

## **Un(b)locking the Region's Reform Dynamics**

### **The Interlocking Dynamics of Bilateral Agreements, Regional Cooperation, European Integration and Reform**

#### **Background**

The Prespa Forum for Dialogue builds on three agreements that have shaped North Macedonia and its relations with its neighbours, including the Ohrid Framework Agreement, the Friendship Treaty with Bulgaria and the Prespa Agreement with Greece. As North Macedonia has resolved a number of disputes domestically and with its neighbours through dialogue and engagement in the past two decades, this track record merits reflection.

None of the agreements “resolved” the disputes, but instead they provided a framework within which these differences could be regulated, discussed and, as a result, managed. As a number of challenges after their conclusion have highlighted, they neither end disputes nor are they immune to spoilers. They thus require both constant maintenance and learning from them.

The agreements underline the importance to resolve domestic and bilateral differences through negotiations rather than leaving them unresolved. They also show that their resolution often requires considerable political courage. However, all three agreements necessitate continuous maintenance and implementation, which includes confronting spoilers and obstacles. Agreements need to be understood as part of an ongoing process rather than “closing a book” and need to be embedded into a broader understanding of European integration and domestic reform. This policy brief outlines both some of the lessons learnt from the agreements that have sought to resolve bilateral issues and improve relations with neighbours, and the impact for European integration, providing as well a reflection on how to ensure their legacy.

#### **Bilateral Relations, Regional Cooperation and EU integration**

The completion of the EU integration of the Western Balkans is a central part of the Euro-Atlantic engagement in Southeast Europe over the last quarter of a century. Unlike other actors in the region, the European Union and NATO offered fully equal membership in both organizations and provided for

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economic and democratic development as well as security. The prospect of membership and the engagement of the EU in the region has been an integral part of securing peace and the democratic transformation in the region. This engagement has been predicated, since 2000, by the goal of full-fledged and equal membership in the Union for all the countries of the region. Without it, the central pillar of regional order that secured peace, economic development, and democracy is missing. While there can and have been crises in all three fields despite this (distant) prospect, EU integration remains the main tool for overcoming challenges. The completion of the European integration of the region has been thrown into doubt due to blockages and delays that have not been based on the merits (or failures) of the countries of the region. This has desensitized reforms and the efforts to tackle difficult bilateral and regional issues as they offer few tangible rewards for the courageous elites and bear considerable risks. Both domestic concerns in some EU Member States, as well as bilateral disputes have blocked the progress of not just one country—North Macedonia, which has been affected together with Albania in recent years—but the region as a whole. No credible progress in resolving relations between Serbia and Kosovo or domestic reforms in Bosnia and Herzegovina are plausible if EU accession is not merit-based and holds no rewards for governments taking a chance on making difficult and at times unpopular decisions. These blockages, thus, do not derail “just” the membership perspective of one country only. Completing the EU integration of the Western Balkans is at stake, as is the credibility of the EU itself. The Luxembourg Foreign Minister Jacques Poos proclaimed thirty years ago, in 1991, that the “Hour of Europe has dawned”. It turned out to be a false dawn as the European Community failed to prevent the wars that engulfed the region and put the emerging EU to a test. The promise of membership made in 2003 in Thessaloniki was a new commitment to the “hour of Europe” and also recognition of the failure of the EU during the 1990s, the failure to prevent wars, including mass exodus and war crimes, of standing by when the genocide in Srebrenica occurred. The “hour of Europe” should not fail, again.

The WB6 share a common past and destiny. While they have experienced conflicts and tensions, they also draw on long histories of cooperation and shared experiences. If the shared goal of the region is to be prosperous liberal democracies within the European Union, the approach requires an interlocking improvement of the EU accession process, regional cooperation, positive bilateral ties, and domestic reforms. Neither of these can substitute each other. In fact, a positive dynamic is essential to prevent the three to reinforce mutually negative processes. Bilateral disputes can block EU accession and lead to reversals in terms of domestic reforms. Those setbacks can create incentives to allow for the deterioration of bilateral relations to score domestic political points and distract from a distant EU future. It is thus essential to conceptualize these three dimensions jointly and as interlocking processes.

## **Bilateral Relations and the EU**

Improving bilateral relations has been at the core of European integration and also an important component of the Berlin Process since 2014. Open bilateral issues are not unique to Southeastern Europe but have a long and often torturous history also among the founding countries of the European Union. In effect, the logic of European integration has been that the process of integration would help to resolve these disputes or render them irrelevant.

The resolution of bilateral disputes and the improvement of bilateral relations and European integration have a complex history. Some disputes were ‘imported’ into the EU, which helped to pacify and/or resolve them. The Spanish-British contestation over Gibraltar was not resolved but rendered less potent through the EU accession of both countries and importantly, neither the British nor the Spanish accession was hampered over the dispute over the territory. Similarly, the status of Northern Ireland, which was not only contested within the province, but also between Great Britain and Ireland, became an intra-EEC conflict through the membership of both countries in 1973, and was resolved only a quarter century later in the

Good Friday Agreement. While European integration has been an important conduit for resolving bilateral disputes, be they in Northern Ireland or South Tyrol, there is no guarantee that the EU can resolve all disputes, especially if a dispute features an EU and a non-EU member, such as the challenge of the unification of Cyprus, which involves Turkey. Even within the EU itself, disputes can take years to be resolved and the EU is structurally limited in mediating such open questions. In fact, the EU has resolved the open disputes and questions not by what it did, but rather what it was. Reducing the importance of sovereignty and its symbols, including flags and borders, defuses disputes without mediation or other intervention.

## **EU Accession and Bilateral Relations**

A particular challenge has arisen from the link between the EU accession process and the resolution of bilateral disputes. The EU accession process provides unprecedented leverage to EU member states over non-member states to exert pressure to resolve bilateral disputes to their advantage. While the EU accession often is seen as an opportunity to resolve disputes, the asymmetry if it involves members and non-members is highly problematic and risks hijacking the EU accession and supposedly merit-based processes of the latter. These challenges, which first arose in the context of the 2004 enlargement, have been accompanying each subsequent enlargement process, affecting North Macedonia in particular.

It might be tempting to view the EU accession process as an opportunity to resolve bilateral disputes, as the leverage of the EU is the largest and conditionality can work best during this period. However, it also constitutes a serious pitfall, especially as the accession process is steeped in power asymmetries. In particular, there is a risk that this leverage is abused by individual member states, blurring the line between merit-based conditionality and unilateral pressure. This does not only create an imbalance in terms of incentives to compromise in resolving the dispute, but it also undermines the legitimacy of the accession process. Challenges such as this suggest the merits of separating the resolution of bilateral disputes between non-EU member state and EU members from EU accession.

Beyond this challenge, it is also worth noting that not all bilateral differences can be eliminated through agreements alone and that divergent views of past events might persist and do not necessarily need to be resolved. In fact, a crucial feature of European integration is not the homogenization of narratives and views of the past, but the recognition of differences. Living with competing, and at times conflicting, narratives, is an essential pillar of the European integration process. This is anchored in two features of the EU's DNA. First, the EU is built on a duality of diversity and unity, i.e. negotiating commonality based on the recognition that countries take individual approaches to a wide range of policies. Integration is based on the understanding of mutually agreed harmonization and coordination, grounded on the concept of sincere cooperation and solidarity. Second, European integration has moved in parallel with the resolution of the multi-faceted bilateral differences that individual member states have held. Had the EU or its predecessors conditioned integration with the resolution of differences, it would have been much delayed or even rendered impossible. The Elysée Treaty between France and West Germany - the pillar of new bilateral relations - was signed in 1963, after the establishment of the European Community. The substance of the treaty, such as the Franco-German Youth Office was only established then and took years to bear fruit. Thus, EU integration does indeed provide the framework for resolving bilateral disputes instead of the resolution of these disputes being a precondition for the former. Similarly, the Prespa Agreement and the Friendship Treaty between North Macedonia and Bulgaria addressed some key open issues, but, importantly, set forth a process of dialogue and engagement that needs to develop over time and, as it is worth noting, independently of the EU accession process itself.

## **Bilateral Agreements and Societal Roots**

The latter aspect highlights a central feature of most bilateral relations. Their lasting improvement is not grounded in a treaty or agreement alone, but requires social roots. Bilateral relations with neighbours are often complex, with multiple layers of cooperation and conflict. Unless there is a lasting improvement of societal relations, any diplomatic success will only have shallow roots. Small disputes, be they over insignificant territories, historical events that bear no relevance for most citizens, or other open issues, can be easily politicized and used by political parties, media, and social groups to create tensions, compete in elections and serve other purposes. The destructive potential of bilateral disputes, no matter how small and irrelevant they might be, is enormous. They thus need to be handled responsibly and with care. Leadership is needed to tackle these disputes, even when popular opinion might be weary of a solution and prefer nationalist sabre-rattling while spoilers might want to exploit the opportunity. As the experience of the Prespa Agreement highlights, the resolution requires each party to not understand the solution as a zero-sum game, but rather one where elites must communicate the agreement jointly to their constituencies and require convincing sceptical publics. However, once they become “normal” and the agreements do not dramatically change everyday life, they can easily lose political salience and with it the previous level of contestation. Thus, understanding the social, i.e. domestic, dimension of bilateral relations is essential. While some aspects of foreign policy can and might benefit from developing detached from everyday politics, bilateral relations with neighbors, which share memories of conflict, tension, and cooperation, cannot afford such an approach. The lack of outreach can encourage spoilers to jeopardize any agreement, often for reasons unconnected to their substance. In fact, bilateral relations are often deeply steeped in domestic politics and thus easily become subject to domestic power struggles and disputes that can jeopardize historical reconciliation for short term political gain. Attempts to divorce agreements from domestic politics are thus unlikely to succeed. Instead, such agreements must be able to grow roots. This process entails several dimensions to succeed.

First, it requires parties to frame the agreement not as a victory against the neighbour, but as a transformative event, i.e. a commitment to move out of the zero-sum conception of bilateral relations. Accepting the framing of agreements in the context of zero-sum relations means that the agreement is the victory of one side over the other and thus somebody's loss. Considering the closely intertwined publics in both countries this often means that 'selling' the agreement as a victory in one country implies a loss for the other. This does not only undermine its chances of success, but also jeopardizes the parties' commitment as an equitable agreement. Furthermore, as any agreement is likely to be a compromise, an anti-agreement position is likely to be more convincing in such a framing. In essence, a successful agreement will transform the conflict rather than just reframing the conflict through a treaty or agreement.

Second, such an approach is based on not understanding any agreement as the resolution of any or all open questions or disputes, but as a step in a process. At best, the agreement itself includes forward looking components that both include broader social actors into the process and also focus on structured and positively framed exchanges. Without societal roots, agreements will either result in a “cold peace” or might even be jeopardized by new governments or other shifts in social attitudes. This means continued efforts by governments, civil society, and other actors to promote the agreement and other spheres of cooperation to both deal with the legacies of the dispute itself and to promote new ties between the parties. Essential here is viewing any agreement not as the end point, but rather as a step in an open-ended process.

## **Interlocking Dynamics: Bilateral Relations, Domestic Reform and European Integration**

Domestic reform, the resolution of bilateral disputes, regional cooperation, and European integration are four essential components to secure a stable and prosperous democratic future for the Western Balkans. They are interlocking cogwheels, i.e. if they all turn in the same direction, they can be mutually enforcing, but they can also block one another. Like throwing a wrench in the machine, blocking one of these wheels can equally block all others. Approaching all of them in a constructive manner requires conceptualizing them not as sequenced processes, which need to be addressed in any given order, but rather as parallel processes. Essentially, all processes require a distinct political commitment, rather than just a technical process or lip service. Furthermore, this commitment is necessary at all four levels, as, otherwise, there is a risk of the process becoming a shell game, i.e. the confidence trick in which one ball is hidden under a number of shells to trick a gullible audience into wagering on the right shell. In brief, if regional cooperation is viewed as an alternative to resolving bilateral questions or European integration replaces domestic reforms, such substitution strategies might create the illusion of progress, but in essence they just hide the ball under a different shell.

The four levels can work to mutually reinforce each other. At the first level, European integration has been a process in Central and Southeast Europe to incentivize domestic reforms. Bilateral relations and regional cooperation are also mutually reinforcing processes where some aspects are more easily resolved regionally and others bilaterally. Considering the crisis of EU enlargement, closer regional integration has been proposed as a (temporary) substitution. This can create a positive dynamic, such as closer regional cooperation and highlighting to enlargement-sceptics the ability of the countries to cooperate, but also bears the risks that the substitution becomes permanent.

Key features for success of the four processes to mutually reinforce each other:

Political commitment to all four aspects instead of strategic substitution

Broad societal base and consensus among key political actors.

Tangible benefits ("peace, cooperation, integration and reform dividend")

Process oriented approach rather than resolving or ending any of the four dimensions (such as "resolving disputes", "completing European integration", "concluding reforms").

### **Policy Recommendations**

As outlined in this Policy Brief, a new and positive dynamic in the spirit of the Ohrid Framework Agreement, the Prespa Agreement and the Friendship Treaty between North Macedonia and Bulgaria requires a new approach to support domestic reforms, bilateral and regional relations, and EU integration. These are not isolated but need to be tackled jointly. The following recommendations offer some suggestion for creating such a new dynamic.

#### **1. Enhance the initiative to resolve bilateral issues in the framework of the Berlin Process**

The Berlin Process has since 2015 sought to contribute to the resolution of bilateral disputes in the region. This included a declaration of the Foreign Ministers signed in Vienna in 2015, and the declaration by the leaders in London 2019. Interim efforts have been made to establish a reporting mechanism to share progress. This initiative merits continued support to actively encourage countries of the Western Balkans to resolve open bilateral questions. The declarations have also invited neighbouring EU countries to join the initiative and the commitment not to block EU accession over bilateral issues. The EU, Member States, and the WB6 should encourage all neighbouring countries to join the commitment and establish a monitoring process, facilitated by the EU.

## **2. Reducing obstacles towards merit-based EU accession**

Bilateral relations, as well as scepticism about EU enlargement in individual member states, have become key obstacles for a merit-based progress towards EU membership in the Western Balkans and incentivizing taking “difficult” decisions by leaders in the region. Confronting this requires two parallel initiatives. First, a commitment by friends of the enlargement among EU member states and others (e.g. the US and the UK) to act as honest brokers and also mediators in such disputes, all with a view to prevent these from become entrenched obstacles to enlargement. Second, the introduction of Qualified Majority Voting in the European Council for taking decisions regarding the different steps in the accession process, except for the final decision, the ratification of the Treaty of Accession which would remain with national parliaments. This would reduce individual veto points and also reintroduce a merit-based process that is driven by the assessment of the Commission and the overwhelming majority of all EU member states.

## **3. Giving regional cooperation and bilateral agreements roots**

Steps to improve bilateral relations, resolve disputes and enhance regional cooperation require rooting these processes in the respective societies at large, not just at the level of governments. The establishment of RYCO and several measures to improve regional communication (such as free regional roaming) constitute the first concrete steps, as do similar initiatives to promote people-to-people exchanges in the framework of the Prespa Agreement and Friendship Agreement with Bulgaria. Without such roots, agreements remain fragile and less resilient in the face of potential spoilers. Such an approach requires the involvement of Civil Society in the process and as active and critical supporters. In addition, there is a need for the development and investment into a broad range of regional and bilateral cooperation measures, including twinning of cities, enhanced academic and teacher exchanges, media exchanges, and other multipliers who can help build the roots of such agreements.

## **4. Confronting the past in the region**

Most regional cooperation initiatives have been looking towards the future, yet contesting historical experiences, revisionism, and hate speech continue to haunt the region. The legacies of war both stand in the way of full normal relations in many instances in the region, but they also hold back developments within the countries and tarnish the reputation of the region. Thus, a regional approach to confront the past is needed. Besides RECOM, as a regional civil society initiative, other steps are possible and confronting the past should not be reduced to RECOM alone.

A joint commitment of the governments, including a clear work plan, to combat hate speech and historical revisionism would also help to counter antagonism and hate speech in the region.

Furthermore, more joint work on textbooks would help deal with these issues. The Agreements between North Macedonia and Bulgaria and Greece established joint textbook committees. While this model based on other European experiences is a promising approach, the work of the committees has at times been highly politicized and offering little space to historians for professional and joint discussions. A regional approach to dealing with controversies has the potential to take the discussions out of a bilateral context and deal with the intertwined histories of the region. Such a committee would provide for a channel of communication among historians and allow for discussing controversies which are still communicated through very antagonist narratives across the region.

## **5. Revitalizing the EU accession process**

Including the WB6 in the EU is a test for the EU to fulfil its promise, take decisive joint action and become a geopolitical actor. The current accession process is not delivering results and lacks the political commitment to reward progress made and encourage the transformation of the countries of the region. What is needed is not an alternative or an interim solution, but a viable process that does not only incentivize domestic reforms, but also facilitates the improvement of bilateral relations, including the resolution of open disputes and regional cooperation. Key steps should include a clear tailor-made accession partnership roadmap for each of the Western Balkan countries and the integration of Western Balkan countries into existing EU mechanisms such as the EU Justice Scoreboard, the new Rule of Law Report and the European Semester Framework. Assistance through a substantial increase of funds channelled to the Western Balkans in environment, energy, and transport infrastructure, whereby citizens of these countries will see the concrete benefits of accession and the full alignment of the Instrument for Pre-Accession Assistance rules and procedures with the EU Structural Funds model are all necessary. Finally, the EU's absorption capacity can be improved by diversifying the portfolios in which the Western Balkan countries are dealt with at EU level and not focusing solely on DG NEAR.

## **6. Creating Prespa Dialogue Forum Centre**

The Prespa Dialogue Forum is an opportunity to reflect on the agreements and promote some aspects for the resolution of other disputes, as well as introspection on how to improve the agreements and their implementation. The successful resolution of bilateral disputes and minority-majority disputes has given rise to several initiatives to reflect on and promote these approaches, including the European Center for Minority Issues (ECMI) in Flensburg, Germany, building on the Danish-German minority protection, as well as the European Academy (EURAC) and its minority rights and federalism institutes in Bolzano, South Tyrol, aimed to promote and reflect upon the resolution of the status of South Tyrol. Research and policy centers have emerged in Northern Ireland and elsewhere in the aftermath of agreements. The Prespa Forum Dialogue provides for an opportunity for a dual approach of a) critical reflection on the agreements and ensuring that they become and remain socially embedded and "living" agreements and b) to share this experience with other countries with the goal of promoting the resolution of other disputes and open questions, be they bilateral or domestic. Besides a forum that exchanges views and experiences, the Prespa Forum Dialogue provides the opportunity to develop a center as a regional hub that both facilitates the emergence of social roots of these agreements, such as exchanges, mobilities and other forms of communication, as well as a more structured research and policy development. Such a center could, aside from being engaged in policy-oriented research, also promote academic mobility and fellowship programs, in line with other Centers for Advanced Studies (i.e. in Rijeka, Sofia and Vienna).

This policy brief draws on the work of the Balkans in Europe Policy Advisory Group (BiEPAG). BiEPAG is a group of policy analysts, scholars, and researchers, established as a joint initiative of the European Fund for the Balkans and the Centre for Southeast European Studies of the University of Graz. The goal of the Group is to support the integration of the Western Balkans in the European Union, and to contribute to the consolidation of democracy in the region, through the facilitation of evidence-based policy dialogue. BiEPAG has been developing ideas and providing policy advice since 2014 on EU integration, domestic reforms and improving bilateral relations.



To this end, BiEPAG is conceptualised as a platform to bring closer the various political and developmental stakeholders of the individual countries of the Western Balkans – on one side, and the bodies and branches of the European Union and the governments of its constituent countries – on the other. Florian Bieber is the Coordinator of BiEPAG.

For further information, including all policy papers see: <https://biepag.eu>

#### Disclaimer

The opinions expressed in this publication are those of the author. They do not purport to reflect the opinions or views of the Prespa Forum Dialogue