative media and civil society organizations should receive more generous financial support so as to be able to fulfil their watchdog role, e.g. in the sensitive political transition phase in Montenegro.
- **EU/US:** Successful candidates in the last BiH local elections with a credible anti-corruption agenda should receive increased support.
- **Kosovo parliament:** Constructive work should be done to overcome the current political instability in Kosovo and to find a common Kosovar position on dialogue with Belgrade.
- **Serbian government:** Realistic core interests of Serbia vis-à-vis Kosovo should be defined pursuant to President Boris Tadić's four principles defined in 2012.
- **Montenegrin government:** Confidence-building measures should allay the opposition's and national minorities' fears of the transition process.

Situation Analysis

Economic Impact of the Pandemic

The exponential growth of the COVID-19 pandemic continues to place a heavy burden on the health systems and budgets of the WB countries (Albania, Bosnia and Herzegovina/BiH, Kosovo, Montenegro, North Macedonia and Serbia). Despite major fiscal problems, the countries of the region are expected to start 2021 with a smaller economic contraction of, on average, about minus 5% compared with most EU countries.

In the likely event that the pandemic can be gradually pushed back in 2021 with the help of vaccines, regional economic growth of 3-5% is forecast for 2021.

In any case, the WB states will depend on external support for their economic recovery. The European Union's (EU) COVID-19 aid package of € 3.3 billion could play a key role in this context. However, the Vienna Institute for International Economic Studies criticises the high percentage of loans in this aid package.

Litmus Test for EU's Integration Policy

In February 2020, the EU introduced a reformed enlargement process to make EU integration policy more workable. This was a demand by French President Emmanuel Macron to end his veto on the start of accession negotiations with Albania and North Macedonia.



However, the new enlargement methodology and the appointment of the Slovak diplomat Miroslav Lajčák as the EU's Special Representative for the WB and specifically the Kosovo dialogue in March 2020 have so far not substantially changed the fundamental problems of the EU's integration policy towards the WB. Individual EU member states continue to misuse the accession process to impose demands on neighbouring countries in the WB.

After **North Macedonia** was able to end the long-running dispute with Greece over the state name by finding a constructive solution in 2019, Bulgaria is now demanding concessions from its neighbour on issues of national identity. The start of accession talks with North Macedonia and Albania, which was scheduled for January 2021, has therefore been postponed by the EU.

A new blockade of North Macedonia by an EU member state would be deeply unfair to the cooperative and pro-European government of Prime Minister Zoran Zaev as well as to the North Macedonian population. This could plunge North Macedonia into a serious internal political crisis and, in the worst case, into a new inter-ethnic conflict.

In this respect, **Albania** became collateral damage of Bulgaria's blockade of North Macedonia, but has also not yet fulfilled all its "tasks" set by the EU Commission regarding the reform of the electoral code and the establishment of a Constitutional Court.

BiH and **Kosovo** have not even formally become candidates for membership because of permanent internal tensions (BiH) and the unresolved conflict with Serbia (Kosovo). Kosovo also still has the political handicap that five EU members have not yet recognised its independence. The latter also complicates the EU's mediation activities in the conflict between Belgrade and Prishtina/Priština.

The accession candidates **Serbia** and **Montenegro**, in turn, have been in accession talks since 2014 and 2012, respectively. There is no end in sight for these talks in the near future. Given that in the case of most WB states, early accession to the EU cannot be expected, a gradual, step-by-step integration, especially into the economic programmes of the EU prior to full accession, seems advisable. This would increase the credibility of the EU integration process and bring concrete benefits to the populations of the WB.

Challenges regarding Domestic and Neighbourly Relations

BiH remains hostage to dominant nationalist and nepotistic politics. This results in numerous corruption scandals – most recently also in the context of COVID-19 crisis management. Decisions that would benefit all ethnic groups in BiH are made very difficult. In particular, separatist aspirations of key Serb politicians from the BiH entity Republika Srpska (RS) and the permanent conflict over the alleged Croat disadvantage in the BiH political system are responsible for this.

The political "discrimination" of their ethnic group claimed by Croatian politicians in BiH makes it difficult for EU member Croatia to pursue constructive policies toward its neighbour. Despite cooperative rhetoric towards the state of BiH as a whole, Zagreb equates the interests of the Croatian ethnic group in BiH exclusively with the ethnocentric policies of the local Croatian national party HDZ BiH. This position of Zagreb has increased the mistrust of Bosniak politicians in Sarajevo regarding the cooperative intentions of its neighbor; similar to Sarajevo's perception of Belgrade's supportive attitude towards nationalist policies in the entity RS.

In addition to the COVID-19 pandemic, Zagreb's politically vulnerable BiH policy has prevented the Croatian EU Presidency in the first half of 2020 from being a substantial success in terms of the WB – despite some important WB decisions. The domestic and neighbourhood tensions described above contribute to the fact that there are still different interpretations of the NATO Membership Action Plan in BiH (Croats and Bosniaks for accession, Serbs against). There is also a lack of common state action in dealing with humanitarian and security problems related to 6,500 Central Asian migrants in the Bihać region near the border with Croatia. The local authorities have to solve these problems on their own. However, partial electoral successes of previously blameless politicians in the BiH local elections in November 2020 (e.g. in Banja Luka and Sarajevo) have raised hopes for 2021/22 that democratic change could also be possible in BiH, despite all the abuses described above.

On the one hand, the change of government in **Montenegro**, which took place in December 2020, nourishes hopes for democratization and a more efficient fight against corruption with regard to the year 2021. On the other hand, there are justified doubts about the stability of this heterogeneous government, which includes both Serbian nationalist and green-liberal parties. Despite assurances to the contrary by the new government, ethnic minorities and citizens with Montenegrin national identity in particular fear a stronger influence of the Serbian Orthodox Church on

Montenegrin politics and a weakening of the Western orientation of the young NATO member Montenegro.

After a long dry spell, the dialogue between Belgrade and Prishtina/Priština requires a substantial impulse from outside. A renewed “Balkan Alliance” between the EU and the USA, which could be possible again under the new US President Joseph Biden, would be an important prerequisite for this.

The Washington Agreement (September 2020) brokered by President Donald Trump’s Kosovo Special Envoy Richard Grenell was welcomed by both sides for its economic cooperative elements. However, it was not coordinated with the EU and contains, inter alia, questionable provisions that have nothing to do with the Kosovo issue but call for support of Trump’s Middle East policy.

Even in the event of a revival of a constructive partnership between Brussels and Washington, the framework conditions for a political breakthrough in the Serbian-Kosovo-Albanian dialogue in 2021 will be difficult: While in Serbia President Aleksandar Vučić has succeeded in establishing a semi-authoritarian regime without any real opposition, the incumbent Kosovar Prime Minister Avdullah Hoti has only a weak power base. Kosovo’s political stability is also severely challenged by war crimes trials in The Hague. The tribunal’s defendants include Hashim Thaçi, who was Kosovo’s president until November 2020.

The Serbian side demands the rapid implementation of the creation of a Serbian association of municipalities in Kosovo, which was actually already agreed to in April 2013. However, the Kosovo Albanian side is only prepared to do this on condition of state recognition by Belgrade, which the Serbian government currently rules out.

Policy Recommendations

With reference to European integration

- **EU:** Models of substantial cooperation below full membership should be developed to bypass the long-term phase until all the WB countries can be fully integrated.
- **EU:** A phased economic integration of the WB-6 into the EU should be made possible, also to increase their resilience toward non-Western influence.

- **EU:** There should again be zero tolerance vis-à-vis undemocratic and unlawful measures of WB politicians.
- **EU:** South Eastern European Member States (in particular Bulgaria and Croatia) should be encouraged to play a constructive role in the enlargement process.

With reference to Albania

- **Albanian government:** In order to increase the opportunity to conduct the first intergovernmental conference with the EU in the first half of 2021 (1) the conditions for free and fair elections in 2021 should be created, (2) the media law as per the Venice Commission’s recommendation changed and (3) the functioning of Constitutional and High Courts enabled.

With reference to BiH

- **BiH institutions:** Legislative conditions to punish the denial of the Srebrenica genocide should be created.
- **EU/US:** Political pressure should be exerted on political institutions in BiH which block such a law.
- **EU/US:** Winning candidates in the last BiH local elections with a credible anti-corruption programme should receive increased support.
- **EU:** With regard to the problem of migrants from Central Asia in the Una Sana canton in the north-west of BiH, financial support should be provided primarily to the local authorities and organizations active there as “first responders”.
- **NATO:** BiH citizens should be better informed about the economic benefits of joining NATO.

With reference to Kosovo/Serbia

- **Kosovo parliament:** Constructive work should be done to overcome the current political instability in Kosovo and to find a common Kosovar position on dialogue with Belgrade.
- **Kosovo government:** Efforts should be intensified to address French and Dutch concerns about visa liberalization for Kosovar citizens.
- **Serbian government:** The apparent lull in the talks could be used to define realistic core interests of Serbia vis-à-vis Kosovo. President Boris Tadić’s “four principles”² from 2012 could be a good starting point for that.

- Belgrade/Prishtina/Priština: Both sides should refrain from provocative acts and inflammatory language which may disrupt the EU-mediated dialogue.
- Belgrade/Prishtina/Priština: The economic opportunities provided by the Berlin Process and the Washington Agreement should be used to foster bilateral and regional cooperation.
- Belgrade/Prishtina/Priština/EU: Before a final political agreement on the normalisation of relations between Belgrade and Prishtina/Priština can be signed, the already agreed upon “simpler agreements” from the technical dialogue (removal of travel restrictions, recognition of diplomas, telecommunication, etc.) should be fully implemented.
- **EU:** A pro-active Kosovo policy requires stronger efforts to overcome the division between EU member states which recognise Kosovo independence and those which do not.
- **EU/US:** To ensure a common Western consolidation policy, Brussels should define common positions with the new US administration on the Belgrade-Prishtina/Priština dialogue as well as on other important WB issues as soon as possible. The so-called “Quint Group” (Germany, France, Italy as well as the UK and the US) could play a helpful role in this context.

With reference to Montenegro

- **Montenegrin government:** Confidence-building measures should allay the opposition’s and national minorities’ fears of the transition process.
- **EU:** There should be close interaction with and monitoring of the new Montenegrin government in regard to its democratization efforts and support for minority rights and good inter-ethnic co-existence.
- **EU:** Investigative media and Civil Society Organizations should again receive more generous financial support to be able to fulfill their watchdog role in the sensitive political transition phase in Montenegro.

With reference to North Macedonia

- **Parliament of North Macedonia:** In regard to the bilateral dispute with Bulgaria all political actors should refrain from nationalist rhetoric and should not legitimize and be involved in identity discussions beyond the Friendship Agreement’s provisions reached with Sofia in August 2017.³
- **Government and Opposition of North Macedonia:** A national consensus and strategy should be achieved on how to overcome the Bulgarian veto of EU accession talks.
- **EU:** All EU member states should be engaged to prevent a new long-term blockade in the enlargement process and should advocate for an imminent start of negotiation talks with North Macedonia and Albania.

¹ These policy recommendations reflect the findings of the 2nd Virtual RSSEE Meeting on “Chances and Challenges in South East Europe in Times of and beyond Pandemics – Situation Analysis and Recommendations”, convened by the PFP Consortium Study Group “Regional Stability in South East Europe”, 25 November 2020. They were prepared by Predrag Jureković (Austrian National Defence Academy, Vienna) on the basis of proposals submitted by the webinar participants. Valuable support in proofreading and layouting came from Benedikt Hensellek and Lisa-Maria Tagwercher (Austrian National Defence Academy, Vienna).

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² The four principles of the Tadić plan included the following issues: 1) A solution for the Serbian monasteries, 2) guarantees for the Serbs in the Kosovo enclaves, 3) Serbian property and property of Serbs in Kosovo and 4) a special status for the north of Kosovo.

³ A joint commission on historical and educational issues was formed in 2018 by Skopje and Sofia to serve as a platform where controversial historical and educational issues could be discussed.