

## REDEFINING THE EUROPEAN UNION AS A DETERMINANT OF THE SUSTAINABILITY OF THE WESTERN BALKANS – A CASE STUDY: SERBIA AND NORTH MACEDONIA

*Sanja Jelisavac Trošić<sup>1</sup>; Mitko Arnaudov<sup>2</sup>*

### Abstract

*The European Union's (EU) movements represent significant factor in the sustainability of political entities in the Western Balkans (WB) due to the fact that membership is placed on a pedestal as a question of sustainability. The common characteristic of all political entities in the WB is precisely membership in the EU, placed as a strategic foreign policy goal. Therefore, of particular importance is to analyze and assess the directions of development of the EU in the ongoing political, economic and security circumstances in order to create a clearer insight for planning the foreign policy actions of political entities in the WB. The contribution of this paper is threefold: first, we will provide an answer to the question of how much the European perspective of the region is endangered; second, we will establish what political units within WB, using the case study of Serbia and North Macedonia, are doing in the direction of existing potential threats in the EU context on the political, security and economic fronts, and finally, we will answer the theoretical question about the room for maneuver of foreign policy and foreign economic action of small states in the given circumstances of international political, economic and security relations.*

*Keywords: European Union, Serbia, North Macedonia, foreign policy, small states.*

*JEL classification: F15, H10, P52, R10, R50.*

### Introduction

The history of international relations has shown that small states have a kind of dual role in international relations. This does not mean that they enjoy greater room for maneuver compared to great powers, but that they are "forced" to adjust their foreign policy actions in two ways: according to internal state and national interests; according to external circumstances, national and state interests of regional and great powers. In contemporary and

---

<sup>1</sup> Sanja JelisavacTrošić, Senior Research Fellow, Institute of International Politics and Economics, Belgrade, Serbia, sanja@diplomacy.bg.ac.rs, ORCID 0000-0003-0949-7052

<sup>2</sup>MitkoArnaudov, Research Fellow, Institute of International Politics and Economics, Belgrade, Serbia, mitko@diplomacy.bg.ac.rs, ORCID 0000-0002-3274-347X

current international relations, small and micro states, such as Serbia and North Macedonia (S&NM), are facing the same "fate" - adaptation, then realization. When we talk about realization, the focus is on the achieving foreign policy goals defined on the "foundations" of national interests. In this context, we also recognize the academic validity of the process of redefining the European Union in the current framework of international relations. Because, small states, in the case study of S&NM, must first of all face, then adapt to the newly emerging circumstances that the European Union brings with it, and finally, eventually redefine their foreign policy actions in the domain of achieving foreign policy goals, which can be a multifaceted process - from adjusting the methodology towards achieving, in depth (new criteria), horizontally (new time frames), to possible *de facto* freezing of procedural procedures or possible short-term or medium-term alternative guidelines.

Analyzing the geostrategic positioning of S&NM, as well as the economic and financial mosaic of these two countries, the focus of the paper will be primarily on their adaptation to the new framework of the European Union, and at the same time on their redefinition of foreign policy actions towards the achievement of foreign policy goals, including the variable of a possible *de facto* medium-term freeze of the EU enlargement process instigated by official Brussels. Potential short-term and medium-term alternative directions in the foreign policy actions of Belgrade and Skopje will be isolated in this case study, due to the thesis predefined by the authors of this paper, namely that the sustainability and preservation of the national interests of these two countries are in direct correlation with the relations that S&NM have with the European Union and EU member states.

Namely, the basic thesis is that the preservation of national interests is fully consistent with the set foreign policy goal, i.e. EU membership in the case of S&NM. The thesis will be proven on the basis of contemporary political and security challenges, risks and threats faced by these two countries, as well as on the economic and investment policy they implement, which is also fundamentally related to their sustainability. The authors will then present new directions of "movement" of the European Union, and on these grounds will offer models that are available to S&NM in parallel processes of ensuring sustainability and realizing foreign policy goals in the given circumstances. On such empirical grounds, the thesis will be confirmed that the essential foreign policy actions of small states are doubly determined by mechanisms of adjustment to external/current international relations and mechanisms of adjustment to internal national and state interests - political, economic, security.

The contribution of the paper will be twofold: In an empirical context, based on statistical and factual data, it will prove the sustainable dependence of S&NM on the intensification of comprehensive relations with the European Union; in a theoretical context, based on empirical indicators, it will present the contemporary challenges of small states in their attempts at independent and sustainable foreign policy action.

### **Western Balkans EU integration processes**

In the post-Yugoslav region, the processes of European integration followed immediately after the end of the civil wars that marked the dissolution, or rather the disintegration, of the common Yugoslav state of socialist order. Most of the "democratized" leaders who were prominent socialists and supporters of the idea of "brotherhood and unity" during the Yugoslav federation were prominent leaders of the so-called national and patriotic cause during the wars, and already at the beginning of the 21st century they became strong protagonists of the idea of Europeanization. Very illogical, following their political biography of development, but at the same time very expedient in the now WB framework. Because in the meantime, the term post-Yugoslav space, which included the former socialist republics, was replaced by the term WB, which excludes Slovenia and Croatia, but in the "package" of Belgrade, Podgorica, Skopje, Sarajevo and Pristina, includes Tirana. This brief introduction to this chapter is purposefully highlighted at the very beginning of the work, because on its basis, the effectiveness of the process of Europeanization of the region as a whole can be significantly established, using the empirical example of S&NM.

The WB, after almost 25 years since the end of the civil wars in this area, taking into account the armed conflicts in the northwestern parts of North Macedonia during 2001 (Arnaudov, 2016), is essentially at a standstill when it comes to the process of European integration, because essential - value-based, institutional, legislative, economic and foreign policy coordination and synchronization - has been absent, that is, it was kept at an insufficient level. During the first decade and the first half of the second decade of the 21st century, European integration was an attractive marketing instrument for political factors in the area in question. In North Macedonia, European integration was a "winning card" for both Macedonian and Albanian political factors in that country (Арnaudов, 2021), while in Serbia, European integration was a matter of development, sustainability and prosperity of the Serbian nation, after the difficult and existentially challenging 1990s that Serbian society faced (Jelisavac, 2009).

Therefore, it is important to establish a threefold understanding of the lack of effective results in the process of European integration: personal-political, institutional-value-based and externally-determined. In the context of the personal-political, we will present the positioning of political leaders and political entities in relation to the strategic foreign policy goal of EU membership. In the context of the institutional-value-based, we will analyze the reform of public administration, as well as its formal and practical adaptation and synchronization with the achievements in the member states of the European Union. Finally, we will analyze the positioning of the EU and its member states towards the enlargement policy in the newly emerging international circumstances, while not neglecting the foreign policy positioning of the actors that we take as empirical examples.

And after analyzing the current state of affairs in the context of the European integration of S&NM, the authors of the paper will also present SWOT analyses for the countries taken as empirical examples, which will *de facto* represent a kind of conclusion of the paper in relation to the redefined positioning of the European Union in the current international circumstances. This will, to a certain extent, establish the sustainability of S&NM in the current and medium-term emerging international circumstances from the perspective of the foreign policy strategic goal of membership in the European Union.

### ***Case of Serbia***

In the context of European integration, official Belgrade maintains a principled position that Serbia's strategic foreign policy goal is membership in the European Union (Влада Републике Србије, 2023). Similar political vocabulary, dedicated to the process of European integration, such as "Serbia in Europe is our path, it is our goal and our political will" (PTC, 2025) is used by the highest political figures in Serbia. But on the path to meeting essential conditions, according to European officials, but also based on the annual reports of the European Commission, Serbia has not worked diligently to achieve its "strategic foreign policy goal". Proof of this are statements by European leaders, such as the claim by the current European Union Commissioner for Enlargement that the Serbian government has not fulfilled any of the reforms it promised in December (EWB, 2025). Similarly, the current President of the European Council stated that, when it comes to Serbia's accession to the EU, „the ball is now in Serbia's court“ (PTC, 2025). In fact, media freedom, combating corruption, and improving electoral laws are cited as steps Serbia needs to take in order to continue its "path" towards the European Union (PTC, 2025).

Although from the perspective of official Brussels, the Ukrainian war strengthened the geostrategic dimension of the European integration of Serbia and the WB as a whole, the new circumstances that followed, primarily

referring to the "freezing" of relations between the European Union and the Russian Federation, did not marginalize the internal institutional and political criteria that represented the greatest challenge to candidate countries in the accession processes.

On the other hand, the foreign policy dimension, i.e. alignment with the Union's foreign and security policy, is also one of the essential points in the process of coordination and integration. Serbia's refusal to adapt to the foreign policy decisions of the European Union towards the Russian Federation (Gjurovski, Arnaudov&Hadžić, 2024), after the aggression against Ukraine, is also a determinant that can be interpreted from the perspective of Serbia's commitment to achieving a foreign policy strategic goal. In fact, analyzed from the perspective of Serbia's strategic foreign policy commitment to EU membership and the refusal to introduce restrictive measures against the Russian Federation due to the protection of vital national interests, it seems that official Belgrade is in conflict when it comes to protecting national interests, because specifically in the aforementioned context, this would mean that EU membership is contrary to national interests. Hence the question - how would Serbia position itself if it were hypothetically already a member of the European Union, and it was not in its national interest to introduce sanctions against the Russian Federation.

From the perspective of expediency, such a political decision may be justified in the short and medium term, given the dynamics of the European enlargement process, both in the context of Serbia and towards the WB. The justification of such a decision can also be established on the basis of the importance of Russian energy resources and their favorable prices for the development and sustainability of the Serbian economy (JelisavacTrošić, 2020). However, the essential question that arises is to what extent is such a foreign policy positioning and insufficient commitment to internal reform processes in the interest of vital national interests if the strategic foreign policy goal is defined in such a way as to ensure the preservation of national interests? From an academic perspective, the research question is whether Serbia's strategic foreign policy goal is actually in conflict with the national and state interests of this country?

### ***Case of North Macedonia***

North Macedonia faces serious internal challenges in its European integration. Similar to the case of Serbia, these are systemic and institutional challenges that, as is empirically verifiable, even the geostrategic dimension cannot "overcome". In that context, the European Commission report on North Macedonia for 2024 has stated that "permanent and decisive steps are needed to accelerate the implementation of EU reforms and move forward in the EU accession negotiation process" (European Commission, 2024). From the

perspective of public institutions, the mentioned report states that North Macedonia remains moderately prepared in the area of public administration reform, while the limited progress was made during the reporting period, as well as the fact that Commission's recommendations from the previous year were not fully implemented (European Commission, 2024). Although membership in the European Union is the main foreign policy goal of North Macedonia, coordinated at the political, interethnic and institutional levels (in the context of preserving national interests), the systemic problems that this country has been facing in the past 20 years have not been the focus of decision-making political elites, which *de facto* leads us in the direction of a twofold response: there is a lack of political understanding of European integration as a mechanism for preserving national interests; there is a lack of actual readiness of this country to synchronize with European institutional frameworks.

From the other, foreign policy perspective, North Macedonia, especially to its positioning to the Ukrainian War, although has synchronized its relations with Russian Federation in accordance with Brussel's suggestions, obviously the new strategies of EU, including the geostrategic momentum, do not recognize fostering the integration process with the ongoing internal obstacles that negotiation state is facing. Although the EU Commission Report in 2024 states that "North Macedonia has maintained its 100% alignment with statements by the High Representative on behalf of the EU and EU Council Decisions on sanctions, including all EU restrictive measures against Russia and Belarus related to Russia's war of aggression against Ukraine", taking into account the negotiation status it is empirically clear that not enough was done on the Macedonian side for faster and qualitative integration within EU.

From the integration processes of S&NM we could reach three substantial thesis which are explaining the actual relations between EU from one side and WB, as a whole, from the other side:

First, it is clear the geostrategic momentum does not play key role in the integration process of the S&NM, including the whole WB. The empirical example with Serbia and its positioning towards Ukrainian War, also taking into account the ties between Belgrade and Moscow and Beijing, do not attract official Brussels to foster Serbia's EU path, even neglecting internal issues this state faces. From the other side, full North Macedonia's alignment with EU foreign policy represents also example that comprehensive integration requests comprehensive alignment, including internal and foreign preconditions.

Second, although EU is facing a process of restructuring in the context of economic and energy supplies and sustainability, in the context of ongoing challenges, risks and threats it has shown quite respectable unity if we exclude public and populist political statements of certain EU leaders, but take as

empirical evidence the decisions unanimously reached within and between member-states.

Third, local political elites, including those in S&NM are quite irresponsible for preserving and creating sustainability of national and state interests for three reasons: on the example of EU and integration process as a key and strategic foreign policy goal, political elites has shown longstanding essential disinterest for EU membership, thus *de facto* neglecting defined national and state interests; in the context of Ukrainian War both political elite, in S&NM, has positioned itself politically, marginalizing the institutional framework which should provide explanation what is and not in the national interest, which also empirically shows the erosion of the national interests over the political; in the context of sustainability, political elites do not work on the both: options for EU integration in the ongoing circumstances and options for "freezing" EU integration in the long-term perspective. S&NM are not following the process of restructuring of EU, both, nor the context of ongoing global challenges versus sustainability of EU as a whole; neither in the context of EU membership as a key and strategic foreign policy goal versus ongoing EU enlargement policy.

EU enlargement policy promotes common values, including democracy, the rule of law and respect of fundamental rights, while fostering economic growth. It seems that the prospect of membership is not a powerful stimulus for democratic and economic reforms in WB countries that want to become EU Member States. The European Union, which is becoming more and more preoccupied with internal disagreements, as well as a high-risk war in its neighborhood, as well as the need to rise as a still important factor in solving world problems, has less and less time for the slow progress of small countries such as S&NM, above all in the political and democratic functioning of its own institutions and state systems.

It was important for S&NM to determine themselves according to their own progress and lack thereof, that when the strategic goals have already been determined, they should make a realistic assessment of their progress towards them, and as states and as established stable systems, they strive to achieve the set strategic goals through the overall orientation towards them. In addition, it would be necessary to introduce a serious system of internal control and measurement of progress, starting from the local level, to the regional level and finally by ministries, to see in what way and at what speed the European values that these two countries strive for are realized. In this way, it would be easier to notice the parts of the state apparatus that are moving slower or are faced with bigger obstacles, so the focus could be directed towards better solving them.

## Conclusion

**Political: Strengths** - Political room for maneuver can be found uniquely on the geostrategic foreign policy plane. To use the geostrategic momentum, and the European Union's commitment to strengthening its international positioning, to be an opportunity for the effective integration of the WB in the context of sustainability, and interpreted from the perspective of a strategic foreign policy goal and its alignment with national interests.

**Weaknesses** - The level of corruption, the lack of practical rule of law, weak and clientelist institutions as a major barrier to creating sustainability, including the achievement of foreign policy goals.

**Opportunities**- Managing with regional open issues and bilateral disputes, including overcoming them, as an instrument for effectively utilizing geostrategic momentum, implementing integration processes, and achieving foreign policy goals.

**Threats** - There are threefold dangers: 1. at the internal institutional-political level - weak institutions and a high rate of corruption represent an indigenous security challenge that threatens to undermine sustainability from inside; 2. in the context of European integration, a possible freezing of the process, in the medium or long term, creates space for destructive political organizations for extremist political action; 3. failure to realize foreign policy goals may contribute to the destruction of social cohesion on an interethnic level, especially in the example of North Macedonia.

**Security: Strengths** -In the context of security, the Ukrainian war can be used as an advantage, and integration processes can be positioned as a determinant and guarantee of the long-term security of the European Union, which should also encourage the integration of the WB.

**Weaknesses** - The lack of efficient and effective institutions also undermines security frameworks, making actors in the WB vulnerable in the context of current challenges, risks, and threats.

**Opportunities** – The Ukrainian war and numerous armed flashpoints on the international stage provide an opportunity for actors in the WB to create joint mechanisms for dealing with contemporary challenges, risks and threats, and at the same time to use European Union resources and funds in the field of strengthening security and defense infrastructure, including strengthening effectiveness capacities.

**Threats** - The possible continuation and deepening of the Ukrainian conflict may "encourage" extremist groups in the WB to take advantage of the destabilized circumstances in order to implement extremist ideas. Political systems are under threat of the collapse of democratic capacities, which would de facto strengthen political repression on the lines of government-opposition and government-citizens. Regional disputes and bilateral open issues may be



"fuel" for regional destabilization due to the "field vacuum", i.e. the absence of political, foreign policy and economic development.

**Economic: Strengths** -A high degree of liberalization achieved, workforce on the global online platforms, technological readiness level, manufacturing industries, cheap and qualified labor force, geographical location and natural resources.

**Weaknesses** - Bureaucracy, corruption, unclear regulations, lack of state aid, low investment in R&D, insolvency, too big taxes and parafiscal levies, non-propulsive and non-encouraging entrepreneurial environment, low level of domestic investments, unfavorable structure of the economy, unreformed public sector outflow of highly educated workforce.

**Opportunities** – To boost competitiveness following EU goals (foster economic growth, circular and resilient economy, sustainable production and consumption, AI innovation, research and innovation at the heart of economy, green, digital and social transition, improve people's careers).

**Threats**– A decline in innovation and entrepreneurship as a key to economic development, decline in living standards, uneven distribution, decline in efficiency, decline in employment.

## References

1. Arnaudov, M. (2021). StrategijaspoljnegopolitikeRepublikeMakedonije od 2006. do 2015. godine (Doctoral dissertation, Univerzitet u Beogradu).
2. Arnaudov, M. (2016) Ohridskisporazum-Instrument za kreiranje binacionalne države u mestu integrisanog demokratskog društva. In Dvadeset godina od Dejtonskog mirovnog sporazuma-trajni mir ili trajni izazovi? (pp. 143-158). Fakultet političkih nauka Univerziteta u Beogradu.
3. European Commission, *Commission Staff Working Document North Macedonia 2024 Report Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions 2024 – Communication on EU Enlargement Policy*, October 30<sup>th</sup> 2024, [https://enlargement.ec.europa.eu/document/download/5f0c9185-ce46-46fc-bf44-82318ab47e88\\_en?filename=North%20Macedonia%20Report%202024.pdf](https://enlargement.ec.europa.eu/document/download/5f0c9185-ce46-46fc-bf44-82318ab47e88_en?filename=North%20Macedonia%20Report%202024.pdf)
4. European WB, Marta Kos: *Vlast u Srbiji nije ispunila ništa od reformi koje je obećala u decembru*, May 13th, 2025

- <https://europeanwesternbalkans.rs/marta-kos-vlast-u-srbiji-nije-ispunila-nista-od-reformi-koje-je-obecala-u-decembru/>
5. Gjurovski, M., Arnaudov, M., & Hadžić, N. (2024). Conclusion of the Council for National Security of the Republic of Serbia adopted on the occasion of the armed conflict on the territory of Ukraine that began on 24 February 2022. University "St. Kliment Ohridski"-Bitola, Faculty of Law.
  6. JelisavacTrošić, S., & Mladenović, D. (2020). Uticaj bilateralnog sporazuma o slobodnoj trgovini i spoljnotrgovinskoj razmeni Republike Srbije sa Ruskom Federacijom. *Međunarodna politika*, 71, 51-72.
  7. Jelisavac, S. (2009). Prelazni sporazum o trgovini između EU i Srbije, njegovapočetna primena. *Međunarodna politika*, 60(1134), 26-45.
  8. Влада Републике Србије, Пуноправно чланство у ЕУ стратешки спољнополитички циљ Србије, 14. априла 2025. <https://www.srbija.gov.rs/vest/713919>
  9. РТС, Вучић: Коста донео добру вољу у разговоре о ЕУ; Коста: Србију је место у Унији, али су потребне акције, 14. маја 2025. <https://www.rts.rs/vesti/politika/5710011/vucic-kosta-doneo-dobru-volju-u-razgovore-o-eu-kosta-srbiji-je-mesto-u-uniji-ali-su-potrebne-akcije.html>