

# EU Enlargement and the Western Balkans: current trends and future perspectives



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## The EU enlargement: a step-by-step process

The EU accession requires a step-by-step process, during which candidate countries prepare to implement EU laws and standards as defined in their negotiation framework. This framework is structured into 31 negotiating chapters, grouped into six clusters: Fundamental principles, Internal market, Competitiveness and inclusive growth, Green agenda and sustainable connectivity, Resources, agriculture, and cohesion, and External relations (Fig. 1). Every year, the Commission adopts the “Enlargement Package”, which describes the progress already made by each country and the open challenges to be addressed. Recommendations and guidance on the reform priorities accompany these assessments. Currently, ten economies are interested in the enlargement process, including the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo\*, Montenegro, North Macedonia, and Serbia), Turkey, Ukraine, Moldova, and Georgia.

\*This designation is without prejudice to positions on status and is in line with UNSCR 1244 and the ICJ opinion on Kosovo Declaration of Independence.

## Clusters of negotiating chapters

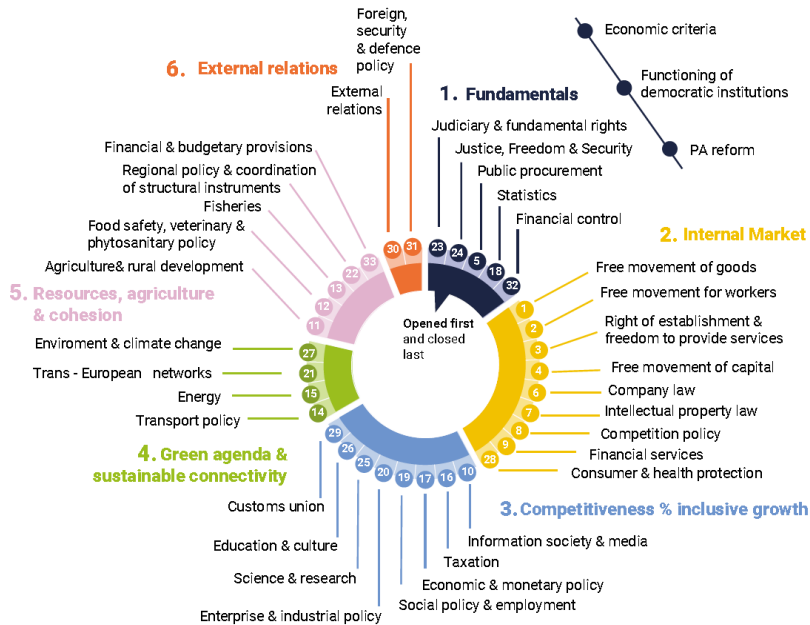


Figure 1 | Source: SRM elaboration on EU

## Socio-economic framework of the EU Mediterranean and the Western Balkans

To provide an overview of the transition fostered by the EU accession process in the Western Balkans, we analysed key indicators considered within the enlargement process, referring to both the socio-economic and democratic frameworks. We compared values for the six Western Balkan and nine Mediterranean countries (Croatia, Cyprus, France, Greece, Italy, Malta, Portugal, Slovenia, and Spain). These indicators are complemented with data on the status of democracy, good governance, and the rule of law provided by third parties, such as Freedom House, the Economist Intelligence Unit, the World Justice Project, and the OECD.

Following the debate on demographic decline in all European countries (Blangiardo, 2024; Newsham & Rowe, 2023; United Nations, 2019), we first

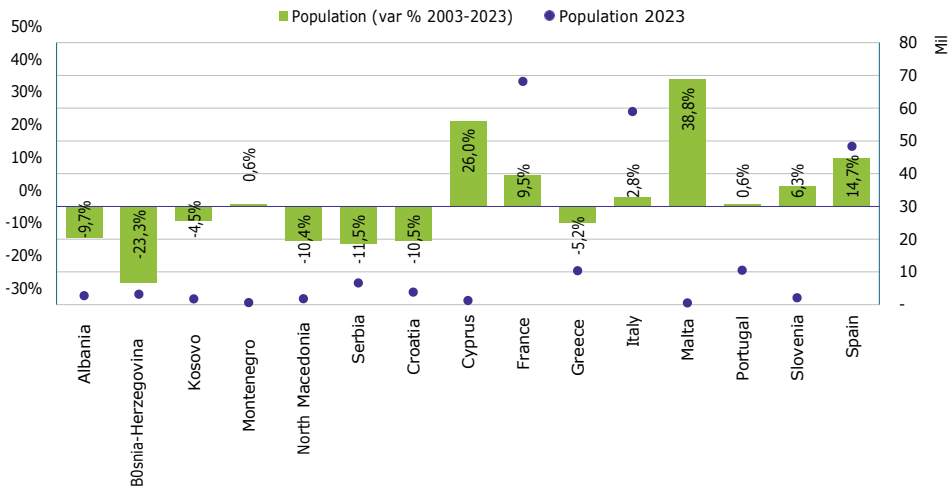
examined the demographic dynamics. Montenegro is the smallest country, with a population of approximately 616,000 inhabitants (2023), whereas Serbia is the largest, with around 6.6 million inhabitants (2023). They are comparable to EU countries, such as Malta, Croatia, Cyprus, and Slovenia, despite their relatively lower population density: the average value for the Balkans is 87 inhabitants per square kilometre, compared to 294 for the EU Mediterranean countries. Between 2003 and 2023, five economies experienced a substantial demographic decline. Bosnia and Herzegovina lost over one-fifth of its population (-23.3%), while Albania, North Macedonia, and Serbia faced a decline of around -10%. Kosovo experienced a more moderate decline of -4.5% whereas the only economy with a positive even if modest value is Montenegro, which in the first decade (2003-2013) showed a population increase (+1.46%) counterbalanced by a decrease of -0.81% in the second decade (2013-2023). These dynamics are determined by a dramatic reduction in the fertility rate (live births per woman), which declined from an average of 1.76 in 2003 to 1.46 in 2023, close to the EU average (1.40). Moreover, there has been a significant brain drain and economic emigration from the Western Balkans over the last 20 years. Consequently, depopulation is becoming a limiting factor for the sustainability of the Western Balkan societies (Miladinov, 2024; Petrović & Ateljević, 2024). Compared to the EU's Mediterranean countries, this dynamic appears to anticipate the EU demographic decline that characterizes Southern European countries, such as Italy, Greece, and Croatia (Szymańska, 2022). Regarding the demographic structure, the EU Med and Western Balkans reveal a clear and consistent pattern of population ageing, although with notable regional differences. In 2023, the share of the population aged 65 and over exceeded 20% in several EU Med countries, notably Italy (24%), Portugal (23.3%), Greece (23.1%), and Croatia (22.0%), while remaining significantly lower in the Western Balkans, especially in Kosovo (10.5%), North Macedonia (15.1%) and Montenegro (16.9%). Conversely, the share of young people (aged 0–14) was highest in the Western Balkans, reflecting a relatively younger age structure. However, the temporal variation between 2003 and 2023 indicates a widespread decline in the youth population share across all economies, with the sharpest decreases observed in the Western Balkans, particularly in Kosovo (-11.4 percentage points) and Albania (-11.3 percentage points). At the same time, all economies experienced a substantial increase in the share of the elderly population, most notably in Albania (+8.2 percentage points), Slovenia (+6.6 percentage points), and Portugal (+6.3 percentage points). These trends underscore a gradual demographic convergence toward aging societies, with significant implications for labour markets, welfare systems,

and long-term regional development trajectories (Petrović & Ateljević, 2024; Szymańska, 2022).

Total population (a) and demographic structure 2023 (b)

Absolute number in 2023 and percentage variation in 2003-2023

(a)



(b)

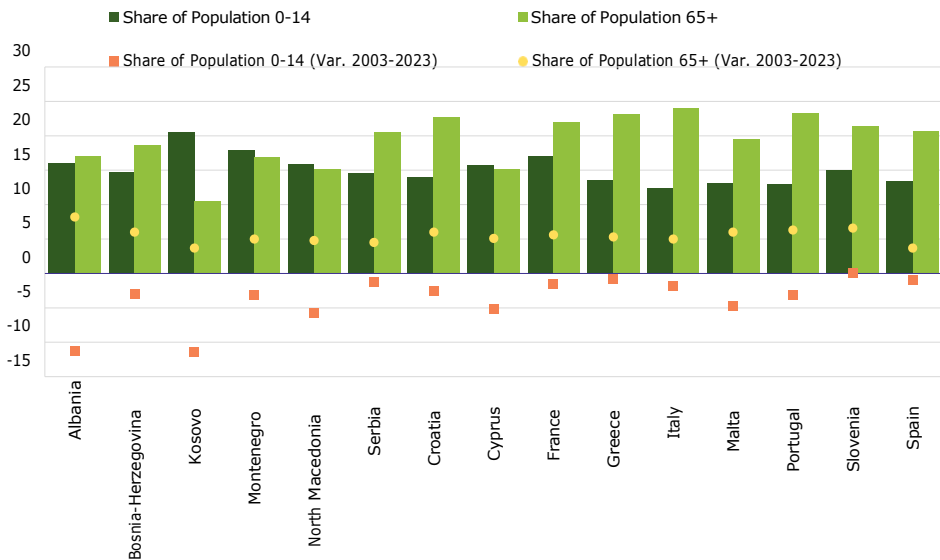


Figure 2 | Source: IPRES elaboration on WeMed data (2025)

Looking at the leading economic indicators, significant disparities persist in GDP per capita across EU Mediterranean countries and the Western Balkans, reflecting different economic development and convergence stages.

In 2023, Western Balkans economies such as Kosovo (\$13,022), Albania (\$17,260), and Bosnia and Herzegovina (\$19,396) remain well below the GDP per capita levels of EU member states like Italy (\$52,060), France (\$54,988), and Malta (\$56,443). Despite these gaps, the Western Balkans have recorded robust average annual growth rates over the 2003–2023 period, with Kosovo (+4.27%), Albania (+3.76%), and Montenegro (+3.18%) experiencing the most notable growth. This indicates sustained catching-up dynamics. In contrast, many EU Mediterranean countries have experienced modest or even stagnant growth. Greece (+0.09%) and Italy (+0.32%) show limited progress, mainly due to structural weaknesses and the long-lasting effects of the recent crises. Malta is an exception, combining high income levels with strong long-term growth (+4.63%). These patterns highlight the ongoing divergence in income levels but also point to the growth potential of the Western Balkans under favourable institutional and policy conditions.

### GDP 2023

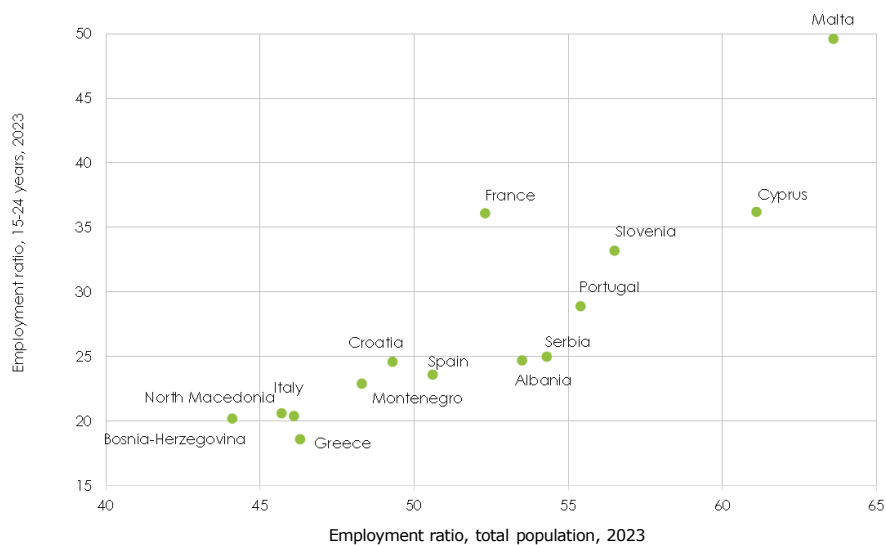
PPP, constant 2017 international \$, and average annual growth 2003-2023

Country	GDP per capita	GDP growth
Albania	17,260	+3.76
Bosnia and Herzegovina	19,396	+2.86
Kosovo	13,023	+4.27
Montenegro	26,165	+3.18
North Macedonia	22,936	+2.74
Serbia	23,740	+3.07
Croatia	40,090	+2.16
Cyprus	50,230	+2.65
France	54,988	+1.13
Greece	35,329	+0.09
Italy	52,060	+0.32
Malta	56,443	+4.63
Portugal	41,240	+0.86
Slovenia	47,558	+2.27
Spain	45,788	+1.36

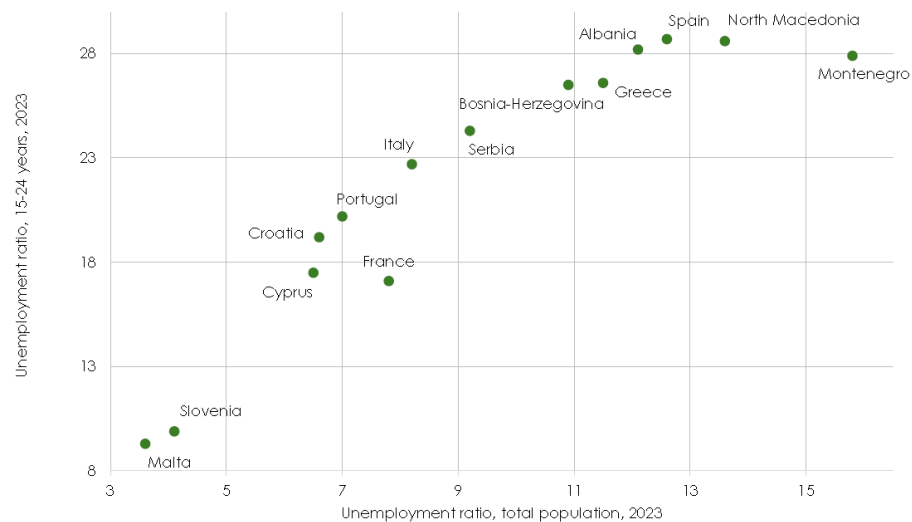
Table 1 | Source: IPRES elaboration on WeMed data (2025)

# Employment (a) and unemployment (b) 2023

## (a) Employment ratio for total population and young people 15-24 years



## (b) Unemployment ratio for total population and young people 15-24 years



No data available for Kosovo

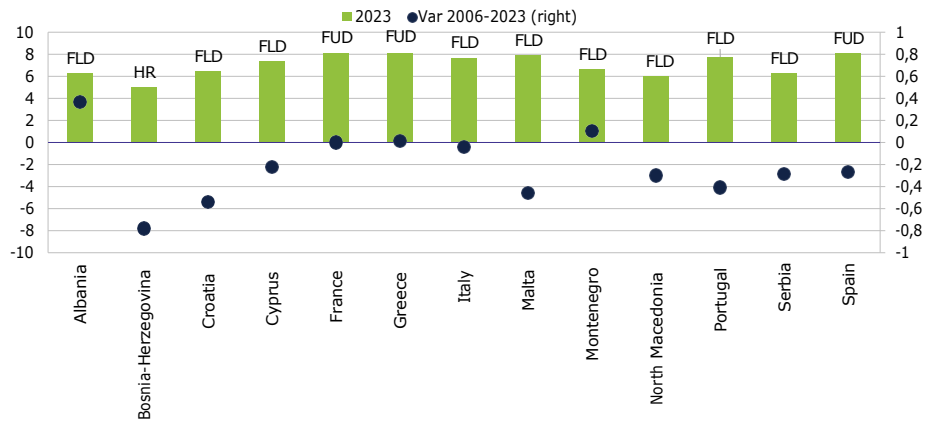
Figure 3 | Source: IPRES elaboration on WeMed data (2025)

Finally, labour market data for 2023 across the EU Mediterranean and Western Balkan economies reveal stark disparities in both employment and unemployment outcomes, particularly for young people aged 15–24. Youth employment rates are consistently lower than those of the total population. Western Balkan countries such as Bosnia and Herzegovina, North Macedonia, and Montenegro exhibit the most severe gaps, indicative of persistent structural weaknesses and barriers to youth labour market integration. In contrast, Malta, Slovenia, and Cyprus show relatively high youth employment and low unemployment rates, suggesting more effective education-to-work transitions and resilient labour markets. Southern EU countries such as Italy, Greece, and Spain face high youth unemployment (exceeding 23%) despite moderate employment rates, highlighting issues such as labour market segmentation and skills mismatches. France and Portugal should better integrate younger cohorts, while Slovenia and Malta emerge as the strongest performers overall. These patterns underscore the critical need for age-targeted labour market policies and structural reforms to reduce entry barriers and improve job opportunities for young people.

To build a brief yet comprehensive framework, we consider three indices that describe the status of democracy, good governance, and the rule of law. The data on the World Bank Democracy Index for 2023, complemented by its variation over the period 2006–2023, reveal important insights into the state and evolution of democratic governance across EU Mediterranean and Western Balkan countries. In 2023, most countries fall within the “Flawed Democracy” (FLD) category, with index values ranging from 6 to 8. Notably, France, Greece, and Spain reach the threshold of “Full Democracy” (FUD), while Bosnia and Herzegovina is the only country classified as a “Hybrid Regime” (HR), reflecting persisting institutional weaknesses. Despite relatively high current scores, the overall trend is negative, showing a decline in the democracy index from 2006 to 2023 in most countries. Croatia, Cyprus, Malta, and Portugal exhibit the most significant deteriorations, while Albania and Montenegro show slight positive changes, suggesting limited progress.

## Democracy Index 2023

### Absolute number in 2023 and variation in 2006-2023



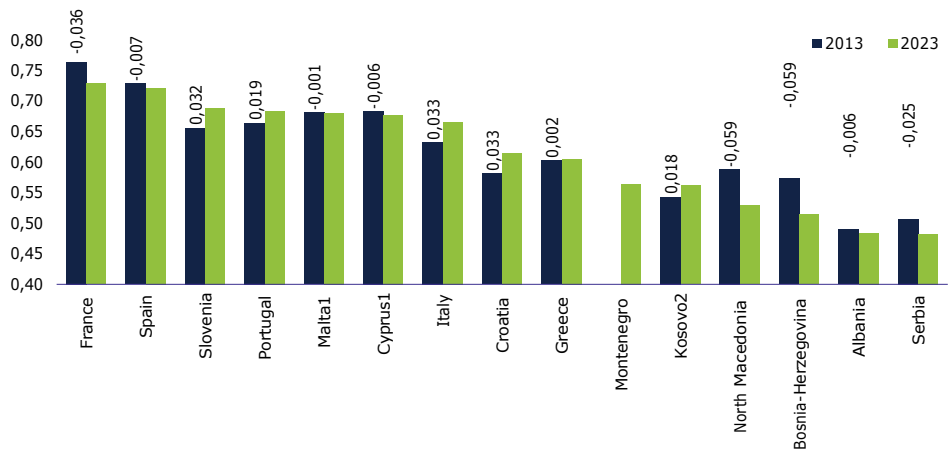
FUD= Full democracy, FLD= Flawed democracies, HD Hybrid regimes

No data available for Kosovo.

Figure 4 | Source: IPRES elaboration on Word

## Rule of Law Index 2023

### Absolute number in 2013 and 2023 and variation



1.Variation between 2021 and 2023. 2.Variation between 2020 and 2023

Figure 5 | Source: IPRES elaboration on World Bank 2025



A distinct perspective emerges from the Freedom in the World report (2025). All the Western Balkan countries are classified as partly free, whereas the EU Mediterranean countries are considered free. Some concerns refer to Montenegro and Serbia, which experienced a downgrade from "Free" to "Partly Free" status. Montenegro's downgrade was due to deterioration in political rights and civil liberties, especially after the 2016 parliamentary election. Serbia's downgrade was driven by a decline in democratic institutions, particularly concerning elections, media freedom, and the concentration of power, which began in 2018.

Finally, the Rule of Law Index reveals significant heterogeneity among countries. France and Spain gained the highest values (above 0.7), while Albania and Serbia reached the lowest (under 0.4). Otherwise, all EU Mediterranean countries are above the mean, whereas the Western Balkans show lower values. Despite these absolute values, the overall trend is negative. These results point to a worrying pattern of democratic backsliding, even in countries considered full democratic (France and Spain).

## The Western Balkans and the European Integration process: progress, challenges, and the way forward

Two decades after the European Union's largest wave of enlargement, the transformative power of EU accession remains a vital engine for long-term peace, security, stability, and prosperity across the continent. The door to membership remains open for several administrations that share the aspiration to bind their future with that of the EU. This historic opportunity continues to inspire progress and reform across a diverse group of candidates and potential candidates. In today's **shifting geopolitical landscape**, a clear alignment with the EU's values and common foreign and security policy is a powerful indicator of shared strategic direction and commitment.

In recent years (2022-2025), the enlargement agenda gained significant momentum. Key steps were taken across various enlargement tracks, including the launch of accession negotiations with new candidates, the opening of crucial negotiating clusters, and progress toward the closure of chapters in more advanced processes. Several countries successfully completed specific technical phases of the process, while others advanced toward full candidate status. Despite certain challenges, the enlargement process continues to serve as a dynamic and forward-looking framework for transformation, regional partnership, and a shared European future. The European Union remains **firmly committed to enlargement**, reinforcing it as

both a strategic policy priority and a powerful geopolitical instrument for promoting stability, prosperity, and alignment with EU values across the wider region.

In late 2023, the European Commission adopted a **new Growth Plan** designed to inject fresh momentum into the enlargement process by fostering economic convergence and supporting key reforms. A central component of this initiative, the Reform and Growth Facility, with a budget of EUR 6 billion, entered into force in mid-2024. Building on the foundation of the existing Economic and Investment Plan, the Growth Plan promotes the gradual integration of the region into specific areas of the EU single market. Inspired by the model of the EU's Recovery and Resilience Facility, the Reform and Growth Facility provides performance-based financial support linked to the implementation of tailored Reform Agendas.

At a time when Europe is redefining its future amid war on the continent, institutional pressure, and global competition, the integration of the Western Balkans should be viewed less as a technical exercise and more as a strategic imperative. While the region's EU aspiration continues to serve as a strong and unifying narrative, there is also a sense of impatience and concern among leaders and citizens regarding the pace of the accession process. Meanwhile, **the global context is transforming quickly**: the war in Ukraine, the reassertion of geopolitical rivalries, climate imperatives, technological shifts, and demographic challenges are all reshaping the Union's priorities. These changes demand not just accelerated enlargement but also a recalibration of how the EU manages the accession process itself.

## Progress in motion: building momentum in a dynamic environment

The six Western Balkan administrations (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia) are at different stages of integration. **Montenegro**, long considered the frontrunner, has opened all negotiation chapters, while closing three. "28 by 28" has recently emerged as a clear expression of Montenegro's strategic objective to become the 28<sup>th</sup> member of the European Union by 2028, an ambition that reflects a strong governmental commitment to concluding the technical negotiations by 2026 and advancing the EU integration agenda. **Albania**, after a relatively long stagnation period, has now gained momentum and has opened four of the six negotiating clusters in a short period of time (2022-2025); its efforts in judicial reform and anti-corruption measures have received commendation.

It targets concluding technical negotiations by 2027-28, with an eye toward full membership by 2030. **North Macedonia**, despite having a candidate status since 2005, fulfilling key reform benchmarks and having completed the screening sessions for all six clusters in December 2023, continues to face delays in the accession process and has yet to open the negotiations for the first cluster. **Serbia** continues to engage in negotiations: the country has opened 22 out of 35 chapters in its EU accession negotiations, while it has provisionally closed two chapters. The most recent advancement occurred in December 2021, when Serbia opened Cluster 4, focusing on the Green Agenda and Sustainable Connectivity. While the benchmarks for opening Cluster 3 on Competitiveness and Inclusive Growth have been assessed as technically met, this has yet not proceeded, with the overall pace of negotiations continuing to depend on rule of law reforms, normalization of relations with Kosovo, the expectation for progressively alignment of policies towards third countries with the policies and positions adopted by the EU, including restrictive measure, etc. **Bosnia and Herzegovina** received candidate status in 2022; however, it has to continue taking resolute action to finalise reforms in line with the EU acquis and European standards, addressing all relevant steps, as it must also submit a finalized Reform Agenda to the Commission. Complex political narratives, combined with frequent institutional deadlocks, continue to challenge consensus-building on key reforms. **Kosovo**, although benefiting from visa liberalization since 2024, has not yet been granted candidate status and remains highly dependent on progress in the EU-facilitated dialogue with Serbia, which continues to face significant implementation gaps and political sensitivities. Kosovo applied to become a candidate for EU membership in December 2022 and is currently recognized as a potential candidate.

Despite these challenges, **public support for EU membership** remains relatively strong across the Western Balkans, reflecting a continued aspiration among citizens for greater stability. Data from the Spring 2025 Eurobarometer (published in May 2025) show that across the Western Balkan economies surveyed, public opinion on EU membership remains broadly positive, though with varying intensity. In response to whether their country **would benefit from joining the EU**, majorities in all economies expressed support, with particularly high levels in Albania and Montenegro. The general perception of **EU membership as a good or bad thing** follows a similar pattern. Positive views continue to dominate, especially in Albania and Montenegro, though support has slightly declined in some administrations. In certain cases, disillusionment has grown due to the perceived slow speed of the accession process, while in others, momentum has been sustained through targeted reforms and high-

profile EU engagement. The latest data on **trust in the European Union** shows that 52% of respondents in the EU27 say they tend to trust the EU, while in the Western Balkans, trust in the EU remains significantly higher (64%).

The Eurobarometer Spring 2025 survey reveals that **54% of EU citizens support the enlargement of the European Union** to include new countries in the future. Support for enlargement is highest in Portugal, Malta, Italy, and Ireland, indicating strong enthusiasm in the southern and western parts of the Union. Overall, the EU27 average reflects a modest but stable majority in favor of enlargement.

The Western Balkans should communicate about the EU in an objective and unambiguous manner, while also reinforcing efforts to limit foreign interference and the spread of disinformation. At the same time, the EU should ensure more consistent communication in the region, fostering greater mutual understanding and public trust.

## Enlargement reframed: from geopolitical necessity to institutional catalyst

Since the Russian invasion of Ukraine, enlargement has returned to **the top of the EU's political agenda**, not just as a continuation of past commitments, but as a geopolitical necessity. The prospect of admitting Ukraine, Moldova, and Georgia has raised the stakes for EU cohesion and credibility. Within this renewed momentum, the Western Balkans remain an integral part of the EU's enlargement vision, even as increased attention to other candidate countries such as Ukraine has added new dynamics to the process. While the region continues to be acknowledged as a priority, there are growing concerns among some scholars about the pace of progress and the risk of diminished focus. This underlines the importance of ensuring that the Western Balkans **remain fully engaged and supported within the evolving enlargement framework**. Some EU Member States, mostly those geographically close to the Region, support a more dynamic and geopolitically informed enlargement strategy; other Member States emphasize the need for strict adherence to EU standards and comprehensive internal reform of the EU before enlargement can proceed.

This situation highlights a broader challenge: while the EU accession framework has provided a solid foundation for guiding reforms, the pace of institutional adaptation has not always kept up with the evolving geopolitical and strategic context. There is growing awareness that, to remain effective, the enlargement process may benefit from greater flexibility and responsiveness, ensuring it is better aligned with today's realities and expectations within

the EU and among aspiring members. The **gradual integration**, whereby the EU commits to bringing the Western Balkans closer to the EU already during the enlargement process, needs to be additionally bolstered with different policy areas and instruments, as it is preparing the ground for accession and bringing concrete benefits to citizens.

## Internal challenges within the Union and getting ready for a larger Union

A credible enlargement strategy must be accompanied by parallel **institutional reform** within the EU itself. Each wave of EU enlargement has historically gone hand in hand with a deepening of the Union's political project. Looking ahead, the next enlargement should equally serve as a catalyst for further progress. Experience has shown that concerns about inefficiency in a larger Union have not materialized – in fact, each enlargement has ultimately strengthened the EU. The Commission's initiative to launch **pre-enlargement policy reviews** is a constructive step forward. These reviews, which examine the implications of enlargement across four key dimensions (values, policies, budget, and governance) can help ensure that both the EU and the candidate countries are equipped for a successful and sustainable expansion.

The European Commission, traditionally composed of one Commissioner per Member State, faces growing complexity as its membership expands. These developments have encouraged constructive conversations about potential adaptations aimed at ensuring the continued efficiency and responsiveness of EU institutions in a changing and evolving Union.

**Decision-making mechanisms** might also need scrutiny. Critical areas such as foreign policy, taxation, and enlargement still require unanimity, a process vulnerable to national vetoes and political gridlock. Moving to qualified majority voting in selected policy areas has been proposed but remains politically sensitive.

From a **financial perspective**, the integration of new candidate countries presents an important opportunity to review and adapt the management of key funding instruments, including the Common Agricultural Policy and Cohesion Funds. This process encourages the Union to consider updates to its budgetary framework, explore the introduction of innovative funding mechanisms, and engage in constructive dialogue on member contributions. Enlargement must clearly be anchored in the new Multi-annual Financial Framework 28-34.

Another dimension shaping the enlargement narrative is the evolving role of the United States, while the EU is preparing for a more unpredictable transatlantic relationship. The EU will need to **assume greater responsibility for its own security**, accelerate defence integration, and reduce dependency on U.S. protection. For the Western Balkans, this means aligning more closely with the EU's security and defence frameworks. These initiatives can help anchor the region not just economically, but strategically within the European architecture. As the global order becomes more uncertain, the Western Balkans' stability becomes more central to the EU's internal security and resilience.

## Toward a more credible, inclusive, and impactful process

There are at least three compelling reasons to rethink the EU's approach to the Western Balkans. **First**, the EU's internal agenda, green transition, competitiveness, digital transformation, and migration management, is evolving more rapidly than the enlargement tools. Without adapting these instruments to evolving priorities, the EU may face challenges in maintaining the effectiveness of its external action.

**Second**, many people in the Western Balkans feel less confident in institutions and are experiencing challenges in their quality of life. Factors like administrative challenges and gradual reform processes have affected citizens' trust in both local progress and the EU's role. **Third**, brain drain, and demographic decline are reaching critical levels. Young educated citizens are leaving steadily, which can impact state capacity and the region's future development. If reforms don't clearly lead to better opportunities, the region could experience lasting population declines.

The time is suitable for a more inclusive, structured, and citizen-oriented enlargement process. Reforms should be recognized earlier and rewarded more tangibly. Access to parts of the Single Market, EU programs, and observer roles in EU institutions and working bodies could signal meaningful inclusion and bolster public support. But the responsibility is mutual. The Western Balkan administrations must address root problems under "the fundamentals", such as the rule of law, media freedom, and public governance. Reforms should not be implemented mainly to meet EU benchmarks but should primarily serve national interests. **Regional cooperation**, at times perceived as externally imposed, must be reframed as a strategic choice. Initiatives like the Common Regional Market offer a platform of "integration before integration" and show preparedness for membership.

The Western Balkans, with a combined population of approximately 17 million (Eurostat) and a GDP that represents less than 1% of the EU's total economic output (Eurostat), constitutes a relatively small market in economic terms. While the region faces structural challenges, its gradual integration into the EU Single Market offers ample opportunities. The economic size of the Western Balkans is comparable to that of a mid-sized EU Member State, **meaning its full accession would not pose a significant burden on the EU's economy or institutions**. On the contrary, deeper integration could bring added value through increased trade, investment, and supply chain linkages, while fostering stability and convergence in the Union's immediate neighbourhood.

**Reforming and modernising public administration** remains a relevant priority. While progress has been gradual, strengthening civil service functioning and human resource management (including reducing politicization) remains key to advancing reforms. Addressing these challenges will enhance the effective design and implementation of policies, including those under the Reform and Growth Facility. With increased focus on institutional coordination and oversight, there is strong potential to build more accountable and resilient administrations<sup>2</sup>. Targeted mobility schemes, shared training programs, exchanges of practices and models, and policy innovation efforts foster not only capacity but a regional culture of collaboration and mutual accountability. These bottom-up tools are critical for building a truly European administrative space in the Western Balkans.

The **new institutional cycle and the next financial cycle (2028-2034)** of the EU present an opportunity that must be seized: a new "Agenda 2030" for enlargement (similar to the 1997 Agenda 2000) could provide candidate countries with clarity on expectations, timelines, and rewards. Investing in the Western Balkans is, fundamentally, an investment in the future of Europe. This region brings vibrant cultures, a dynamic and still quite young population (compared to the EU average), and renewed energy that can enrich the entire Union. With shared values and common borders, the Western Balkans are an integral part of the European project, offering immense potential for growth, innovation, competitiveness, and cohesion. Looking ahead, a clear and ambitious 2030 vision is essential—one that embraces partnership, drives sustainable development, and ensures that the benefits of integration are shared by all.

<sup>2</sup> The Regional School of Public Administration (ReSPA) mission is to foster administrative cooperation.

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