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THE WESTERN BALKANS
IN THE TERRITORIAL AGENDA POST-2020:
AN OPPORTUNITY NOT TO BE MISSED

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WESTERN BALKAN NETWORK ON TERRITORIAL GOVERNANCE



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# The Western Balkans in the Territorial Agenda post-2020: An opportunity not to be missed

This joint Co-PLAN and Spatial Foresight Brief brings together two parallel discussions on how to improve public policy making through a stronger focus on the spatial dimension and in particular on territorial governance. At European level, the revision of the Territorial Agenda is currently discussed stressing the need for a stronger territorial dimension in policy making and the empowerment of local and regional players to engage in cooperation and visioning processes. At the same time, in the Western Balkans, there is a bottom-up discussion about the need to strengthen territorial governance and empower civil society players at local and regional level, to improve the quality of public decision making and prepare for European integration. We believe it is the right moment that these two parallel debates are brought together.

The paper is based on the work of the Western Balkan Network on Territorial Governance<sup>1</sup>, the Territorial Thinkers<sup>2</sup> and the ESPON study on a European Territorial Reference Framework<sup>3</sup>.

## The Western Balkans in the Territorial Agenda post-2020: An opportunity not to be missed

The Western Balkans and the European Union have parallel debates on stronger territorial dimension. Better territorial policy making, stronger involvement of local and regional players, territorial governance, and engagement in cooperation and visioning processes are hot discussion topics concerning players both in the European Union (EU) and the Western Balkans. It is now the right time to bring these parallel debates together and converge them towards joint steps and procedures.

The Western Balkans and the European Union are connected by common challenges. The European Union is not an island. The challenge of social and territorial fragmentation, resulting in higher inequalities, the challenge of interdependencies within and across countries, resulting in diverging future perspectives, as well as functional mismatches across territories, resulting in problems of efficiency and legitimacy, are not only challenges of the European Union, but are prominent at different scales within the Western Balkans and between the Western Balkans and the European Union, too. These require spatially sensitive policies and multi-level governance.

The Western Balkans and the European Union can walk on common policy pathways. To address these challenges, the Western Balkans can draw upon the policy pathways suggested for the European Union. Developing a shared vision, either at local, regional, national or transnational level, but also at European level, including the Western Balkans, would be a starting point towards setting common goals. At the same time, strengthening cooperation at different levels, between places, sectors and societal groups would pave the way for integration.

The Territorial Agenda post-2020 can bring the Western Balkans and the European Union one step closer to integration. The process towards the Territorial Agenda post-2020 is a not-to-be-missed opportunity for deeper integration both within the Western Balkans, and between them and the European Union. Including the Western Balkans in the Territorial Agenda post-2020 would be a step towards more solidarity, security, stability and prosperity in the wider European area.

<sup>1</sup> see <a href="http://tg-web.eu/">http://tg-web.eu/</a>

<sup>&</sup>lt;sup>2</sup> see <a href="https://territorialthinkers.eu">https://territorialthinkers.eu</a>

<sup>&</sup>lt;sup>3</sup> see www.espon.eu/e<u>uropean-territorial-reference-framework</u>



## **Towards a revised Territorial Agenda post-2020**

In the second half of 2020, a revised version of the Territorial Agenda for the European Union will be agreed under the German Presidency of the Council of the European Union. The preparatory talks on Territorial Agenda post-2020, currently under way, suggest that while the content and objectives may get a more contemporary wording, the real change will concern the governance of the Territorial Agenda and the need to strengthen territorial governance in Europe more generally. The European Territorial Reference Framework, the ESPON study supporting the development of the Territorial Agenda post-2020, outlines that besides a guiding document at European level, the Territorial Agenda post-2020 needs to stimulate and empower local and regional players to engage in developing territorial visions or strategies for functional areas, and fuel cooperation between places, sectors and groups of society. (ESPON, 2019, 2018; Martin et al., 2018)

At the same time, there is a debate in the Western Balkans about how to improve territorial governance and empower civil society players at local and regional level to enhance public policy making. In particular in the light of future EU integration, issues such as rule of law, weak uncompetitive economies, and bilateral disputes, but also challenges related to territorial governance need to be addressed (Western Balkans Network on Territorial Governance, 2018). Being at a crucial point in their development, the empowerment of territorial governance approaches in the Western Balkans is decisive for the direction they take.

The European Union is not an island. Developments in the European Union influence its neighbourhood, while changes in its neighbouring Western Balkans influence EU advancements. Therefore, it seems only natural to bring the two debates together and include the Western Balkans in the work on the Territorial Agenda post-2020 for future mutual benefits.

## The European Union and the Western Balkans are connected by common challenges

In support of the Territorial Agenda revision, ESPON (2019) has taken a step back to look at current key challenges that the EU faces. How Europe addresses (a) territorial and societal fragmentation risks, (b) growing interdependencies between places, and (c) functional mismatches, will be decisive for the future well-being of Europe and its economic, social and territorial cohesion. A stronger territorial policy response is necessary to address these challenges.

Europe's changing socio-economic geography and growing inequalities are accompanied by an increasing fragmentation of society and places. Inequalities between and within countries, regions and cities are a main driving force of fragmentation, raising the current debates about 'places left behind' (Rodríguez-Pose, 2017) or 'places of discontent' (Dijkstra et al., 2018). Growing interdependencies, including positive and negative externalities, of developments in one place imply effects in other places, and demand a wider geographical perspective of policy decisions to strengthen links between places rather than driving places and thereby Europe apart. The mismatch between the impacts of economic and societal developments and the geographical jurisdictions of decision-making raises issues about efficiency and legitimacy. The increasingly diverse 'European geography of future perspectives' (Böhme et al., 2019) calls for a territorial policy response to these key challenges. The question of what Europe's future should look like leads to the need for a shared vision (Mehlbye et al., 2019), which respects diversity.



At the same time, although the Western Balkan states have (each) their own specific challenges, many of these are actually closely linked to the challenges faced in EU member states. Territorial and societal fragmentation, interdependencies between spaces and functional mismatches are among the challenges of the Western Balkans too, both within their territory, as well as between the Western Balkan states and EU member states.

Inequalities among and within countries in the Western Balkans are a crucial factor driving fragmentation, including political instability. High regional disparities, demographic challenges, corruption, unstable fiscal policy, uncertain environments for investments, asymmetrical political and fiscal decentralisation, unbalanced regional development, and ineffective regional development policy are only a few of the challenges leading to social and territorial fragmentation of the Western Balkan states (Western Balkan Network on Territorial Governance, 2018). Fragmentation is also evident in territorial-administrative reforms and socio-economic development policies that often show correlation to ethnic geographies.

At the same time, a mismatch of functionalities is visible, e.g. a lack of place-based governance, limited horizontal and vertical cooperation, weak inter-municipal, cross-regional and cross-border cooperation, or unstable cooperation initiatives in policy design and implementation and centralisation trends within and across countries of the Western Balkans (Western Balkan Network on Territorial Governance, 2018). Besides implementing territorial-administrative reforms that fulfil mostly political criteria, the government level pays little attention to the governance of cross-border economic areas. The freedoms of movement for people, goods, services and capital in the EU has largely supported territorial, social and economic cohesion in the European Union, contributing to a reduction of inequalities and social fragmentation across its member states. Stakeholders in the Western Balkans have not even yet considered how socio-economic, political and ecological interactions would evolve in a future with the Western Balkans mirroring or being part of these freedoms. Although the Western Balkans are not part of the European Union internal labour market, thousands of people migrate annually for employment. Therefore, first steps towards free movement, even within the Western Balkans territories, would be of benefit.

The potential of good transport connections to reduce barriers towards the development of political, social and cultural cohesion across territories, has not fully been taken into account by Western Balkan policy makers. The transport infrastructure in the Western Balkans is far behind other parts of Europe, posing obstacles to internal economic growth and hindering connectivity. Lack of railway segments, for instance, across the Western Balkans, interrupts smooth transport links between Central Europe and Greece. This mismatch on the other hand creates opportunities for other large financial and infrastructure institutions to step in, bypass the Western Balkans and pursue own interests (Grgić, 2019). The Orient/East-Med (OEM) corridor, a key corridor of the trans-European network of transport (TENT), for example, connects Hamburg to Belgrade and Thessaloniki (Academy for Spatial Research and Planning - ARL, 2019), but lacks parallel or transversal connections, which consequently marginalises the rest of the region.

Interdependencies are also visible at various scales. Natural ecosystems are interlinked locally, across the Western Balkans and to the rest of Europe. Most of the Western Balkans are part of the Danube river basin. Climate change effects in the Western Balkan coastal belt, if not mitigated through integral forests' governance will fuse in the hinterland, altering temperate climates of the region and central



Europe (Merlo and Paiero, 2005; Toto, 2019). Production of energy through hydropower plants is affecting biodiversity, water resources and local economies on a cross-border level.

Furthermore, interdependencies exist between the Western Balkans and the European Union also at a geopolitical level. They play an important role in the development of the area. The Western Balkans represent a controversial case for geopolitics, increasing the level of complexity in interdependencies where, besides EU, interventions or influence of China, Russia and Turkey are also notably present.

Hence, socio-economic, ecological and geopolitical tendencies pursuant to the Western Balkans have a direct effect on the future of the European Union. At the same time, developments and challenges of the European Union influence the accession process of the Western Balkans, as well as their integration and development.

The future outlook suggests that technological and socioeconomic trends further accelerate the above challenges (ESPON, 2019), both in the Western Balkans and the rest of Europe. In many regards, the Western Balkans probably just follow the EU, although possible (geo)political developments may mean a deviation of the Western Balkans from following the overall European development paths. Thus, it becomes increasingly necessary to converge these two parallel developments and look at possible common solutions or common policy pathways to follow for a greater integration for both sides.

### Policy pathways relevant for both the European Union and the Western Balkans

Possible policy responses to address the above challenges are rather similar in the EU and the Western Balkans. In both cases, there is a need for a clear and widely shared narrative, guiding policy making and respecting diversities.

The Territorial Agenda post-2020 can take forward such a narrative on how joint efforts can address the challenges and avoid increasing disparities driving Europe apart (Mehlbye et al., 2019). To do so, it needs to be accompanied by concrete 'frameworks for action' for bottom-up visions and cooperation in Europe (ESPON, 2019):

- Framework for bottom-up visions: Processes leading to a shared European vision and diverse and multifaceted bottom-up visions can bring Europe closer to the citizens and ensure that all places and parts of society are heard. The visions may be versatile and even diverge from mainstream policy ideas about growth and innovation.
- Framework for empowered cooperation: Nobody can address the challenges ahead or the
  bottom-up visions single handed. Cooperation between places, sectors and groups of society at all
  geographical levels is needed. This in turn requires high quality polycentric governance and the
  capacity of many players to engage in visioning and cooperation efforts. For this, many players and
  places might need capacity building and empowerment.

These suggestions for policy pathways also apply to the Western Balkans. The Western Balkans need:

Functional cooperation at local level between civil society and other players, including
communities, the private sector and government institutes, on topics that affect places, resources,
people and sectors, in a polycentric network of autonomous decision-making entities. Societal
consolidation, partnerships and decentralization are the immediate steps leading to full cooperation.



- Cooperation among players in the Western Balkans for mutual learning, exchange and for
  pushing towards policy change and improved societal impacts. Such cooperation will put the seeds
  and the foundation for cooperation with EU players, while Western Balkan players will establish
  stronger bonds and overpass cross-border barriers.
- Cooperation with EU players for mutual knowledge exchange, for advancing a common agenda
  and exchange experience. Identifying players and settings to work on, as well as topics of relevance
  can be the first attempts to bridging the Western Balkans with relevant EU players.
- Bottom-up visions informed by places for places, in the Western Balkans, harmonised for sociocultural diversities envisioning their future paths in a wider European context. Western Balkans need to envision their future together, be united in their diversity and set the first goals towards which they aspire to go.
- A Western Balkan vision that lays down the thinking on the Western Balkans future in a wider European context. How do the Western Balkans see their future in relation to the European Union? What are the benefits? How do they imagine their position? What trends influence this relationship? All these are questions to be asked in a joint Western Balkan vision.
- A European [territorial] vision that incorporates the Western Balkans as its inherent part. There
  is already a need to include the Western Balkan territory in the evidence collection for pan-European
  maps. To start considering the Western Balkans as an integral part of the European territory would
  initiate a new thinking towards a shared European territorial vision, based on themes, challenges
  and priorities of common interest to build a desirable future for both parties.

Sharing common policy pathways is a first sign that the Western Balkans cannot be excluded from the European Union future development. Improving and strengthening cooperation will facilitate the relationship of the two, while developing bottom-up visions would be a first step towards setting common goals and objectives for a desirable future. Aligning the two will result in closer integration within and between the European Union and the Western Balkans. Besides this, the Western Balkans will stop being a 'blank spot' when it comes to available evidence, but rather be an integral part of the evidence making.

The Territorial Agenda post-2020 can be the stepping stone towards the Western Balkan accession efforts and a first test of implementing joint actions. Including the Western Balkans in the Territorial Agenda will only result in a win-win situation, as greater integration and stability can bring mutual benefits.

#### The Western Balkans in the Territorial Agenda post-2020: A win-win situation

Territorial governance in terms of accounting for territorial features and strengthening the territorial dimension of decision making and cooperation is decisive for economic, social and territorial cohesion, hence the future well-being of the European Union and the Western Balkans alike. Including the Western Balkans in policy measures like the Territorial Agenda post-2020 and removing the 'blank spot' in EU policy making and evidence, would offer new opportunities also for the EU: Cross-border development to start with, enlarged employment market; exchange of people, processes, and knowledge; sustainable use of resources, mutual stability, and most importantly preservation of European values. Furthermore,



a power balance will eventually be settled, easing the influence of Turkey, Russia and China in the region.

Looking beyond today's situation, territorial governance will be important to moderate the future of the EU – which will be different to the EU today, and most likely include at least some countries of the Western Balkans. Planting the seeds for more stability, security and balance in Europe today, will lead to long-term advantages related to the economic advancement of the region in future and eventually benefit both the EU and the Western Balkans.

To this end and in support of the integration of the Western Balkans, we suggest to acknowledge the Western Balkans as an inherent part of Europe, and take them on board when drawing up the Territorial Agenda post-2020. The aforementioned proposed policy pathways will not only support a pre-formal-accession adaptation of the Western Balkans, but will also be a way for the European Union to get a better understanding of the diversity of the situations, and opportunities and risks in the municipalities and regions of different Western Balkan countries. Furthermore, through the Territorial Agenda post-2020 countries of the Western Balkan will have a more hands-on experience regarding the way different EU institutions, programmes and strategies work, which will be a useful test bed and procedure for their accession processes.

In concrete terms, taking into account the Western Balkans for the Territorial Agenda might imply:

- Include the Western Balkans in the coverage and elaboration of the Territorial Agenda post-2020 in the same way as e.g. Liechtenstein, Norway and Switzerland are included.
- Include the Western Balkans in the application process and the development of pilot projects in particular linked to territorial governance and the cooperation with civil society players.
- Use the Territorial Agenda post-2020 as leverage for a stronger integration of the Western Balkans and the EU, building on the work of the macro-regional strategy for the Adriatic and Ionian region (EUSAIR).

All these may at the moment be small steps for both the European Union and the Western Balkans, but are big leaps towards stronger integration and security in the wider European territory in the future. Including the Western Balkans in the Territorial Agenda post-2020 would be a win-win situation supporting greater prosperity, stabilisation and power balance in Europe. An opportunity not to be missed.

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