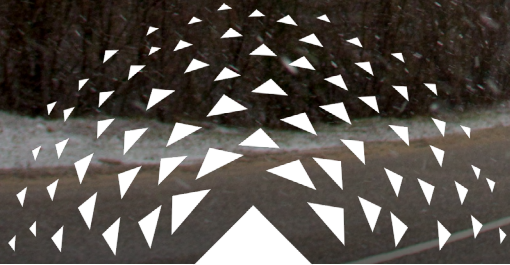
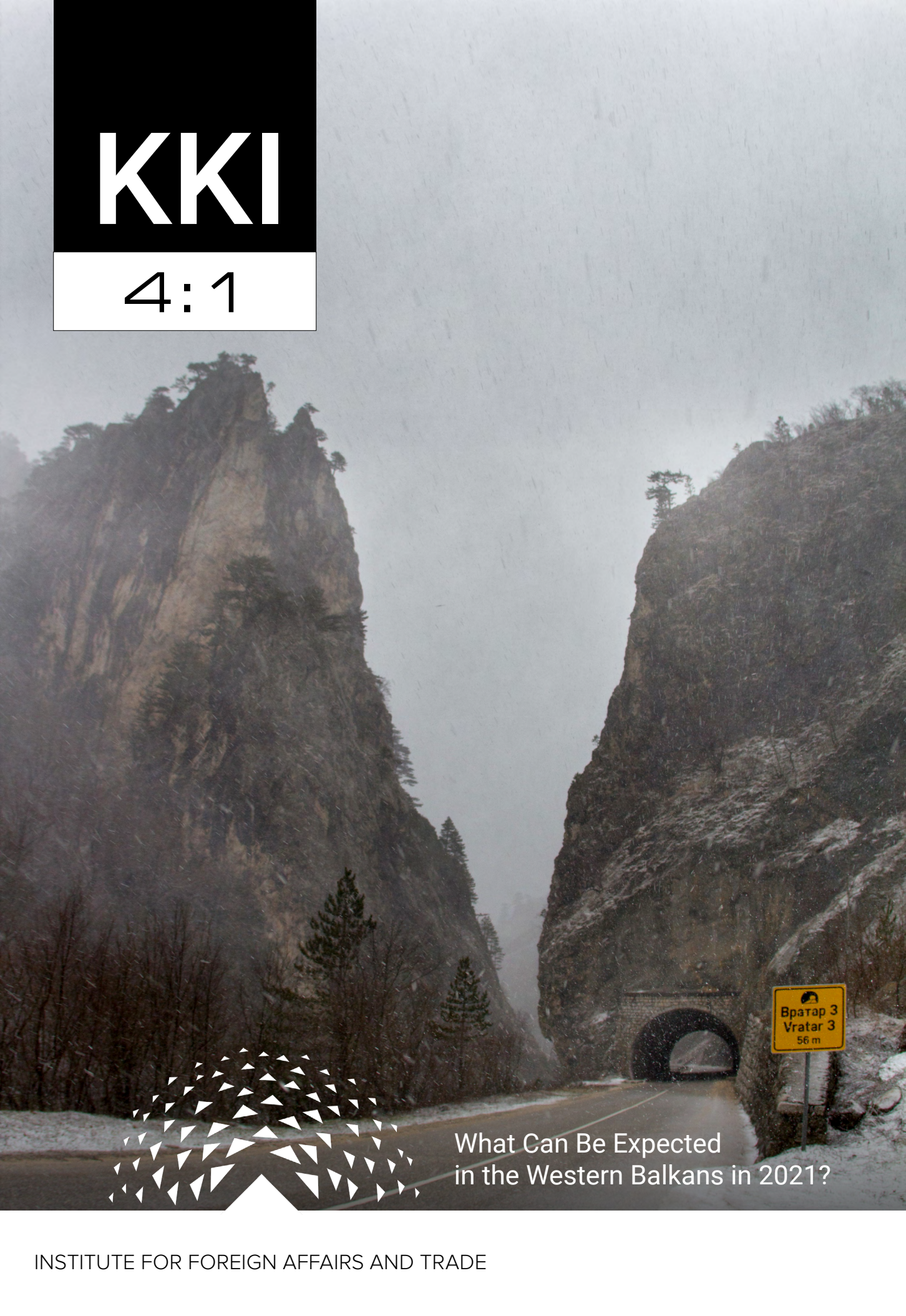


# KKI

## 4:1



What Can Be Expected  
in the Western Balkans in 2021?

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# KKI 4:1

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*In the 4:1 series of the Institute for Foreign Affairs and Trade, four researchers give a short answer to the same question concerning international politics and economics. Our aim is to launch the scientific debates in and beyond Hungary and to promote dialogue among experts. In this issue, our topic is: "What Can Be Expected in the Western Balkans in 2021?"*

## **PÉTER DOBROWIECKI**

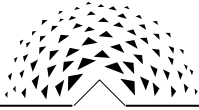
**M**ulti-sectoral handling of the effects of the COVID-19 pandemic, reformulated EU engagement, new and old bilateral disputes, domestic political strife – these are just some of the topics that will most probably dominate public discourse in the Western Balkans in the months to come.

The ongoing COVID-19 pandemic has deeply affected the Western Balkans. Regional economies are [projected](#) to contract by 4.8% on average (compared to 8.4% on average in the European Union), with Montenegro, Kosovo, and Albania affected the most. Economic recovery will be a question that will almost certainly overshadow everything else in the region. Following its somewhat slow response in Spring 2020, the EU has formulated the ambitious, [multi-layered](#) Economic and Investment Plan (2021-2027) for the region. An adequate, visible, and thorough implementation of the initial phase of the plan in 2021 will be crucial for the EU if it wants to successfully [implement](#) its reformulated approach and regain its somewhat lost prestige in the Western Balkans.

Russian [political](#) and Chinese [economic](#) interest in the region will continue to remain a thorn in the eyes of Brussels and Washington, and it might also significantly influence the Euro-Atlantic integration path of the states of the region. For the same reasons, international interest in the region will remain comparatively high. Coordinated US-EU involvement might be beneficial; however, it is not yet currently known along what lines the newly elected Biden administration might wish to conduct its foreign policy in the region – and whether it plans to follow-up on the Kosovo and Serbia economic normalization agreements signed last year (thereby indirectly stepping up against Chinese influence in the region).

The lifting of punitive tariffs on Serbian and Bosnian products by Kosovo and the restart of talks between Serbia and Kosovo in 2020 can be seen as small steps in the normalization process of the two countries, although a significant advance in the Belgrade-Pristina dialogue is less likely for a variety of reasons.

Bilateral disputes will continue to have a negative effect on the stability of the region. The ongoing [argument](#) between Bulgaria and North Macedonia regarding historical and cultural questions escalated further in November 2020, with Bulgaria opting to block the EU's talks with North Macedonia, halting the recently commenced accession process of the country. While the EU will most probably exert pressure on both parties to find a compromise, an eventual agreement might be hard to reach and can also have serious political implications for Skopje.



Domestic political instability will [plague](#) almost all of the region's states in 2021, with government and opposition forces interlocked in a constant state of dispute. The implementation of the ambitious [goals](#) of Zdravko Krivokapić's newly established government in Montenegro will most certainly be closely followed by many, as will the parliamentary elections in Albania and Kosovo. In the case of Kosovo, indictments by the Kosovo Specialist Chambers and Specialist Prosecutor's Office will further complicate the already disarrayed political landscape.

## **ANNA OROSZ**

Similarly to the year of 2018, 2020 also started with some promising momentum concerning the EU-Western Balkan relations: the [approval of the new enlargement methodology](#) and the [European Council's decision to open accession negotiations with North Macedonia and Albania](#) might have made some think that wheels have started to grind. However, the second half of the year cooled those spirits again. Despite the above-mentioned decisions and the support of the EU to the Western Balkans to fight the health-related and socio-economic damage caused by the pandemic, the EU has not left its comfort zone at a strategic level. Although the debate about the EU's next multiannual financial framework is over, and a deal about Brexit has been reached, the debate about the future of the EU is not over, and it is unlikely that the EU's appetite for new member states from the Western Balkans would increase in the coming years.

This will make it difficult for the EU to step up in a coordinated manner, even though it might seem less difficult to cooperate with the United States as Joe Biden becomes President. Bulgaria's vote against the negotiation framework for North Macedonia, as well as some member states' refusal to hold an intergovernmental conference for Albania, will further decrease the credibility of the EU in the region. This might be [one factor](#) that has motivated Germany to unilaterally push for the replacement of Valentin Inzko as High Representative in Bosnia and Herzegovina. It is not the first time that Berlin has launched its own policy towards the region as the EU framework weakens (as it happened with the Berlin process when the Juncker Commission was appointed). Nonetheless, the German intentions are still unclear regarding Bosnia and Herzegovina, and it cannot be taken for granted that the Western powers will finally take a united stand while other external actors like China and Russia stay and pursue their own interests.

Meanwhile the domestic political situation remains turbulent in the region. Kosovo is [facing snap parliamentary elections](#), as the Constitutional Court has found the recent government illegitimate, and this might result in a further strengthening of Vetëvendosje, the largest opposition party. Albania enters the new year among serious social tensions, [as a police officer opened fire and killed 25-year-old Klodjan Rasha in December](#), who refused to stop after being spotted outside his home during the COVID-19 curfew. In Montenegro, the [issue of the law](#)

[on religious freedom](#) is still a hot pot, while in North Macedonia the lack of progress in the EU accession process could pose further obstacles for reforms. These are just some issues that exacerbate the challenges that stem from the pandemic.

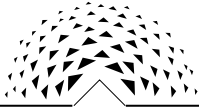
Although the Western Balkan countries were able to keep the infection curve relatively flat in the first period of the new coronavirus pandemic, after the summer season infection and death numbers increased dramatically. Consequently, the start of the next year will definitely be dedicated to fighting the pandemic as well as to vaccination strategies, although these are likely to be surrounded by some political debate. Kosovo has already [criticised](#) the Serbian government for providing vaccination to Serbs living in the four northern municipalities.

The success of vaccination is crucial for the region in order to avoid further economic decline and human losses. None of the countries can afford more financial packages to cushion the socio-economic impact of the crisis in the long run. On the other hand, a relatively fast recovery in 2021 would allow these countries to return to their former solid growth path, which is also indispensable for their EU integration process.

## *JULIANNA ÁRMÁS*

**A**fter the events of 2020, it may seem a bold undertaking to predict what can be expected in the Western Balkans in 2021. Last year's buzzwords for the region were 'turbulent' and 'unpredictable'; this was confirmed in part by the [parliamentary elections](#) in the region, albeit less in terms of the results and much more due to the coronavirus epidemic that shaped the events of the year. Given the political situation in the Western Balkans and the fact that the epidemic will continue to have a significant impact on 2021, we can set similar indicators for next year.

The turbulent political environment is reinforced by the [decision](#) of the Constitutional Court of Kosovo which declared Avdullah Hoti's appointment as prime minister in June invalid. It should be noted that since its independence in 2008, no Kosovo government has been able to fulfil its mandate, and this political chaos is not conducive to a positive perception of the country. The German pro-enlargement EU Council Presidency has also failed to make progress on Kosovo's [visa liberalization](#), although the country has been meeting the EU requirements. It will also be worth paying attention to Albania, where [parliamentary elections](#) will be held in April according to the electoral law amended in 2020 and unilaterally adopted by the Albanian Assembly. However, the evaluation of the electoral reform, also called for by the EU, is not straightforward: it can be interpreted more as an attempt by current prime minister Edi Rama to save power because with transferable seats the Socialist Party currently in power can gain the majority of the seats. It is unlikely that the reform, which only deepens political polarization, will help Albania hold its intergovernmental conference in 2021. In light of the latest news, no progress is expected during the Portuguese EU Council Presidency.



When it comes to intergovernmental relations, it is always worth paying attention to the Belgrade-Pristina dialogue, especially now that the dialogue, which had been considered “frozen”, has been relaunched with the [appointment](#) of Miroslav Lajčák as the EU Special Representative, and the high-level negotiation forums are expected to continue in 2021. Although these developments can certainly be interpreted in a positive context, the [lack of political will](#) from the parties suggests that no major breakthrough in dialogue is expected in 2021, despite the promising statements.

Remaining at the bilateral level, the credibility of the European Union has received a great deal of attention and has once again been called into question by Bulgaria’s [veto](#). The veto referring to historical issues and language is a painful step backwards after the Prespa Agreement for North Macedonia, and it sends a negative message to the entire Western Balkans that an EU Member State can easily block accession talks on the basis of bilateral issues. It is no surprise that the last summit of the Berlin process, which will be hosted by Germany in 2021, is [expected](#) to end the matter at the latest and launch the intergovernmental conferences.

Following the setbacks of 2019, last year has brought significant progress in EU-Western Balkan relations, not only by the adoption of a new enlargement methodology but also with the [announcement](#) of the opening of accession talks with North Macedonia and Albania, as well as the [Economic and Investment Plan](#). However, the evaluation of these decisions and the expectations for 2021 are twofold: the long-awaited decisions made during the coronavirus epidemic are significant, but they are political declarations, given that the substantive start of negotiations had already been conditional. It is telling that in 2020 [none of the countries](#) were able to hold their first intergovernmental conferences: Albania has not fulfilled the respective conditions, while North Macedonia could not start because of the above-mentioned Bulgarian veto. Significant progress in the enlargement process is not expected in 2021 due to the negative developments in 2020 on the one hand and the less forward-looking country reports on the other. Dealing with the coronavirus epidemic and [economic recovery](#) will remain higher priorities for the Western Balkans than meeting the requirements for EU accession. The European Union can maintain its credibility, which has often been called into question, by helping to combat the epidemic in the region: as an important initial step, the European Commission [announced](#) on 28 December that the Western Balkan countries will get early access to COVID-19 vaccines courtesy of an aid package worth 70 million euros.

## **FERENC NÉMETH**

**T**he expression “to be continued” adequately summarises how 2021 is looking for the Western Balkans. Although the region will most likely be occupied with the pandemic, one cannot ignore the unresolved issues of the countries

and the increasingly complicated process of EU integration, both inherited from previous years. In the midst of these new and age-old problems, it is doubtful whether we can look to the next twelve months with optimism.

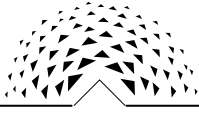
Although the pandemic caught the region off guard, in the beginning it seemed that the Western Balkans and the EU could still seize the [momentum](#) and [move on](#) with enlargement. By the second half of 2020, however, this renewed enthusiasm from both sides lost steam as new (political) obstacles [had emerged](#). In the end, the much-awaited German EU Council Presidency fell short and [could not deliver](#) tangible results for candidate countries.

It is safe to say that enlargement will not be easier in 2021 – on the contrary. The process itself will remain slow-paced due to volatile political developments in the region and the lack of consensus among EU Member States. [Bulgaria's veto](#) can especially set a dangerous example if identity politics were to become reasons for blocking candidate countries' EU aspirations. As the reluctance of some Western European countries towards enlargement is unlikely to change, we cannot anticipate major breakthroughs this year, either. Portugal will be occupied with the (economic) recovery of Europe, and as a result, only limited achievements can be expected in the second half of 2021, when Slovenia [takes over](#) the EU Council Presidency.

Despite the epidemic, last year was all about elections, and we can prepare for a few more. Early on, Albania, Kosovo, and Bulgaria will hold parliamentary elections that may bring political deadlocks for several months. Moreover, it is questionable if the new governments in North Macedonia and especially in Montenegro and Slovenia can survive for more than a year. As a result, the political landscape around the region remains shaky, Serbia being the only exception. The country, however, must deal with the [ever-growing criticism](#) towards its government as well as the stumbling block known as the Belgrade–Pristina dialogue. As for the latter, bilateral issues – just like those between Bulgaria and North Macedonia – cannot be solved overnight in 2021, either. Albeit courageous attempts by the US and EU, the normalisation talks between Serbia and Kosovo are set to hit several (old) obstacles, including the establishment of the Association/Community of Serb Municipalities.

Although the pandemic has taught us to expect the unexpected, some aspects will stay the same in the Western Balkans. The region remains at the crossroads of great power influence, initiatives for regional integration ("[a mini-Schengen area](#)") will be up to volatile political willingness, and structural problems (rule-of-law, demographic decline, corruption, and organised crime) will once again be overshadowed by nationalist politics.

The coronavirus, like elsewhere, will surely be the number one issue on the political agenda throughout the year. Given the economic fragility of the Western Balkans, the generous pandemic-related economic benefits/policies will not be sustainable in the long run. The need for economic recovery could lead to heightened competition for foreign investments; external actors in this regard can increase their already existing influence. Moreover, the coronavirus will further



magnify structural problems (for instance, the poor state of healthcare systems and brain drain). Dissatisfaction with state institutions, possible austerity measures, and scepticism over vaccination might also increase rifts between citizens and governments.

Next year will definitely be challenging for the Western Balkans. As the region needs to face old problems such as bilateral issues, structural problems, and EU integration (or the lack thereof), mitigating the economic impacts of the coronavirus cannot be overlooked. The to-do list, as a result of the pandemic, has just got longer: the region must strengthen its economy, get over the recent blows of EU enlargement and the shockwaves caused by (renewed) bilateral issues, as well as focus on structural reforms. If uncertainty was the [buzzword](#) for 2020, the new year should be more about recovery.