

# Pursuing the National Interest of Serbia through Interpresidentialism of the Open Balkan Initiative

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**Abstract:** This article attempts to answer the question of the relationship between Serbia's perceived national interests and the Open Balkan Initiative. It starts with a theoretical framework and concepts of national interests and regional integrations of the Western Balkans. It then proceeds with a concise history of these integrations and their relationship with the EU accession process of Balkan countries. The article's central part focuses on the economic, institutional, and legal aspects of the Open Balkan Initiative and how the perceived national interests of Serbia determine these aspects. The main conclusions are that political leaders of Serbia, Albania, and North Macedonia have used interpresidentialism as a form of regional integration, deliberately avoiding institutionalisation, and decided to almost exclusively use non-binding instruments of international law in the Open Balkan Initiative. Additionally, the economic results of the initiative are limited so far.

**Keywords:** regional integrations, Western Balkans, Open Balkan Initiative, international law, European Union, national interests.

## Introduction

The Open Balkan Initiative (OBI), one of the latest attempts at regional integration in the Western Balkans, has raised many controversies since its establishment in 2019. While public attention is significant, academic interest in the topic is slowly gaining pace, although the topic is still under-researched (Kulo and Novikau, 2023; Milošević and Hrnjaz, 2023). The research focus has primarily been on describing the OBI's achievements and its impact in the current

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geopolitical context. However, it is difficult to grasp public interest considering the initiative's lack of substantial economic results.

Regarding the concrete issue of regional integration and initiatives in the Western Balkans and the national interest of Serbia, the political leadership of Serbia presents those initiatives as part of their efforts for the improvement of the economic well-being of Serbia, collective self-esteem, and the attempt to establish itself as a political leader of the region (RTV 2022). That is confirmed in Serbia's strategic documents, including the Strategy of National Security of the Republic of Serbia, which stipulates that "activities within the framework of regional initiatives are of particular importance for strengthening trust, cooperation, and joint action in the field of promoting stability and security in the region" (The Strategy of the National Security of the Republic of Serbia 2019).

In this paper, we analyse the case of Serbia's participation in the OBI by using the concepts of national interest and interpresidentialism. We explore how the two concepts are related to this initiative. Our main argument is that the approach of interpresidentialism can adequately explain many features of the OBI. It is a direct product of how political elites legitimise their perception of the national interests of the involved countries—from the lack of institutionalisation and mostly non-binding nature of adopted documents to the proactivity of political leaders and the lack of a long-term strategy for the OBI.

The structure of the paper is the following: after the introduction, the second section of the article encompasses the theoretical and conceptual framework with a description of how we use the key concepts of national interests, interpresidentialism, and regional integration; the third section is dedicated to a short introduction to the regional integration in the Western Balkans; in the fourth section, we apply the previous concepts and conclusions to the case study of the OBI; finally, concluding remarks are provided at the end of the article.

## **Theoretical framework: the concept of national interest, motives for regional integration, and interpresidentialism**

### ***The Concept of National Interest***

Some authors rightly claim that "despite its central place in foreign policy discourse, national interest is arguably one of the most inexplicable and controversial concepts in the science of international relations" (Danilović 2011). Therefore, it is necessary to explain how we understand the concept of national

interest in this paper. We do not align with the realist standpoint underlined by H. Morgenthau, who argues that national interest is not “defined by the whim of a man or the partisanship of a party but imposes itself as an objective datum upon all men applying their rational faculties to the conduct of foreign policy” and “a fact to be discovered rather than a matter of contingent and constructed preferences” (1977). It is not easy to grasp the substance of national interest if one defines it like Morgenthau. Most constructivists seem right when they insist that even Morgenthau made an important amendment to his statement on the concept of national interest by stating that it is also determined by the political and cultural context in which foreign policy is formulated (Burchill 2005). Constructivists claim that shared ideas, beliefs, and values influence social and political action (Burchill 2005). These factors shape the social identities of political actors and, in turn, the interests they express. Interests and identities are constantly being moulded and remoulded through socialisation. National identity and, therefore, national interests do change over time (Burchill 2005).

However, even if one agrees with realists that an essence of the concept of national interest exists that is neither contingent nor constructed (for example, the survival of the state or the four national interests mentioned by Alexander Wendt: survival, autonomy, economic well-being, and collective self-esteem), it is challenging to operationalise it in concrete foreign policy goals and decisions (1999, 199). The goals of state survival or increase of state power tell us next to nothing about *how* to accomplish them in the complex international arena. In addition, there are usually several national interests, and their accomplishments could be mutually opposed. Therefore, policy decision-makers need to choose ways to accommodate them. Thus, some authors try to make a hierarchy between competing national interests, making the classification of vital, very important, and important national interests (Art 2003, 46).

Considering all this, we conclude that even if one insists on the objective essence of the concept of national interest, there is a significant space for key foreign policy decision-makers to operationalise it in line with their particular interest or their subjective perception of collective interest. Naturally, in order to justify their decisions, these decision-makers typically frame them in terms of “objective” national interests. That is also visible in the case of the OBI.

### ***Motives for regional economic integration and interpresidentialism<sup>3</sup>***

Motives for joining regional economic integration initiatives can differ (Borzel et al. 2016; Van Langenhove 2016; Milošević 2022). Brada and Mendez, for example, consider the possible benefits of integration as the key economic reasons that can be achieved through a classic cost-benefit analysis (the so-called Vinerian approach) but also cite the undoubted influence and existence of the collective goals of the countries that aim to integrate (such as industrialisation, the so-called Johnsonian approach) (1993). According to these authors, political reasons for economic integration should be considered when researching specific agreements by analysing political benefits and costs. Ravenhill analyses the motives of governments for concluding regional economic agreements, dividing them into political and economic ones. Political motives can include the building of trust among the signatories of the regional economic agreement, the link between regional economic cooperation and the “new security agenda”, regionalism as a reward for security partners, and regionalism understood as a “means for negotiation” or as a “mechanism for ‘locking in’ reforms”, but also simpler negotiation and implementation of agreements (Ravenhill 2020). When understood as a tool for negotiation, regionalism implies the establishment of regional integration initiatives to strengthen negotiating positions during talks with other significant actors in the global system. The mechanism for locking reforms is understood as increasing the credibility of domestic economic reforms through the conclusion of a regional economic agreement because possible investors consider regional initiatives more attractive and safer to invest in.

Economic motives for concluding regional agreements versus multilateral engagement or unilateral action are protecting sectors that would not withstand global competition, creating opportunities for deeper integration, and creating larger markets that would contribute to achieving economies of scale and increased foreign investments (Ravenhill 2020). In the context of the Western Balkans, it is crucial to emphasise that joining regional economic integration is advantageous for less developed economies with limited markets. This is due to increased competition among countries with similar levels of development, the realisation of economies of scale, higher attractiveness for foreign direct investments, and the growth of bargaining power. Relying on Robson (1998), Grupe and Kušić call this motif the polygon effect (2005). When viewed in this manner, regional economic

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<sup>3</sup> Some parts of the text that follow are based on previously conducted research (Milošević and Hrnjaz 2023).

cooperation or integration becomes a means of fulfilling the national interests of the involved states. That can be achieved by expanding national markets, enhancing mutual trade, and improving economic well-being. In addition, it can also prepare the states for a more extensive form of integration or help achieve other political objectives, such as political promotion or building closer connections with potential geopolitical partners (Asian Development Bank 2013; Hinz 2023; Delimatsis 2023).

Most of the literature on regionalism, focusing on the creation and functioning of the European Union, at some point implies the institutionalisation of existing regional relations (Malamud 2018). Classical liberal approaches to regional integration implied the existence of a “demand” for regional agreements in the form of existing economic interdependence as a condition for improving regional cooperation or actual interactions of transnational actors who request national authorities or transnational regulators to facilitate existing transactions and improve institutional channels through which they dominantly occur (Mattli 1999, Moravcsik 1998, Sandholtz and Stone Sweet 1998). The first approach, known as liberal intergovernmentalism, measures interdependence among local actors through their export dependence and intra-industry trade. Another approach, labelled neo-transactionalism by Malamud, has its roots in transnationalism and functionalism and is less concerned with the interdependence between regional actors but emphasises the connection between integration and institutions (2018, 60).

A new theoretical approach, “interpresidentialism,” has been developed by Malamud to explain regional cooperation that does not follow the typical sequence of interdependence, integration, and institutionalisation (2018). Interpresidentialism focuses on the involvement of the highest state representatives, such as the head of state, in intergovernmental cooperation. Unlike liberal intergovernmentalism, this approach emphasises the influence of national leaders and their political preferences. Also, this approach pays particular attention to the veto power and discretionary actions of leading political figures. Notably, interpresidentialism is characterised by proactivity and the key role of state leaders in shaping international collaboration.

The positive aspects of interpresidentialism include flexibility, informal complexity, and a rapid response by the new framework to crises. However, the negative aspects include institutional (sometimes referred to as normative) deficiencies, challenges with implementing decisions at the domestic level, and the prevalence of political interests over economic ones. Provisions related to institutionalisation are limited, and most decisions of importance to the organisation are made at meetings held periodically (Malamud 2018; Preusse 2004; Hummel and Lohaus 2016). Underdeveloped institutions enable the most important regional actors to “keep” the regional integration process under their control through diplomacy at the highest

level. They then use it to achieve various goals, including economic benefits, political or party interests, and improving their image in the international community. Also, this framework can be an efficient tool for responding to crises when national leaders come together to manage common problems.

### **Contemporary regional integration initiatives of the (Western) Balkans: politics and economy**

During the EU integration process of the Western Balkan countries, the question of their regional cooperation arose as an association and accession condition. In 2018, the European Commission adopted a strategy on the credible perspective of enlargement and enhanced engagement of the EU in the Western Balkans, which also included an initiative to support reconciliation and good neighbourly relations. Each European Commission's report on Serbia also contains a section concerning regional cooperation. In the 2022 report, it was stated that "good relations and regional cooperation are a key part of the European integration process of Serbia..." (Evropska komisija 2022, 93). More specifically, in the continuation of the report, it was stated that the Common Regional Market "will be key to increasing the attractiveness and competitiveness of the region" (Evropska komisija 2022, 94).

Regional cooperation was applied "from top to bottom", i.e., it was supported from the top and did not come so much from the Balkan states themselves. During the adoption of the Stability Pact, EU officials insisted that the EU should initiate regional cooperation in this way, but the Balkan states must be the bearers (Bechev 2005, 115). There is an important question of the relationship between the internal motives of the states for regional cooperation (such as interdependence, economic interests, power relations, etc.) and external incentives for that cooperation. Bechev, for example, claims that this second motive determines the regional cooperation of the Balkan states (Bechev 2005).

Another problem appeared in the last phase of the Balkan countries' accession to the EU. The EU has become burdened by internal crises that have called into question its enlargement project. Every new formal assurance by Brussels officials that enlargement (with the fulfilment of all membership criteria) remains the goal regardless of the crises brought new anxiety among the Western Balkans countries whose aim, at least formally, remains the EU membership. Critical voices began to suggest that the Western Balkans's regional economic integration may no longer be just a passing step and preparation for EU membership but that it can replace this membership (Kulo and Novikau, 2023; Đurović, 2023).

Certain Western Balkans countries insist that only the regional international cooperation aimed at EU membership can make sense. European integration was also a process of post-war recovery and, somewhat paradoxically, a matter of building a supranational community and rescuing nation-states in (Western) Europe (Milward, 1999). We should return to those facts when we talk about applying that integration model to the Western Balkans, where the questions of joining a supranational community and preserving so-called nation-states could be raised simultaneously.

The initial steps in the process of European integration after the Second World War and now in the Western Balkans have certain similarities but also numerous differences. Regional integration in the Western Balkans is seen as part of the broader framework of European unification, in which the bilateral relations of the six Western Balkan actors are considered in the broader context of European integration. Commitment and progress in achieving the goal of wider European integration can gradually increase the confidence among the six WB actors necessary for using all the results of improved trade and comprehensive economic relations.

As Nye warns, the issue of regional cooperation cannot be viewed in a vacuum; it does matter whether it is the Middle East or Scandinavia (Nye 2014). The Western Balkans is a post-conflict region where fundamental issues still need to be resolved. In addition, there is a perception among certain circles in the Western Balkans that Serbia wanted dominance in Yugoslavia and that the issue of improving mutual trade is just another way for Serbia to achieve its goals (sometimes, the same is said about Albanian national interests in the region). This is just one of the reasons why some actors insist on a process of regional cooperation in which the EU plays a key role and supervises the entire process. In addition, Serbia has not resolved its dispute with the authorities in Priština, which significantly complicates regional cooperation despite the mechanisms already implemented in their economic relations. It turned out, however, that these mechanisms and mutual trade between Belgrade and Priština are not a guarantee of peace between them (Milošević and Hrnjaz 2017). Finally, there are also very complex relations in Bosnia and Herzegovina that spill over into this issue of regional cooperation.

### ***Regional economic integration in the Western Balkans***

Regional cooperation in the Western Balkans extends beyond its borders to include the countries of Southeast Europe and other significant external actors, depending on the type and scope of cooperation. Therefore, some forms of regional cooperation in the Western Balkans involve the EU, Turkey, Russia, the United Kingdom, and the US. The most notable forms of regional cooperation with a significant economic dimension are the Stability Pact for Southeast Europe

(replaced by the Regional Cooperation Council in 2008), CEFTA 2006, the Berlin Process, and the Open Balkan Initiative.

Unlike other continents, regional integration initiatives on European soil are dominantly economic, or they started developing that way. Due to the violent disintegration of the former Yugoslavia, new regional tendencies through the new regionalism arrived in the Western Balkans later than in other European regions. The initial backlog was replaced by a proliferation of various projects and initiatives aimed at establishing and improving regional cooperation in the post-conflict area. Their original aim was to achieve peace and address security challenges, but they expanded their collaboration to include economic and broader social issues. That was fully in line with the concept of new regionalism as integration in multiple dimensions, unlike traditional regionalism, which was based exclusively on trade cooperation. Most of the new regional initiatives had limited effects primarily due to political instability, the unwillingness of ruling elites to make unpopular decisions related to cooperation with former rivals, and the sensitivity of regional actors to internal and external shocks.

An additional impetus to regional integration was provided by the fact that all national economies in the region have set membership in the European Union as their key political and economic goal. Thus, fulfilling the criteria for EU membership (the so-called Copenhagen criteria) became an essential part of their internal reforms and foreign policy agenda. Political and administrative conditions imply “the stability of institutions that guarantee democracy, the rule of law, human rights, and the protection of minorities” and the existence of rules concerning “administrative and institutional capacities to effectively apply the ‘acquis’ and the ability to fulfil the obligations of membership” (European Commission 2022a). An important economic criterion refers to the existence of a “functional market economy and the ability to cope with competitive pressure and market forces in the European Union” (European Commission 2022a). Establishing a functional market economy as a stable framework in which companies that are relatively equal competitors to their counterparts from the European Union could operate is becoming the central economic goal of regional actors. In this sense, the creation of regional economic integration represents an attempt to contribute to the economies of the Western Balkans in building their market economy through the creation of wider regional markets as a kind of pre-accession warm-up for membership in the European Union. For these reasons, it is understandable that political decision-makers accepted regional integration with European integration in mind (Delevic 2007).



## The Open Balkan Initiative

### *Legal and institutional framework*

The Mini Schengen initiative, later renamed Open Balkan, was launched by the President of Serbia, the Prime Minister of Albania, and the Prime Minister of North Macedonia. The first official step in this direction was taken at the meeting in Novi Sad on October 10, 2019, when the Joint Declaration on the Implementation of the Four Freedoms of the European Union in the Western Balkans (Declaration) was adopted. The Declaration first expresses “willingness to strengthen regional cooperation with the aim of economic growth, reduction of unemployment, fight against illegal migration and transnational organised crime... as well as to increase trade, investments, and employment in the area of the six Western Balkans”. After that, the declared aim is to “achieve a Regional Economic Area within the framework of the six Western Balkans, based on the inclusion of all and the principles of the ‘four freedoms’ of the EU: freedom of movement of goods, services, people, and capital” (Joint Declaration 2019).

Three political leaders mentioned several times the European Union’s importance for regional cooperation and integration. At the very beginning, they underlined “the importance of our common perspective of joining the EU and full commitment to mutual support, respect, and help on the European path” and that “the EU is the key driver of change in the entire region, at least after it was announced the promise of expansion” ((Joint Declaration 2019). And yet, throughout the Declaration, one can also see that regardless of the importance of joining the EU and the concrete steps taken towards that goal and the objective of improving regional cooperation, there remains a gap between the EU member states and the Western Balkans. Thus, the three leaders acknowledge in the Declaration the need for

“leaders of the Western Balkans to be more meaningfully involved in the use of the development potential of the Balkans. A more active and creative approach to the circulation of goods and capital, the movement of people and cross-border cooperation, and the integration of services and work is needed. The leaders of the region must take responsibility for shaping the region’s future... This is crucial for regional integration and encouraging the general development of the entire Western Balkans. In this sense, the clear intention expressed in the Declaration is for key political figures in the Western Balkans to take the initiative, and perhaps even a leading role, in connection with the further course of regional cooperation and integration”.

With such wording, there would barely be anything to complain about. Still, the Mini Schengen initiative came about at a moment of serious reconsideration

of the further process of European integration in the Western Balkans. Albania and North Macedonia felt their hopes regarding the EU accession process were dashed (BBC 2019) and that the process had reached a dead end. Serbia, particularly, failed to solve the knot of simultaneous EU accession, regional cooperation, and the official policy of the country regarding the status of Kosovo\*. On the other hand, various ideas circulated in the EU—from the EU in multiple speeds and concentric circles (Le Mond 2022, Centar za evropske politike 2017), statements that the candidate countries cannot hope to join soon (European Commission 2014), to informal rumours that the enlargement process has been stopped until solutions are found for the internal crises of the EU.

In the described situation, the question of the true motives of the leaders of the three countries to launch and promote the Mini Schengen initiative arose. There were assessments that this is a signal of dissatisfaction directed towards the EU (e.g., Kalemaj and Čela, 2022), besides the already mentioned hidden nationalist and hegemonic ambitions of Tirana and Belgrade that should have been realised through this initiative. In addition, certain motives of Russia and lucrative motives hidden behind the non-transparency of the entire process were mentioned as the most important for starting the initiative (Đukanović and Đorđević 2020). It is never easy to get to the true motives, so in this paper, we analyse the content of the documents that were adopted as part of the initiative, their legal nature, the lack of institutionalisation, and the (alleged) economic results that have been reached based on the set objectives.

### *Legal nature of concluded agreements*

In assessing the legal nature of the documents adopted within the OBI, we pursue the following sequence of steps: first, we determine whether the signatory parties have expressly stated their intention to create international legal obligations; after that, we analyse whether the content of those documents can help us shed light on this issue of their intention and investigate whether there are concrete obligations, with precise deadlines for their execution, as well as whether there are any mechanisms for settling the disputes; in the end, we examine whether the conditions for the entry into force of these documents have been met, as well as the relationship of these agreements to the already existing legal obligations of the contracting parties.

The agreements and memoranda of cooperation adopted within the framework of the OBI have an evident international character. It is necessary, however, to make a few preliminary remarks. First, the OBI can be criticised for its non-transparency, lacking a single place where it is possible to find all memoranda

of cooperation and agreements signed within the framework of this initiative. Even where they exist enumerated, as on the Serbian Chamber of Commerce website, it is impossible to access all the texts of the documents. Finally, it is not often clear whether some of the documents were adopted as part of the OBI or are the result of other efforts to improve relations among the three states, as well as whether the agreements were ratified in the national parliaments of the countries that initiated the Open Balkan.

Despite that, it is necessary to repeat that the name and method of adoption of the document do not determine its legal nature. Although it is common for memoranda of understanding not to have binding legal force, this is not necessarily the case, and the reverse is also true—documents bearing the name agreement do not have to be legally binding. Another condition for assessing the existence of an international treaty is the existence of the will for states to be bound by its provisions. At the same time, the will is not assessed based on their later statements regarding this issue but primarily on the content of the document, i.e., the content of its provisions, and then the context, i.e., the circumstances in which the document was adopted. This rule is generally accepted in the doctrine of international law (Schachter 1977; Villiger 2009) and the jurisprudence of international judicial institutions (International Court of Justice 1962).

States sometimes explicitly indicate in the document whether it is legally binding. Over time, certain informal rules have crystallised in practice regarding typical expressions used when states do not want the document to have a legally binding character. For example, in non-binding documents, as a rule, the term ‘will’ is used rather than ‘shall’, the term entry into the force is not used, etc (Aust 2007, 29). In addition, transitional and final provisions are usually not included in documents that do not have a binding nature, and the way to resolve disputes does not exist or is limited to consultations (Aust 2007). Also, it is more difficult to find examples of specifying things that should be done in advance and with precise deadlines in non-binding documents. The problems arise: a) when the intention of the states that adopted the document is not clearly expressed; b) there are indicators that can indicate both the mandatory and non-binding nature of the document at the same time; and c) when, after its adoption, there are different views of the states that participated in its adoption in terms of its legal character.

In any case, if we look at the content and context of the Declaration that started the Mini Schengen initiative, it seems clear that it does not have a binding character because no provisions refer to specific obligations. In addition, not all parts of that Declaration are formulated in the usual language of legal obligations. If we now summarise the conclusions reached regarding the legal nature of the documents

adopted as part of the OBI, we can classify those documents into at least three groups:

- 1) Memoranda of understanding, the content of which, as a rule, indicates that they do not have a binding character but which, nevertheless, must be analysed separately, that is, on a case-by-case basis;
- 2) Agreements, which, according to their provisions and the context in which they were adopted, have binding force but have not entered into force in all three countries (mainly because of the ratification process in North Macedonia);
- 3) A small number of agreements are binding and have entered into force in all three countries.

Finally, a few clarifications should be added regarding these conclusions. First, legal issues should be separated from the implementation of these documents. Namely, states sometimes implement non-binding documents and violate binding ones. Second, certain analyses show that the implementation of some documents has begun, although they have not officially entered into force in all states of the OBI (Centre for Economic Analyses, 2023). Finally, according to the rules of the Vienna Convention on the Law of Treaties (Article 18), signed but unratified agreements are not completely devoid of normative relevance because the signatory parties have the obligation not to destroy the object and purpose of the treaty if they do not express their intention not to become a party to the treaty.

### *Lack of institutionalisation of the Open Balkan*

One of the most common criticisms regarding the OBI is its lack of institutionalisation. It has neither permanent bodies nor (judicial) bodies whose task would be to resolve disputes between parties. The initiators, however, had no intention of establishing an international organisation such as former European communities. There are various possible reasons for that. First, although institutions are important, they are expensive, and unlike most regional initiatives, this one did not have external support. Second, there is a question of how far and strategically the initiators of the Open Balkan looked in 2019 when launching this initiative. Then, perhaps most importantly, this initiative is primarily the brainchild of three people who wanted to maintain complete control over its development. Institutions are useful in various ways, including as an engine of integration, but simultaneously, as a rule, they limit power.

On the other hand, it would be incorrect to say that the OBI is some Frankenstein's monster of international or regional cooperation—an unprecedented example. Perhaps institutionalisation should be viewed as a continuum in which

the most common example of the European Communities and, later, the European Union is seen as one pole of extremely developed institutionalisation. However, not all forms of organisations fully follow that path. There are also types of organisations, i.e., MERCOSUR, which some authors call an “organisation through presidents and those who pay for that organisation” (Hummel and Lohaus 2012). Namely, these authors argue that this form of regional organisation was created to counterbalance external influence in the Latin American region through the diplomacy of the presidents and a highly centralised way of making their decisions.

The example of MERCOSUR and others shows that there is no single model of successful international organising with universal success. The lack of developed institutionalisation can lead to successful regional cooperation in certain situations, at least in the short and medium term.

However, institutionalisation is still important because of the longevity of the organisation and the legal certainty it provides to the actors. Namely, a clear legal framework and a greater degree of institutionalisation guarantee, among other things, that specific structures will continue to operate even after, for example, government changes in the member states. Without it, the survival of certain regional initiatives could last as long as the political careers of the presidents who promote them.

### ***The Open Balkan Initiative – political and economic aspects***

Among the agreements concluded within the framework of “Mini Schengen” and the OBI, the most important ones are the Agreement on conditions for free access to the labour market in the Western Balkans, the Agreement on the interconnection of schemes for electronic identification of the citizens of the Western Balkans, the Agreement on cooperation in the field of veterinary, food and feed safety and phytosanitary in the Western Balkans, the Agreement on cooperation in the Western Balkans in the field of mutual recognition of diplomas and scientific grades issued by higher education institutions and other authorised institutions, and the Agreement on mechanisms for ensuring the unhindered supply of basic foodstuffs in the Open Balkan. All three members of this regional initiative concluded all these agreements. In addition, there are significant agreements (memoranda) on cooperation and agreements concluded by two or three members of the initiative. The agreement that contributes the most to establishing a single market refers to the conditions for free access to the labour market in the contracting parties. Its main goal is to enable free movement, residence, and access to the labour market for citizens of all three countries in their territories, i.e., employment under the same conditions that apply to the local

population (PKS 2021). The three countries that signed this agreement aim to integrate the free movement of labour into their economic relations.

Certain indicators, such as a 50% reduction in the time required for import and export procedures for food products between the contracting parties, a 30-80% decrease in taxes and various fees (according to research by the American Chamber of Commerce), the establishment of a green corridor for the transport of food products, and the reduction of waiting times at border crossings due to dedicated lanes, support the OBI. However, the question remains whether the observed improvement in trade relations can be unequivocally linked to the effects of concluded agreements within the OBI (Nedeljnik, 2023; Predsednik Srbije, 2022).

Despite being promoted as a project aiming for deeper economic and political cooperation in a conflict-ridden region based on the principles of the European Union, the OBI regional initiative has been surrounded by numerous controversies since its beginning. Opponents criticise it for the lack of clear goals, the dominant influence of Serbia, the promotion of the “Serbian world”, and the unnecessary duplication of existing forms of regional cooperation (Joseph 2022; Mujanovic 2021). On the other hand, the proponents of this initiative believe that the leaders of some of the regional economies have finally become aware that the process of enlargement of the European Union has essentially stopped and that their proactive action and the establishment of “local ownership” over the process of regional integration are necessary to achieve any significant goals (Haddad and Marusic, 2021). The European Commission formally states that the OBI can positively impact the establishment of the Western Balkans’ Common Regional Market as an initiative promoted by the EU if it is accessible to all actors in the region and complies with the Union’s rules (European Commission 2022b).

Serbia views the Open Balkan initiative as a tool to fulfil its economic and geopolitical interests. The main economic goals are to attract more foreign direct investments in the integrated Western Balkan region and gain access to partner markets (RTV 2022). That is advantageous for Serbia, as it is the largest economy in the region (Karabeg, 2022).

The OBI can act as a mechanism to help balance Serbia’s European integration if there are significant delays or issues with joining the European Union. It can also aid in improving relations between Serbia and Albania, which have historically been tense due to the Kosovo\* issue. In a larger context, improving relations between these two countries could indirectly contribute to fostering better relationships in the region (Kosovo Online 2024). Realising the full potential of the OBI would contribute to fulfilling the majority of economic or political objectives for achieving regional cooperation. However, it seems that the most important result, for now,

is the establishment of the single labour market of the Open Balkan, which began to function on March 5, 2024.

The OBI is to be a single market as it aims to be, at least according to the statements of its initiators. It does not meet the criteria for this form of economic integration, and it is difficult to imagine that the three founding countries will agree on establishing a customs union as a previous level of economic integration. Regional economic integration can take various incomplete forms, and its actual impact on member countries can only be fully understood once the agreements underpinning it are completely implemented. This is currently not the case with the OBI.

The numerous doubts regarding this regional initiative are certainly warmed up by the interpretations of the different approaches that significant external actors, the US and the European Union (primarily, Germany), have towards it. While American representatives look at this project with approval, German officials are sceptical of its goals and past results (Bonomi and Nechev 2022). In any case, the small number and limited scope of the agreements concluded so far within this initiative do not justify the reasons for the additional tensions that have arisen on this occasion in the region and among external stakeholders.

## Conclusion

Regional economic integration can be a useful method for fulfilling national interests driven by economic or geopolitical motives.

Serbia officially views the Open Balkan Initiative (OBI) as an opportunity to promote economic cooperation in the region and enhance Serbia's economic standing. The initiative's focus on the four freedoms of the European Union and its proclaimed aim of accelerating the region's European path indicate that it is not intended as an alternative to European integration. However, there is an open question of how the Open Balkan Initiative fits into the Europeanization process. Additionally, many academic sources discussing the regionalisation process and the formation of a common market inspired by the EU model suggest the eventual establishment of regional institutions, which has not yet occurred in the case of the OBI.

This form of regional cooperation emphasises political motives for its emergence. The OBI was not a response to economic interdependence between regional actors nor a reaction to social demands. The leaders of the region's countries utilised their political will and capabilities to establish a tangible form of regional cooperation, indicating its predominantly political nature during its

inception. The predominant way of its functioning is evidenced by the acceptance of interpresidentialism, with all its advantages and disadvantages.

All these circumstances require the careful management of regional politics in the Western Balkans. The three political leaders of Serbia, Albania, and North Macedonia should not undermine the proclaimed goals of inclusive regional cooperation with their statements and actions. Their domestically orientated statements should aim at building trust in the region, not feeding suspicions of an (alleged) attempt to achieve hegemony and national interests by other means.

In other words, work on improving regional cooperation and economic integration within the Western Balkans without a clear perspective of EU membership would imply a careful, long-term, and significant effort to build trust between the regional actors. Even under perfect conditions, it would be necessary to secure the support of the great powers. It is hard to conceive such a process without their support since past events have demonstrated that they have the means to thwart such endeavours or, if they so choose, make them far more difficult.

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**SPROVOĐENJE NACIONALNOG INTERESA SRBIJE KROZ MEĐUPREZIDENCIJALIZAM  
INICIJATIVE OTVORENI BALKAN**

**Apstrakt:** Ovaj rad pokušava da odgovori na pitanje u kakvom su odnosu percipirani nacionalni interesi Srbije i inicijative Otvoreni Balkan. Rad počinje teorijskim okvirom i objašnjenjem koncepata nacionalnih interesa i regionalnih integracija Zapadnog Balkana. Zatim se predstavlja kratka istorija pomenutih integracija i njihovim odnosom sa procesom pristupanja balkanskih država Evropskoj uniji. Centralni deo rada je usredsređen na ekonomske, institucionalne i međunarodnopravne aspekte inicijative Otvoreni Balkan i kako percipirani nacionalni interesi Srbije određuju ove aspekte. Osnovni zaključci su da su politički lideri Srbije, Albanije i Severne Makedonije birali međuprezidencijalni model regionalnih integracija, da su svesno izbegli institucionalizaciju Otvorenog Balkana, kao i da su gotovo isključivo koristili neobavezujuće instrumente međunarodnog prava. Dodatno, ekonomski dometi inicijative su do sada bili ograničeni.

**Ključne reči:** regionalne integracije, Zapadni Balkan, inicijativa Otvoreni Balkan, međunarodno pravo, Evropska unija, nacionalni interesi.

