

# Deal or No Deal? Observations on the Balkans' Regional Economic Area Negotiations

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## Abstract

This paper examines the ongoing metamorphosis of trade regimes among Non-European Union Western Balkan States by analyzing the ongoing negotiations for the Regional Economic Area, insight into the intentions of the European Union's Commission, The Russian Federation, and the respective Balkan States. The paper more specifically looks at the feasibility of the Western Balkan Regional Economic Area being implemented and the ramifications it will have on the European Commission's strategy of European Union expansion.

This paper analyzes the potential European Union (EU)-backed customs union for the non-EU Balkan States. Currently, Albania, Bosnia and Herzegovina (BiH), Kosovo, Macedonia, Montenegro, and Serbia are seeking accession to the EU. Since the early 1990s, the region has been rocked by violence and political instability; many policymakers see the region's integration into the EU as a means to resolve these issues. EU expansion into the region has been explicitly frozen under the Juncker Commission, but Balkan leaders have been pushing to continue the process of reforming their governments and economies in the expectation of eventually joining.<sup>1</sup> One such measure was the Regional Economic Area (REA) proposed by Serbian President Aleksandar Vučić at the Western Balkans Summit in Trieste, Italy. The REA would be a customs union for non-EU Balkan states.<sup>2</sup> As of now, all parties have agreed to the REA in principle, but Albania and Kosovo have signaled that they have reservations about the customs agreement.<sup>3</sup> Despite this, EU policymakers have indicated that they are supportive of the creation of the REA as long as the agreement is being negotiated between the Balkan states and without external mediation from the EU.

Due to the history of instability in the region and the linkage between the possible REA and further EU expansion into the Balkans,<sup>4</sup> it is puzzling that the EU would have such a hands-off approach to the REA. Why are EU policymakers accepting Balkan multilateralism as a mechanism for further European integration in the Western Balkans? One possible explanation is that European policymakers do not believe that the Balkan states are capable of forming the REA and are looking for an excuse to further delay EU expansion into the region. Another possibility is that the EU believes the Balkan states to be capable of finalizing the REA, and that its successful completion would bring the Western Balkans significantly closer to being in compliance with several of the EU accession chapters that are currently unfulfilled. The EU might also simply view the completion of the REA as a way to reduce growing Russian influence in the region.

The first hypothesis will be analyzed by briefly reviewing the history of multilateral initiatives in the region post-Yugoslavia. Special attention will also be paid to states' membership in trade agreements within the region, including with EU Member States. Findings suggest that while multilateral projects have not always been successful throughout the region, there exist enough cooperation and preexisting trade linkages that the formation of the REA is possible if the political will of the negotiating parties is present.

The second hypothesis builds upon the first but pays close attention to current expectations in regard to the eventual institutional makeup of the REA. Since there were no preexisting drafts of any agreements public at the time this article was written, conclusions reached for this hypothesis should be considered weaker. Regardless, based on the evidence available, findings suggest that the EU Commission believes that the REA will bring the region closer to EU accession requirements.

The third hypothesis examines the reemergence of Russia in the Western Balkans. EU policymakers might simply be using the REA as a tool to try to mitigate further expansion of Russian soft power. From the perspective of the Balkan States, negotiating with the Russian government and Russian firms can be more appealing than working in tandem with the EU. Pan-Slavism is a predominant ideology in the region and agreements with Russia tend to have far fewer stipulations. Findings for this hypothesis suggest that, while the Pan-Slavic sentiment is a

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<sup>1</sup> Alexe, "The Juncker Commission," September 9, 2014; "Balkans Summit Declaration," July 13, 2017.

<sup>2</sup> Sekularac, "Balkan States to Create Regional Economic Area," July 6, 2017; Muminović, "What Was Discussed," August 29, 2017.

<sup>3</sup> Ibid.

<sup>4</sup> European Union External Action, "Balkans Prime Ministers' Meeting," August 25, 2017.

powerful rhetorical device, Balkan governments will try to conclude favorable deals with both the EU and Russia simultaneously. If pressed, however, they would prefer to align with the EU.

## H1: The EU is using the REA as a method to further delay EU expansion in the Balkans

### *Section I: Multilateralism in the Balkans*

Multilateral negotiations for the Western Balkans region can be perceived as having begun with the establishment of the Kingdom of Yugoslavia. Talks were not being held on a state-to-state basis. Instead, communication was happening between nations. During the First World War, the exiled government of the Kingdom of Serbia reached an agreement with the Austro-Hungarian controlled Croats and Slovenes to form a greater kingdom.<sup>5</sup> With the allied victory in the war and a collapsing Austro-Hungarian Empire, the coalition seized the opportunity to form a Slavic Kingdom separate from the control of other governments.<sup>6</sup> While the peaceful agreement of the three nationalities was a notable accomplishment, it came without the consultation of many minority communities in the new kingdom, including those of the Bosniaks and the Macedonians.<sup>7</sup> Additionally, the sovereign Kingdom of Montenegro would become annexed by the Kingdom of Yugoslavia under dubious circumstances.<sup>8</sup> Only Albania would remain outside of the new kingdom.

Later on, despite a lack of multilateral consensus building in the Federal Republic of Yugoslavia, President Josip Tito made great efforts to account for all populations and demographics, leading the state to be considered a great success in regard to balancing multiple national interests with those of the state.<sup>9</sup> From his death in the 1980s until the beginning of the Balkan Wars in the 1990s, centralized decision-making broke down and was being dominated by Serbia.<sup>10</sup> The Serbian position of prioritizing its own interests or crowding out other nations through strict adherence to centralization has been credited as one of the central reasons behind strong desires of the other nations inside of Yugoslavia to seek their own independent states.<sup>11</sup>

The Balkan Wars broke down the ability of the newly sovereign states to negotiate with each other. Communication and understanding were impaired to the point that outside actors had to become involved with the negotiation to bring peace to the region. The European Community (EC) tried to intervene to bring peace but failed to act decisively enough to remedy the situation.<sup>12</sup> American intervention proved to be a deciding factor, and the resulting Dayton Accords helped to bring about the recognition of Croatia, BiH, and the Yugoslavian rump state.<sup>13</sup> Macedonia and Montenegro both eventually left Yugoslavia peacefully through referendums in 1993 and 2007 respectively. Kosovo went on to fight another war and became a UN-controlled mandate in 1999. It then received its controversial independence in 2008, which is still today not recognized by Serbia nor many other states.

The EC/EU's efforts in rebuilding trust in the Western Balkans post-conflict were instrumental in the recovery of the region.<sup>14</sup> Their efforts also helped to build pathways for cooperation. Through negotiating low-level security and economic agreements, "Europe" let its

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<sup>5</sup> Mazower, *The Balkans: A Short History*, 110.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid., 120.

<sup>8</sup> Ibid., 110.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Pešić, "Serbian Nationalism," 2-11.

<sup>12</sup> Percy, "Death of Yugoslavia," 1995.

<sup>13</sup> Ibid.

<sup>14</sup> Braniff, *Integrating the Balkans*, 79-84.

presence be felt in the region.<sup>15</sup> Slovenia and Croatia eventually joined the EU as members, and despite modern-day EU reluctance to further expand membership, all states in the region have indicated a strong desire to become members and have begun discussion of accession in some capacity with the EU Commission.

When it comes to multilateral efforts, concerns about Serbian dominance are emphasized much more loudly than EU-Western Balkan negotiations at the regional level.<sup>16</sup> This is completely logical considering the perceptions of Serbian aggression throughout the wars. Even with the EC's failure in brokering a peace deal to end the wars, it remained highly active in the peace and state building processes in the region following the conflict and has developed a noticeable degree of respect.

Outside of alleviating mistrust for Serbia, another challenge facing the Western Balkans is the historic exclusion of Albania. While it would be presumptuous to claim that the Albanian government had wanted to be included in greater Yugoslavia at any point in time, there exists the modern expectation that they cooperate with other states in the region to economically integrate. Due to the friction between Albania and Serbia over Kosovo, political efforts to increase cooperation between the two have been challenging. However, these two states have been increasingly cooperating, making it easier to view the long-term stability of the region optimistically.<sup>17</sup> It seems as though concerns should not be about how the EU plans to interact with the region, but about how to continue to create a cooperative atmosphere among all the Western Balkan states.

### *Section II: Preferential Trade Agreements in the Balkans*

An important landmark agreement for the Western Balkans post-Dayton is the adoption of the Central European Free Trade Agreement (CEFTA). CEFTA was established by former EU candidate countries such as Poland and Hungary to offer free trade preparation to states working toward integration into the EU.<sup>18</sup> Today all aspiring Western Balkan states are party to CEFTA. It should be viewed as an important step in abiding by the EU recommendation to establish free trade agreements (FTAs). Through the 2005 Zagreb Agreement, states party to CEFTA agreed to join or abide by World Trade Organization (WTO) standards, establish free trade with other CEFTA Member States, and abide by EU Association agreements.<sup>19</sup> Bilateral trade integration was managed through the Stability Pact for South Eastern Europe (1999-2008) and the Regional Cooperation Council (2009-Present).<sup>20</sup> Through these efforts, nine individual bilateral FTAs were created in the region, establishing a web of economic integration with EU oversight.<sup>21</sup> As these states were increasing their regional tethering, they were also negotiating Stabilization and Association Agreements (SAAs) with the EU through its European Neighborhood policy.<sup>22</sup> Working on both FTAs and SAAs simultaneously helped ensure that Balkan policymakers were building agreements that would be compliant with EU standards.<sup>23</sup>

While bilateral agreements have done a lot to increase cooperation between Balkan states, CEFTA and perhaps the REA have proven to be important assets given recent regional events. Despite recent improvements in the Kosovo-Serbia relationship, Serbia's nonrecognition

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<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> Kušić and Grupe, "Intra-regional Cooperation in the Balkans," 10.

<sup>18</sup> Handjiski, *Enhancing Regional Trade Integration in Southeast Europe*, 18.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> Kathuria, *Western Balkan Integration and the EU*, 25-27.

of Kosovar sovereignty means that a bilateral agreement would be a political and economic impossibility. CEFTA, however, allows the two states to coordinate trade relations in spite of the issue of recognition.<sup>24</sup> CEFTA has also been extremely useful for Montenegro. Upon independence, Montenegro lost all of its FTAs. CEFTA allowed for a smooth transition into the establishment of new trade customs.<sup>25</sup> Albania and Kosovo are the only states that have publicly expressed any reservations about the REA. These reservations might indicate significant levels of concern in both states that the Serbian economy will crowd out their own domestic markets. This dynamic will be discussed further in the paper.

### *Section III: Summary*

While the EU has not always successfully intervened in the Balkans, it has made its presence felt through a commitment to assist in the political and economic process of liberalizing the region. Despite the European Commission stalling further EU expansion into the region, the Balkan states are still actively engaging the EU. By expanding CEFTA, the EU was able to extend a political lifeline of economic integration and development in the region in such a way that it could avoid politically sensitive topics, such as Kosovo's independence. While the EU might hold reservations on the candidate state's current ability to accede, the level of investment in the region indicates that the EU has confidence in the probability of successful accession. The post-Cold War relationship between the EU and the Western Balkans signals that the EU Commission is not using the REA as a means to delay for future accession to the EU.

## **H2: The REA is a step toward upholding EU guidelines for accession**

### *Section I: Perception of the REA*

According to a memo released in July of 2017, the European Commission perceives the REA as:

an area where goods, services, investments, and skilled workers can move without obstacles. It will scale up the market available to potential investors in the region: access to almost 20 million consumers from a single base and opportunities to create value chains across borders will boost Western Balkans' economic attractiveness, also taking advantage of trade relations with the EU.<sup>26</sup>

In practice, the Commission expects the further development of trade integration through additional CEFTA protocols in addition to opening up a regional investment agenda.<sup>27</sup> These initiatives would create a market of 20 million consumers and would lead to an increase in foreign direct investment (FDI), resulting in greater access to value chains throughout the region.<sup>28</sup> However, the most important claim the commission makes is that it will be more aligned with EU policies by adopting the REA.<sup>29</sup>

The commission expects the governments of the Western Balkans to negotiate this amongst themselves, with the EU engaging with and supporting negotiations but not mediating

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<sup>24</sup> "Kosovo and Serbia Sign 'landmark' Agreements," August 26, 2015.

<sup>25</sup> Kathuria, *Western Balkan Integration and the EU*, 25-27.

<sup>26</sup> European Union and European Commission, "MEMO/17/1967," July 12, 2017.

<sup>27</sup> *Ibid.*

<sup>28</sup> *Ibid.*

<sup>29</sup> *Ibid.*

them.<sup>30</sup> Serbia was the first to formally propose the initiative, but there is hesitation from the Albanian and Kosovar governments over such a proposal.

In December of 2017, a roundtable by the Kosovar Think Tank Group for Legal and Political Studies organized a panel discussing the implications of the REA on Kosovo's economy. Notable members of the government were in attendance, including Deputy Prime Minister Fatmir Limaj. The discussion focused on the risks associated with the possible introduction of customs regimes within the REA and the implications for the Kosovar economy at a time when EU enlargement is frozen.<sup>31</sup> The panel also discussed the perceived damage that CEFTA has had on the economy and the skepticism that certain leading figures in government have in regard to the supposed positive effects on the economy. Limaj stated that accession to the REA is an important step for the development of the economy and that a strategic approach to reducing negative effects while capitalizing on the positives should be Kosovo's approach to negotiating the REA.<sup>32</sup>

### *Section II: Priority Areas for Successful Policy Making*

In the Western Balkans 2017 development policy report released by the World Bank, emphasis was placed on four different pillars: “(1) trade, investment, and capital markets, (2) skills, innovation, and market mobility, (3) digital markets, and (4) infrastructure of the REA.”<sup>33</sup> While all pillars are important in the context of building a successful REA agreement, concerns raised by Kosovo and Albania are primarily held in the first pillar, and by addressing concerns in this portion, the creation of policy on the remaining measures should flow naturally. The first pillar highlights the need for increased efficiency of production, which could be expedited through economic integration. By liberalizing macroeconomic policy, the removal of obstacles to entrepreneurship could lead to increased effectiveness of the state, a larger and more developed human capital pool, and increased connectivity and fluidity stemming from increased regional integration. While this is a rather strong claim, it is logical to expect some benefits from economic integration at the regional level simply because entering scaled markets should lead to benefits from international trade spillovers.<sup>34</sup> While not a direct reference to Albania and Kosovo's concerns about Serbian dominance, the suggestions for increasing the robustness of competition policy and opening up regional financial services could protect domestic industries while creating lines of capital for small and medium-sized enterprises.<sup>35</sup>

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<sup>30</sup> Ibid.

<sup>31</sup> Group for Legal Political Studies, “Roundtable on the Regional Economic Area,” December 8, 2017.

<sup>32</sup> Ibid.

<sup>33</sup> *Western Balkans: Regional Economic Integration Issues Notes*, Table of Contents.

<sup>34</sup> Ibid., 1-8.

<sup>35</sup> Ibid.

H3: The EU is trying to block a reemerging Russia in the Western Balkans

*Section I: Russian Economic and Cultural Soft Power in the Balkans*

Until the EU sanctions and dropping of energy prices in 2014 and 2015, the Russian government and its affiliated state-run companies were becoming increasingly involved in the Balkan region. In 2009, Macedonia and Serbia were solely reliant on Russian-owned Gazprom for domestic energy consumption.<sup>36</sup> The Russian government uses its energy exports as leverage on other countries, as exemplified by its previous energy disputes with Ukraine and Belarus in 2006 and 2007.<sup>37</sup> Still, a complete analysis of the region cannot be given just from the energy sector. Some states have diversified their economies or are completely independent of Russian energy.<sup>38</sup> As a brief introduction to Russian economic relations in the region, a review of imports and exports between Russia and the Balkans in tables one and two will serve as a brief analysis of overall Russian engagement in the region. This will be compared to EU trade in the region. Despite high Russian activity, results show that EU trade activity is comparatively larger by a significant amount.

**Table 1**

Russian Bilateral Direction of Trade Statics with Balkan States														
	Exports (USD millions)							Imports (USD millions)						
	2009	2010	2011	2012	2013	2014	2015	2009	2010	2011	2012	2013	2014	2015
<b>Albania</b>	54	54	58	88	50	81	67	4	4	8	9	13	22	12
<b>Bosnia</b>	139	320	570	677	695	554	231	23	36	51	57	59	76	72
<b>Macedonia</b>	2	20	32	24	4	59	59	44	55	80	69	71	90	83
<b>Montenegro</b>	59	31	68	30	18	30	27	2	3	4	7	9	6	3
<b>Serbia</b>	272	242	507	743	854	1020	850	358	568	881	965	1120	1104	786

**Table 2**

EU Bilateral Direction of Trade Statistics with Balkan States														
	Exports (USD millions)							Imports (USD millions)						
	2009	2010	2011	2012	2013	2014	2015	2009	2010	2011	2012	2013	2014	2015
<b>Albania</b>	867	1092	1422	1489	1489	1506	1178	2949	3055	3519	3088	3401	3600	3077
<b>Bosnia</b>	2457	2986	3738	3489	3916	4012	3519	6043	6120	7276	6824	6983	7347	6183
<b>Macedonia</b>	1680	2149	2886	2465	2882	3632	2292	2769	3010	4652	4767	4964	5574	5016
<b>Montenegro</b>	199	250	380	243	207	158	126	978	934	1122	1041	1084	841	1072
<b>Serbia</b>	4757	5922	7259	6989	9266	9574	8785	9544	9800	11514	11568	12732	12992	11347

Source: Data from IMF, “Direction of Trade Statistics,” Yearbook.

<sup>36</sup> Ibid.

<sup>37</sup> Blinick, “Pipeline Diplomacy,” 122, 126.

<sup>38</sup> Ibid.

The data in tables one and two indicate that, while Russian imports and exports play a notable role in the Balkans, Russia still cannot compete with the EU in terms of a trading market. Consumers prefer Western goods over Russian goods. Furthermore, the EU and its partner countries' imposition of sanctions against Russia has hurt its trade relations across the board. Data also suggest that while Russian cultural appeals and other rhetorical tactics have some effect on perceptions of reality, the European Union is still more active in the realm of market activity. The EU needs to review how it handles public relations in order to create a proper understanding in places such as Serbia, where strong misconceptions of Russia and the EU exist.

As previously indicated, it is a common Russian tactic to use appeals of shared cultural heritage to allow for closer ties with states in the region. But this is not always the case, as seen in Albania and Kosovo. Both are Muslim-majority states that have strained relations with Russia. Kosovo fought against Russia-supported Serbia in the 1999 war, and Albania was one of the staunchest supporters of Kosovo due to it being a majority-Albanian province in the Serb-dominated union. Considering the heavy emphasis placed on cultural unity and orthodoxy within Pan-Slavic sentiment, there are no significant cultural overtures that Russian actors can appeal to in Albania and Kosovo.

Russia has seen much success, though. Their appeals to cultural brotherhood have been appealing to ethnic Serbs.<sup>39</sup> This has led to a symbiotic relationship between Serbia and Russia where they both play a role in each other's foreign activities.<sup>40</sup> For example, Serbian nationals are heavily implicated in the Montenegrin Coup attempt,<sup>41</sup> and Russia has been supportive of *Republika Srpska*. Macedonia also has strong ties with Russia. While cultural rhetoric is not utilized in an official capacity, there is still a recognition of shared cultural heritage between Macedonians and Russians. This has led to Russia supporting the Macedonian government during the Albanian insurgency and contributes to Macedonian's reliance on Lukoil for energy imports through pipelines.<sup>42</sup>

BiH and Montenegro display high levels of Russian activity with mixed results. *Republika Srpska* is backed by Serbia and Russia and enjoys enough political leverage to block BiH's attempt to join NATO. Maintaining this status quo for Bosnia and Herzegovina is ideal for Russia. Supporting the Bosnian Serbs requires Russian activity but is not very challenging since they eagerly accept the idea of cultural brotherhood with Russia. Montenegro has presented greater challenges and has elicited stronger responses from Russia such as the alleged coup attempt.

Despite its small size, Montenegro has been an area in which Russia has displayed high levels of activity. It is the newest member of NATO and has made measurable progress in its EU accession negotiations. This is problematic for Russia, as Montenegro's membership signals NATO's complete control of the northern Mediterranean.

Russia utilizes Pan-Slavic cultural diplomacy through centers stationed inside of Montenegro as well as Serbia. Pro-Russian parties, Orthodox churches, non-governmental organizations, business groups, and media outlets serve as proxies for attempting to prevent Montenegro from joining NATO.<sup>43</sup> Through these organizations, Russia has funneled approximately 20 million USD to fund anti-NATO campaigns. One of these organizations is the Moscow-run Balkan Centre for International Cooperation. Its stated goal is to preserve Christianity in the region, but it attempts to link this issue with NATO accession.<sup>44</sup> As the

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<sup>39</sup> Szpala, "Russia in Serbia," 1.

<sup>40</sup> Ibid.

<sup>41</sup> Tomovic, "Rigged Anti-Serbian Trial," October 17, 2017.

<sup>42</sup> "Bulgaria, Macedonia do feasibility study," November 23, 2017.

<sup>43</sup> "Moscow Is Regaining Sway in the Balkans," February 25, 2017.

<sup>44</sup> Ibid.

Montenegrin government continued to ignore these proxies and the requests of high-level Russian officials to reconsider, Moscow attempted to get its hands dirty. In late 2016, the Montenegrin government uncovered a Russian-backed coup attempt that has recently led to the indictment of 15 people, with many of them having strong links to Russia.<sup>45</sup> This demonstrates that, while Russia's preferred method of acting in the region is through soft power tactics, there is a willingness to resort to more blunt and violent tactics if needed.

There is no doubt that Pan-Slavic rhetoric from Russia can have political weight in certain areas of the Western Balkans, but the large amount of trade between the Balkan states and the EU compared to that with Russia is a signal to the power of the market. For example, while many Serbs might believe it is Russia who is their greatest partner, the government understands that the EU has a net exports figure ten times higher than that of Russia.<sup>46</sup> This is one of the most significant indications that the Balkan states are beginning to pivot completely toward the EU over Russia.

### *Section II: Economic Profit as the primary motivator*

Ideally, states would be able to engage with both the EU and Russia without any major consequences. But as the EU and Russia increasingly treat their relationship as a zero-sum game, Western Balkan states are forced to decide which party to engage with. It is clear that there is a strong preference to have closer ties with the EU over Russia. Albania, Kosovo, and Montenegro have joined in with the sanctions on Russia in response to the Crimea crisis. And while BiH, Serbia, and Macedonia have not, they still have more reasons to align themselves with the EU than with Russia. Even Serbia has given signals that it would further align itself with the EU at the cost of closer relations with Russia. A statement made by the Serbian Prime Minister in 2017 signaled that Serbia would give up its special relationship with Russia for the European Union if only one path could be chosen.<sup>47</sup> While Russia has proven through its involvement with the Montenegrin coup attempt that it plans to combat (or at least resist) EU incursion into what it traditionally considers its backyard, Montenegro's accession into NATO and its government's rejection of Russia in favor of joining the EU have made Russia appear as though it is losing its grip on the region. This is perhaps because Pan-Slavic sentiment or European values do not motivate states. Instead, they are motivated by what they believe will best provide prosperity for themselves and their citizens. And in that case, further cooperation with the EU over Russia at this time would be the only logical expectation.

### **Conclusion**

The first hypothesis introduced multilateral initiatives in the region beginning with the creation of Yugoslavia during the First World War and examined current trade deals. Evidence indicates that, while multilateral projects have not always been successful for the region, there exists enough cooperation that formation of the REA is possible if the political will of the negotiating parties is present. The second hypothesis built on the first but paid special attention to current talking points regarding what the REA is expected to be comprised of. Evidence suggests that the EU Commission believes that the REA will bring it closer to EU standards. The third hypothesis examined the reemergence of Russia in the Western Balkans, and its strengths and vulnerabilities inside of the region. EU policymakers might simply be using the

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<sup>45</sup> Tomovic, "Rigged Anti-Serbian Trial," October 17, 2017.

<sup>46</sup> "Serbia's cooperation," 13-14.

<sup>47</sup> Savic and Filipovic, "Serbia Will Choose EU Over Russia," July 3, 2017.

REA as a tool to try to mitigate further expansion of Russian soft power; it seems that their current policies of sanctions are having some success in blocking Russia from further profiting off of the region. But perhaps none of this really matters, as it is quite possible that governments are not motivated by normative values such as liberalism or Pan-Slavism. Instead, they are looking out for their national interests by assessing who is most willing to contribute to their economic development. While states will always try to work with both actors if possible, they will give preference to the EU since it is in their best interest to do so.

In sum, evidence suggests that the EU is continuing to use its traditional normative tactics to bolster its influence in the Balkan region. While they might be using the carrot and stick tactics more than they did with Central and Eastern Europe, they must have cemented the idea that there is a strong possibility for these states to join the EU in the future if they continue to abide by protocols. The governments of these countries are just as aware of their histories as academics are; they know that the region has been the key to ensuring to stability of Europe as a whole.<sup>48</sup> And with the ever-increasing migrant issues emerging from the Middle East and North Africa, having strong states in the geopolitically transient Balkan Peninsula can only aid the rest of Europe no matter what policy measures the EU decides to enact in response to migrant issues.

While it is likely that integration into the REA and the EU is a desirable political goal to achieve for Western Balkan governments, the EU cannot take its political and economic leverage for granted. If aspiring member states do not see the light at the end of the tunnel soon, they may begin to waver in their belief that they will ever be able to achieve membership. While many policymakers are starting to believe this to be true, the future prospects of EU expansion will not become clear until the end of Juncker's tenure as President of the European Commission and the beginning of a new administration in 2019. Until then, Balkan leaders should continue to work steadily toward developing the REA and other EU benchmarks in the hope that one day they can accede to the EU.

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<sup>48</sup> "Albanian Premier says," February 20, 2015; Hopkins, "Modest expectations for Western Balkan integration," July 7, 2017.

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