

## The EU's Stability-Democratisation Dilemma in the Western Balkans: the case of Serbia

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### Abstract

*The European Union (EU) is a unique player in the Western Balkans where, since the 1990s, it has employed a wide array of foreign policy instruments: diplomacy, trade, financial assistance, civilian and military missions, and enlargement which is the EU's most successful foreign policy tool. Therefore, the region is an inspiring case for studying the EU's transformative power. Despite the fact that the EU has been the main driver for change, the Europeanisation of this post-conflict region has been slow, which can largely be explained by high compliance costs, strong domestic veto players, and the inconsistent use of conditionality due to the stability-democratisation dilemma. This dilemma is likely to be even more pronounced in the future. Although there is no war in the Western Balkans, the region is facing other latent security challenges such as organised crime, terrorism, and irregular migration. How should security threats be faced in the absence of strong institutions? Serbia's accession process reveals a weakness in that country's democratic, judicial, and law enforcement institutions, which can only reinforce the EU's stability-democratisation dilemma.*

**Keywords:** European Union, Stability-democratisation dilemma, Security, Serbia, Transformative power, Western Balkans

### Introduction

The undeniable success of the EU's enlargement policy in influencing transitions of Central and Eastern Europe (CEE) countries inspired research of Europeanisation, or the EU's transformative power, in relation to candidate countries and its impact on their political and economic reforms during the accession process (Grabbe, 2006). The Europeanisation literature has identified several factors upon which the EU's domestic impact depends (Schimmelfening and Sedelmeier, 2004; Schimmelfennig, 2005; Grabbe, 2006; Vachudova and Milada, 2006). The two most prominent are the costs of adaptation or compliance and the external pressure of the EU on incumbent governments to comply with its demands, mostly based on the consistent application of conditionality. The Europeanisation impact is mediated by domestic factors such as veto players, norm entrepreneurs and formal or informal institutions. The combination of high compliance costs due to institutional and policy misfit, significant pressure of adaption generated by EU conditionality and weak domestic veto players largely accounts for the successful Europeanisation of CEE countries (Schimmelfennig and Sedelmeier, 2004; Börzel, 2011).

What about the Europeanisation of the Western Balkans? The Western Balkans is an inspiring study case since the EU has been a unique player in the region since the 1990s where it has employed a wide array of foreign policy instruments: diplomacy, trade, financial assistance, civilian and military missions, and enlargement which is arguably the EU's most successful foreign policy tool. In spite of the fact that the EU has been the main driver for change, the Europeanisation of this post-conflict region has been slow, which can largely be explained by high compliance costs, strong domestic veto players, but also by inconsistent use of conditionality due to the stability-democratisation dilemma (as discussed below). This dilemma is likely to be even more pronounced in the future. Although there is no war in the Western Balkans, the region is facing other more or less latent security challenges such as organised crime, terrorism and irregular migration which can be potential threats for the EU's internal security. How to face security threats in the absence of strong institutions? Serbian reforms in the fields of democratisation (political criteria for EU membership), judiciary, justice, freedom and security (negotiations Chapters 23 and 24 – areas of paramount importance for the fight against organised crime, terrorism and irregular migration) will serve as a case study to explore the results of the seventeen year-long institution building. Serbia's accession process reveals a weakness of that country's democratic, judicial and law enforcement institutions, which can only reinforce the EU's stability-democratisation dilemma.

## **The EU and the Western Balkans: The stability-democratisation dilemma**

Despite strong EU involvement since 1999, a number of factors have contributed to slow Europeanisation of the Western Balkan countries: a communist legacy and the lack of a break with the communist past, fragile institutions, weak judicial systems, and issues of post-conflict societies (Petrovic, 2009; Vachudova, 2006; Mungiu-Pippidi *et al.*, 2007) State weakness has become the main challenge of the region and refers to the lack of the rule of law, flourishing organised crime and corruption, weak pro-democratic reform coalitions, and illegitimate and non-representative institutions (Anastasakis, 2008, p. 371). Contested statehood is yet another problem. Several states in the Western Balkans are confronted with secessionist movements, controversies over national identities, disputed borders, ethnic tensions, reconciliation problems, and weak governing capacities (Börzel, 2011). Not denying the impact of above mentioned factors, this paper argues that the EU's security–democratisation dilemma strongly affects its transformative power in the Western Balkans. From the very beginning of the Stabilisation and Association Process (SAP) launched in 1999 (EU General Affairs Council, 1999a; Petrovic, 2013), the EU has had dual objectives in the region – first stability and then integration (Elbasani, 2008), which reinforced the security-democratisation dilemma: stabilisation and state-building vs. democratisation and institution-building. By prioritising, for security reasons, effective government rather than democratic governance, the EU has helped stabilise non-democratic and corrupt regimes rather than transforming them (Prezovska and Noutcheva, 2017; Börzel, 2015). In spite of EU-backed reforms, there is a growing perception of creeping authoritarianism in the Western Balkans, hand-in-hand with the region's oligarchisation (Lasheras, 2016). Nechev points to the lack of political will among the region's leaders to engage fully in painful and expensive EU-related reforms that could hurt their popularity and reduce their room for political maneuvering. Risky trade-off between democratisation and security has contributed to the rise of authoritarian tendencies (Nechev, 2016). Another consequence of this trade-off is the

inconsistent use of conditionality which, in turn, contributed to the decline of EU transformative power in the region.

As Börzel and Lebanidze (2017) point out, two conditions are necessary for the EU's consistent application of democratic conditionality: the absence of a stability-democratisation dilemma and the presence of pro-democratic reform coalitions. If neither of these conditions is present, the EU is more likely to act as a status-quo rather than as a transformative power prioritising (authoritarian) stability over uncertain (democratic) change. This is the case in the Western Balkans where democracy and good governance are yet to be (fully) established. According to Freedom House, after substantial progress from 2004 to 2010, the average Democracy Score in the Western Balkans, as elsewhere, has been decreasing. None of the Western Balkan countries are presently considered to be consolidated democracies (see the Introduction to this issue and Freedom House, 2017). Their regimes are either semi-consolidated democracies, transitional governments, hybrid regimes, or semi-consolidated authoritarian regimes. The situation on the ground is probably even worse. As the indicators of democracy consider the institutions, the legal framework and democratic infrastructure, they tend to low-ball the autocratic and informal practices of governments which often include mechanisms that are only known to insiders (BIEPAG, 2017).

The European Commission's 2016 report on Enlargement Policy (European Commission, 2016a) highlights a number of serious political problems. Several countries in the region continue to show clear symptoms and various degrees of state capture, the declared political commitment to fight corruption has not translated sufficiently into concrete results, progress in setting up functioning and independent judicial systems remains slow, and proper functioning of democratic institutions remains a key challenge (European Commission, 2016a). As emphasised by the Balkan in Europe Policy Advisory Group (BIEPAG), the countries of the Western Balkans have lost more than a decade in terms of democratisation, while having ever-closer ties with the EU during that period. It is worrying that the process of EU approximation is not related to progress in democratisation. Democratic institutions, in particular parliaments, remained marginal for day-to-day politics. The EU preferred a leader-oriented approach for its engagement in the region (BIEPAG, 2017). This paper argues that this approach can be expected to continue.

Although there is no war in the Western Balkans, other security challenges are still present - weak states, contested statehood, ethnic tensions, reconciliation problems, to name a few. The following section identifies terrorism, organised crime and irregular migration as regional threats with high destabilising potential for EU internal security, threats that can only make the security-democratisation dilemma even more pronounced.

## **Security challenges in the Western Balkans: terrorism, organised crime and irregular migration**

In its 2016 report on EU Enlargement Policy, the European Commission warned that terrorism and radicalisation continue to pose a security threat to the EU and the enlargement countries (European Commission, 2016a, p. 3). Islamic extremism has been to a large extent 'imported' to a mainly secular and moderate Western Balkans. According to the SEERECON Report (South East European Research & Consulting),

over the past decades militant Islamists in the Balkans have created a sophisticated infrastructure consisting of local allies in political, security, and religious establishments, radically-controlled mosques, NGOs, financial institutions, as well as various electronic and print media (SEERECON, 2014, p. 20). Middle-Eastern funders have established some 25 madrasas (Islamic religious schools) in Bosnia. The Islamic faculties in Bihać and Zenica, built with donations from Saudi Arabia, promote the more extreme interpretations of Islam, while in Kosovo the Saudi Joint Committee for the Relief of Kosovo and Chechnya (SJCRKC) has built a network of some 98 primary and secondary schools in rural areas. In Montenegro, it is believed that there are several hundred Wahhabis, primarily located near the towns of Rožaje, Plav and Gusinje, while in the Sandžak some 300 Wahhabis control several mosques in the region. (SEERECON, 2014, p. 15-17; see also Bardos, 2014; New York Times, 2016 and Petrovic, 2016). Countries in the region are among Europe's top exporters of volunteers fighting for radical Islamic organisations such as the Islamic State (IS). In some cases, European IS volunteers even receive their training in the region. In September 2014, the Albanian foreign minister revealed the discovery in Albania of terrorist training camps for individuals joining the jihads in Iraq and Syria, and such camps have been operating in Bosnia since the 1990s (Bardos, 2017). Western Balkans police and security agencies estimate that between 2012 and 2015 at least 107 fighters from Albania, about 120 Bosnian men, more than 300 Kosovars, about 110 from FYROM, thirteen from Montenegro and fifty from Serbia have travelled to warzones in Iraq and Syria (BIRN, 2016). According to other sources, the number of foreign fighters from Bosnia and Herzegovina (B-H) is considerably higher - between 300 and 350.<sup>1</sup> Radio Free Europe estimates that Balkan countries were providing by far the largest per capita number of European foreign fighters in Iraq and Syria, i.e. per million people: B-H 92, Kosovo 83, Albania 46, Belgium 46 (Belgium is estimated to have the highest number of fighters per capita of any Western nation), Sweden 32, Denmark 27, France 18, Netherlands 15, Austria 17, Norway 12, United Kingdom 12, Russia 12, Germany 8, Italy 2, Spain 2 (Radio Free Europe, 2017).

The region is not only an 'exporter' of fighters, but has also witnessed terrorist activities: in June 2010, Islamist extremists bombed a police station in the Bosnian town of Bugojno, killing one police officer and wounding six others; in October 2011, a Sandžak Wahhabi attacked the US Embassy in Sarajevo (Bardos, 2014). In November 2016, Kosovo police arrested 19 men suspected of links to Islamic State and of planning to carry out attacks in Kosovo and in Albania (Balkan Insight, 2017). Western Balkans terrorism and organised crime networks were linked to some of the terrorist attacks in the EU such as the Charlie Hebdo attack 2015 and the murder of two US servicemen at Frankfurt airport in March 2011. Some of the weapons used by terrorists in the Paris attacks in January 2015 came from former Yugoslavia, and Balkan arms smugglers have been implicated in helping the terrorists obtain their weapons (Bardos, 2016, pp. 20-21). In September 2014, the US State Department listed Bosnian Wahhabi leader Nusret Imamović and Kosovo jihadi Lavdrim Muhaxheri among 'specially designated global terrorists' (U.S Department of State, 2014).

In 2014-15, all countries in the region adopted reforms that criminalise participation in a foreign conflict which has contributed to the declining number of foreign fighters.

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<sup>1</sup> The number of foreign fighters from BIH is particularly difficult to establish due to a lack of coordination between local law enforcement agencies on foreign fighters related issues, as well as an overlap of competencies and jurisdiction due to the total of 22 police agencies that operate in the country (see Azinović and Jusić, 2015, p. 7; SEERECON, 2014, p. 19; Soufan Group, 2015, p. 8 and U.S. Department of State, 2017).

Even though the number of foreign fighters began to decrease as of 2015, it is estimated that more than 300 have returned to their home countries (Petrovic *et al.* 2017, p. 93). EUROPOL recently warned that common battle experiences amongst Western Balkan foreign fighter returnees may cut across ethnic and national boundaries after their return home and may pose a significant threat to the region (EUROPOL, 2017a, p. 33). There is no danger that Islamic republics will emerge in this largely secular region. However, as Gordon Bardos warned in 2016, regional stability and security could become endangered if the radicalised populations increase from the current 5-10 per cent to perhaps 15-20 (Bardos, 2016). Another possible threat would be the nexus linking organised crime (especially drugs and human trafficking, arms smuggling, and money laundering), Islamic terrorism, and state-capture in the Western Balkans (Van Ham, 2014, p, 12).

Organised crime is a longstanding security threat in the region. Although the figures from the International Organisation for Migration (IOM) and the UN fluctuate, it is estimated that every year some 120,000 women and children are trafficked through the Western Balkans (Van Ham, 2014, p. 11)). As for drug trafficking, the Balkan route, from Afghanistan through the Islamic Republic of Iran and Turkey via South-Eastern Europe, remains the main entry route for the trafficking of heroin into the EU (EUROPOLb, 2017, p. 38). The United Nations Office on Drugs and Crime (UNODC) estimates that 60-65 tons of heroin flow into South-Eastern Europe annually. The total monetary value of illicit opiates trafficked along the route is on average \$28 billion per annum and the annual gross profit made by opiate traffickers in the region amounts to US\$1.7 billion (UNODC, 2014; UNODC, 2015). Albania remains the main source of herbal cannabis trafficked to the EU (EUROPOL, 2017b) and profit margins are substantial, given the proximity between source and destination (UNODC, 2014, p5). In addition to these drug-related activities, police reports indicate that in virtually all cases involving Western Balkan organised crime, drug trafficking are consistently linked to arms smuggling (Hartmann and Andreas, 2012, p. 4).

Yet another problem, the 2015 unprecedented massive inflow of migrants via the 'Western Balkan route', became a security challenge for the EU. The 'Western Balkan route' is composed of two migratory flows: one from the Western Balkan countries themselves and another of migrants having entered the EU (Bulgaria or Greece) via Turkey by land or sea, with the aim of reaching the Schengen area (Lilyanova, 2016). Asylum abuse by citizens of the visa-free countries in the Western Balkans has been a considerable concern for the EU. The European Commission (2015) reported in 2015 that the number of asylum applications submitted in EU and Schengen-associated countries by nationals of the five visa-free Western Balkan countries has been steadily rising since visa liberalisation was achieved: 53,705 applications in 2013, increasing by 40 per cent in the first nine months of 2014. At the same time, the asylum recognition rate across the EU and Schengen-associated countries continued to fall for all Western Balkan visa-free citizens, indicating that the overwhelming majority of applications remained manifestly unfounded (European Commission, 2015). In spite of EU warnings that it could suspend visa-free travel if the abuse were to continue, the beginning of 2015 was once again marked by large numbers of asylum seekers from the region. Albanians and Kosovars were the second and third most frequent arrivals to Germany in 2015 (after Syrians), while Serbian and Macedonian citizens were in sixth and seventh place respectively (after Afghans and Iraqis) (Lange, 2016). In the first three months of 2015 alone, more than 50,000 Kosovars sought asylum in the EU (EUROSTAT, 2015). In October 2015, all Western Balkan countries and Turkey were

added to the EU list of safe countries of origin, meaning asylum applicants from those states could be returned automatically. In the next few months, the flow from the Western Balkans shrank considerably.

During spring 2015, the number of Middle Eastern refugees rose. The numbers of non-regional migrants transiting the Balkans reached unprecedented and extraordinary levels with over 2 million illegal border-crossings reported by the countries in the region. By comparison, this was approximately 30 times more than in 2014 (FRONTEX, 2016). This situation has resulted in the largest migratory crisis in Europe since WWII and the temporary inability of some countries to perform border-control tasks. FRONTEX's Risk analysis assessed that verifying the country of origin of persons at the moment of crossing remains very limited. Most authorities were confronted with a lack of interpreters and screeners, and mainly relied on the documents that migrants presented to attest their nationality (FRONTEX, 2014, p.4).

The migrant crisis has boosted smuggling businesses. According to EUROPOL (2017b), the demand for and supply of smuggling services has grown significantly since 2014. Nearly all irregular migrants arriving in the EU use the services offered by criminal networks, and the migrant smuggling business has become a large, profitable and sophisticated criminal market, comparable to the European drug markets. In 2015, migrant smuggling networks generated an estimated EUR 4.7 billion to EUR 5.7 billion in profit. Since a large number of irregular migrants who did not apply for asylum or whose applications were rejected may attempt to stay illegally in the EU, in addition to the transportation of migrants, document fraud (passports, ID cards, visas, residence permits) has emerged as a key criminal activity linked to the migration crisis (EUROPOL, 2017b).

Given the scale of the refugee crisis, the EU's coordination with the countries along the migrants' route became crucial and the crisis has given prominence to Western Balkan leaders. Between September 2015 and March 2016, the common goal was to coordinate and manage the Western Balkan route in order to enable the transit of refugees and other migrants towards the EU member states willing to accept them (notably Germany), since most migrants did not apply for international protection in the countries along the Balkan route. However, after March 2016 the objective eventually shifted towards sealing the Western Balkan route and reducing the number of migrants moving north (Sardelic, 2017). The effective closure of the Western Balkans route by the countries concerned, together with the EU-Turkey Statement of 18 March (European Council, 2016), delivered results on the ground, with the number of irregular migrants and asylum seekers reaching the Greek islands falling significantly, from several thousand a day to less than 100 per day on average (European Commission, 2016b).

## **Serbia's accession: Democratisation and reforms in areas of judiciary, justice, freedom and security**

Weak institutions unable to control crime are a threat to regional stability and the security of the EU. To what extent are Serbian institutions prepared to fight against terrorism and organised crime? This section explores the Serbian government's capacity in the areas of judiciary, justice, freedom and security (sectoral *acquis*),

alongside Serbian progress in democratisation (political criteria).<sup>2</sup> If institutions are weak, the security-democratisation dilemma could be expected to continue to be pertinent for Serbia. The European Council granted Serbia the status of candidate country in 2012 and accession negotiations were launched in January 2014. The first four negotiating chapters opened include the rule of law, Chapters 23 (Judiciary and fundamental rights) and 24 (Justice, freedom and security), key areas for the fight against terrorism and organised crime.

As for the democratisation, the 2016 parliamentary elections in Serbia were generally conducted in line with the law, but with biased media coverage, a blurring of the distinction between state and party activities, non-transparency of campaign financing and the registration process. When it comes to Serbia's Parliament, the European Commission finds that parliamentary effectiveness is undermined by frequent use of urgent procedures, last-minute changes to the parliamentary agenda, limited support for independent regulatory bodies and a lack of pro-activeness in oversight of the executive, combined with a lack of genuine cross-party debate and the political parties' control over the mandate of Members of Parliament (European Commission, 2016b). There is some room for political influence over the judiciary since Parliament appoints and dismisses the Supreme Court President and the State Prosecutor, while the broad discretionary powers of court presidents and heads of prosecution offices over the work of judges and deputy prosecutors respectively can have a negative impact on their independence (European Commission 2016b, p. 13). The overall length of proceedings and the backlog of cases remain serious concerns: in 2015, there were 1.1 million pending cases, compared to about 900 000 in 2014 (European Commission 2016b, p. 56)

Concerning freedom of expression, the overall environment is not conducive to the full exercise of this right. There are unclear ownership structures and financing from state resources, political and economic influence over the media, as well as informal pressure on editorial policy exerted through the distribution of advertising funds. In addition, threats, violence and intimidation occur against journalists yet investigations and final convictions for attacks on and intimidation of journalists are rare. Political control over the media sector resulted in widespread self-censorship (European Commission 2016b, pp. 20-21).

The EU-Serbia Civil Society Joint Consultative Committee reported that in 2015 the attitude of the authorities towards independent regulatory bodies had deteriorated significantly. The rhetoric employed by governing party Members of Parliament and state officials in parliamentary debates, especially when independent institutions are dealing with politically prominent cases, depicts independent institutions as 'overly protected', 'overpaid' and 'corrupt', and 'not working in the interest of citizens'. In this way, without formally abolishing these institutions, their function is rendered meaningless, external oversight of the executive is dramatically weakened, and the rule of law is jeopardised (EU-Serbia Civil Society Joint Consultative Committee, 2016).

As for the fight against corruption, although the legal framework is broadly in place, corruption remains prevalent in many areas and continues to be a serious problem. According to the Transparency International report Serbia tops the Balkan states (and ranks 16th out of 143 countries) for illegal financial flows with an estimated US\$5

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<sup>2</sup> The findings presented in this part of the paper are, if not stated otherwise, based on the European Commission Serbia 2016 Report (European Commission 2016b).

billion disappearing every year through illicit flows, including the proceeds of crime, corruption and tax evasion. Of the citizens surveyed in 2013, 70 per cent said corruption is a serious problem in the public sector, while political parties, public officials and civil servants top the list of institutions perceived to be the most corrupt in Serbian society (Transparency International Serbia, 2014). The European Commission warned that the government still does not take the recommendations of its own advisory body – the Anti-Corruption Council – into account. No progress was made on improving Serbia's track record of convictions or stepping up the implementation of the national anti-corruption strategy. Public enterprises remain particularly vulnerable to corruption. Independent supervision and capacity for early detection of wrongdoing or conflicts of interest in the management of state-owned companies, in privatisation procedures, in public-private partnerships and in relation to strategic investment partnerships are underdeveloped. Financial investigations are not being launched systematically in cases of corruption and only in a few corruption cases have assets been effectively confiscated. A number of high-profile cases, including some where evidence of alleged wrongdoing has been presented by the media, have still not been seriously investigated (European Commission, 2016b).

The European Commission warned of serious shortcomings in the fight against organised crime. The number of final convictions for organised crime remains low compared to the estimated value of the criminal market in the region. Criminal investigations are often narrow in scope, companies or organisations are very rarely investigated and in many cases there has been no serious effort to investigate wider criminal networks. The concept of financial investigation does not go beyond the seizure and confiscation of criminal assets of individuals and rarely focuses on tracing money flows. Precautionary freezing of assets is rarely applied in investigations, so assets often disappear. Moreover, sanctions applied by judges are not a sufficient deterrent (European Commission 2016b, pp. 73, 17).

According to the Council of Europe's Moneyval 2016 evaluation report on Serbia, despite national strategies for anti-money laundering activities, financial investigation and combatting the financing of terrorism, the country faces a range of significant money laundering and financing of terrorism threats and vulnerabilities. Organised criminal groups involved in the smuggling and trafficking of narcotic drugs and human beings (and, more recently, the facilitation of migrant smuggling) pose a major money laundering threat in Serbia. Tax evasion and corruption offences (including embezzlement, accepting and giving of bribes and abuse of office, which are often directly linked to organised crime) are considered to generate substantial criminal proceeds. The purchase of real estate, valuable moveable property and investment in securities is the preferred laundering method. The misuse of domestic and foreign (offshore) legal persons together with multiple use of wire transfers are common money laundering tools. The country's exposure to cross-border illicit flows is significant. The Serbian authorities have not been effective in investigating money laundering offences and prosecuting and convicting offenders. Confiscation of proceeds of crime is a high policy objective in a number of strategic documents and legislation. In practice, the totality of the results does not reflect the risks (Council of Europe, 2016).

The European Commission assessed that there is no progress in applying clear and transparent criteria in staff recruitment, promotions, dismissal, career paths and evaluation in the police - they remain vulnerable to politically motivated decisions. The

police's dependence on the security and intelligence agencies to carry out certain special investigative measures in criminal investigations is not in line with good practice. There was no progress in establishing independent and transparent oversight of the police. The internal control section of the police is not independent nor is it able to take special investigative action without recourse to the intelligence agencies (European Commission, 2016b). There was no progress towards adopting a comprehensive, multidisciplinary and victim-oriented approach to the fight against human trafficking. Very few cases of trafficking in human beings have been successfully investigated even though Serbia is a source, transit and destination country for trafficked people and is facing increased migratory pressure. There was a substantial fall in the number of identified victims of trafficking in human beings in 2015 compared with 2014. In 2015, 36,598 persons were intercepted at the borders and 759 criminal charges were filed for human smuggling against 1,127 perpetrators who tried to smuggle 8,068 persons. In the first half of 2016, the number of people intercepted at the border fell; 112 criminal charges were filed against 132 perpetrators trying to smuggle 1,309 persons (European Commission 2016b, pp. 72, 67).

Serbia's legal framework on the fight against terrorism is largely in line with the acquis and international instruments on anti-terrorism. The criminal code was amended twice: in 2012 to criminalise a broader range of terrorist activities, including recruitment and training of future terrorists, and in 2014 to criminalise the activity of foreign terrorist fighters. Serbia has been affected to some extent by the phenomenon of foreign terrorist fighters and radicalisation. The authorities have evidence of about forty Serbian nationals fighting in Syria since the beginning of the conflict, of whom eleven have reportedly died in the past three years. The number of returnees is also very low. In February 2016, the Prosecutor's Office for Organised Crime charged two people with the criminal offence of terrorist association in respect of crimes of terrorism, recruitment and training for the commission of terrorist acts and financing of terrorism (European Commission 2016b, p. 73). However, according to the Moneyval Report, there are various factors pointing to an elevated degree of financing of terrorism risk in Serbia, particularly in relation to the non-profit sector and informal money remittances. Potential financing of terrorism activity is linked to insufficient financial transparency and inadequate control of funds raised by non-profit organisations, and no formal review has been undertaken with regard to its size, relevance, activities and its vulnerability to misuse (Council of Europe, 2016).

While the fight against organised crime is far from being successful, Serbia performed much better in dealing with the migrant crisis. To implement the visa-free regime with the EU, Serbia has been taking measures to address the phenomenon of unfounded asylum applications lodged by Serbian nationals in EU Member States and Schengen-associated countries. The total figure for those from Serbia seeking asylum in the EU was about 12,200 for July-December 2015, 38 per cent fewer than in the same period in 2014. The numbers continued to fall in the first five months of 2016, and in June 2016 Serbian nationals accounted for 14 per cent of all return decisions issued. Serbia continues to cooperate in enacting measures to reduce the number of unfounded asylum claims, both through awareness-raising campaigns and checks on tourist agencies and transport companies (as well as border control, surveillance and intensive operational cooperation with Member States) (European Commission, 2016). As for the 2015 migrant crisis, Serbia was a very cooperative partner for the EU. The EU was dependent on the cooperation of the countries on the Balkan route to manage this crisis which has put tremendous pressure on the region - between October 2015 and March

2016, more than 500,000 migrants arrived in Serbia and Macedonia (Lasheras, 2016). With the closing of borders by neighbouring countries, its capacity has been exceeded and its situation has been aggravated further. To cope, the Serbian government implemented a number of measures, working closely with the EU. Overall, Serbia's actions (open borders policy, political discourse, public attitudes) are seen as 'refugee-friendly' (Lilyanova, 2016).

## Conclusions

The Western Balkans remain a region of great fragility, defined by inter-ethnic contestation for territory and power, incomplete state formation, deep and pervasive patterns of corruption, and endemic economic mismanagement (O'Brennan, 2014). The status of democracy in Western Balkan countries is weak, while the safeguards, such as independent media and strong institutions, are failing, and clientelism binds many citizens to ruling elites through cooptation and coercion (BIEPAG, 2017). The absence of war provides an alibi for Balkan 'stabilitocrats' to capture state resources and institutions and muffle critics (Bechev, 2017). We are witnessing 'shallow Europeanisation' in the region. Regional elites, like the ones in Serbia, are vocally committed to the European agenda, and the EU is implementing a 'business as usual' policy towards the region. Yet behind this facade of declarations and negotiations, a "silent pact has emerged between enlargement-fatigued EU member states and rent-seeking elites in the Western Balkans who don't mind slowing the pace of transformation" (Bechev, 2012, p. 6).

The assessment of Serbian reforms in the fields of democracy, judiciary and home affairs reveals that formalistic reforms are progressing while independence of institutions is weak and results are scarce, especially when it comes to the fight against organised crime and corruption. However, the Serbian government was very cooperative and an effective partner during the migrant crisis. The migrant crisis has in a sense reversed the traditional roles of the EU and the Balkans as Western Balkan countries have become 'guardians' of the Schengen borders, which only reinforced the role of local leaders (Pomorska and Noutcheva, 2017). Border security, the fight against organised crime and terrorism are among the priorities in the EU Internal Security Strategy (European Commission, 2010), which can easily explain why the EU has been willing to tolerate Balkan politicians' non-democratic stance and behaviour. As long as they were able to deliver on security issues that were of high priority to EU member states (Stratulat, 2017), the EU was willing to tolerate their democracy 'imperfections' and will probably continue to do so. However, such an approach makes the EU complicit in legitimising autocratic 'strong-man' political regimes in the region and diminishes its transformative power, demonstrating that the EU investment in the region has made little impact on democracy in candidate and potential candidate countries (Pomorska and Noutcheva, 2017). The prospect of future EU membership has not proved a strong anchor for genuine democratic reforms so far. If the EU has failed to transform small and deeply integrated Western Balkan countries, then how can it succeed elsewhere? As assessed by Freedom House in 2016, durable peace in the Balkans is no small achievement (Freedom House, 2016, p. 14), but peace without progress in democracy has led to a festering and potentially dangerous stagnation. A sustainable solution will require the EU to prioritise media independence, the rule of law, and good governance within these countries over any short-term geopolitical objective.

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