Mapping the Western Balkans and the state of democracies in transition: a social democratic perspective

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INTRODUCTION

In 2014, the European Forum for Democracy and Solidarity (EFDS) asked an expert panel[1] to produce a mapping report on the state of transformation in the Western Balkans and the role of social democratic parties in that process. The group was asked to assess the role of external partners in the WB.[2] It was also recommended using the pattern of the mapping done by the EFDS on the Eastern Partnership countries.[3] The European Forum also had earlier positive experiences with study groups and publications on EU enlargement and democracy in the Central and Eastern European region.[4] For a more general social democratic position on the best political approach to the region we refer to an excellent paper of the S&D European parliamentary group.[5] In this document the Group reiterated its support for the EU accession process in the region, but also emphasised: "The integration of the Western Balkans into the EU can only be successful if the at times painful reforms will be perceived by the citizens as being necessary and as bringing political, economic and social progress. It is the duty of political parties to act as intermediaries between the people and the state. It is therefore their responsibility to explain the reforms and to anchor the idea and values of the EU among political leaders, in the country's administration as well as in broader society. The reforms, the modernisation of these countries and societies should be first assumed as a purpose per se at national level - while it stays with the normal progress. The accession to the EU is just a catalyser, providing incentives, know-how, etc."

And before further introducing the actual context of the study, it is good to repeat the general conclusions of the European Commission Enlargement Strategy for 2017 since they represent the position of the EU institution responsible for the accession process: "Built on strict but fair conditionality and the principle of own merits, it (the accession process) continues to drive transformation and modernisation in the partner countries in an overall challenging environment. Stabilisation through such transformation is in the EU's own interest. The Commission's focus on "fundamentals first" has delivered results on the ground and the reform processes are moving forward overall, albeit at different speeds. Given the complex nature of the necessary reforms, it is a long-term process and shortcomings persist in a number of key areas. Reforms are needed in the areas of rule of law, fundamental rights, democratic institutions and public administration reform, as well as on the economy, and the elected institutions need to move them forward for the benefits of their own citizens. Economic reforms and a strengthening of the rule of law produce mutually reinforcing benefits. Good neighbourly relations and regional cooperation are essential parts of the enlargement and Stabilisation and Association processes. Further efforts are needed to overcome bilateral disputes, which

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1. The EFDS was founded after the return of democracy in Central and Eastern Europe in the beginning of the 1990s by the SI and the PES. Its aim was and is to strengthen the role of social democracy in that region through training, fact finding and topical seminars. It is financially supported by the PES, FEPS, national social democratic parties and foundations.
2. The panel consisted of: Othon Anastasakis (UK), Alba Çela (Albania), Kalinka Gaber (Macedonia), Tonči Kursar (Croatia), Hannes Swoboda (Austria), Jernej Pikalo (Slovenia), Danijel Tadić (EFDS), Jan Marinus Wiersma (EFDS). Tanja Fajon, Knut Fleckenstein, Kati Piri, members of the S&D Parliamentary Group, and representatives of EFDS affiliated social democratic parties and foundations participated in (some of) the work visits and seminars.
3. The (social) democratic map of Eastern Europe, South Caucasus and Central Asia. EFDS, 2012.
4. EU enlargement anno 2012. A progressive engagement. Hannes Swoboda, Ernst Stetter and Jan Marinus Wiersma (eds), Brussels, 2012. Problems of representative democracy. Jan Marinus Wiersma, Ernst Stetter and Sebastian Schublach (eds), Amsterdam, 2014.
5. S&D paper: PROPOSALS FOR A S&D POSITION TOWARDS THE WESTERN BALKANS AND THEIR 'EUROPEAN PERSPECTIVE', 2015.

must not hold up the accession process. The WB6 cooperation in the Western Balkans continues to play an important role in this context, including through the Berlin process."[6]

Main themes

The panel first met in Korčula, Croatia, in order to refine the main questions underlying the project and to prepare for the work visits. Three main themes and related questions were identified:

1. *An analysis of the transformation of the SEE region in recent years*:
   Is there a setback when it comes to rule of law and fundamental rights? Has the prospect of EU membership led to sustainable progress? Which variables contribute to the fact that some countries perform better than others?

2. *An analysis of the state of social democracy and of the social democratic parties*:
   What is the state of social democracy in the region? What has been the role of social democratic parties in reforming and modernising their countries? How did these parties develop over the years (also with regard to internal party democracy and party fragmentation)? How do they function? Are they an engine for societal change and sustainable development? Are they a credible alternative to nationalist and populist forces?

3. *An analysis of the role of external actors in the SEE region*:
   What has been the role of the EU? Does it lack a comprehensive strategy towards the region with regard to democracy and the rule of law? What has been the role of European social democrats and political foundations?

In 2015 and 2016 the expert group visited BiH, Kosovo, Macedonia, Albania, Montenegro, Serbia and Croatia. The fact finding missions provided the substantive basis for the country reports in this publication and for the introductory, thematic and concluding chapters. Of course we also looked at material from other sources such as the EU (progress) reports. Since the panel had extensive contacts with the local social democratic partners their roles get more attention, but the expert group made sure to meet also other parties and representatives of the media, think tanks and civil society. The project was concluded with a seminar in Slovenia organised by the expert group in order to finalise the publication. A mapping like the one undertaken by the EFDS expert group can never be complete - not all issues could be covered and the WB environment is changing all the time. This is why at the end one will find some recommendations on how to follow up on this exercise. The views expressed here are those of the individual authors and not of the EFDS or its partners. We want to thank the S&D Parliamentary Group for its active support to the project.

If this report is sometimes critical, it should not be interpreted as disengaged. The expert group supports the European integration of the region. But this can only be moved forward successfully when the shortcomings are openly analysed and dealt with. Many problems that confront the region are not unique and can also be found inside the EU. That awareness should underline that we are in it together.

The context in brief

One important motive for commissioning the mapping report is the slow transformation in an number of areas and persistent problems with the rule of law, human rights and the development of sustainable multi-party democracies in (parts of) the Western Balkans region. In all of the meetings this was indeed a central

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6. Brussels, 9.11.2016 COM(2016) 715 final. Communication from the Commission to the EP, The Council, The European Economic and Social Committee and the Committee of the Regions, 2016 Communication on EU Enlargement Policy.

theme. What explains the poor condition of their economies – and the lack of social cohesion – and the middle income trap they might end up in? An Albanian journalist presented the concept of 'transitocracy': the permanent state of transition of not moving forward nor backward in terms of reforms. He saw it as a way of explaining the role of elites in some of the WB countries - to the detriment of the proper development of the rule of law and an example of a lack of understanding or acceptance of the 'European values' that in principle determine the relations with the EU. The volatility of the electorates in some of the countries is seen as an expression of a lack of political stability partly created by the frustrations about the outcomes of the democratic processes. Nationalist and populist parties profit from that mood. Politics is still very much top-down with male leaders adopting authoritarian styles. On paper gender equality is promoted, but seldom is it translated into practice. A winner-takes-all mentality blocks the introduction of more informal and participatory democracy. Parties are vehicles for leaders and the interests they represent and not seen as a value in itself with internal democratic rules.

With the exception of Kosovo, parties linked to the SI and the PES have played and play an important role in the Western Balkans and in the EU-oriented reform processes. Though social democrats have generally adopted a positive and progressive role in modernising their societies, they have not been able to completely escape the problems mentioned above. They have been frontrunners in tackling organised crime – one of the big problems of the region – but not always leading in the fight against corruption. Also they have been (a sometimes negative) part of party political confrontation and polarisation, even boycotting parliaments. More than others they have promoted intra-party democracy with referendums on the leadership and so on but personality clashes and conflicting interests have also resulted in party splits. In many of the countries that were visited social democracy has had problems in creating a distinct identity and a separate brand. By adopting liberal economic agendas it is sometimes seen as just representing elite interests. Some of the parties have a communist past which still makes them suspect in the eyes of many voters. Left in general is still often identified with communist.

The Western Balkans are not just any number of neighbouring countries. They share a common heritage of being once under the same roof: Serbs, Croats, Slovenes, Kosovars, Bosnians, Montenegrins and Macedonians, Albania being the odd one out. The collapse of Yugoslavia and the internecine wars of the nineties drastically changed the regional landscape. And the resulting wounds have not healed yet - within and between the new republics. Reconciliation is a slow and complex process with drawbacks, as nationalist emotions - often misused by the political elite - regularly come to the surface. It has not always been possible to produce sustainable multi-ethnic political structures. Tensions remain – within BiH, between Serbia and Croatia, Serbia and Kosovo, between Macedonia and Greece. Where once people and goods moved freely now borders create blockages. The resulting lack of economic and infrastructural interconnectivity impedes the economic development of the region as a whole.

External actors have played an important role in the region during the last 25 years. NATO, the UN and OSCE have all been involved in settling (violent) disputes and promoting stability. Achieving that has not been simple and maintaining it remains a priority of the international community even if this sometimes means making the democratic process subservient. NATO is still present militarily and the EU is partly governing BiH and Kosovo. Some blame the international partners for the present unsatisfactory state of democracy and rule of law in the region. They are being accused of intervening too much locally, thereby limiting the capacity of the local elites to run their own affairs. That together with the substantial amounts of donor money has created a dependency that makes it more difficult for some countries to function properly and independently. At the same time there is criticism of the weak conditionality of the support given by the EU. Somewhat contradictorily, it leads to the claim that the EU should have put more pressure on the national politicians to reform. While NATO has so far only included Slovenia, Croatia and Albania, the EU has taken considerable responsibility by offering membership to all countries. Slovenia and Croatia have joined already.

Negotiations are under way with Montenegro and Serbia. Macedonia and Albania have candidate status and BiH and Kosovo are potential candidates. There are doubts, however, whether this accession process will proceed without interruptions. The EU will not take in any new members before 2019, addressing popular concerns about enlargement. Talks have toughened with a heavy emphasis on the negotiating chapters 23 and 24. These deal with rule of law issues where substantial steps are still to be made in a context where there is a certain reform fatigue. The nature of the process, the slow progress and the waning image of the EU also have a negative overall impact. Other parties such as Russia and Turkey try to exploit this to increase their influence.

As to the role of the international social democratic family it is appropriate to repeat here the relevant conclusions of the S&D Group paper quoted earlier: "Contribute, in these countries and as well in dialogue with partners from other political families at European level, to building up the political consensus at national level on the issue of EU accession. That will lead to sustainable measures internally, in these countries, on the path towards accession, irrespective of the governmental changes and developments".

Nevertheless, for the time being the strong orientation on the EU remains – amongst the populations and within the political elite although the popularity figures have fallen lately. There is still an awareness that this is the only framework that offers scope for living apart together in the 21st century.[7]

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Country reports

Albania

After having been the most isolated country in Europe, Albania transformed and opened up in the early 1990s. In 2016 it is an EU accession candidate hoping to start accession negotiations in 2017. While its long-time Stalinist dictator Enver Hoxha forbade Albanians to drive cars and to travel, built over 700,000 bunkers to prepare for external invasion, Albania's current Prime Minister Edi Rama (Socialist Party of Albania, SPA) is often perceived as one of the most progressive political leaders in South-East Europe. Painter, artist, basketball player and 2004 World Mayor of the Year, Rama is a highly esteemed guest in the region, Brussels and beyond. He has introduced high and strict gender quotas within SPA and the government, while many young people obtained important positions in the public sector. The transformation Albania has made seems obvious. At the same time critical voices consider - and deeper analysis shows - the country as a democracy without properly functioning rule of law or even as a 'transitocracy': transition as a more or less permanent system of functioning.

In the 2013 parliamentary elections the progressive SPA-led Rilindje (Renaissance) coalition toppled the authoritarian rule of Sali Berisha (Democratic Party, DP) by obtaining 57.7% of the votes. SPA leader Rama was appointed prime minister. Despite a smooth transfer of power, deep polarisation, that left its marks on society, between the DP and the SPA continued. This political antagonism – the fact that political parties do not except each other's legitimacy – is hampering Albania's economic and social development. As all societal issues are politicised, citizens are losing faith in formal politics, political parties and institutions. National Democratic Institute research shows that less than 20% of respondents state that they would join a political party in order to change things – figures we might find also in other European countries. Political polarisation has been blocking the badly needed justice reform that is a condition to opening up EU accession talks. While government and opposition agree on the European path, they disagree on how to get there and are not always eager to strengthen the rule of law which could endanger the interests of the national and local ruling elite. As one of the experts we met in Tirana noted: "At the moment we don't have an independent general prosecutor. We just have somebody that the two main parties feel comfortable with, while we need somebody they both feel uncomfortable with." It is indeed polarisation, the weak rule of law, widespread corruption and organised crime that the European Commission always mentions in its (progress) reports as key challenges for Albania. At the June 2017 general elections SPA won convincingly by obtaining 48.3 percent of the votes (74 out of 140 seats). Prime Minister Rama's party now has a convenient majority without their former coalition partner Socialist Movement for Integration who's leader Ilir Meta has been appointed President of Albania by the parliament.

With regard to media freedom, progress has been made in investigative journalism. At the same time the media landscape has been polarised along political lines and the media serves as an amplifier of political parties in an environment that is increasingly dominated by fact-free politics. Issues and policies are hardly discussed in the public debate as the entertainment discourse overshadows real issues. Albania ranks 82nd (out of 180) on the Reporters Without Borders media freedom list, performing better than Kosovo, Macedonia and Bosnia-Herzegovina.

How do social democratic political parties operate in the circumstances described above? Although a left-wing ruling coalition has governed between 2012 and 2017 (SPA and the Socialist Movement for Integration (LSI) that is trying to change the parties internally and change politics and society, critics argue that the left in Albania – and the region – is experiencing an ideological setback. Generally, political parties are easily influenced by tycoons and interests groups as they lack a vision and long-term policies. In addition, social democratic parties are struggling to deal with critical voices and opposition within the party as well as from the outside. Hopes were high that with the new generation of charismatic and pragmatic leaders the parties would open up internally and externally, but this process is slow and often one step forward and two steps back. Yes, it is good news that SPA went through a radical reform process last year: a change of the statutes and the organisational structure and a tremendous increase of young people and women becoming active in the party structures and the introduction of the one member one vote principle. At the same time the party leans strongly on its leader who has strengthened his position by changing the party statutes on leadership: as long as the SPA leader is prime minster, party leadership elections do not have to be held every four years. According to a critical SPA MP, the party leadership organised a referendum the outcome of which could easily have been 'managed' by the party leadership. Lack of internal debate on the role of the leadership and internal party politicking could lead to fragmentation within the party, something we have witnessed among social democratic parties in Serbia, Bosnia-Herzegovina and Montenegro. In order to prevent fragmentation clear mechanisms that create space for critical voices should be established. Finally, political parties should set a clear example when it comes to transparency, accountability and integrity. In this respect, unconditional support from sister parties from the EU is sometimes lacking, one of the experts noted during our visit to Tirana.

Geo-strategically NATO member Albania is considered an important player in the region as a majority Muslim pro-Western country. Prime minister Rama argues that radical Islam and Russia are major challenges for Albania and the region. There are too many Albanians fighting alongside ISIS in Syria and Iraq and in Albania there is certainly political room to start a nationalist Islamic party. Russia and the threat of radical Islam are often used by the ruling elite in their encounters with EU partners as arguments to speed up EU integration. The message from South-East European leaders is that the EU has to show more interest in the region. After all, it is not only in Albania's interest to join the EU, but it is in the EU's interest to have a peaceful, stable and integrated Western Balkans, they argue. Regional leaders often present themselves as the partner to lead the accession process, arguing that the alternative is either a nationalist or a religious option. In reaction to this, the EU is willing to turn a blind eye to Albania's internal dynamics that might, according to critical voices, undermine the rule of law and democracy in Albania. The good news is the growing number of progressive citizens movements (for example the environment movement protesting against waste import) that manage to mobilise citizens, pressure the government and reach out to international partners when democracy, the rule of law and fundamental rights are being undermined.

Bosnia-Herzegovina

The Dayton Peace Agreement (DPA) signed in 1995 to end the war in BiH, determined the Bosnian constitution. As a result, the political system is complex and inefficient. The country is composed of two political entities, Republika Srpska (49 percent of territory) and the Bosniak-Croat Federation (51 percent of the territory). In addition, the Federation is divided into ten cantonal units. BiH is a highly decentralised state with a mixture of a parliamentary and presidential political system. Each political unit has its own governing body, accumulating to 700 elected state officials and more than 140 ministers. As a result, the state system claims approximately 60 percent of the state budget. The EU High Representative, Austrian diplomat Valentin Inzko, is working with the institutions of Bosnia and Herzegovina, reports to the UN on the situation in the country and is the highest authority within BiH. Below, the Federation of BiH will be referred to as F BiH and the Republic Srpska will be referred to as RS.

The DPA entailed the ethnification of political life and society. The solutions for the country's many challenges therefore lie with politics, while at the same time the political arena has not proved to be the right place to move the country forward. Moreover, critics argue that the political elites have an interest in maintaining the status quo: based on their ethnic profile and nationalist agenda they keep winning elections, remain in power and control the (public) resources. Change in BiH has to come from the bottom-up (citizens and civil society) and top-down (the international community).

In 2014 the popular appetite for social change manifested itself in mass protest in the Federation. The trigger for them was the closure of privatised companies and the resulting loss of many jobs. The spontaneous workers' protest reflected widespread discontent with politics, political corruption and the economic situation. In the aftermath of these demonstrations people on the streets started organising themselves in so-called Plenums (open parliaments of citizens) which, to a certain extent, proved to be a new democratic instrument. This bottom-up platform for change succeeded, amongst other things, in forcing the government of the Tuzla canton to resign. Independent experts with no political affiliation set up a new local government in consultation with the Tuzla Plenum. The Plenums, however, lacked the political vehicle to achieve sustainable change.

In October 2014 BiH citizens, again, voted along ethnic lines. The Bosniak majority in the Federation voted for the conservative Bosniak Party of Democratic Action (SDA), the Serbs in RS voted for Milorad Dodik's nationalist Alliance of Independent Social Democrats (SNSD) and Croats for the conservative Croatian Democratic Union (HDZ), the party that objected to the Croat member of the BiH rotating presidency because he was not a 'real' Croat candidate, meaning not from their ranks. The multi-ethnic Social Democratic Party (SDP) and Democratic Front (DF, a SDP split-off) got 10% and 13% of the votes respectively and ended up in opposition.

The two Western Balkans states that are a de facto protectorate of the international community, Kosovo and BiH, are lagging behind in the EU integration process compared to their neighbours. BiH has not been able to implement reforms that would move the country further towards EU accession, the political elite having an interest in maintaining the status quo. The constitution that is based on ethnic division and the unwillingness of the political elite to change it have proved to be a major obstacle. As a result, the EU's strategy for the country changed from reform-related conditionality to the socio-economic challenges it faced. A written commitment to reforms by the BiH institutions and leadership led to the Stabilisation and Association Agreement (SAA) entering into force in June 2015. In February 2016, the country submitted its application to join the EU. These seemingly important international steps forward are contradicted by the divisions on the ground and the war-time rhetoric of political leaders. The lowest point so far was reached in 2016 with a controversial referendum about a national holiday that RS President Dodik initiated as a test for a referendum on independence, openly suggesting that BiH as a country has no future. Furthermore, Dodik's ruling Serbian SNSD is supporting the ruling Croatian HDZ in their demand for a Croatian entity, while the ruling Bosniak SDA sees this as a proof that Croats and Serbs want to divide BiH, something they say will not, and cannot, happen in a peaceful way. It is this dynamic that puts all issues in an ethnic frame from which the ethnic parties profit. Even if citizens know the party of their choice is corrupt and will bring no change to their socio-economic position, they tend to vote for it based on its ethnic profile.

Such a political environment leaves little room for manoeuvre for multi-ethnic parties. In the 2010 general elections the multi-ethnic SDP got 25% of the votes at the state level after a successful campaign focused on economy, education, health care and social policy. Consequently, in the FBiH and at the state level the SDP could either remain in opposition or form a ruling majority with nationalist parties. It opted for the latter, which led to disappointment among its voters as the promised policies were not (fully) implemented. In addition, SDP vice-president, and at that time member of the BiH Presidency Željko Komšić, decided to leave the party after disagreement with party leader Lagumdžija. He established the Democratic Front (DF)

which obtained 13% of the votes in the 2014 general elections which saw SDP support decreasing from 25% to 10%. The election loss was the catalyst of the SDP's internal party reforms: long-time leader Lagumdžija resigned, party statues were changed (one member one vote) and many new, often young people obtained a position within the party. More importantly, SDP joined a progressive platform with labour unions, civil society, journalist, academics and left-wing parties (among which the DF) that aims to closely cooperate on progressive issues and come up with a clear agenda for the 2018 general elections. By step-by-step opening up to outside influence and leaving room for other actors to guide the progressive platform SDP BiH is an exception in the region. These rather small steps in changing the political culture indeed take time and effort by political leaders and political parties, who should however set an example by strengthening internal party democracy and fighting political corruption and nepotism. After all, political parties and their leaders are agents of change in the political process and should be at the forefront when it comes to enhancing internal party democracy.

Croatia

In July 2013 – 22 years after declaring independence from Yugoslavia – Croatia joined the EU as its 28th member state, exemplifying the European perspective of the countries in the region. On the one hand, EU membership is bringing structural economic advantages: exports have surpassed imports for the first time in 20 years and Croatian entrepreneurs are profiting from opportunities the common market is offering. On the other hand EU-related reforms and cuts in public spending demanded by the EU have proved to be highly challenging for the country. In addition, it has not been easy for the administration to make effective use of EU funds. The democratisation process of Croatia has been successful with regard to institution building, but a democratic culture is lacking.

In September 2016, not even a year after the November 2015 parliamentary elections, citizens of Croatia went to the polls after the coalition between the conservative Croatian Democratic Union (HDZ) and the conservative religious MOST (Bridge of Independent Lists) collapsed. The failed HDZ-MOST coalition was however not punished in these elections - after a leadership change in the HDZ - and formed a new government. The HDZ rose from 59 to 61 seats (out of 150) and MOST fell from 19 to 13. However, the coalition failed again to form a stable government as MOST withdraw its support after Prime Minister Plenković fired MOST's ministers. Narrowly HDZ-led government managed to survive a vote of no confidence as the opposition liberal Croatian People's Party (HNS) supported the government. Analysts argue, however, that fresh polls can be excepted. The Social Democratic Party (SDP), in power between 2011 and 2015, won 54 seats and ended up in the opposition. Moreover, the election of the new party leader Davor Bernardić led to internal divisions that could lead to party fragmentation.

The yet to be completed painful transition from the planned economy and communist rule of the former Yugoslavia to a free market economy and the implementation of liberal economic policies as part of the EU integration process have cooled down enthusiasm for the EU. In addition, Croatia joined a Union that is facing many internal and external challenges that are also affecting its popularity. However, it was also emphasised during our meetings in Zagreb that small and medium-sized enterprises are starting to discover the advantages of the EU market, which has led to a significant fall in unemployment, especially among young people (from 45% in 2014 to 28% in 2016).

From a rule of law and democracy perspective Croatia's case is a serious test of the resilience of the democratic institutions of new member states. As a result of joining the EU, monitoring of the implementation of justice reforms has ended. The new laws in these areas are being implemented to a certain extent, but there is less incentive to really push ahead. Comparable to developments in Poland and Hungary – and due to the fact that the EU lacks adequate mechanisms to protect democracy and the rule

of law in its members states – the new nationalist conservative government has put pressure on independent media outlets and critical civil society. Some seventy journalists lost their jobs, and progressive university lecturers fear for their position.

The revival of cultural conservatism containing elements of authoritarianism is reversing the positive change in democratic culture. There is another, more worrying, dimension: the return of nationalist rhetoric and the rewriting of (war) history. "We have not been able yet to deal with the fascist past during WW II, nor with the crimes committed during Socialist Yugoslavia, let alone with the crimes committed during the 90s", one of the political analysts told us during our meetings. With their statements and actions the conservative government and the powerful catholic church - an influential bishop said he can't forgive a president who condemned the fascist past - have contributed to divisions in society by attempting to rewrite history. While civic education in schools is crucial in dealing with the past, conservative religious currents are blocking much-needed curriculum reforms, framing a false choice between patriotism and human rights.

The Social Democratic Party (SDP) had the difficult task to guide the country during the economic crisis and at the same time implement EU-related reforms. Despite low polling numbers, SDP ran a successful campaign, narrowly losing to the HDZ in the 2015 general elections. The SDP won 56 seats and HDZ 59. The failure of the HDZ-MOST coalition offered an optimistic outlook for the 2016 snap poll. The SDP, however, did not manage to improve its popularity, winning 54 seats. The party was still being criticised for failing to implement social democratic policies. Some left-wing and minority voters blamed the party for not having been forthright enough in containing nationalism. On the positive side, the SDP has improved internal party democracy (introduction of the one member one vote principle and opening the party to outside influence) and has had – taking into account the South-East European context – a relatively smooth leadership transition. The party is trying to improve cooperation with civil society and trade unions. Policy-wise, the party is considering introducing a new tax on capital, raising income tax and value added tax, a new tax on interest on big savings and a new law that forbids banks to increase interest on private loans, as important achievements. The former SDP-led government has promoted liberal and progressive policies in the social-cultural sphere. When a referendum organised by catholic groups scuppered the legalisation of gay marriage, SDP adopted a separate law on same-sex civil unions.

Croatia managed to fulfil the ever stricter accession criteria and join the block, where support for enlargement had already declined considerably. As with previous accessions, the Croatian case again confirms that joining the EU is not the end of the journey. The fight for stronger democracy and the rule of law has to be continued and is not only an issue in Croatia.

Kosovo

"Nobody is allowed to beat you", a high-ranking official of the Serbian League of communist Slobodan Milošević told a Serbian crowd in Kosovo in April 1987. This statement – directed at the Serbian minority that complained about the mainly Albanian provincial Kosovo police – boosted his popularity and Milošević was elected president of Serbia. The 'anti-bureaucratic revolution' that followed, centralised power in Belgrade, taking away powers from the Kosovo province. This was contrary to the 1974 constitution that had broadened the powers of the Yugoslav republics and provinces. In 1991, the Kosovo Liberation Army (KLA) was formed and in 1995 it started targeting Serbian law enforcement in Kosovo. The increased presence of Serbian militia fighting the KLA escalated to a war that began in March 1998 and ended in June 1999 after NATO bombed Milošević's army and strategic military targets in the Federal Republic of Yugoslavia. In 2008, Kosovo unilaterally declared independence from Serbia and has since been recognised by 114 (out of 193) UN member states. Serbia, Russia, China, but also five EU members states have not (yet) done so.

Hopes were high that the international community could do a better job in Kosovo after the war than it did in Bosnia and Herzegovina: guide Kosovo in establishing a modern constitution that would transform the country into a multi-ethnic state that protects fundamental rights and strengthens the rule of law. This transformation has been far from smooth, however. In 2017, Kosovo is ethnically divided, corrupt, with a weak economy and a political environment that is strongly determined by decisions originating from Washington and Brussels. The Kosovar political elite consists mainly of former KLA fighters who lack sufficient political ownership as the real kingmakers are Western diplomats. After the 2014 parliamentary elections, for example, the opposition agreed to form a coalition and end the long-running rule of the Democratic Party of Kosovo (PDK). However, for the sake of stability and after Western interference a coalition with the PDK was eventually formed that would continue the political dialogue with Belgrade. This outside meddling undermines the accountability of elected local leaders. It is indeed corruption and the lack of local political ownership that have caused the success of the pro-Albanian opposition Self-Determination Movement (Lëvizja Vetëvendosje!). Wrapping itself in the Albanian flag Vetëvendosje has succeeded in mobilising the young urban vote, winning recent local elections in Pristina and gaining 14% of the votes in the 2014 parliamentary election and 27% in 2017. The movement wants stronger ties with Albania – and possibly unification – and to annul the Brussels agreement between Belgrade and Pristina of 2013. To make their point clearly and loudly, Vetëvendosje members have set off tear gas grenades in the parliament building and organised protests that turned violent. At the same time the movement is the only relevant political party that has made serious work of formulating (social) policies. In general, ideology and policy are not an issue and not publicly debated in Kosovo. Most parties operate in a very pragmatic way doing whatever is needed to hold on to power and protect the resources of their interest groups. The ruling PDK (34% of the votes with their coalition partners) of president Hashim Thaçi and the Liberal Democratic Party (LDK, 26% of the votes with their coalition partners) of former prime minister Isa Mustafa are the best examples of that. Preliminary 2017 polls have so far not helped solving the political crisis. While international actors see a coalition that includes Vetëvendosje as a danger for stability and dialogue with Belgrade, PDK and LDK coalitions seem unable and unwilling to form a government again.

The EU presence in Kosovo was institutionalised in the European Union Rule of Law Mission (EULEX) that has around 3200 police and judicial personnel, making it the largest mission deployed by the EU. It focuses on providing support to rule of law institutions and has executive positions until the transition of these powers to local authorities is completed. EULEX has been criticised for not having laid the proper foundations of a system capable of fighting corruption, though its poor performance is also blamed on the grip of organised crime on the political elite and on state structures. A recent EU report concludes that the mission should be reformed or withdrawn.

With regard to the EU integration the Stabilisation and Association Agreement (SAA) between the two has entered into force in April of 2016 and aims to identify common political and economic objectives with a particular emphasis on regional co-operation. The latter has been of special importance to Kosovo and Serbia who have been pressured by the EU to normalise their relations. It was agreed to deconstruct Serbian parallel security structures in northern Kosovo by establishing a unitary Kosovo Police force that would operate throughout the whole territory of Kosovo. In addition, an Association of Serb Municipalities (ZSO) – municipalities with a Serb majority – was to be established as the authority in the areas of economic development, education, health and urban and rural planning. Although the agreement has been ratified by the Kosovo parliament, opposition representatives argue that it is unclear where this EU brokered agreement actually will lead to. They fear the creation of a new Republika Srpska, a Serb-dominated entity that threatens the sovereignty of Kosovo Republic.

The Brussels agreement has caused further polarisation on Kosovo's political scene. The political debate is completely dominated by the negotiations with Belgrade and by status issues, while other pressing problems in the economy or concerning the rule of law are being neglected. At the same time, the Brussels agreement

itself has not yet been fully implemented. The dominant discourse among Serbs in northern Kosovo is that Albanians are frustrating the process, and demand that the EU push harder. As the dialogue between Pristina and Belgrade has stalled, provocations between the two countries have increased. A Serbian train decorated with flags and slogans such as 'Kosovo is Serbia' was stopped at the Kosovo border, while Kosovo has unilaterally started registering and privatising former Yugoslav state property as property of the Republic of Kosovo.

The internal and external tensions have de facto re-established Kosovo as a state with one overriding issue: its status. Other political issues and the ideological debate in general have become marginal in public and within political parties. It might actually be argued that there are no left-wing or right-wing political parties worthy of those labels since they all operate exclusively for the interests of their clans. Insofar as the role of the left in the country is debated, it is often framed as anti-Albanian. However, when visiting Pristina we got the somewhat contradictory message that the pro-Albanian Vetëvendosje is seen by some as the most social democratic option.

Nine years after its declaration of independence Kosovo's transformation towards a more stable and functioning multi-ethnic state that protects fundamental rights and upholds the rule of law has not been a success. Of course, the signing of the Brussels Agreement between Pristina and Belgrade in 2013 and, with that, the improved relations, are important for the stability in Kosovo and the region. It goes without saying that initiating the SAA with the EU in 2014 and the upcoming visa-free travel for Kosovo citizens are of crucial importance. However, despite the fact that Kosovo is a young democracy with a young and promising work force, much more could have been achieved in terms of the rule of law and fundamental rights. In order to move forward, the country should also focus on developing the economy and creating jobs. Otherwise more and more Kosovars will start voting with their feet or out of frustration will opt for radical solutions.

Macedonia

For a long time Macedonia has been considered a relative success story in the WB region: no major conflicts, a fairly successful state-building process and no territorial issues. After years of showing dedication to the Ohrid Agreement – the 2001 peace deal between the Macedonian government and ethnic Albanians – and implementing reforms, the country was granted EU candidate status in December 2005. To illustrate: neighbouring Serbia got its candidate status in 2012 and Albania in 2014. However, despite UN mediation, the long-standing name dispute with Greece has held up the EU integration process - and NATO membership - as Greece has vetoed opening accession negotiations. It is during these talks that the EU has the most leverage and influence promoting structural and sustainable reforms – for example on the rule of law and fundamental rights – in a candidate state. In addition, the ruling conservative VMRO-DPMNE party of Nikola Gruevski that has been in power between 2006 and 2017 abused the lack of progress in the accession process to establish an authoritarian regime and embark on a nationalist identity-building adventure. Defending its activities with the slogan 'at least we built something' the government invested hundreds of millions of euros in building marble Greek-style statues, fountains and buildings, turning the capital is something close to a theme park.

The combination of a lack of European perspective and resurgent nationalism has proved to be a serious threat to democracy and stability in Macedonia, witness the election manipulation and fraud, the control over the judiciary, the weakening of the rule of law and media freedom, a non-functioning parliament and growing dissatisfaction among the Albanian minority. Political instability peaked in April 2016 with mass street protests ('Colourful Revolution') after president Ivanov pardoned all politicians facing criminal investigations in a wiretapping corruption scandal. In 2015, opposition leader Zaev (Social Democratic Union, SDSM) accused Gruevski and the secret police of wiretapping over 20,000 people, including

ministers, opposition politicians, journalists, judges, foreign ambassadors and activists. The Special Prosecution Office (SJO) led the investigation into the wiretaps and pressed charges against high-ranking government officials, including the prime minister and the interior minister.

The protests united Macedonians and Albanians in a call for higher living standards, a fight against corruption and an end to the Gruevski rule. Pressured by the EU and the US Gruevski agreed to step down and call early elections. The EU-mediated Pržino Agreement between ruling parties and the opposition determined furthermore that SDSM would take part in the transition government that was to prepare free and fair elections. Main conditions were to establish an independent public broadcaster and to clean the electoral register of deceased voters and fake names, which was a major challenge.

The implementation of the Pržino Agreement proved to be very challenging and the early elections were postponed to December 2016. Gruevski's party remained the largest with 39% of the votes, whichtranslates into 51 (-10) seats in parliament. The SDSM improved its result by winning 38% of the votes or 49 seats (+15). The Albanian parties Democratic Union for Integration (DUI) with 10 seats (-9) and newcomer Besa with 5 seats hold the key in the formation of new government that needs 61 seats for a majority. Surprisingly the Albanian parties, under pressure from Albanian prime minister Edi Rama (Socialist Party of Albania, SPA), managed to put their sharp differences aside and develop a joint agenda of Albanian interests in Macedonia, such as adopting Albanian as an official language. Acceptance of this common platform has been set as a condition to both VMRO-DPMNE and SDSM for any coalition with an Albanian party. President Ivanov gave the mandate to Gruevski who tried but failed to form a government. After the next party in line to form a government, the SDSM, provided signatures of a majority of MPs supporting their option, Ivanov refused to hand over the mandate to SDSM leader Zaev. Ivanov argued that the coalition around Zaev would endanger the stability and sovereignty of Macedonia. This has further deepened the political crisis. In the end the EU and US strongly pressured Ivanov to respect the majority of the parliament and let the SDSM form a government. Finally, six months after the elections SDSM formed a government with Albanian parties. Hopes are high with appointment of Zaev as Prime Minister. At the same time resources are limited. With the struggling economy it will be challenging to implement left-wing socio-economic policies. On short term progress can be made with regard to EU integration (blocked for years by Greece due to the name issue), human rights and press freedom. International actors should show strong support in achieving these goals.

A closer look at the SDSM and how the party has developed in recent years offers hope for social democracy in Macedonia. Although some citizens still see it as an elite party with a socialist past – which has a negative connotation – the SDSM has managed to reshape its ideology and policies. Internally the party is trying to shake off a top-down authoritarian structure. Importantly, the SDSM is reconnecting with civil society and Albanians. During the 'Colourful Revolution' the SDSM smoothly joined and supported the protests without trying to take over ownership of it. The party succeeded in framing itself as the party of all citizens that are willing to stand up against a corrupt government and demand a better future and a decent living standards. New members have joined the party, some of them ethnic Albanians, which is a new phenomenon in an ethnically divided Macedonian society. Its policy development is increasingly oriented towards fighting inequality, transparency in public spending, justice and the rule of law, fundamental rights and freedom of the media. The SDSM organised meetings with experts and civil society activists which, together with protests, promoted a positive activist mood in and around the party and produced the best performance in the 2016 December elections since 2002.

The coming years will be an important test, but also an opportunity to further modernise the party. Can the SDSM in government set an example in changing the Macedonian political culture of confrontation, clientelism and winner-takes-all mentality? Can the party contribute – despite the lack of resources – to transforming the economy and improving living standards? Certainly, opening EU accession negotiations

will be challenging, but could give a boost to modernising Macedonia and strengthening democratic institutions with proper checks and balances. The EU and its strategy and engagement with regard to Macedonia will be of crucial importance to restore the country from political and social instability and authoritarian rule to the regional success story it once was.

Montenegro

Having managed to peacefully survive the 1990s wars that led to the disintegration of Yugoslavia, Montenegro's politics and society were determined by the relations with and independence from Serbia. In 2006, a majority of 55.5% voted in favour of independence, narrowly passing the official 55.5% threshold. Now, in 2017, Montenegro is in the process of EU accession - talks having been opened on 26 out of 33 negotiation chapters and with two of them already closed. The country has relatively good relations with other countries in South-East Europe, is frontrunner in the region when it comes to LGBTI rights, has appointed an independent special prosecutor to tackle organised crime and high-level corruption, considerably improved the relations between civil society and the government, aligned its foreign policy with the EU and is close to becoming a NATO member. Business tycoons are however dominating the economy that mostly runs on remittances and tourism; major incidents around election day are the rule rather than the exception and the country has never experienced a change of power in elections.

After winning yet another election in October 2016 'father of the nation' and long-time prime minister Milo Djukanović (Democratic Party of Socialists, DPS) resigned after having been in power since 1991. This is the third time Djukanović has 'left' politics, although he always remained very influential and was widely believed to be pulling the strings from behind the scenes. During his breaks in power he remained leader of the ruling DPS and he is expected to remain party leader in the years ahead. In the October vote – labelled by Djukanović as a choice between NATO and Russia – DPS obtained 41% of the votes, which translated into 36 seats (out of 81) in parliament. The pro-Serbian Democratic Front (DF) won 18 seats, the Ključ(Key) coalition 9 seats, the centre-left Democrats 8 seats and Social Democratic Party (SDP) obtained 4 seats. National minority parties - with 4 seats - and SDP split-off Social Democrats (SD) helped DPS to form yet another ruling majority led by Djukanović's confidant Duško Marović. The DPS is the most uncomfortable member of the Party of European Socialists in Western Balkans: it has a strongly authoritarian leadership, little internal party democracy and a strong track record when it comes to corruption. In addition, DPS does not have good relations with other social democratic parties in the region, while it has good relations with the SNS of Serbia's Presient Vučić.

Although OCSE observers were positive about the election process several incidents occurred on the election day. Twenty Serbian citizens, suspected of planning terrorist acts against Djukanović and his supporters and of organising a coup, were detained by Montenegrin police. The Prosecutor's Office says it has a reasonable suspicion that a criminal organisation had been formed in Serbia and Montenegro with a plan to attack citizens and police in front of the parliament once the results of election were announced. Djukanović hinted that Russia was responsible for this. It seems clear that Russian money was flowing in to support Pro-Serbian and Pro-Russian parties, but there is no clear evidence yet of Russia's involvement in the alleged coup. In addition, it is not uncommon for elections in Montenegro to have similar incidents on election day, which according to critical analysts and the opposition are meant to distract and frighten people who would then vote for the stability Djukanović always claims to offer.

In response to the alleged coup attempt four main opposition parties did not recognise the election results and blamed the DPS for using the arrests as part of its election campaign and for intimidating the voters. Furthermore, opposition politicians accused Montenegrin officials of interference with the election process after blocking the WhatsApp and Viber messaging services on elections day.

Despite the internal split the SDP managed to pass the 3% threshold and obtain 4 seats (5.4%) in parliament. Long-time coalition partners the DPS and the SDP increasingly disagreed and the SDP decided to follow its own course after independence and the European orientation were secured. 'The DPS and the SDP were condemned to each other due to a joint fight for independence and Euro Atlantic integration. However, the next main challenge – rule of law – does not give us the DPS as a natural partner,' SDP leader Ranko Krivokapić argued. In addition, in parliament the DPS could not always count on unconditional support from its junior coalition partner, something Djukanović called parliamentary dictatorship. Without doubt, the Social Democratic Party has been weakened by the split-off: almost half of the party officials left the party and joined the newly established Social Democrats (SD) that consist of prominent SDP members who are close to the DPS. The split, however, provides an opportunity for the SDP to reform and modernise into a citizens' party, transparent and open to outside influence and a focal point for civil society and human rights activist. Furthermore, the party can engage in new partnerships with the progressive opposition that will have more room to manoeuvre as the EU accession negotiations move on.

Serbia

The transformation Serbia has gone through since the break-up of Yugoslavia in the 1990s has been very dynamic, to say the least. From a dictatorship heavily involved in the wars in Bosnia-Herzegovina and Kosovo, bombed by NATO, then a peaceful revolution and democratisation and now towards a semi-authoritarian regime that started EU accession negotiations in January of 2014.

Hopes were high after the citizens and the social movement Otpor (Resistance) toppled the Milošević regime in 2000 without a single shot being fired. The pro-European Democratic Opposition of Serbia (DOS) coalition took over the power and one the main parties within that coalition, the centre-left Democratic Party (DS) – remained in government for most of the time until 2012. On the one hand the rule of law, freedom of the press and European integration got a tremendous boost with the change of regime. On the other hand, however, the country did not manage to properly develop its economy and offer hope and perspective to the young generation- many of whom are leaving. The ruling elite did not manage to change the political culture. In addition, relations with Kosovo continued to be a political burden. Milošević's former nationalist political partners exploited the frustration of many voters and, while wrapping themselves in the European flag, won the 2012 parliamentary and presidential elections: President Vučić (Serbian Progressive Party, SNS) and former president Nikolić (SNS) served as minister of information and vice-president respectively during the Milošević regime.

With nationalists back in power the rule of law and democracy have regressed. The responsible institutions are weak, not independent and not trusted by the citizens. Their main way to participate in political life is by voting in elections. At the same time the election turnout is low: 56% in the 2016 elections. While civil society is making efforts to improve the quality of democracy, the government is reluctant to engage in a dialogue with (civil) society, framing internationally supported civil society organisations as 'foreign agents'. Investment in active citizenship and sufficient general knowledge about the political system are lacking while these are of course important tools to enhance democracy. In terms of media freedom Serbia is moving in the 'Macedonian' direction: total government control over the public broadcaster and all other major media. Editors and managers of (formerly) independent media outlets are being fired or decide to quit their job, often because they are afraid of verbal and physical attacks on them and their family. In addition, there is no transparency of media ownership.

During the last elections in April of 2016 – the third parliamentary elections in five years – the SNS-led coalition obtained 48% of the votes, the Serbian Socialist Party (SPS) 11% and the Serbian Radical Party (SRS) 9%. Only three other parties managed to pass the 5% threshold: the DS and the It's Enough

Movement got 6% while the coalition of the Social Democratic Party (Tadić), the League of Social Democrats of Vojvodina (LSV, Canak) and the Liberal Democratic Party (LDP) just passed the 5% threshold. Some political analysts argued during our meetings in Belgrade that Vučić planned to have the radical SRS of The Hague Tribunal suspect Šešelj back in parliament as a strong opposition party while keeping the democratic opposition below the threshold. In that scenario Vučić would be the only option for Europe, as the alternative would have been a nationalist radical party.

A good example of the atmosphere of repression and fear in the run-up to the elections and on election day is the Savamala demolition: during the election night, masked men blocked a part of the Belgrade city centre and demolished buildings with bulldozers where a state-backed complex is supposed to be built. By doing this they helped the authorities in speeding up the building of the controversial United Arab Emirates supported project, 'Belgrade Waterfront'. Moreover, a special law was adopted in the parliament that states that any future legislation cannot be in conflict with the contract agreed with UAE. The police did not respond to the calls of many citizens who saw buildings being torn down.

Despite having an absolute majority in parliament former Prime Minister Vučić called two early parliamentary elections in order to, as he argued, confirm the support for his reformist agenda. In reality, his aim was to divide the opposition and cut off their finances while controlling the mainstream media and the election process, and to find the optimal moment to pull together the resources for yet another election victory. That Vučić leaves nothing to chance is confirmed by the fact that he decided to be the SNS candidate for the April 2017 presidential elections, as he was not confident that current president and his predecessor Tomislav Nikolić would win. Despite some efforts made the opposition did not manage to agree on a joint candidate who could challenge Vučić, who obtained a majority of 55% of the votes in the first round. It is expected that President Vučić will try to concentrate more powers in the hands of the president as the presidential function is at the moment a ceremonial one. As a consequence of his win protests by mainly young people erupted in Belgrade other major cities. The DS supported the independent candidate and former ombudsman Aleksandar Janković.

With regard to EU integration, Serbia started the accession negotiations in January 2014. In line with the new EU strategy chapters 23 (rule of law) and 24 (fundamental rights) were among the first ones to be opened. The government, however, did not use this opportunity to clearly and openly propagate the necessary reforms related to these chapters as the relevant action plan was adopted quietly in the parliament, with MPs receiving it only one hour before the vote. Although the perspective of European integration had a big impact on the transformation of Serbian politics, and to some extent on society, it has not been embedded in a sustainable long-term strategy. The ruling elite has misused European integration to legitimise many of their its actions: a 'we-have-to-do-this-because-the-EU-says-so' attitude resulted in a slow transformation during which the political elite acted like it was not in the interest in Serbia to promote European integration-related reforms. The long-term prospect of EU membership is not enough incentive for the political elites in the region to reform. This is also in a way illustrated by the fact that Serbia is not aligning her foreign affairs policy with the EU – for example as regards the sanctions against Russia. On the contrary, the government is successfully making a point of the strong historical, brotherly and spiritual relations between Serbia and Russia. Although the debate about Russia is blown out of proportion, the 'love' for Russia – after Belarus Serbia scores highest on popularity of Russia – offers the nationalist political elite an alternative route when recognition of Kosovo will be demanded as a prerequisite for EU membership.

While the Berlin Process, meant to help the whole region to move closer to each other and to the EU, rightfully aims to enhance regional integration and cooperation, it lacks local ownership (being a top-down process) and is not transparent while only six EU member states are directly involved. All in all many political analysts are sceptical about EU integration as an instrument of democratic reform: as long as Serbia

is cooperating on Kosovo, engages in regional cooperation and acts as a stable reliable actor, it will get EU's carte blanche on internal politics, they say.

Similar to the situation in other South-East European countries, political ideas and programmes are not a real subject of the mainstream political discourse. This is unfortunate for social democratic parties as social democratic ideas and values in principle have always had a strong basis in Serbian society. The current left, however, is fragmented and lacks leadership and ideas. At the same time the right has successfully used populism to push it into a corner. The success of social democracy after the fall of the Milošević regime was linked to the success of the DS. However, in practice the DS did not implement social democratic policies. Instead, it protected big capital and failed to modernise the party and fight corruption. After it lost power in 2012 the DS did not become a strong opposition party. It was faced with a split-off and four leadership changes. Recently, the DS has introduced new tools of internal party democracy and the party is working on improving transparency and openness to external actors. Anno 2016 social democratic parties – at least those who consider themselves as social democrats – have 62 out 250 parliamentarians. It is a big challenge for these left-wing parties to find common ground, as it will be to question the unconditional obedience to the party leaders, to accept their role as opposition and the fact that it is possible to have different currents within one party.

Crippled Liberal Democracy: Where did the EU fail in the Western Balkans and how can it regain its credibility?

Kalinka Gaber, director Progress Institute for Social Democracy

Ever since the collapse of communism and the dismantling of the bipolar global order, democracy seemed to have become 'the only game in town' in many places around the world, including the Western Balkans (WB). Strikingly, however, there was and still is a pronounced variation in the way it was played in practice. Twenty-five years of democratisation in pursuit of the only legitimate and desirable form of government have produced a mixed record. WB's democratic balance sheet, as captured by Freedom House and the Bertelsmann Transformation Index but also the labels now often used for countries of the region ('illiberal democracy', 'semi-consolidated democracy', 'transitional government', 'hybrid regime' and 'semi-consolidated authoritarian regime') underscore the fact that these democracies are indeed flawed, often void of a concrete substance, and recurrently displaying practices incompatible with that badge of honour.

It was clear from the outset that Western Balkan countries lacked the democratic and institutional experience and knowledge that would help them steer away individually from their illiberal past – a process further complicated by the weakening of their social fabric because of the violence and the enduring war legacies of the 1990s. In the early 2000s, the European Union jumped in by assuming the leadership role and projecting the necessary leverage assisting faster democratic transitions with a meticulously developed pre-accession strategy as a reforms agenda. Brussels seemed to be the necessary deal-breaker for more democracy by making the promise of membership in the 'Club' strictly conditional upon the adoption of a broad array of norms, practices and far-reaching reforms to guarantee its core values: free and fair elections, a robust rule of law, good governance, an effective and citizen-oriented public administration, a healthy and vibrant civil society and free media. The momentum was there - in Brussels, national capitals and in countries across the region.

Fifteen years down the line, we witness a U-turn in the political reality. As the EU started focusing attention elsewhere – the banking crisis, the Greek Euro crisis, the dangerous rise of Eurosceptic and populist forces in member states, the refugee crisis and Brexit, to name the most important – and combined with a certain enlargement fatigue in European capitals, the lure of EU integration slowly began to wane. Faced with its own problems, EU-WB relations entered a new phase with Brussels concentrating disproportionately on the box-ticking of political conditionality at the expense of meaningful progress with structural reforms. And even though enlargement has not been scratched off the agenda altogether, and is still progressing at a snail's pace, the process has been characterised by a dichotomy framed in a 'stability over democracy' narrative. Semi-autocratic and illiberal WB leaders were and are tolerated as long as they deliver on the key minimum demands, guaranteeing that their countries do not collapse in utter chaos.

Democracy has never enjoyed full legitimacy in the WB, but the EU's conditionality kept things at bay. Deprived however of meaningful, structural and sustainable democratic guidance, WB governments have resorted to dubious day-to-day governance and political management, to the detriment of democratic development and of compromise-based decision-making. It so happened that under the un-watchful Brussels's eye governments started imposing repressive policies on critical civil society organisations (Serbia and Macedonia), began aggressively interfering with media freedom (Montenegro, Macedonia and Serbia),

or setting-up informal power-broker networks for implementing non-transparent agendas while disrespecting formal procedures (Bosnia-Herzegovina, Kosovo, Albania, Macedonia, Serbia). Blurring of state-party lines resulted in de-facto state capture by governing parties (Serbia, Montenegro, Macedonia). The Western Balkan experience demonstrates that when anti-democratic tendencies pursued by semi-authoritarian political elites and national governments are not met with the appropriate resistance and proper denouncement from the Union, the backlash is multiple. Not only are EU standards being undermined, but even worse: due to the ambiguous political communication, messages sent from Brussels to WB capitals have the wrong effect – governing political elites start believing they can get away with breaking the rules (using more pressing EU problems like the refugee crisis, closer ties with Russia and/or Turkey, for example, as an excuse or alibi) while the general public starts getting confused about the substance of EU conditionality and the apparent EU support for phony Europhile politicians, who are not partners for change and cannot be expected to deliver on the progressive reform agenda. As a result, pro-European forces in the region calling for such reforms and wanting to model their countries on genuine liberal democracies and open and pluralist societies feel abandoned by the EU, all the time experiencing suppression by national authorities.

Under these circumstances, but especially after European Commission President Jean Claude Juncker's ruling out of further enlargement before 2019, governments in the Western Balkans have increasingly been driven by a rationalist choice theory. Blocked EU perspectives meant that they could try to remain in power with nationalist policies, rule with a stronger grip and pocket huge benefits at low political costs, instead of pursuing costly reforms necessary for fulfilling an uncertain EU perspective that would produce considerable political gains, but would come at high political expense for themselves. The case of Macedonia is remarkable in this respect and treating it as an isolated one would be a grave mistake. In fact, the Macedonian example is a test for the internal capacity of the EU to act on democracy and rule of law in its own community. As regards the candidate countries, the Macedonian case is showing the constraints of the 'fundamentals first' approach of the enlargement strategy. It is very likely that the political elites of other Western Balkan countries, aware of their countries' uncertain and long-term EU perspective, will exploit the Macedonian "rational choice model", which would ultimately result in even greater deterioration of democratic standards and the rule of law.

This does imply, however, that the establishment of genuine liberal democratic societies in the Western Balkans is primarily an EU responsibility. Domestic actors – political elites, civil society and the body politic in general – are key players and the main stakeholders in this process, but should the European Union want to regain its credibility and make evident its commitment to the region, it will need to change its approach and re-establish its involvement based on its own original values and principles.

The EU should shed its technocratic lenses and stop ignoring the larger picture by putting more focus on the state of democracy and less on formalities. Western Balkan autocratic and semi-authoritarian leaders rule not through the institutions, which formally look democratic, but by means of informal networks and mechanisms that allow for a de facto capture of the state and undermine any potential for democratic government and progressive reforms. Thus, instead of tracking progress through a 'box-checking' approach, more attention should be focused on actual implementation and output, so that the recent backsliding in democratic standards across the region will not be overlooked.

As far as conditionality is concerned, the EU should consider expanding its scrutiny to the assessment of the means and modalities of consolidation of political power. Across the Western Balkans, political elites have concentrated political power in the hands of a few and eliminated almost all opposition voices with corrupt practices, state-capture, media censorship, clientelism and increasing poverty . Their attitude seriously calls into question both the value of elections, formally carried out throughout the region, and so-called reforms. In this light, the European Commission should perhaps consider extending formal accession requirements to include the existence of meaningful opposition, in politics and in society.

Linking EU conditionality criteria to other issues (the name issue in the case of Macedonia or progress in the Belgrade-Pristina dialogue in the case of Serbia) leads to the political criteria being compromised. Western Balkan governing elites time and again have used these issues as an alibi for lack of progress and for pursuing illiberal practices at home, thus attempting to legitimise anti-reformist practices. As the EU's leverage is strongest as the accession process moves into its final stage, the solution of these issues should not be a condition for moving to the more advanced stages of the process - opening negotiations or chapters - but be found along the way.

Over the years, EU's key political messages have been largely inconsistent and sometimes counter-productive, especially as regards the assessment of the responsibility of domestic political actors. Official messages sent out by the Commission, the Parliament or the General Affairs Council have consistently called on all political parties and actors indiscriminately, thus blurring their responsibility, especially that of the parties in power. Ruling parties have received a respite and also additional room to manipulate these messages since they control a large part of the media landscape across the region.

In this light, EU involvement in a domestic crisis should be prompt. Any other approach would resemble more a 'burning down the fire with gasoline' model, proving detrimental in the long run. Brussels' late involvement in domestic crises across the region and using its leverage only after the crisis has escalated often ignores the (problematic) content and implications of the ad-hoc solutions and agreements already reached. This is counter-productive both for the aspiring countries and the EU itself, as almost as a rule of the thumb this has spillover effects on the quality of democracies in countries of the region. The ambiguity of the original settlement often leads to more post-agreement negotiations and more disagreement than before with uncertain outcomes (Serbia-Kosovo talks, Macedonia's Pržino Accords). Consequently, EU involvement should always be prompt, while the commitments signed up should be well-defined, measurable and subject to sanctions.

Finally, it might be high time for the European Union to revise its 1993 Copenhagen Criteria and to start using more focused and explicit language in its communication with aspiring countries from the region. Albeit creative, gray-area arrangements such as the High Level Accession Dialogue and conditional recommendations for opening accession talks for Macedonia and Albania did not only further undermine the EU's credibility, but also strengthened illiberal tendencies in the Western Balkans due to the information imbalance mentioned above. Consequently, the Urgent Reform Priorities designed to address the systematic weaknesses of the Macedonian polity might be a good starting point and blueprint for the EU's future and a more credible engagement in the Balkans.

The future of social democracy in the South-Eastern Europe: Internal and external challenges

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Social democracy is one of the best known and widely respected political strands in South-Eastern Europe (SEE). It is a political brand that a number of political parties identify with, either by name or in their ideological orientation and political ideas. In the majority of the SEE states there is only one social democratic party, while in some there are several that have in their name the adjective 'social democratic' or one of its variations. The particular profile of these parties depends on the historical, social and political context and does not always reflect a proper social democratic ideological orientation. In Serbia and Montenegro fragmentation caused by personal feuding and political rivalries has produced several social democratic parties, while in Kosovo there is no social democratic party with that name, mainly because of dominant ethno-nationalistic sentiments and rejection of the role of Serbia's socialist and social democratic parties. In Bosnia and Herzegovina, due to its political system, parties tend to be linked to ethnic entities. The social democrats failed to form a sustainable and majoritarian multi-ethnic alternative. Though the left remains strong, its impact has been reduced because of splits.

Social democratic political parties in SEE differ in their ideological orientations and policy platforms. When looking for commonalities among them, one will find these for example in the areas of advocating strong state institutions, of the European integration of their respective states, rejection of corruption and clientelism, and of representation of women in politics. In the formulation of state-specific social democratic policy platforms, two trends have manifested themselves that hamper the development and implementation of social democratic policies in the region. One can be identified as the 'ethnicisation' of politics, whereby political ideologies, political ideas and policy issues are marginalised due to overriding ethnic issues. Politics, but also other areas such as social affairs become 'ethnicised' and political issues are exclusively seen through the ethnic prism. 'Ethnicised' politics is clashing with more modern post-nationalistic social democratic policy ideas producing a unique and essentially pre-modern platform that is an important obstacle to the development of society as a whole and social democracy in general. 'Ethnicisation' of politics has a similar impact on other political orientations (conservative, liberal, etc). An interesting but particular example is Kosovo's nationalistic political party Self-Determination Movement (Lëvizja Vetëvendosje), which - as its main political goal – is seeking re-unification with Albania, while also being the only political party that has proposed policies beyond ethnic relations and can be described as one of the rare political parties in Kosovo with a centre-left ideological profile. Here one sees two trends combined in one party.

The other trend is the 'neoliberalisation' of social democratic politics. Critical voices within several social democratic political parties from the SEE region (the SDSM in Macedonia, SDP in Croatia and the SDP in Bosnia and Herzegovina) are pointing out that social democracy in the region has succumbed to neoliberal economic pressure and has, when in power, carried out reforms that were far removed from social democratic ideals. The economic programmes of the social democratic political parties are permeated with neoliberal ideas; the same applies to their social platforms in terms of weakening of labour rights and social security provisions. Under the influence of the electoral success of Greek Syriza and Spanish Podemos more radical populist leftist movements are being established in the region that are criticising social democratic political parties for having adopted a neoliberal agenda. Social democracy in the SEE has moved away from the traditional left to the centre of the political spectrum. It has also adopted managerial style

politics which has cost votes among the young, urban population and intellectuals. In some countries this has been compensated by gaining electoral support among the elderly that are living in rural areas. In these cases social democracy is no longer the party of blue-collar workers, of the avant garde and intellectuals, but rather a party of those that are trying to maintain their social status by resisting change or reform.

The societies in the SEE have been in transformation since the 1990s. Former living patterns have changed rapidly and profoundly. Previous collective arrangements have been discarded. Wars, ethnic conflicts, economic difficulties, corruption, clientelism, declining and failing public services have left people feeling vulnerable. They are disillusioned about politics - about what politics should and can do for 'them'. In this situation, social democratic parties in the SEE have fought to maintain previously gained social rights, while at the same time introducing economic and societal reforms that have however been slowly implemented and were not really of a social democratic nature. In a sense these parties tried to serve two different electorates at the same time. Voters have not particularly rewarded their work on preserving rights and living standards. Social democratic parties in the SEE that have set the reform agendas and also carried them out, usually struggle with getting proper support at the next elections. They have rarely been able to profit themselves from the progress made as voters tend to look for answers elsewhere instead. They expect quick fixes for their individual problems from populist politicians. Ready-made answers, simplistic solutions, bombastic presentations and promises that cannot realistically be met are drawing support from people that have lost their trust in mainstream parties. Anti-establishment is the game in town almost everywhere. Populist politics - from both the extreme left and the nationalist right - is the single greatest threat to the core principles of democratic societies in Europe. It undermines the further development of societies and the peaceful coexistence of peoples, of ethnic groups, of religions etc. The most basic principles of the post-WWII world are being challenged, because voters assume that traditional politics, that have brought peace and prosperity for many generations, no longer work. Social democratic parties in the SEE find themselves in a political environment that is in many respects similar to the situation elsewhere in Europe. Citizens across Europe are distrustful of political processes, as they have experienced all too often that established political parties introduced measures purely to serve the interests of the rich. This implied less solidarity among people and led to questions on whom to rely on in times of hardship. Social democratic parties that had traditionally been successful in answering such questions, have in the last decade been unable to come up with coherent and convincing arguments to reduce people's concerns about their own social economic situation and their security in the broadest sense. While the right addresses such worries by emphasising law and order, by closing borders, restrictions on movements of people and so on, the left has been struggling to clarify its position to this day. This is one of the main reasons why populism with its simplified explanations and solutions is gaining so much support across Europe, including SEE.

Some of the challenges for the social democratic political parties are the same across Europe. As they struggle with populism, issues like finding the proper balance between capital and labour, reconnecting with civil society, social equality in a globalised world, equality of life chances etc. should get much more attention. Social democrats should ask themselves whether they are actually listening to the people and understand the motives of the 'losers' of globalisation - people struggling on a daily basis. But above all they should ask themselves what they can do for these people to make their future more secure and make them feel less vulnerable.

Support for traditional social democratic political parties in Europe has fallen over the last decade. Social democratic parties in the SEE face similar challenges as the other social democratic political parties across Europe. For them a clear path towards European integration is essential, as it means above all modernisation at home. Further strengthening of cooperation among the SEE social democratic parties is important and should include experience sharing, more cooperation, common training for the future young leaders etc. One should never forget that social democracy has been a true modernising force in the past for the good of the people but in order to continue that role we need a strong and well-organised family.

The party as a cartel: diminishing internal party democracy

Alba Çela, Albanian Institute for International Relations

The two major challenges social democratic parties in the Western Balkans currently face are: the dismantling of the (left-wing) ideology supposed to underpin their policy and the erosion of internal democratic practices that should guide their operations. In this article, I would like to focus on the second challenge since I believe that it is easier to meet in practice while the preservation of left-wing ideology is a tougher battle against global influences.

The discussion on internal party democracy or, rather, the lack thereof fits quite well in the current situation in the Western Balkans where it seems that more in general the space available for dissent - whether from inside the party or from the media, opposition, civil society and other actors - is shrinking. The deterioration of internal party democracy is linked to the rise of personalised politics, the design of electoral systems that disconnect candidates from constituents and is a main factor behind the lack of innovation of the parties both as regards their output and their behaviour.

Internal party democracy is in serious decline even in those countries where social democratic parties had a relatively good track record of having developed it gradually. The example of Albania is illustrative. Earlier last year the Socialist Party (SP) after having ignored its previous own statute for quite some time, finally convened its National Congress and approved new internal rules. The decision was taken in an unfriendly atmosphere with an agitated mass of members approving loudly a draft they had very likely never read while some party members were trying to make a case against it in the main hall. However it is the content that is problematic. The new statutes provide that the leader of the party will not be challenged or removed if he loses elections and has not been capable of forming the new government while the party still remains the first electoral force (for example: the opposite party wins power through a coalition but not by numbers). This new rule in combination with the suppression of dissident voices is definitely a step backwards in the internal party democracy of the SP. It all resulted in two MPs, Blushi and Hafizi, splitting off from the SP and deciding to establish a new political force.

The fact that this deterioration happened in the party that in the past had the best record in internal democracy is concerning since there is not much to be expected from the other parties in Albania. The Democratic Party is still very much under the debilitating authority of its previous leader, Berisha. In general all three major parties, including the Socialist Movement for Integration (also a member of the family of social democratic parties), display very low levels of internal party democracy. Party members tend to be confused about what practices would make their parties more democratic.

When comparing, the same tendency to rally around the leader is observed also in Montenegro, although the dynamic there is richer. There, dissident voices are squashed by corrupt party members, the splintering of political forces and by controlling the main media. The phenomenon of party splits has created a fragmented opposition and small coalition partners of the main governing party that are always under pressure since the key person of Montenegrin politics, Djukanović, can at any time play parties off against each other. Whether any changes will occur now that he has stepped down is an open question.

The situation regarding the state of democracy within political parties and social democratic parties is no better in the rest of the Western Balkan countries. A recent academic mapping project has produced findings

from Montenegro, Kosovo, Bosnia and Serbia, that confirm this. The study concludes that in Montenegro parties resemble cartels and the role of their members is obsolete; in Kosovo there are no ways to control and sanction parties even when their lack of internal democracy violates the law on political parties. Hence informal decision making is prevalent. In Serbia the situation is not much better due to a preference for strong leaders and a lack of independent media. In Macedonia political life is slightly more complex with ethnic dynamics affecting the parties; the general evaluation, however, is that party decision-making revolves around the leader and levels of democracy especially in terms of the relations between the central party structures and local ones are quite low.

It is important to understand that authoritarian attitudes are usually rooted in increasing decision-making power of party leaders impacting on other actors such as the government, media, civil society and so on. With a general mentality that favours strong single rulers and with a complacent international community that prefers getting things done and keeping the region stable, the uncontested increase of the power of the party heads becomes almost too easy.

The ever lower levels of internal democracy in social democratic parties – and to be fair in all political parties in the region – will make the young, politically engaged public even less likely to join them or make efforts to improve them. Instead, they will more and more attract members with a purely militant, uncritical mentality: perhaps with good electoral results in the short term but with long-term costs for the sustainable development of their countries. The European political families should play a more active role in encouraging their members in the region to put in place the right procedures, to respect their own party statutes and apply the democratic process to important decisions, including transparent mechanisms for the selection of candidates for elections.

There can be no doubt that the state of internal party democracy affects the quality of democracy overall . Saving the first means consolidating the latter.

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Social democratic parties and gender equality in South-East Europe

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Gender equality continues to be a challenge for the economic, social and political development of the Western Balkans and the achievement of national development goals, social inclusion and growth. As such, gender equality remains one of the pivotal elements in the ideological and political positioning of social democratic parties in an increasingly conservative and right-wing neoliberal environment in the countries of the region.

It is recognised that left-wing, progressive, socialist and social democratic parties in the region and their women's forums have been at the forefront - in cooperation with civil society organisations - of the efforts to ensure equal rights and representation for women in the political, economic and social spheres.
Social democratic parties are slowly starting to use gender and LGBT-sensitive language and to target women and LGBT voters. Gender/LGBT-sensitive policies are increasingly included in party documents, electoral platforms and decisions. For instance, with the support of the regional CEE Gender Network, social democratic parties have successfully advocated gender parity in political and public life and have ensured the adoption of the quota system first in their own parties and later in many parliaments and subsequently in the executive. Unfortunately, irrespective of the quota system enacted in electoral legislations, party electoral lists continue to prioritise male candidates on electable places on the lists or in electable constituencies, thus limiting women's chances to be elected.

Party women's forums have been strengthened institutionally and become part of party leaderships (e.g. the presidency) with strong advocacy of and awareness building on gender equality within the parties and in the electorate. However, much remains to be done, including in providing adequate party financing for their activities beyond election cycles when some resources are allocated. Women, however, tend to be well represented in the drafting committees of SD parties when party documents are being prepared, e.g. in the LSDV 45% women participated in the drafting of the party electoral platform. In the SDP Croatia it was 40% women, while in other parties the number is around 20%. However, these drafting teams are generally led by male leaders.

BREAKDOWN BY SD PARTY AND GENDER PERCENTAGE IN PARLIAMENT

Country/SDP	Total MPs/% National Parliaments	Men	Women	National Parliament	
				Men	Women
B&H - 2015					
SDP	3 MPs				
	(out of 57MPs)	3	0	79%	21%
Croatia – 2016					
SDP	42MPs/27.81%	35	7	80.1%	19.9%
Macedonia					
SDUM	33 MPs/26.82% (out of 123 MPs)	25	8	75.75%	24.24 %

Montenegro					
DPS	30 MPs/37.03% (out of 81 MPs)	24	6	81.5 %	18.5 %
SDP 1	4 MPs/5.88%	4	1		
SDP 2	2 MPs/ 2.4%	n/a	n/a	n/a	
Serbia					
DS	15 MPs/6% (out of 250 MPs)	10	5	66 %	34 %
LSDV	5 MPs/ 2%	2	3		
Slovenia					
SD	6 MPs/6.66% (out of 90 MPs)	4	2	63.3%	36.7 %

Social democratic parties, confronted with everyday political challenges and an aggressive right that has 'espoused' gender equality and the human rights discourse, themselves often resort to neoliberal austerity measures in the field of economic, social and labour rights when in power. They tend to also shy away from clear public political messages regarding their left-wing and progressive ideological, political and principled positions on issues such as abortion, family planning, childcare, LGBT and labour rights and standards and instead often resort to inaction. This is causing dissatisfaction among the left-leaning electorate, especially women and the youth and blunts the political edge of the parties on the left in responding to an aggressive conservative right wing. While party women's forums and women leaders are capable of forming coalitions with civil society organisations on key issues of democracy and human rights, parties often refrain from either leading or joining CSO and trade union activities, or even cooperating with new political forces, albeit ideologically unprofiled, that are gaining ground.

Women social democratic leaders have established strong regional cooperation and are urging party leaders to do the same by establishing an on-going substantive dialogue and mutual support to strengthen their positions in individual countries and promote regional cooperation, peace, stability and economic development that are challenged by nationalism, xenophobia, the refugee issue and potential crises that may emanate from climate change.

Looking inward, leaders of women's forums in the region have often stressed the need to strengthen party democracy, and to move it beyond 'one man' leader or male dominated leadership, in which women are often isolated, into a more collective, cooperative and open decision-making environment. Some movement in this direction is recently noticeable.

Political academies for women politicians have produced results and shown that women welcome ideological education and political capacity building. However, capacity building and training provided to women in SD parties does not necessarily propel them into party leadership positions at all levels or open avenues for their election to parliaments and local councils and prepare them for post-election positioning to ensure their equal representation both in party structures and government institutions when in power.

Looking ahead there is a need to open up the dialogue on the structures within SD parties including on the positioning of women's and youth organisations. Experiences are mixed and the debate is open on whether gender equality and the representation of women should be further kept in the leading confines of women's forums, or whether it could be better served through affirmative action and gender mainstreaming in party leaderships and party politics, or possibly to maintain both approaches. The jury is out on this question. Finally, this means that SD parties and leaderships need to move beyond paying lip service to gender equality or using women's forums primarily as an 'electoral reserve', and instead promote gender equality as a key ideological and political issue of social democracy.

Western Balkans: regional cooperation to prepare for EU integration

Hannes Swoboda, SPÖ Austria

It is obvious that the Western Balkans lack the political and economic dynamism to achieve the modernisation necessary for enhancing democracy and for creating the conditions of strong economic growth. The perspective of a quick accession to the EU would be a clear incentive for a minimum of political and economic reforms. But it is no longer just around the corner, it has moved beyond 2019 at least. The general economic crisis was and still is contributing to a standstill of the region.

Russia and China, which are both trying to gain a foothold in the WB, are however not able to deliver an alternative for accession to the EU. Yes, Russia has some success in influencing public opinion especially in Serbia and the Republika Srpska, but has weakened its position in Montenegro. China is helping to build some infrastructure and has seen its role expand in Albania. But it invests mainly following its own particular interests. Turkey tries to extend its influence – partly through religious channels - but has too many serious problems at home and in its immediate neighbourhood. The US is far away and with President Trump in power there will probably be no strong engagement with the WB.

Therefore the EU will remain the main interlocutor and the primary market for the whole region. But the Western Balkans need more attention and investment coming from Europe if the EU wants to avoid political setbacks, higher migration pressure and interference from outside powers, that cannot offer real alternatives but may create problems for the cooperation of the region with the EU. The answer from the side of the EU cannot and will not be quick and premature accession, but the EU should consider more intermediate steps towards membership to keep the perspective of full integration alive. The EU should also insist that the countries themselves should further enhance intra-regional integration. This is certainly not an alternative to full EU membership, but should be seen as a necessary and helpful preparation for a such a step.

The renowned Vienna Institute for International Economic Studies (WIIW) which is specialised inter alia in the Western Balkans stated in a report published in 2000: 'The Balkans seem to have preferred violence over co-operation, disintegration over integration, divergence over convergence, indecision to clear strategy, and institutional collapse over the rule of law. As a consequence, political and economic performances have been disappointing. Some ten years into these developments there are still uncertainties and open questions.' This was in the year 2000. But not much has altered in the one and a half decade since then for the Balkans as a whole. True, in some countries important changes took place in others we see rather stagnation. Overall, the dynamics of the region are far behind what would be needed.

Income gaps remain

There is still an enormous gap between the national income as expressed in the GDP's of the EU countries and the countries of the Western Balkans. If one takes the average level of the GDP of the EU 28 as the benchmark and sets it as 100 then the poorer EU countries would be positioned in 2016 between 50 and 60. Bulgaria would be rank 48 and Croatia and Rumania 58. But the countries of the Western Balkans outside the EU would score much lower: 27 for Kosovo and 42 for Montenegro. In between you would find Bosnia & Herzegovina with 29, Albania with 30 and Macedonia and Serbia with 37.

Within the EU itself there is not a strong convergence of income. And that is even more true in relation to the EU and the Western Balkan. To realise concrete steps of convergence would be particularly important given the big gap between the richer EU countries and the poorer Western Balkan countries. Inside the – richer – EU countries there is a growing sentiment that new member countries should only join the EU after having made important progress in terms of convergence. They should be closer to the average economic and social level of the EU in order to avoid disruption once they join the Community.

Growth is slowly catching up

But some optimism can be gleaned from recent growth figures of most of the Balkan countries. According to research by the Vienna Institute for International Economic Studies they are going 'from strength to strength'. It rose from 0.3% in 2014 to 2.2% in 2015 and will have been 2.6% in 2016. 'Historically speaking and given the well-known long standing "structural constraints", this pace is relatively high by the region's standards.'

Labour markets have also been improving and unemployment has gone down - but starting from a very high level, one must add. The region benefited primarily from a strong recovery in Serbia, while the outlook for Macedonia and Kosovo is more gloomy. For 2017, an additional recovery has been forecast and the growth rate may be 3%. That could result in a further decline of unemployment and increasing investment.

Limits for growth potential

One should not expect, however, an unhindered continuation of these positive economic trends. One of the possible drags on the long-term growth potential originates in the weak external position of the Western Balkans. Again according to the Vienna Institute for International Economic Studies, the export capacities of the Western Balkan countries are much weaker than those of the Central European member states of the EU and in addition 'their exports tend to be characterised by low skill products such as metals, footwear and textiles. Progress in terms of economic modernisation and restructuring in the Western Balkan countries would basically require increased inflows of FDI (foreign direct investment)'.
For a real surge of foreign investment the political situation is not yet stable enough. A clearer and more rapid path towards EU membership and the respective reform processes demanded in that framework would be very helpful to attract more foreign investment. There has indeed been some limited recovery of FDI lately in the Western Balkan countries, but it is still at a very low level. The exceptions to the recovery are Bosnia and Herzegovina and Macedonia. In both cases political instability is probably the reason for that deviation from the general more positive trend. But one must also admit that some of it is due to real estate investment, e.g. in Montenegro. But in Serbia at least a third of FDI went into manufacturing and Albania is profiting from the construction of the Trans Adriatic Pipeline.

Infrastructure construction and regional development

Infrastructure investment is of particular importance in creating conditions for stronger economic growth. The lack of good infrastructure in the WB is due to the late industrial revolution in that region in Europe's periphery. The benchmark of 2,000 USD per capita GDP which was surpassed by the United Kingdom in 1800, was reached by some Western Balkan countries only 200 years later. The stagnation during the Ottoman Empire is one of the explanations for why the Western Balkans are lagging behind. In any case there is a large infrastructure gap between the WB and their neighbours inside the EU.
In a joint statement of the six Western Balkan prime ministers made in the framework of the 'Berlin

Initiative', these leaders declared: 'Improving regional cooperation and economic stability is one of our common tools for matching European standards and fulfilling the EU accession criteria, and the process should bring clear benefits to our citizens still before accession'.

In particular they underlined the necessity to enhance and extend the regional infrastructure: 'We recognise that improving connectivity within our region as well as with the EU is a key factor for growth and jobs in the Western Balkans.' At the Vienna conference of the Berlin Initiative some infrastructure projects were agreed and some are now under construction, but much more must be done over the next few years. In addition to these undertakings, the Regional Affairs Council in Sarajevo is working on projects on digital development.

Enhancing and improving human capital

Besides building the 'hard' infrastructure and the preparations for the digital economy, there is a strong need for better vocational training. Some countries have quite a high number of students in different educational institutions, but that is not reflected in a similarly high level of professional skills acquisition. Especially a dual training system like in some EU countries would help to offer investors a highly qualified labour force. Also, spending on Research and Development (R&D) is far below the level of countries with a comparable GDP. And that includes both private and public R&D expenditure. Investment in all forms of human capital is an urgent issue.

The countries of the Western Balkans issued not only declarations on the need for more infrastructure investments, but also one on 'Jobs and Prosperity in a European Perspective'. According to that resolution the countries want to raise the overall employment rate for the region from 40% in 2010 to more than 44% in 2020. They want to support labour mobility, strengthen labour market governance and stimulate initiatives to promote a more social economy. These measures should reduce the high outward migration. Several steps were taken to increase labour mobility inside the region and their effects were evaluated positively. But some fear higher unemployment in their country due to labour migration to other countries of the region, because that would hamper economic growth.

Emigration is not only economically motivated. The political development of the WB and expectations for the future – stable and democratic or not - also determine the willingness of qualified people to stay.

Migration and refugees

If the political reform process stagnates and the migration regimes for the countries of the Western Balkans are not improved and liberalised, the pressure to migrate to the richer EU countries will remain high. Full access to the EU labour market would increase the labour migration stock from 2.8 to 3.4 million potential migrants. But due to the influx of refugees in the main immigration target countries in the WB, there will certainly be no full access to EU labour markets in the near future - with the exception of Croatia after a transitional period. Therefore the Western Balkans countries will have to improve their labour markets including regional cooperation in order to create local jobs.

There was a moment of danger to the labour markets with the sudden high influx of refugees into the region. Although most of these refugees saw the region only as a transit area, there was the risk that due to EU countries closing their borders a large number of them would have to stay in the region and would create additional problems for the regional labour markets. This became particularly obvious with the closing of the Hungarian border. In fact Serbia was the most affected country and still is. The measures taken by Macedonia, but most importantly the EU-Turkey deal have reduced the numbers wanting to cross

Mapping the Western Balkans and the state of democracies in transition:

the Balkan countries. But there are still illegal traffickers who try to lead refugees through these countries and Serbia is still having to cope with a – limited – number of asylum seekers. The Western Balkans remains one of the most fragile regions in this respect and it is in its interest that the EU-Turkey deal is kept and the external border regime of the EU strengthened.

Pragmatic cooperation to overcome deficiencies

Overall, the region of the Western Balkans is characterised by a mix of political and economic deficiencies. Weak political and administrative reforms, including an ineffective fight against corruption, and uncertainty over the political future of the countries lead to a lack of necessary foreign investment needed to stimulate export-led growth. Domestic consumption and remittances from emigrant labour, which support that consumption, are raising GDP, but not enough to rapidly close the enormous income and wealth gap between these countries and the average EU member states.

The labour market situation in many EU countries and new pressures due to the influx of refugees into some of the richer EU members will restrict access from the Western Balkans. So the countries have to improve their own labour market policies and match the demand in the region as a whole with a better regional supply by qualifying their workforce. Concerning the refugee issue they should urge the EU to have a more effective and realistic refugee policy with an improved management at the Schengen borders.

In general the countries of the region must show more initiative to find pragmatic ways of cooperation. This concerns in particular the construction of the necessary infrastructure, the digitalisation of their economies and the promotion of highly qualified human capital, which would enhance employment in the whole region. The existing free trade zone should be fully exploited. Accession to the EU must remain a top priority.

The Western Balkan countries should learn from the experiences of the Central European members of the EU. The one-sided neoliberal model of free markets without adequate social security and support for those in need has failed and revitalised nationalistic tendencies in Hungary, Poland, etc. Strengthening markets by reducing state monopolies, corruption and bureaucracy must be combined with social measures to reduce poverty. Certainly these measures must be financed in a sound way and will therefore depend on national GDP and the public taxes a country can raise.

It is only realistic to invest heavily in closer regional cooperation in preparation of the full integration into the EU, and this should not be seen as re-establishing the former Yugoslavia. The former Yugoslav republics Slovenia and Croatia are already inside the EU and regional cooperation must include Albania, which was never part of Yugoslavia. But the willingness to be good neighbours and strong economic cooperation will be important tests on the road the EU accession.

Social dimension and the neoliberal approach

Tonči Kursar, professor at the University of Zagreb

One sometimes gets the impression that mainstream left-wing parties all over Europe care little for the impact of neoliberal politics and its socio-economic consequences. It is also noticeable in our reporting of the work visits in the SEE region that regional social democrat politicians are not very concerned about these effects. In fact, this issue was hardly mentioned let alone emphasised by anyone, even though some regional experts are very aware that there is an enormous gap between the few rich people and the large impoverished masses. Interestingly, a kind of regional 'common sense' explanation of the socio-economic differences was given by a Croat social democrat who clearly stated that while most political conflicts are caused by the transformation towards a free market, Croatia still needs more free market (opportunities) before we can improve our social policies and implement social democratic ideas. His attitude is, of course, associated with the regional (post) communist heritage, but it is also rooted in a deep structural process called 'Hayekisation of European capitalism'.

So what does this mean? An answer can, perhaps, be found in Wolfgang Streeck's book Buying Time (2013). According to him, the European Union transformed itself into Hayek's 'international democratic order'. In short, this 'international democratic order', practically the EU today, should neutralise all possible misuses of 'a (national) democratic order' which, as Hayek emphasised, has never hesitated to put in jeopardy the freedom of citizens-entrepreneurs. They (creditors, bankers and investors) represent a new type of citizen who is 'bound to national states purely by contractual ties, as investors rather than citizens' (Streeck, 2013, 81). This capitalist international class influences more than ever the life of states and their citizens. The real problems began actually during the eighties when the European social democrats 'forgot' that worker's interests had not been properly embedded in the European single market project. The same happened in the SEE countries during the process of their accession to the EU. Moreover, their social democratic parties have been particularly committed to the (neoliberal) logic, regardless of its dire economic consequences: 'There is no industry, 89% of companies in Albania have between 1-4 employees... no economic strategic plans... it is clear that we went too far with neoliberalism', concluded team member Othon Anastasakis after the visit to that country. Unfortunately, this can be seen on a wider scale throughout the region.

To be able to better assess the situation of regional social-democracy we should analyse the debate about the controversies surrounding the former Croat Milanović government. Particularly left-wing experts are of the opinion that his government confused all its voters. Its liberal supporters expected, like in some other countries of Eastern and Central Europe, more severe spending cuts. They wanted a reduced deficit, better business conditions and a smaller state administration. On the other hand, its more traditional voters demanded a better life for the average citizen. Instead, the government failed to stop the decline of access to public goods that many ordinary people urgently needed. Even though there were no massive layoffs in the public sector Milanoviić's government didn't escape left-wing criticism that because of its contribution to inequalities, any social democratic voter had the right to give up on it.

To be honest, the economic results of his government cannot be seen in isolation from those realised by the previous HDZ government. The HDZ government followed the recommendations of the IMF and applied a fiscal consolidation policy with very significant spending cuts. It introduced the so-called structural reforms with the aim to cut some social transfers and reduce the state administration. Its second goal was to increase the working population. Having achieved a landslide victory in the 2011 elections few people

expected that Zoran Milanović would follow the same economic pattern. When his government announced its plan to increase the level of foreign direct investment (FDI) and significantly decrease the tax burden for entrepreneurs, there was no longer any doubt that he had accepted an only slightly modified neoliberal model. Apart from that, he maintained a stable currency exchange rate - a monetary mantra which has been respected since 1994 when the Croat kuna, the national currency, was introduced. This macro-economic framework and the structural measures implemented (reduction of social benefits, raising of retirement age, stimulating pensioners to find part-time jobs and so on) have not been particularly effective since it was hardly to be expected that supply side politics would work when demand was insufficient.

This macro-economic approach has created social havoc throughout the region as was noticed during the work visits of the expert team. If we take, for example, Serbia, Macedonia and Croatia, we can see that the extent of poverty is well above the EU average rate which highlights the problems of lower employment rates, lower incomes, lower efficiency of social transfers, as well as generally lower social spending as part of the GDP. This all implies that social-democratic parties in the region should be much more socially engaged, which became visible in Croatia more recently. The government of Milanović at the end of its term showed that it is possible to go against the interests of European capital by introducing the new tax on capital and active protection of the so-called savers in Swiss francs. Unfortunately, this is still far from a real social democratic program , but we some things changed for the better.

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Regional players in the Western Balkans: The influence of Russia and Turkey

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During the past ten years, the EU has been struggling to define an effective strategy in the Western Balkans in a climate of enlargement fatigue and against a backdrop of consecutive crises – the global financial, of the eurozone, in the EU's backyard and the migration crisis. This lack of orientation is reflected in the Western Balkan region in democratic backsliding, an economic slowdown, the ineffectiveness of the EU's conditionality for reform and civil discontent. This environment has allowed other external powers, like Russia and Turkey, to make their presence felt in an area which is perceived as the 'soft underbelly of Europe'. Both these countries are historical players, who at various moments in time left their political, social and cultural imprint on the region, at times complementary but, most often, competing with Europe.

In the current context of emerging geopolitical challenges, the Western Balkans acquire a special significance as the gateway to Europe, and both Russia and Turkey have tried to affect regional developments in one way or another, through economic ties and foreign direct investment (FDI), energy policy, media presence and cultural links with the religious communities, Christian Orthodox and Muslim, respectively. Far from being their immediate and first priority neighbourhood, both states have exerted their influence in the region to suit their own domestic and foreign policy needs. Russia under Putin has aimed at enhancing the anti-western forces in Western Balkan domestic politics and at disrupting NATO's advance in the region. Turkey under Erdogan has been acting as post-conflict mediator and protector of the Muslim populations to serve its neo-Ottoman policy of regional influence while, at the same time, it has been distancing itself from Europe.

As for the Western Balkan political elites, the meddling of external actors with a 'historical baggage' is never a straightforward matter and usually divides political elites and public opinion. While there is a clear majority in favour of the euro-Atlantic orientation, at the same time, local elites are pragmatic and show 'realpolitik' when dealing with external players such as Russia and Turkey.

Russia's anti-western disruptive policy in the Western Balkans

In the Western Balkans, Russia's main priorities are gathering as much support as possible for its policy in Ukraine and obstructing NATO enlargement in the region.

Serbia has been the most traditional ally of Russia in the Western Balkans, a special relationship which has been underscored by FDI, trade relations, joint military activities, cultural and religious links and most importantly Russia's blocking of the recognition of Kosovo in the UN Security Council. Russia enjoys popularity among some of the political forces in Serbia which have reservations about the West due to the 1999 NATO bombing of the country. Having said that, the present government of Aleksandar Vučić has chosen as Serbia's primary foreign policy goal its accession to the EU, but it faces some reaction and pressure from inside the country against this position as well as from Russia to cooperate more with the Eurasian Economic Union. Beyond Serbia, the Kremlin has sought support in Montenegro, Macedonia and Republika Srpska, connecting with pro-Russian forces in these countries and backing Dodik's independence claims in Bosnia-Herzegovina.

With this in mind, in June 2016, pro-Russian and anti-NATO parties across the Western Balkans, including the Serbian People's Party, Republika Srpska's Alliance of Independent Social Democrats, Montenegro's New Serbian Democracy and Democratic People's Party, and Macedonia's Democratic Party of Serbs, attended the 15th congress of Russia's ruling United Russia party in Moscow where they signed a declaration calling for 'a militarily neutral territory in the Balkans'.

Lately, however, Russia has been mostly annoyed by Montenegro's decision to join NATO, and has been at odds with Djukanović's ruling party. Montenegro, where Russia's economic influence has been the most prominent in the region, has met with outright Russian hostility over its decision to openly back EU sanctions against Russia and become a member of the NATO alliance. Unlike Bosnia, Serbia and Macedonia, which are still outside NATO, Montenegro joined EU sanctions against Russia and voted for the UN General Assembly resolution on Crimea. To make matters worse, Montenegro authorities claimed that on the election day, October 16, they stopped a Kremlin-based coup aided by pro-Russian Serbs.

Following a period of increasing economic and energy engagement in the Western Balkans, Russia's influence has been affected lately by its own economic crisis due to EU sanctions, declining gas prices and the falling ruble, all of which have reduced the volume of Western Balkan exports to Russia and diminished the influx of Russian investment. Moreover, the end of the South Stream gas pipeline project in 2015 disappointed the governments of the region and revealed Russia's lack of commitment in the Balkans.

As it stands, despite its internal problems the EU continues to be the undisputed economic actor in the region and the dominant trading bloc, deliverer of foreign direct investment and financial assistance, as well as providing reform guidance. Russia's policy under Putin, on the other hand, is opportunistic, reactive and disruptive, lacking a long-term vision of economic or political engagement, informed by short-term policy considerations and its competition with the West.

Turkey's neo-Ottoman engagement with the Muslims of the WB

The other important regional power, Turkey under the Justice and Development Party (AKP) government, sees the Western Balkans in the context of its neo-Ottoman foreign policy and solidarity with the Muslim populations, descendants of the Ottoman Empire. During the period 2009-2014, under Foreign Minister Davutoglu's 'zero problems with neighbours' policy, Turkey intensified its engagement with the Western Balkans through trade, investment in infrastructural projects, cultural influence through education and TV programmes, as well as mediating in Bosnia between the three ethnic groups or between Serbia and Kosovo, albeit with limited success. This was the period of substantial growth rates for Turkey and increasing regional influence.

After 2014, Turkey has been tormented by domestic problems in an increasingly authoritarian political context, marked by Erdogan's desire to institutionalise his presidential autocratic authority, the post-Gezi park civil discontent, the collapse of the Kurdish peace process, and the stream of refugees fleeing the war in Syria.

Turkey's distancing itself from the norms of the EU and the adoption of an increasingly anti-Western appeal do not resonate well with the mainstream elites of the Western Balkan states which see their own future within the European Union. In addition, the massive influx of refugees through the Aegean Sea in 2015, transformed the Western Balkans into a transit route to Western Europe and made these countries vulnerable to the success or failure of the EU-Turkey deal.

Since the rupture between the AKP and the Gülenists and the latter's purge from the dominant institutions of Turkey, which was intensified after the coup in July 2016, Erdogan has been exerting pressure in Albania,

Kosovo and Bosnia to reject Gülenist influence and close down Gülenist educational institutions in their countries in exchange for more cooperation and economic agreements.

Overall, Erdogan, like Putin, sees the Western Balkans as the extension of his domestic agenda and as a legitimising pillar for the consolidation of his power. Both leaders have a certain appeal in some political circles in the region as well as popularity at the people's level. Both leaders take advantage of waning influence of the EU, whose normative leverage decreases as its enlargement agenda loses traction.

The challenges of bilateral and regional cooperation of social democrats

Michael Weichert, independent expert of the region

In this article, I will elaborate on the four key challenges for social democracy in the Western Balkans, and more in general, for bilateral and regional cooperation. It is based on discussions held within the framework of the regional social democratic movement and with the international social democratic partners active in the Western Balkans. This contribution refers to the encouraging role of social democratic parties and their politicians, but it also underlines the risks and the deficiencies of our family. As one participant in the concluding event of the European Forum project in Ljubljana mentioned there is ample motive, but also a need to be more courageous in pursuing our objectives.

1. Reconciliation and overcoming the past

After the conflicts and the wars in different parts of the former Yugoslavia in the nineties of the last century it was the prime objective of the national and international communities to facilitate the return to stable political conditions, and to establish a 'normal life' in the countries of the region, which included reconstruction of the infrastructure, the return of refugees and displaced persons, and functioning state structures and institutions, which were to be conducive to the overarching objectives.

Since then many initiatives and programmes have been started with strong support from the international community in order to offer platforms of 'speaking again to each other' – efforts to facilitate some form of re-conciliation and confidence building between neighbours. Because formal relations between the states were still weak and guided by mistrust, their institutions and the governments were often hesitant to engage in this process. It was in fact high time that internationally supported civil society organisations took the lead. Many obstacles had to be removed and fears overcome. The conditions for cross-border cooperation were quite bad. Most of the countries required visa, which were often not easy to obtain. Regional meetings had to take place outside of the region. Montenegro was the only country most of the former Yugoslav neighbours could enter without obstacles.

Political families, in particular European social democrats and their affiliated institutions, started to get involved by creating opportunities for exchange and cooperation. The social democratic political foundations established local offices and initiated programs which promoted exchange with the established democracies of the West, but also offered a framework for contacts between the countries of the region. At the beginning, newly formed social democratic parties from the region were actively involved - also because they aspired to obtain the legitimacy they lacked in their countries through international contacts. This example was later followed by most of those ex-communist parties of the region that underwent a process of social-democratisation. The core participants in these programmes were the youth and the women's organisations of the social democratic parties, as well as their parliamentarians. It must be noted that the content of these contacts focused on social democratic values and international cooperation, on the challenges of transformation and integration rather than on reconciliation and dealing with the past, apparently because of the need to avoid what potentially might disturb the 'speaking again to each other' objective.

'Dialogue and compromise' were the guiding mottos of this intensive phase of international involvement and regional cooperation. The main political projects of that time were the Stability Pact for SEE and the International Criminal Tribunal for former Yugoslavia (ICTY). The Stability Pact for SEE, established in 1998, actively supported a comprehensive programme and facilitated a variety of platforms, like the roundtables dealing with the different challenges for the region. The Stability Pact contributed to deepening and strengthening the cooperation within the Western Balkans and SEE. In 2003 at a meeting in Thessaloniki the European Council reconfirmed the perspective of becoming members of the European Union for all countries of the region. Social democratic political leaders from the EU as well as from the region were actively contributing to this process and at crucial moments played a leading role in the reconstruction of the region and the establishment of new regional mechanisms and institutions.

The strong commitment of the international community to political stability, post-conflict reconciliation and regional cooperation was reciprocated by the strong interest and willingness of most of the populations of SEE to establish deep and comprehensive relations with the West and to receive the support of its governments and civil societies in creating more democratic and prosperous societies. During these years, social democratic parties were forming part of the governments in most of the countries of the region as well as in the European Union itself. The social democratic political parties and organisations from the region were keen to accept the political support of their Western counterparts. The social democratic ideological basis was thus laid and the vision of a united Europe as a zone of peace, justice and welfare was a widely shared important element of it.

The participating social democrats from the region saw the programmes above all as an opportunity for strengthening cooperation with the West – regional cooperation being a kind of collateral benefit, but not the main objective in itself. By promoting bilateral and multilateral cooperation within the region social democratic parties ran the risk of being portrayed as traitors of 'national interests'. Bilateral cross-border cooperation was, therefore, often limited, basically to trans-border ethnical contacts, for example the cooperation in political campaigns between SDP BH and SDP Croatia in the Herzegovina. Those initiatives that contributed to the re-establishment of communication often remained superficial, avoiding a profound dealing with the past – with issues such as the attribution of responsibilities, guilt and war crimes, the case of offenders and victims, traumatisation and compensation, return and re-integration. The past is therefore 'unfinished business'. It can easily surface again, being instrumentalised by political interests harming the process of reconciliation, cooperation and integration. In combination with economic hardship and social misery such abuse of the past helps to create a general perception of insecurity and potential threats and feeds hatred, which fuels populist responses and nationalism dividing societies in 'us' and 'them'.

Based on these observations, it can only be recommended to the social democratic movement to keep the objectives of reconciliation and social cohesion on the political agenda, but also to commit itself more intensively to a profound process of coming to terms with the past. This is not only unfinished business in most of the countries of the region, it also involves the rather permanent task of keeping up and shaping the memories of forthcoming generations - in defence of the truth and in order to provide an antidote to the poison of nationalistic populism.

2. Transformation and Integration into the European Union

There has been growing interest from the political leadership to benefit from the experiences and from the lessons provided by more advanced countries regarding the negotiations with the European Union and the implementation of the reforms related to the different stages of the accession process. The EU has increased the focus on good governance as one of the main criteria for making progress in that process. The Stability Pact for SEE, with its role of strengthening regional cooperation within a quite comprehensive institutional setting, was transferred from Brussels to Sarajevo, and thereby the ownership was handed over to the

countries involved whilst at the same time maintaining a high level of material and the political support by the EU and the international community. The normalisation of relations between neighbours, the return of refugees and the cooperation with the ICTY became key conditions for EU membership. The 'Berlin Process' put regional cooperation and interconnectivity high on its list of priorities and gave new impetus to cross-country infrastructural projects. Last but not least, the refugee crisis and the new geo-strategic context in the wider European region create an international context of interwoven risks and challenges in which dialogue, coordination, cooperation and effective multilateralism are key requirements for coping with them, even more so than before.

In most countries of the region, the social democratic parties have been leading the reform and EU integration processes in the first decade of this century. In this broader context the objective of regional cooperation and good relations with the neighbourhood became a requirement of growing importance. The demands placed on the respective governments of the region have been and are quite similar, if not the same. The circumstances and conditions within the countries are quite different. While at a technical level the process of integration continues, although more slowly and less intensely, the attractiveness of the EU perspective as such seems to be waning because of unfulfilled expectations and a lack of real benefits which has made EU membership a moving target in public perception. Success in national politics no longer depends almost automatically on strong political leadership in bringing the country closer to the European Union since this goal is being increasingly questioned by the general public and openly opposed by populist parties.

Some of the reforms in the framework of the integration process like privatisation of state property, the liberalisation of the economy, austerity measures and the flexibilisation of the labour markets were deemed unavoidable but also politically risky for governments run by social democrats. The expectations regarding the speed of the accession process and the positive results for the everyday life of the citizens were not met in many cases. The financial crisis of 2008 hit the region very hard. Social democratic leaders were held responsible for the deterioration of the social situation by disappointed and disenchanted people, and as a consequence the social democratic parties lost power in most of the countries of the region. Social democracy seemed not to have either answers or the means to stop the deterioration of living standards. In some countries right-wing and populist parties present themselves as the real defenders of social rights and the interests of the poor, capturing traditional demands and thereby wooing voters away from social democracy. Trust in reforms, in the political leadership and in the positive impact of the European Union decreased significantly. It explains why many young people consider migrating to the European Union as their only option, if 'Europe' does not come to them. The Youth Studies of the Friedrich Ebert Foundation show that this attitude is widespread among young people in the region – and not only in the candidate countries, but also in the SEE member-states of the European Union.

Despite the actual difficulties in which the European Union finds itself, in my view it remains necessary to basically uphold, to adjust where needed and to speed up the EU membership perspective for the region. The completion of the European Union as a zone of peace and stability is still unfinished. Although other regional players have increased their presence, there is no alternative to being part of the European project for a sustainable future of the states and societies in the Western Balkans. Social democrats need to strengthen the lobby within the European Union as well as in the region and continue with decisiveness and with courage the struggle for a rapid extension of the Union, even if this appears not a popular demand at the time.

In this respect it will be helpful to put the enlargement of the EU into the wider context of the actual geopolitical developments and related security concerns. The fight against terrorism and the still existing migration challenges make it obvious more than ever before that we are all in one and the same boat – the member states of the EU as well as the candidate countries. Therefore proposals such as starting the

accession negotiations with all candidates at the same time and the option of partial integration or its regionalisation should be considered. This process has to be combined with an appropriate expectation management and proper evaluation mechanisms which take into account all relevant stakeholders, including the societies of the candidate countries. The apparent political (as distinct from geographical) distance to 'Europe' has to be bridged by more tangible steps and achievements on the long road leading to integration. It also has to be avoided that changing border regimes due to the enlargement of the EU are translated into further obstacles for bilateral and regional cooperation and the free movement of people and goods. 'Inter-connectivity' as the catch-word of the recently established 'Berlin-Prozess' will have to become a reality and needs to be closely linked to the accession to the EU.

3. Ethnicity and interethnic relations

Ethnicity and interethnic relations are of major importance in the Western Balkans. The past wars and conflicts, the hardships of social economic transformation, the marginalisation and exclusion of people, border issues and other rifts have contributed to the persistence and even to the strengthening of ethnicity as a key element of individual and social identity. The insufficient achievements of reconciliation and overcoming the legacy of the past as well as social and political polarisation - and more generally the shortcomings in the process of democratisation and the modernisation of states and societies - are conducive to a climate in which sentiments of 'we' versus 'them' mushroom. The relations between ethnic majorities and ethnic minorities are on the political agenda, either within the countries or in between the countries of the region – or both. Social democratic parties define themselves instead as citizen-oriented parties and strive for the protection of the rights of minorities.

Under pressure of the international community good interethnic relations and the inclusion of ethnic minorities have been promoted through different forms of power sharing. In Bosnia and Herzegovina this was a pre-condition for ending the war, as it was for successfully negotiating the Ohrid Agreement in Macedonia. In other countries ethnicity-based parties claimed more or less successfully participation in executive and legislative bodies. This became an important element of state and society building. While the inclusion of ethnic minorities via power sharing has its justification and its merits, it also contributed to further spreading of ethnically motivated politics. Bilateral and regional relations between states and peoples and their institutions – including political parties – often contain strong ethnical and national elements. This fuels fears and speculations about alleged political ambitions regarding for example a 'greater Serbia' or a 'greater Albania'.

The process of establishing Kosovo as an independent state is another obstacle to regional cooperation. Although bilateral relations have improved, the integration of the new state and its society into regional frameworks remains insufficient.

The utilisation of ethnicity in politics is characteristic of right-wing and nationalist political forces in the region. They play on the fears of ordinary people by presenting themselves as the only defenders of 'us' against 'the others'. Social democratic parties are at risk of being accused as 'traitors' if they choose to treat all citizens equally and abstain from the using ethnicity as a guiding principle. However, the temptation of playing 'the ethnic card' is sometimes, also, for social democratic parties hard to resist. A telling example is the SNSD in Bosnia and Herzegovina. In contrast to the SNSD, the example of the Bosnian SDP illustrates the difficulties if one sticks to an ideological foundation and is committed to a citizens approach in a situation in which politics is more or less organised along ethnic lines.

We witness the same elsewhere in the Western Balkans, but there are more politicians going against this trend. The SP-led governments in Albania contributed significantly to regional stability by carefully striking

a balance between a special relationship with the Albanian communities in the Western Balkans and particularly in Kosovo after independence, and at the same time using their influence for a 'constructive role' of Albanian political forces within their national context. Remarkable also how the present prime minister of Albania, Edi Rama, was able to establish constructive cooperation with the prime minister of Serbia, Aleksandar Vučić, on the regional level as well as on the level of bilateral relations.

Finally, it has to be acknowledged that social democratic parties as ideologically oriented parties find themselves in a challenging position vis-à-vis ethnically and nationally oriented political parties. Present strategies of inclusion – also of minorities – will have to be further developed towards common citizenship but with guaranteed rights safeguarding ethnic and national identities. Social democratic parties should feel encouraged to secure a diverse membership and voter support from all relevant segments of society, including minorities - and have them represented in their leadership as well. The social democratic concept of social justice and the principles of dialogue and compromise instead of polarisation have to be embedded in a sustainable system of protection of individual and collective rights.

4. Political leadership and political culture

In various debates preparing this mapping of the region the personalised leadership style and the strong role of personal networks in the politics of the Western Balkans have been criticised. Centralised political organisation and strong political leadership often flourish in weak and fragile institutional and normative settings burdened with the communist legacy as regards politics and the management of public affairs. The mentality of 'the winner takes all' or 'you are either for me or you are against me' and 'I'll help you if you help me' and more generally a deeply rooted mistrust vis-à-vis 'the other' as a potential competitor is still widespread. The process of creating a real democratic culture with strong informal rules and an emancipatory mentality takes much more time than establishing the formal and legal requirements for a functioning democracy – as for example we Germans had to learn after the Second World War.

Lack of respect for rules, nepotism, clientelism and corruption go hand in hand with weak institutional settings and widespread poverty. The 'logic of clientelism' is still 'the rule of the game' as far as politics are concerned, and if somebody wants to be in politics and compete for power it becomes necessary to deal with this phenomenon. This applies to social democrats and to social democratic parties as well. Political power provides control over the resources of the state and this turns political parties potentially (when they are in opposition) or actually (when they are in government) into so-called gatekeepers. In most of the countries, the state is still the biggest employer. Support of parties and politicians is expected to bring personal benefits. If 'your party' wins the elections, you may have access to a variety of benefits, especially to jobs. If 'your party' loses, you may be out of a job or be denied access to other benefits.

It is urgent to limit and to control the gatekeeper function of political parties. Social democrats need to give priority – also in their own interest – to establishing and applying strict rules for public employment and public procurement. Transparent state financing of parties will make them more independent, and will help to change the relation between individual politicians and individual citizens into a more political and social one – it makes the political 'contract' between voters and politicians a public and not a personal one. From the perspective of political participation, a democratic political culture accountable and democratically elected leadership is certainly a necessary requirement. It allows for democratic recruitment of political leadership. In the Western Balkans, as in most of the European countries, social democracy is part of the political establishment, and social democracy is as a consequence at least co-responsible for many achievements as well as many deficits. The challenge is to create forms and opportunities for political participation through re-establishing the dialogue and the cooperation between political organisation and society. Therefore, we need to improve cooperation beyond borders, make it a more frequent and a

meaningful experience for all members of the political family. International dialogue and cooperation are among the pillars of our movement, and it is the right social democratic response to the above described challenges.

Sharing the risks? Some conclusions

The Western Balkans is still full of conflict potential – within and between the countries of the region. And this situation seems to be getting worse with strong political polarisation in most of them and the growing nationalist sentiment that pits groups and countries against one another. Coping with these conflicts is of course in the first place the responsibility of the peoples of the Western Balkans themselves, but the international community, and especially the EU, would make a grave mistake by not getting more involved since there are evident dangers for Europe as a whole. The region is a risk factor when it comes to controlling refugee flows coming our way. The poor state of the local economies and a clear lack of perspective create migratory pressures. A repetition of what happened at the end of the last century is in nobody's interest. The EU accession process is and remains the most important instrument that we have at our disposal. Since new accessions are unlikely to take place during this decade, more emphasis should be put on the process itself that should be driving the reforms and contribute to better intraregional understanding instead of concentrating too much on a distant goal. But it is unlikely in the short term that such an approach would be enough for the European perspective to remain competitive in view of the economic and political inroads made by Russia and Turkey. Though we do not believe that these two, although with great nuisance power, will take over the role of the EU in the region, right now they offer concrete financial and other support that should be better matched by the EU, which is seen by many citizens as demanding a lot and offering little. The US is a factor of importance in the region. It supports the expansion of NATO in the region and has been of help in the EU operations in BiH and Kosovo. It is unclear what kind of commitment to expect from the Trump administration. Three central themes can be distilled from the country reports and the thematic chapters:

Past and present
The past still has an big impact on the present – and thereby on future internal and regional relations. Reconciliation after the violent dissolution of Yugoslavia has proved to be a very difficult undertaking. Politics in most of the countries are marked by 'ethnification' to the detriment of the development of multi-ethnic societies. Its divisive character threatens to split BiH, complicates relations between Serbia and Kosovo and mortgages political life in Macedonia. The EU has taken a prime external responsibility - by offering the European perspective to all - for tackling the conflicts in and between countries that these phenomena have caused. Although it has not always acted in a timely fashion, it came to play important roles in BiH and Kosovo, mediated in Macedonia and between Belgrade and Pristina. But it seems to have lost leverage because of its own internal problems and the lack of commitment to the region. This explains why Brussels has been ignored by local leaders frequently and why Moscow and Ankara are able to exploit ethnic and religious links in the region. That six EU member states have opted for a kind of multi-speed involvement through the Berlin process aimed at promoting regional cooperation and interconnectivity, is also telling. It is high time that the EU re-evaluates its role in the region given the growing threat of the past returning in its ugly form.

'It's the economy, stupid'
This famous remark certainly also applies to the region. Market reforms have not delivered what people were led to believe. Business and politics are still strongly interwoven to the benefit of powerful interest groups but not the general public. Unemployment remains high – with many young people wanting to emigrate – and incomes have lagged behind. The gap with EU countries is still very wide. Convergence has

been limited. Austerity and supply side politics have contributed to social imbalances. Many citizens do not profit from the EU-related reforms. On the contrary. Social democratic parties that are or have been in government are being held responsible by many voters who have turned to populist and nationalist parties. Eurozone countries have the same kind of experience and the social democratic family would be well advised to together translate lessons learned into social economic policies that deserve the label social democrat. Such an effort would also help the parties of the region to develop more substantial political platforms.

Stability before democracy

We heard many complaints about the state of democracy and the rule of law in the respective countries of the region. Much needed reforms in these areas have stalled with most elites not being interested in going down that road any further. Instead, by exploiting the nationalist and populist mood, which they stimulate themselves, they turn autocratic, undermining free media, abusing the rule of law and capturing state resources. High levels of corruption persist as does organised crime. In several countries protest movements have started to strongly oppose these trends. They deserve support. The EU will have to decide whether to change its lax attitude in this respect. So far it gives the impression that local leaders can get away with undemocratic behaviour as long as they guarantee a certain stability and respect democratic 'formalities'. It has allowed them to capture the EU accession process for their own particular interests instead of being tested by it. Apart from the tactical merits of this approach, it certainly goes against the priority that Brussels puts on the negotiating chapters 23 and 24 that deal with rule of law and human rights. These 'fundamentals' take first place according to the official documents but this is not the experience of many in the region. The EU should regain the initiative in these areas in order to restore its credibility as a guardian of certain 'European' values and expand its scrutiny.

Our role

Our thematic and country-specific mapping shows that social democrats still have a solid base in the region. But they do not escape from some of the persistent deficiencies of political life in these former communist countries such as the highly personalised style of political leaders, a lack of content, and clientelism. Nevertheless, the overall record of social democratic parties regarding for example internal party democracy, outreach and policy development has improved. Support from the European social democratic family in these areas is much appreciated but that has waned in recent years. The PES, the EFDS, individual parties and foundations should work together to reverse this trend. A special role seems to be carved out for the Progressive Alliance of Socialists and Democrats in the European Parliament since it carries primary responsibility for monitoring relations with the region. The Group's experts should engage in a high level dialogue within a PES framework with the social democratic leaders of the Balkans about their role in the internal and external democratisation processes and in coping with the big regional issues, including interethnic relations. The EFDS and the social democratic foundation could play a role in strengthening the party basis and building better links with civil society. Though gender issues get more attention and there is growing participation of women in policy formulation, they remain underrepresented in political and representative bodies.

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