

Briefing

Political Trends & Dynamics in Southeast Europe

Regional Cooperation in the Western Balkans

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Peace and stability initiatives represent a decades-long cornerstone of the Friedrich-Ebert-Stiftung's work in southeastern Europe. Recent events have only reaffirmed the centrality of Southeast European stability within the broader continental security paradigm. Both democratization and socio-economic justice are intrinsic aspects of a larger progressive peace policy in the region, but so too are consistent threat assessments and efforts to prevent conflict before it erupts. Dialogue SOE aims to broaden the discourse on peace and stability in southeastern Europe and to counter the securitization of prevalent narratives by providing regular analysis that involves a comprehensive understanding of human security, including structural sources of conflict. The briefings cover fourteen countries in southeastern Europe: the seven post-Yugoslav countries and Albania, Greece, Turkey, Cyprus, Bulgaria, Romania, and Moldova.



Editorial

Alida Vračić & Felix Henkel

Re-forging bonds between the countries of the Western Balkans (and southeastern Europe more broadly) has been an overarching issue and policy goal since the breakup of Yugoslavia. Regional cooperation has been the hallmark of EU policy since the signing of the Stability Pact in 1999. Various efforts since then (free trade, energy and transport infrastructure, the fight against corruption and organized crime, youth cooperation) have included both the Western Balkans states themselves and also the EU, the U.S., neighboring countries, and key international institutions and organizations.

Since the end of the Yugoslav Wars, the EU has launched a number of initiatives to facilitate cooperation, hoping that day-to-day collaboration among the former combatants would (re)build mutual trust, help resolve the remaining bilateral issues, and finally buttress the EU's overall political and economic transformation agenda in the Western Balkans. To this end, the Central European free trade agreement (CEFTA) was enacted in 2006. That same year, the Energy Community (of southeastern Europe) established the contours for an integrated energy market, which has continued to develop in the decade since. Each of these was a major achievement in itself, and part of the piecemeal effort to create a complex architecture of interdependence that would make peace (and eventually, prosperity) a permanent fact of regional politics.

The most recent episode in this line of initiatives is the so-called Berlin Process. In essence, the Berlin Process is an attempt to band the remaining non-EU states in the region (the WB6) into a single group, which Brussels will deal with as a whole; tackling in unison their outstanding bilateral disputes, the persistent need for improved and modernized economic and physical infrastructure, all the way down to the greater inclusion of civil society in regional policy making processes.

The Berlin Process has put the Western Balkans "back on the agenda" at a crucial moment in international and European politics. It has reactivated stagnant local elites by shifting their attention to specific EU themes, with an aim to realize incremental but important progress on the road towards broader Euro-Atlantic integration. It remains to be seen, however, whether this approach will prove sufficient for advancing a common, European agenda in the region. And, moreover, whether local governments will prove capable of advancing by themselves – or whether they will remain permanently dependent on EU facilitation.

All of this is to say that "local ownership" of the broader process of Euro-Atlantic integration and regional cooperation remains a work in progress. In theory, everyone is invested in these initiatives. In practice, local elites are often only rhetorically committed to the European agenda; the apparent complexity of existing cooperation mechanisms obscures their lack of concrete accomplishments; and actual regional cooperation, among ordinary citizens, business and industry, and civil society remains significantly underdeveloped.

In short, with respect to the question of regional cooperation, as both policy and lived experience, the gap between "is" and "ought" remains wide in the Western Balkans. To this end, we have asked this month's contributors to reflect on both the theoretical and practical dimensions of regional cooperation, its present, and future. Is socio-economic and political cooperation in the Western Balkans and southeastern Europe more broadly destined to be no more than an abstract fantasy? Or are there reasons to be cautiously optimistic that the Berlin Process is the culmination of two decades of combined European policy efforts and that a genuine turn towards Brussels is on the horizon for the WB6?

Institutionalist Take

A New Generation Ready to Lead the Regional Process?

Dafina Peci

In recent years, the role of civil society in the EU integration process of the WB6 has evolved, opening the way for more meaningful contributions to the process. Furthermore, an active civil society reasserted its capacity and constructive support for democratization in the Western Balkans. The necessity of working with youth in order to affect changes has also continued to develop as an important factor in the region's stability. Although pushed forward externally to some extent, the pioneering work of building transnational cooperation has been mostly done by civil society organizations themselves. A number of projects in arts, culture, and academia mobilized regional cooperation and demonstrated the existence local actors ready to lead and engage the region and challenge political realities.

Like the insistence on regional cooperation, the involvement of citizens has been an intrinsic part of virtually all policy endeavors since the beginning of the EU enlargement process and thus equally central to the Berlin Process. Accordingly, the novelty of the initiative is rooted in its prioritization of civil society inclusion and engagement, especially as it concerns: the institutionalization of the involvement of the CSOs (civil society organizations) in democratic and policy development processes; and the establishment and development of connections between youth through regional cooperation frameworks.

Both of these goals aim at a mutually beneficial relationship between the Western Balkans and the EU and their respective civil societies. From this perspective, however, it appears that the EU's external role is vital for domestic democratic and political development. The obvious question then is whether this region would cooperate without these external pressures? To offer a concrete answer one must clearly differentiate between the visions of politicians in the WB6 and those of the citizens in the region. For the latter, cooperation has been a lived reality for years.

One of the concrete outcomes of the Berlin Process is the establishment of the Regional Youth

Structuralist View

The Berlin Process as Virtual Reality

Jasmin Mujanović

Within European policy circles concerned with the Balkans, the current mantra is the Berlin Process. Initiated in 2014, the Berlin Process is the successor to the Stability Pact of 1999. And like the Stability Pact, the idea of the Berlin Process is to combine the Euro-Atlantic integration efforts of the "Western Balkans Six" (WB6) into one coherent, manageable whole. The "overarching aim," the official explanation holds "is to bring new dynamism to the Western Balkans and engage them in cooperation initiatives that would transform them and pave their way to the EU." In short, the Berlin Process is the broad framework for the region's relationship with Brussels. And insomuch as it represents a lasting commitment on the part of Germany to the EU integration of the WB6, in particular, it is an important guarantee of regional stability and security.

Indeed, the Berlin Process is a wonderful idea. Unfortunately, that's all it is – an idea. In practice, the WB6 are no longer on the path towards EU membership, notwithstanding the recent excitement concerning Montenegro's accession to NATO. Democratic norms have eroded substantially across the region; the geopolitical environment has deteriorated even more rapidly; and economically, the social landscape of the Balkans remains a virtual wasteland of corruption, cronyism, and backwardness.

Of course, there is in all of this a kind of cooperation, the often touted methodology for regional success, otherwise known as "connectivity" in Brussels. The respective WB6 governments are increasingly cooperating with Russia, China, the Gulf States, and Turkey and progressively minimizing their political commitments to Brussels and Washington. Within the region, there is also significant cooperation, especially among organized crime and government, on the one hand, and extremist groups and the respective security services, on the other.

And depending on one's perspective, even the economic outlook of the region isn't all bad. After all, local arms manufacturers are having a hard time keeping up with the demand for

Cooperation Office (RYCO), an institution which works on a crucial aspect of regional cooperation in general. Mirroring the Franco-German model, it focuses on a policy of intercultural dialogue in the context of EU enlargement, with youth as the primary target group. In spite of differences between the countries of the region, its significant common historical and cultural inheritance remains strong. Young people throughout the region have now been forced to rebuild connections through different programs and exchanges supported by external partners. In this process, the capacities of civil society organizations have been advanced, as have skills to organize, influence, and push political messages. The civil society scene has produced prolific and talented activists, who help give voice to the aspirations of civil society as a whole in a complex political environment.

However, these developments are not replicated on the political arena. A chronic lack of cooperation at the intergovernmental level has curbed much of the civil society-led reform efforts, which makes RYCO's role indispensable. The development of RYCO captures the essence of the regional cooperation idea, with its mission of reviving regional youth cooperation and cooperation between government and civil society among the WB6. If the office lives up to its vision, it will serve as a genuine model of the ability of local actors to take ownership of the reform process.

The process of taking ownership of regional reform processes has already started. A two-pronged shift remains necessary however: the inclusion of civil society in all stages of political decision-making as a key factor in strengthening local democracies; and secondly, a genuinely regional economic program of development.

Fundamental to this analysis is the assumption that civil society can strongly affect the way in which domestic societies respond to European integration challenges. Even more so, it is important to acknowledge that civil society can influence and add to our understanding what it takes to respond to challenges ahead. The region can make a real turn towards cooperation by strengthening the dialogue between civil society and government, constructively contributing to decision-making processes, encouraging intercultural dialogue among elites and citizens, and valuing the international community as partners and not only as donors.

weapons and munitions from an assortment of Middle East governments and militant movements. And as seen in the recent Bosnian-Serbian junket to Saudi Arabia, when it is a matter of weapons sales, brotherhood and unity is alive and well.

Few of these issues have been raised, at least in any meaningful sense, at any of the Berlin Process summits. Fundamentally, the region is unravelling, along with the wider world around it, but to read the official missives from the Berlin events, one could easily conclude that the biggest issue facing the Balkans is the lack of highways.

It is true that the EU appears to value stability over all else in the region. But we are quickly reaching the point where we'll be able to say that Brussels prefers the *idea* of stability rather than the *reality* of chaos. It's one thing to insist on a policy that fails to conform to the facts on the ground; it's quite another to actively ignore the facts and create a virtual reality in which the policy is "successful." That, in short, appears to be the current climate within the Berlin Process: virtual reality.

None of this is to suggest that the broader architecture of European engagement in the Balkans, including the Berlin Process, is useless. But it is to counter the oft repeated claim among Western and European policymakers of "Balkans fatigue." Said fatigue is doubtlessly real but what is its cause? If Brussels is fatigued from superficial, idealess, and directionless engagement in the region, then the problem is not the Balkans – it's the EU and its policymakers.

One should refrain from calling for a "new approach" because even that has become a tired truism. So let us instead suggest a relatively minor correction: keep the Berlin Process but insist on substance. Use it as a forum to discuss the crisis of democratic governance in the Balkans (and Europe) but also as a place where real political concessions are achieved. And if concessions are not forthcoming, then use some of the other tools available to policymakers: the withholding of loans and financial aid, sanctions, and international money laundering and organized crime statues and enforcement mechanisms.

A failure to do so will not just mean more of the same, it will mean a worsening all relevant socio-political dynamics in the region – a developThe lengthy process of EU integration offers many challenges but also tremendous opportunities to foster the emergence of constituencies committed to meaningful regional cooperation. Among these, the possibility of improving neighborly relations and developing intercultural youth exchanges are is of the utmost importance. Taking seriously the potential of civil society to influence dialogue is also crucial. Such an effort will improve social, political, and economic conditions for everyone and, in this way, emerge as an end unto itself.

ment Europe, above all, can ill afford in the era of far-right populism, Brexit, and the Trump administration. And even if we build a few more clicks of highway, without addressing substantive issues related to the rule of law and democratization, these will just become more efficient ways for organized crime and instability to spread. After all, there already was a country in the Western Balkans that had terrific infrastructure and complex institutional arrangements without substantive democratic practices. It didn't end well.



The need for greater regional cooperation in order to move Southeast Europe forward and improve political, security, and socio-economic conditions is perhaps never clearer than when tensions spike and regional leaders focus on regional (self-)destruction rather than cooperation. The last two months saw a number of ongoing initiatives and efforts to improve regional cooperation. On 24th May, the Prime Ministers of the Western Balkan Six (WB6) - Albania, Bosnia, Kosovo, Macedonia, Montenegro, and Serbia – were meeting in Brussels with the EU's High Representative for Foreign and Security Policy Federica Mogherini to discuss the situation in the region. Informally, diplomatic sources suggested that the meeting was used to take stock of developments since Mogherini's March visit and discuss future steps necessary to calm tensions.

Sigmar Gabriel at the 8th Aspen SEE Foreign Ministers' Meeting



Speaking at the eighth Aspen Foreign Ministers' Conference on 31st May, German Minister of Foreign Affairs, Sigmar Gabriel, introduced some new ideas for a "Berlin Process Reloaded". While reaffirming the Thessaloniki goal of European Union membership for the six countries in the

Western Balkans, Gabriel stated there should be no discounts or compromises in the conditions for membership. He highlighted the consequences of the dragging accession process, especially for the elderly and underprivileged, but also the younger generations in Southeast Europe. Recognizing that societies in the Western Balkans were "in the middle of a huge reconstruction process", he called for more financial means to be made available to reduce social hardships associated with the region's transformation and to finance projects in the area of dual vocational training. While the EU should generally let the societies of the Western Balkans participate in more existing programs, regional cooperation urgently needed to start producing visible results for the local populations. Concretely, Gabriel suggested a collective push for an efficient IT infrastructure as well as a reliable legal framework for IT services.

Meanwhile, in early April, the 20th International Business Fair held in Mostar brought together a smaller group of leaders from **Bosnia**, **Croatia**, **Montenegro**, and **Serbia**, who stressed the need for preserving peace and stability in the region as a precondition for economic development, advancing trade, and attracting foreign investments.

Sarajevo summit, 11.5.2017. Source: BETA.



A much broader collection of countries gathered under the auspices of the Adriatic and Ionian Initiative, which brings together existing EU member states – such as Greece, Italy, Croatia, and Slovenia – with EU hopefuls such as Albania, Bosnia, Montenegro, and Serbia. While the meeting

considered progress in the Initiative's existing focus areas, such as transport, energy, environmental protection, and tourism development, the joint declaration adopted on 11th May also placed a special focus on cooperation in jointly dealing with the flow of migrants through this region, as well as their local integration.

The biggest event on the regional cooperation agenda, bringing together the EU and Balkan candidate states, will be the Trieste Summit, which will be hosted by Italy in mid-July. The summit will be the latest meeting happening within the framework of the Berlin Process. As such, there will be a continued focus on infrastructure connectivity projects in the region, along with cooperation at the youth level through the newly established Regional Youth Cooperation Office (RYCO), as well as an added emphasis on increasing economic integration within the Western Balkans region. As a prelude to this, the Civil Society Forum of the Western Balkans was held in Tirana from 26th to 28th April, providing the recommendations of civil society from the region for the Trieste Summit. These included, among others, suggestions on how to effectively foster youth cooperation and mobility across the region, strengthen the rule of law, improve the business environment, and spur innovation.





While these developments were the bright side of cooperation in the region, they did not stop regional leaders from stoking nationalist tensions and pouring fuel onto the fires of bilateral disputes, primarily for domestic political gain. Tensions between **Albania**, **Kosovo**, and

Civil Society Forum in Tirana. Source: CDI, 2017.



Serbia were already running high over the arrest of Ramush Haradinaj, the leader of the Alliance for the Future of Kosovo (AAK) and a former KLA commander, in France in January on a Serbian war crimes arrest warrant. His continued detention caused anger in Kosovo and effectively brought the already stalled dialogue between Belgrade and Pristina to a standstill. Yet relations began to nose-dive after Albanian Prime Minister Edi Rama declared in an interview published in Politico on April 18th that if the EU accession path of the Balkans became blocked, other unions, such as that between Albania and Kosovo, would become possible. These comments were echoed just a few days later in a more extreme form by Kosovo's President Hashim Thaci, who declared that not just Kosovo and Albania but rather all lands populated by Albanians would unite if the doors of the EU became closed. Such gestures of neighbourly ill will were leapt upon by Serbian officials and - in particular - the tabloid media, which fumed about Albanian plans to create a 'Greater Albania' in the Balkans. Belgrade spotted yet another opportunity to incense itself over the (entirely predictable) release of Haradinaj by a French court on April 27th and his return to Kosovo, presenting this as a great travesty of justice.

Back in **Kosovo**, Haradinaj happily jumped into the baiting game being played out between Belgrade, Pristina, and Tirana by declaring that if he became Prime Minister and Serbia had still not removed references to Kosovo in its constitution, then Kosovo should lay claim to a third of Serbia's territory. Officials in Belgrade and the Serbian tabloids happily played along in this game, proclaiming that Haradinaj was planning to invade southern Serbia. While all sides in this rhetorical storm were clearly stoking tensions mainly to mobilise and homogenize their own electorates, uninformed observers relying on newspaper headlines and official rhetoric might have concluded that the region was on the brink of war.

Other bilateral disputes also continued to simmer. Despite heavy pressure from the EU and US, the border dispute between Kosovo and Montenegro dragged on as Kosovo failed to ratify the bilateral demarcation agreement, despite this being a condition for securing visa liberalization from the EU. Montenegro's opposition parties called on the government in Podgorica to revoke its recognition of Kosovo's independence. Meanwhile, traditionally friendly relations between **Belgrade** and **Skopje** were brought into question as Serbian officials and media closely echoed the VMRO-DPMNE accusations against SDSM leader Zoran Zaev and his new coalition, which was portrayed as a step towards the destruction of Macedonia and the creation of Greater Albania.

DEMOCRATIC RETREAT

Further evidence of the retreat of democratic freedoms across the region came with the publication of Freedom House's Nations in Transit reports and democracy rankings for 2016 in April of this year. Almost all countries in the region experienced a decline in their democracy scores. Not surprisingly, the biggest decline was seen in Macedonia, which remained engulfed in a political and democratic crisis for most of 2016. Hot on its heels was Serbia, primarily due to irregularities in the conduct of the 2016 Parliamentary elections and a general decline in democratic governance. Less dramatic declines were witnessed in Bosnia, which declined to new levels of government dysfunctionality, Croatia, where media freedom issues were the main culprit, Bulgaria, which declined due to problems with corruption and media freedom, and Moldova, where infringements of judicial freedoms were the key problem. Kosovo and Montenegro saw slight improvements in their democracy scores, but Kosovo still remained the country with the lowest overall score in the region. The only bright star was **Romania**, which, according to Freedom House, saw improvements to its electoral process and general democratic governance.

Perhaps the biggest blow to democratic freedoms in the region came with the approval of constitutional changes in Turkey via a popular referendum held on April 16th. Already crumbling, Turkish democracy risks being reduced to a pale shadow of what it was just a few years ago. The constitutional changes adopted in the referendum vastly expand the powers of the President and abolish most checks and balances on their rule. Also to be abolished is the post of Prime Minister. What Turkish President Recep Tayyip Erdogan euphemistically calls 'a special Turkish-style Presidential model' looks a lot like one-man rule in the making to most of his opponents. Ironically, even the referendum itself was held in a climate of fear and intimidation, with the opposition accusing the government of tampering with ballots.

What ripple effects the Turkish referendum will have in the Balkans remains to be seen. So far, reactions have been muted, although fears linger that aspiring authoritarians in the region could seek to follow in Erdogan's footsteps at some point in the future. Yet other, calmer voices point out that the real role model for Balkan authoritarians is not Erdogan, but the EU's own Viktor Orban in Hungary.

GOVERNMENT COLLAPSE AND GOVERNMENT FORMATION

While in some corners of our region national governments collapsed, or appeared to be on the brink of doing so, in other parts new governments were in the process of being formed.

COLLAPSE

After a prolonged period of speculation, **Kosovo's** government, led by Prime Minister Isa Mustafa, finally succumbed to a vote of no confidence on May 10th. While 34 MPs from Mustafa's own League of Democratic Kosovo (LDK) voted

in support of the government, a total of 78 MPs voted in favour of the no confidence motion, including the LDK's ruling partner, the Democratic Party of Kosovo (DPK).

Violent attacks on the Macedonian Parliament. Source: Anadolija.



If the collapse of Kosovo's government was hardly unexpected, the crisis which suddenly engulfed Croatia's ruling coalition between the Croatian Democratic Union (HDZ) and the Bridge of Independent Lists (MOST) caught most observers off guard. With a motion of no confidence tabled by the opposition against Croatian Finance Minister Zdravko Marić over a conflict of interests in the management of the Agrokor corporation's restructuring, ministers from MOST failed to back their colleague in a vote within the government on April 27th. Unexpectedly, Prime Minister Plenković immediately moved to have them sacked, arguing that they could not remain part of his Cabinet if they were unwilling to support their colleague. While MOST supported the opposition motion of no confidence in Marić, the Finance Minister survived - by just one vote. In the end, MOST leader Božo Petrov resigned as Speaker of Parliament, with the HDZ securing the election of its own speaker, Goran Jandroković, again with the narrowest majority of just one vote. For now, the Croatian government survives, but it seems that its collapse is more or less imminent, unless it co-opts another smaller party into government, which at present seems unlikely. Both the leaders of the Croatian Peasant Party (HSS) and the Croatian People's Party (HNS), seen as potential new HDZ allies, have ruled out this option.

FORMATION

The current situation in Macedonia can be summed up by the phrase "the calm after the storm," where the long-lasting political crisis reached its climax and now appears to be on the path to subside. With President Gjorge Ivanov having refused to grant a mandate to form the new government to Zoran Zaev, the leader of the Social Democratic Alliance of Macedonia (SDSM), despite the formation of a clear majority between the SDSM and a number of parties representing ethnic Albanians, the formerly ruling VMRO-DPMNE attempted to block the establishment of Macedonia's new Parliament through filibustering. This deadlock was seemingly brought to an end with the election of Talat Xhaferi of the Democratic Union for Integration (DUI) as the new speaker of Parliament on April 27th. However, the formerly ruling VMRO-DPMNE called Xhaferi's election a 'coup'. Following this, supporters of the party stormed the Parliament building in what turned into an attempt to lynch MPs from the new majority in the Parliament, with no apparent intervention by police.

Attacks on Macedonian Parliament. Source: Anadolija.



The scenes of violence and MPs with bloodied faces in the Parliament shocked audiences across much of the region. Many analysts in Macedonia suspect that the VMRO-DPMNE protesters who stormed Parliament were encouraged to do so by the party's leaders in the hope of provoking a violent response from supporters of the SDSM and ethnic Albanian parties in the streets, all of which would have given the VMRO-DPMNE

grounds for declaring a state of emergency and clinging on to power. Ultimately, opposition parties and their supports failed to fall for this bait, real or imagined, and the attempt by the VMRO-DPMNE to cling to power fizzled out. Following the visit of US Deputy Assistant Secretary of State Hoyt Yee to Macedonia, during which he met with President Gjorge Ivanov, the latter finally handed the mandate to form a government to Zaev on May 17th. The new government is expected to be approved by Parliament and sworn in by the end of May. Aside from the SDSM, it will be composed of three ethnic Albanian parties - the DUI, the Alliance for Albanians, and Besa – controlling 67 seats in the 120-member Parliament.

Attacks on Macedonian Parliament, Source: Anadolija



On May 4th, Bulgaria also formed a new government led, for the third time, by Boiko Borisov, following Parliamentary elections held on March 26th. While the election of the new government was a relatively straightforward affair compared to the drama in neighbouring Macedonia, it did not lack controversy. The new governing coalition includes the United Patriots bloc – a coalition of three ultra-nationalist par-

ties, the VMRO, Attaka, and the National Front for Salvation of Bulgaria. These parties were previously considered too toxic to be included in any government, but Parliamentary arithmetic left little alternative. It was not long before the new government was rocked by its first serious scandals. Following the publication of pictures of deputy regional development minister Pavel Tenev from the United Patriots bloc giving a Nazi salute to figures of Nazi soldiers in a Paris museum, the minister was forced to resign. However, the scandal failed to die down, as his party boss, deputy Prime Minister Valeri Simeonov sought to defend his colleague by saying that the photos should not be taken too seriously and that he himself might have made similar gag photos on a visit to Buchenwald concentration camp in the 1970s. Amid calls for his own resignation, Simeonov denied he had ever made the comments.

Finally, with **Serbia's** Prime Minister and president-elect Aleksandar Vučić set to assume his duties as President of Serbia by May 31st, the country was rife with speculation as to who the country's new Prime Minister would be and whether there would be any reshuffles in the existing Cabinet. The bookiesć favourite, at present, is Ivica Dačić, the current Foreign Minister and leader of the Socialist Party of Serbia (SPS). In all likelihood, however, Vučić will keep the Serbian public guessing a while longer after his inauguration as to who the country's next Prime Minister will be.

ELECTIONS

Elections, it seems, are a constant, rather than periodic and regularly timed, feature of politics in the Balkans. They are also a focal point for political crises and tensions.

Over the last few months, Albania had appeared to be heading towards a political crisis disturbingly similar to that in neighbouring Macedonia. A political stalemate lasting several months had seen the main opposition Democratic Party boycotting Parliament and threatening to boycott June's Parliamentary elections. To the relief of most Albanians, diplomats, and foreign observers, the crisis seems to have been nipped in the bud. The leaders of the two main parties – Prime

Minister Edi Rama of the Socialist Party and Lulzim Basha of the opposition Democratic Party (DP) – reached an agreement on May 18th that will see the Parliamentary elections pushed back by a week to June 25th, with opposition representatives assuming positions in Rama's Cabinet and the Central Election Commission. There is also agreement on reforming the way that elections in Albania are conducted in order to strengthen the integrity of the electoral process. In return, the DP will take part in the elections and back key judicial reforms demanded by the EU.

Two weeks before Albania, voters in Kosovo will cast their votes in an early general election scheduled for June 11th. Three main camps are set to battle it out amongst themselves in an election whose outcome is highly uncertain. To the surprise of many, three parties which are all lead by commanders of the former Kosovo Liberation Army - the Democratic Party of Kosovo (DPK) of Kadri Veseli, Ramush Haradinaj's Alliance for the Future of Kosovo (AAK), and the Initiative for Kosovo (NISMA) led by Fatmir Limaj - have formed one coalition block, with Haradinaj as its candidate for Prime Minister. Their main rival will be a coalition led by the Democratic League of Kosovo, led by outgoing PM Isa Mustafa and joined by the New Kosovo Alliance (AKR) of Behgjet Pacolli. Finally, the 'dark horse' in the election with the potential to surprise will be the Vetevendosje movement, whose candidate for Prime Minister is Albin Kurti.

Meanwhile, Croatia successfully held elections to elect local and regional governments across the country, although a second round run-off is yet to be held in many parts of the country. Yet the election is perhaps more significant in terms of testing popular support for the main parties in the Croatian Parliament, as the HDZ considers whether to go to early Parliamentary elections quickly or try to cobble a new coalition together with smaller parties such as the Croatian People's Party (HNS) and the Croatian Peasant Party (HSS). The extent to which the HDZ will be able to tempt the HSS and HNS into such a coalition will also depend on their ultimate performance in these elections. So far, with the first round concluded, all parties have grounds to be partly pleased with their performance, apart from perhaps the main opposition Social Democratic Party (SDP), which performed rather poorly.

AGROKOR

The crisis surrounding Agrokor, the Croatian retail and food production giant, continued to send shivers down the region's collective business spine. Stories about its burgeoning debts, which were threatening to bring it down, began circulating with ever greater intensity at the beginning of the year and finally blew up in March and April. The conglomerate's significance is huge - in Croatia, its main hub, its various companies employ around 40,000 workers, while its revenues in 2015 were equivalent to around 16 percent of Croatia's GDP. Another estimated 20,000 workers are employed in Agrokor companies in Serbia and Bosnia, while it is thought that companies and suppliers of Slovenian Mercator (which Agrokor bought in 2014) employ as many as 70,000 people. The conglomerate is clearly too big to be allowed to fail, or indeed to fall into any old hands. Russian banks are its biggest creditors and for a brief period of time it looked as if they, through a creditor-led restructuring process, would take over the company. However, at this point the Croatian government stepped in, adopting a special law which allowed it to appoint its own management to oversee the restructuring of the company.

Agrokor is far from being out of the woods, but the situation at least looks to have been stabilized. It is likely that parts of the company will be sold off in order to pay down its debts. The regional scale of the problem creates opportunities for governments in the region to cooperate in salvaging jobs and companies, but also opportunities for them to clash with each other over Agrokor's restructuring. A meeting organized in Belgrade between representatives of the governments of Bosnia, Montenegro, Slovenia, and Serbia to discuss the problem of Agrokor had one conspicuous absentee – Croatia.

SECURITY

On June 5th, **Montenegro** will formally become a member of NATO, bringing to a close a long and drawn out process which has sharply, at times even violently, polarized the small Balkan country. Closing this chapter should help reduce internal tensions within Montenegro, where most of the political opposition has used the NATO accession

topic to mobilise its own supporters. However, what will continue to polarise the domestic political scene in Montenegro is the 'coup plot', which is alleged to have been planned for October 16th 2016, the day that Parliamentary elections were held. On April13th, Montenegro's Special Prosecutor for Organized Crime filed a formal indictment against 14 'plotters', including two senior Montenegrin opposition politicians, Andrija Mandić and Milan Knežević. Opposition leaders and many observers continue to insist that the entire 'plot' is an invention of the ruling Democratic Party of Socialists (DPS) in Montenegro.

Across the region, the impact of Montenegro's accession to NATO remains to be seen. Some analysts argue that countries such as **Serbia** and Bosnia will also need to reconsider their positions and move towards joining the Alliance. Others argue that the accession of Montenegro, in the face of **Russia's** opposition, will result in Moscow exerting even greater pressure on these two countries in order to ensure that they remain outside of NATO. So far, the biggest retaliation by Russia against Montenegro has been to block imports of wine from Montenegro's stateowned wine producing giant Plantaže and some bad press in the Russian media about Montenegro's tourist industry.

PROTESTS

Popular protests over the conduct of Serbia's Presidential election in April have fizzled out. A small group of protesters gathers occasionally to keep alive the flame of protest, but the thousands who spontaneously gathered to demonstrate against the repressive atmosphere in which the election was held have disappeared from the streets. Unclear goals and the lack of a defined organizational structure probably contributed to the demise of the protests. Although demonstrators did not achieve any of their stated goals, the mere fact that the protests occurred is a success of sorts, highlighting to the political elite that civic opposition to its authoritarian behaviour can mobilize when it least expects it. The mood of street protest also continues to linger in the air, as a variety of groups appear to be more willing than ever to venture out onto the streets in order to voice their grievances, not just in Serbia, but across much of the rest of the region as well.

A View from Academia: Challenges and Perspectives for Regional Cooperation in Southeast Europe

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The literature on regional cooperation in Southeast Europe (SEE) varies in scope. Some studies are outdated,¹ others have a very narrow focus and examine a single issue,² and some try to conceptualize the process of transnationalism in SEE.³ Many authors stress the importance of international actors, notably the EU, in fostering regional cooperation in SEE,⁴ and others point out that regional cooperation in SEE is a multi-actor and a multi-level process.⁵ Recently, it has been suggested that regional cooperation is driven by external or local impetuses and bottom-up or top-down approaches.⁶ The interplay of impetuses and approaches defines the forms of regional cooperation. For example, the Stability Pact and the Berlin Process are external, top-down approaches moving cooperation forward, while the Igman Initiative and RECOM are local, bottom-up approaches. However, national institutions across SEE countries have dedicated few capacities and resources to support the implementation of these initiatives.⁷

Issues and Outcomes

There are over 40 regional initiatives that cover a variety of issues such as security and rule of law, trade and economic cooperation, energy and infrastructure, humanitarian relief and disaster management, education, culture, and tourism, all with significant parliamentary dimension. The Regional Cooperation Council (RCC) is the umbrella organization that coordinates these initiatives. In addition, the RCC developed an "SEE 2020" strategy that focuses on economic growth and development. However, the widening of issues did not necessarily create a tangible outcome or produce structured and institutionalized cooperation. Ruling elites in SEE have been criticized for failing to commit to regional cooperation initiatives. The initiatives were used as lip service to the EU because regional cooperation is regarded as an essential accession obligation.

A strong external impetus to advance regional cooperation came from the Berlin Process. In 2014, the German government initiated a summit meeting between high level officials from the Western Balkans and EU institutions and some EU member states.⁸ Follow-up meetings were organized in Vienna in August 2015⁹ and in Paris in July 2016.¹⁰ The next meeting will take place in Trieste in July 2017. The high-level annual meetings fostered regional cooperation and reinvigorated the EU accession. However, they

- 1 Anastasakis, Othon and Bojicic, Dzelilovic, Vesna (2002): Balkan Regional Cooperation & European Integration. London: London School of Economic and Political Science. Grupe, Claudia and Kušić, Siniša (2005): Intra-regional Cooperation in the Western Balkans: Under Which Conditions Does it Foster Economic Progress? in: Discussion Paper 37, Centre for the Study of Global Governance. London: LSE. Delevic, Milica (2007): Regional Cooperation in the Western Balkans, in: Chaillot Paper No104. Paris: Institute for Security Studies.
- 2 Stubos, George and Tsikripis, Ioannis (2008): Regional Integration Challenges in South East Europe: Banking Sector Trends, in: Southeast European and Black Sea Studies, 7:1, 57–81. London: Routledge; available at: http://dx.doi.org/10.1080/14683850701189329
- 3 Oktem, Kerem and Bechev, Dimitar (2006): (Trans) Nationalism in Southeast Europe: Constructing, Transcending and Reinforcing Borders, in: Southeast European and Black Sea Studies, 6:4, 479–482. London: Routledge; available at: http://dx.doi.org/10.1080/14683850601016341
- Bechev, Dimitar (2006): Carrots, Sticks and Norms: The EU and Regional Cooperation in Southeast Europe, in: *Journal of Southern Europe and the Balkans Online, 8:1,* 27–43. London: Routledge; available at: http://dx.doi.org/10.1080/14613190600595515. Bastian, Jens (2008): 'Cry Wolf' No More: External Anchors and Internal Dynamics in the Western Balkans, in: *Southeast European and Black Sea Studies,* 8:4, 325–344. London: Routledge; available at: http://dx.doi.org/10.1080/14683850802556368. Bastian, Jens (2011): Crossborder Cooperation in the Western Balkans Roadblocks and Prospects, in: *TransConflict Online* (16.3.2011), available at: http://www.transconflict.com/2011/03/cbc-wb-roadblocks-prospects-163/ (last accessed on 22.4.2012).
- 5 Stubbs, Paul and Solioz, Christophe (eds.) (2012): Towards Open Regionalism in South East Europe, in: *Southeast European Integration Perspectives*, vol. 6. Baden-Baden: Nomos.
- 6 Bechev, Dimitar, Ejdus, Filip and Taleski, Dane (2015): "Culture of regional cooperation in Southeast Europe", Analytical Paper, Balkans in Europe Policy Advisory Group (BiEPAG), Belgrade: European Fund for the Balkans.
- 7 Dehnert, Stefan and Taleski, Dane (eds.) (2013): Monitoring Regional Cooperation in Southeast Europe, Berlin: Friedrich Ebert Foundation.
- 8 "Final Declaration by the Chair of the Conference on the Western Balkans", 08/28/2014, http://bit.ly/1Ww305Z
- 9 For more see the Federal Ministry for European Integration and Foreign Affairs of the Republic of Austria, http://bit.ly/1Lyf2Hc
- 10 For more see "Final Declaration by the Chair of the Paris Western Balkans Summit" (4 July 2016), France Diplomatie French Ministry of Foreign Affairs and International Development (available at http://www.diplomatie.gouv.fr/en/country-files/balkans/events/article/final-declaration-by-the-chair-of-the-paris-western-balkans-summit-04-06-16).

only marginally contributed to a more cohesive regional cooperation agenda. Focus was given to economic issues (i.e. trade, energy, transport, connectivity, competitiveness, and investments), human capacity-building (i.e. vocational and educational training, education, research, recognition of diplomas etc.) and several cross-cutting issues (i.e. bilateral disputes, rule of law and democratic governance, migration, radicalization and violent extremism, youth cooperation etc.).

The concrete outcomes from these meetings have yet to reach their full potential. For example, Western Balkan countries signed a joint declaration committing to resolve bilateral disputes and to avoid them as obstacles to EU integration. In practice, little was done to uphold the declaration. Similarly, a Regional Youth Cooperation Office (RYCO) was set up in Tirana but it is still not functional. A comprehensive connectivity agenda was also designed (e.g. transport and railway projects, power-grids), some EU funds were allocated and more promised, but local governments are lagging in terms of implementation of the envisaged activities.

Challenges and Opportunities

EU enlargement fatigue presents a great challenge for advancement of regional cooperation. The multitude of EU crises (i. e. institutional, financial, and political), Brexit, and challenges to democracy within the EU have taken enlargement out of EU's policy priorities. As a consequence, political leaders across SEE countries have lost their appetite to promote and enhance regional cooperation. This is directly connected to the erosion of democracy in SEE, which poses an additional challenge for regional cooperation. The democratization of SEE was meant to be sustained through regional cooperation; now, while SEE politicians pay lip service to Brussels, the vision and mission of regional cooperation risks becoming an empty vessel.

In 2015, the European Commission pointed out that bilateral disputes (e.g. border demarcation, historical, and political issues) overshadow EU membership prospects and impede regional cooperation. The challenge is not only to come to an agreement to resolve these disputes, but also to implement those agreement, the importance of which the example of Montenegro and Kosovo border demarcation shows. Bilateral disputes between EU member states and accession countries are an especially difficult challenge due to the asymmetry of power. Finally, the lack of inclusion in policy-making challenges the sustainability of regional cooperation. Regional cooperation needs long-term commitments and political elites have short-term priorities. They engage in nationalist discourses and practices, rather than invest in good neighborly relations. Therefore, it is essential to broaden the scope of actors that can develop and promote regional cooperation, for example, with business entities and civil society organizations.

People from across SEE countries have high expectations from these processes. According to the Regional Cooperation Council's Balkan Barometer 2015, 60 percent of citizens in the region want to see more regional cooperation and 76 percent believe that improved regional cooperation can positively affect the economy. Evidently, the Berlin Process has raised expectations and produced some tangible outcomes. However, the process needs to move beyond technical issues and give greater weight to improving good governance and strengthening rule of law. Further, it would be beneficial if the European Commission monitored SEE countries' compliance with agreed commitments and offered incentives. Last but not least, a multitude of regional civil society networks foster a common culture and sense of belonging based on common goals and interests. These networks' regional cooperation initiatives ought to converge with government-led regional cooperation initiatives. The aim should not be to synergize the efforts but rather to strengthen the sustainability of regional cooperation and to ensure that the effects are felt in everyday life. The Civil Society Forums which accompany the high-level meetings of the Berlin Process can make a valuable contribution to that goal. However, structures of cooperation between civil society representatives and governing officials need to be developed to fully utilize the potential of these meetings.

¹¹ Freedom House, Nations in Transit (available at https://freedomhouse.org/report/nations-transit/nations-transit-2015#.VwGCH5x96W8).

And also Bertelsmann Transformation Index 2016 (available at http://www.bti-project.org/en/home/).

¹² Regional Cooperation Council (RCC). "Balkan Barometer 2015," http://bit.ly/1DVJcKF

Guest Commentary

We asked our guest commenters to respond to both the optimist and pessimist views on regional cooperation as expressed in the featured articles. These are their thoughts.

Goran Svilanović.

Secretary General of the Regional Cooperation Council

Speaking of optimism and pessimism in the Western Balkans, let me share with you information from the most recent Balkan Barometer, a public opinion poll done by the RCC. In three out of six Western Balkan economies, a good third of the people believe they will never be part of the EU. This is the case in Skopje, Sarajevo, and increasingly so in Belgrade (38%). One may say, no big deal, the mood will change. Well, in politics we all fear self-fulfilling prophecies. What if these people are proved right?

Therefore, I would say that what is in the offer of EU accession should be used to the maximum in order to prepare the ground for better times. Today, we should engage in adding rule of law and the fight against corruption as a new pillar to the agenda of the Berlin Process. Economies have started well with the connectivity agenda, they are ready for increased economic integration which is to be agreed in Trieste this July, but the component which will reintroduce the notion of European values in the process should be one which refers to the basic EU principles and the rule of law.

In short, there is a need to do three things at the same time: use regional cooperation to improve economic performance, use EU support and engagement to resolve outstanding bilateral issues (including those between EU members and Western Balkan countries), and use the accession process to reform judiciaries and establish strong institutions able to fight corruption.

Tanja Fajon Member of the European Parliament

Western Balkan countries have always been and will always be part of Europe. We may allow ourselves to be pessimistic thinking of the future enlargement. But to accept the diagnosis of a weak and fragmented region in Europe without finding a proper medicine will

"kill our patient" and further weaken our European continent. Pessimism does not resolve problems. We have to continuously search for new, alternative ways. The Berlin Process is an important factor of stability, cooperation, and strengthening ties between WB countries with the EU governments. But that is certainly not enough.

We need an alternative EU enlargement policy that is more progressive and ambitious. Besides the unstable economic situation, the current "enlargement fatigue" in the EU, along with the comfortable status quo of the WB political elites and the increased geopolitical appetites of "non-Europeans" in the region are all reasons for concern. We must pressure political elites on both sides and make them understand that in times of common global challenges we need each other more than ever. And we must put people back in the centre of the reform process. They must embrace it and understand that the progress made in the path towards the EU is progress towards a better life for everyone on our European continent.

Hannes Swoboda Member of the Board of Directors CDRSEE

The way towards and into the EU was never easy, but it has become even more difficult in recent times. Too often people in the EU and in the Balkan countries look at those responsible for enlargement or blame "Balkan fatigue." That is useless. Yes, the EU could be more helpful, but often regional leaders use the EU and its inactivity as a scapegoat for their own resistance against reforms and change. As long as other issues (e.g. the economic and financial crisis, the Ukraine crisis, wars in the Middle East, mass migration) dominate European discussions, the Balkans will not be high on the agenda. We can only hope that new conflicts in the Balkans will not be added to the other hot issues.

The initiative for a change must come from the region. Many countries have an active civil society. They must deal with the burning economic and social issues to reach the attention of the broader population. Poverty and unemployment, particularly among youth, are urgent issues, which are often neglected by political leaders and sometimes also by NGOs. Attention to economic issues includes the fight against corruption and doubtful deals with big business. Civil society must organize youth outside of the academic sphere as well, and enhance the cooperation across borders and conflict lines, overcoming the national and ideological restrictions of older generations. They should also extend their contacts with civil society outside the region and all over Europe. Only a vocal civil society can enforce change on political leadership and open the doors of the EU.

Jelica Minić European Movement in Serbia

The WB is a politically divided, post-conflict region. But there is glue connecting the region: European and Euro-Atlantic integration and a widely dispersed network of regional cooperation organizations and initiatives, more than 50 in number. Most of them are inter-governmental, which means that governments in the region are committed to working together in solving common problems in numerous fields. Economic cooperation is the most developed, but police, security, defense, and intelligence are other favorites, especially after the 2015 refugee crisis. Of course, without political commitment and frequent meetings of top politicians, it would not be possible to have such intensive connections between different layers of regional societies. The Berlin Process contributed by putting together WB6 in the highest level format to address selected regional priorities closely related to the EU accession process. At the same time, bilateral relations move back and forth, mostly according to election cycles in individual countries. However, regional cooperation has proven to be a successful tool for cultivating an institutionalized peace system for addressing current and future tensions in the WB. Reconciliation is the ultimate goal and desire of most of the citizens in the WB, which is clearly demonstrated in the Balkan Barometer 2016 and 2017, where the relevance of regional cooperation was ranked very high.

Đuro Blanuša

Secretary-General of the Regional Youth Cooperation Office

I strongly believe and would like to encourage the new generation to take responsibility for the future of the region. RYCO is one of the most visible and tangible results of regional cooperation in the last few years and one of the success stories of the Berlin Process. It has an impressive list of achievements under its belt already. It is a good practical example of how the governmental and civic sectors can work together constructively, when the mechanisms are designed appropriately. Beyond the fact that true regional commitment, ownership, and political will have brought this initiative to fruition as the first institutionally anchored mechanism for youth exchange and cooperation in the region, civil society and particularly youth organizations have equally contributed to the process from the very beginning.

But it would be fair to say that the political context was different and more favorable back in 2014, when the Berlin Process was launched. At the same time, the fact is that the backsliding of democracy in the WB6 began long before 2014. The one thing that is clear is that EU membership remains the best option for the WB6, but without tangible outputs, Euroscepticism in the region will continue to rise.

Let's also ask ourselves what was concretely done by our governments and civil society? Have we maybe spent too much time on summits, conferences, brainstorming discussions, and recommendations that are not leading to concrete actions? As much as it appears like a low-hanging fruit, RYCO could serve as an example of good practice for future strategic engagements and investments in concrete projects. What makes RYCO a success story is communication (real, constructive, open, and efficient communication) and the goodwill to work together. Nowadays, it seems like there is a lack of proper coordination and exchange of ideas between our political elites. Last, but not least, the problematic narrative rooted in the WB (and beyond) is again on the stage. But despite many problems, there is still cause for optimism, since political leaders in the WB especially compared with the 90s, opted for dialogue and not for pointless confrontations. RYCO should serve as an encouragement and clear example that the region can work together and knows how to do it.

Peter Grk

Secretary-General of the Bled Strategic Forum

Regional cooperation between the countries of the Western Balkans is one of the most important benchmarks on the road towards full EU membership. This is a well-known fact, which holds in its simplicity a greater truth. What matters should not be mere participation within many (perhaps too many) regional initiatives, but progress in concrete cooperation, the fostering of people-to-people contacts, mobility, and reconciliation.

In this sense, the Berlin Process should be demystified as an overarching magic wand, which will solve all the issues in the region at once. The Process is a mechanism with a very specific aim – to (re)connect the EU and the region with economic, infrastructural, and energy corridors and at the same time to (re)connect countries of the region among themselves. This is not an easy task as it demands honest political will, enhanced cooperation, and adopting appropriate legislation, all with one goal – to achieve reforms necessary for sustainable economic growth.

Along with recognizing the concrete added value and importance of the Berlin Process, it should also be made clear that the initiative is not and should not be a substitute for the enlargement process: it only adds to the efforts of preparing countries for EU membership.

There is a fear that enlargement policy is slowly coming to a halt and that countries of the region are collateral damage to the internal struggles of the EU. The Berlin Process should remain a clear statement of the opposite: that the EU, despite uncertainties regarding its future is holding up its pledge of active and merit-based enlargement policy.

To conclude, as they would say in basketball, the ball is in the court of the WB region. Strengthened regional cooperation is crucial in order to enhance enlargement policy. The Western Balkans region must answer this call positively and actively to show the EU that its future has only one direction.

The Friedrich-Ebert-Stiftung in Southeast Europe

After more than two decades of engagement in southeastern Europe, the FES appreciates that the challenges and problems still facing this region can best be resolved through a shared regional framework. Our commitment to advancing our core interests in democratic consolidation, social and economic justice and peace through regional cooperation, has since 2015 been strengthened by establishing an infrastructure to coordinate the FES' regional work out of Sarajevo, Bosnia and Herzegovina: the Regional Dialogue Southeast Europe (Dialogue SOE).

Dialogue SOE provides analysis of shared challenges in the region and develops suitable regional programs and activities in close cooperation with the twelve FES country offices across Southeast Europe. Furthermore, we integrate our regional work into joint initiatives with our colleagues in Berlin and Brussels. We aim to inform and be informed by the efforts of both local and international organizations in order to further our work in southeastern Europe as effectively as possible.

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- Social Democratic Politics and Values
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