

# THE BALKAN PEACE INDEX 2023

## MIND Publications

### **Publisher**

University of Belgrade – Faculty of Political Science

### **Date**

February 2024.

### **Authors**

Nemanja Džuverović

Goran Tepšić

Aleksandar Milošević

Tijana Rečević

Miloš Vukelić

Sanja Vojvodić

Milan Varda

### **Design**

Kristina Pavlak

This publication is part of WPI of the MIND project, led by the University of Belgrade – Faculty of Political Science.

**The project was supported by the Science Fund of the Republic of Serbia, grant no. 7744512, Monitoring and Indexing Peace and Security in the Western Balkans – MIND.**

The authors are solely responsible for the content of the publication. The content does not represent the opinion of the Science Fund of the Republic of Serbia, and the Fund is not responsible for any use that might be made of data appearing therein.

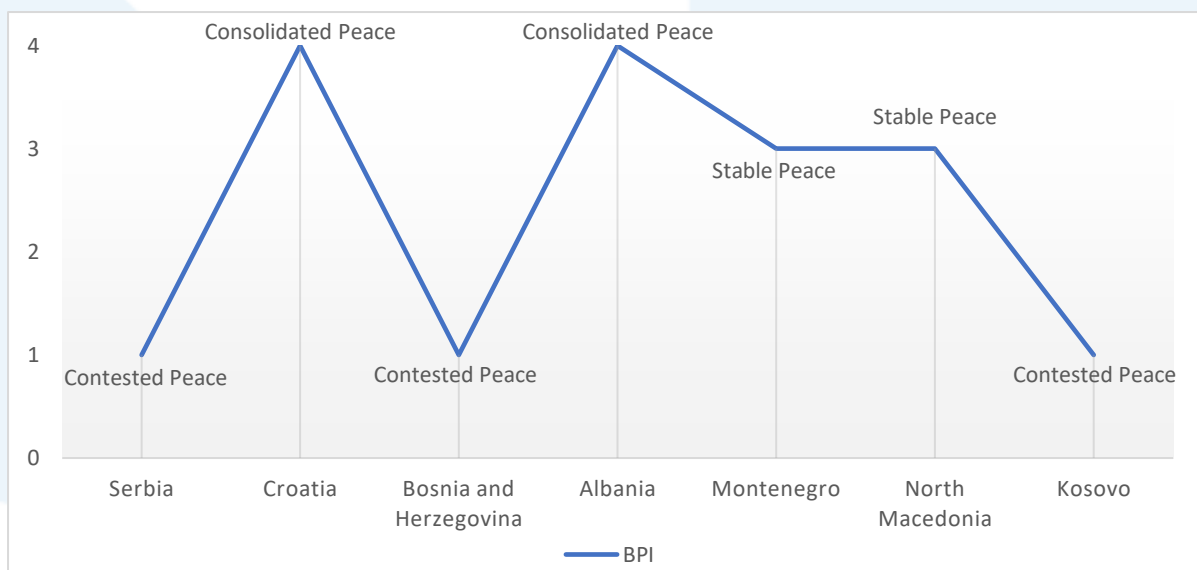
To cite: Nemanja Džuverović, Goran Tepšić, Aleksandar Milošević, Tijana Rečević, Miloš Vukelić, Sanja Vojvodić, Milan Varda. 2024. *The Balkan Peace Index 2023*. MIND Project Publications. University of Belgrade – Faculty of Political Science.

## TABLE OF CONTENTS

<b>The State of Peace in the Western Balkans.....</b>	<b>4</b>
<b>Political Violence .....</b>	<b>7</b>
<b>Regional and International Relations .....</b>	<b>16</b>
<b>State Capacity.....</b>	<b>27</b>
<b>Environmental Sustainability .....</b>	<b>36</b>
<b>Fighting Crime.....</b>	<b>47</b>
<b>Political Pluralism.....</b>	<b>59</b>
<b>Socio-Economic Development .....</b>	<b>67</b>

## THE STATE OF PEACE IN THE WESTERN BALKANS

In comparison to the previous year, the level of peacefulness in the Western Balkan region experienced a slight decline in 2023. Serbia, which had previously been classified as polarised peace (BPI 2022), now finds itself in the category of contested peace, along with Kosovo\* and Bosnia and Herzegovina (BiH), who maintained their positions from 2022. On a positive note, Montenegro has progressed from polarised to stable peace. In the meantime, North Macedonia, Croatia, and Albania have managed to maintain their respective classifications of peace. Specifically, North Macedonia has been classified as stable, while Croatia and Albania have been categorised as consolidated peace on the Balkan Peace Index (BPI) scale.



In the global arena, the Western Balkans region remains an area with high levels of peace. With no full or limited wars for over two decades, it has made significant strides despite the legacy of the 1990s wars and ongoing political and ethnic conflicts. Though political violence exists, it is at relatively low levels, with only Serbia and Kosovo experiencing a violent crisis in 2023. The remaining conflicts in the region, including the highly polarised one in Bosnia and Herzegovina, are considered political disputes or non-violent crises. As a result, Croatia is classified as a country with a very high state of peace on the Global Peace Index map, while Bosnia and Herzegovina, Albania, Montenegro, and North Macedonia are ranked as 'high state of peace' countries. Only Serbia and Kosovo have been categorised as being in a medium state of peace.

The issues surrounding Kosovo and Bosnia continue to be highly sensitive topics in the region. Both have experienced ongoing political turmoil, with Kosovo's sovereignty being contested externally and Bosnia's being disputed internally. The root of instability in

\* All references to Kosovo in this document shall be understood in full compliance with United Nations Security Council resolution 1244 and without prejudice to the status of Kosovo.

the area lies in conflicts between the Albanian majority and Serbian minority in Kosovo, as well as disputes between the Serbian and Kosovo governments, Republika Srpska and the central government in BiH, and Croatian and Bosniak representatives in the Federation of BiH. Recent violent incidents have created a major political crisis in 2023, with clashes between Serb protesters and KFOR soldiers or Kosovo police and Serb paramilitaries. Despite the longstanding nature of these conflicts, they have not yet reached the critical point of limited or full-scale war due to the presence of international peacekeeping forces that can contain the potential spread of violence.

As of 2023, the regional and international relations within the Western Balkan region were characterised as fair. Non-violent interventions, undertaken by both regional actors and major global powers through proxies and foreign policy manoeuvres, were on the rise. The lingering territorial conflicts resulting from the dissolution of Yugoslavia remain heavily influenced by ethno-politics, resulting in the continued secession of Kosovo, ethnic tensions in Bosnia and Herzegovina, territorial claims against neighbouring nations, and disputes related to the rights of institutions representing specific ethnic groups.

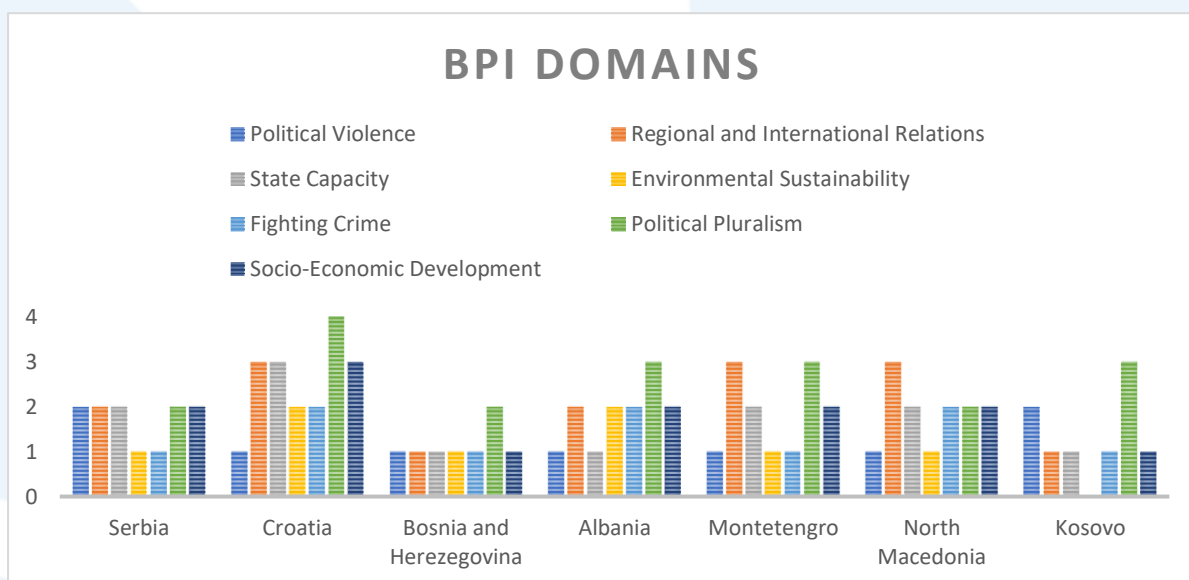
State capacity in the Western Balkans ranges from low to medium, with Croatia being the only exception (reaching a high level in 2023). This is again a consequence of the 1990s conflicts and the shift from socialist to capitalist economies. Kosovo, Bosnia and Herzegovina, and Albania have low capacity for supporting vulnerable groups, providing education, healthcare, and redistribution, or maintaining control over their territory. Serbia also struggles with state control as it views Kosovo as an integral part of its territory and cannot exercise sovereignty over it.

The impact of climate change on the Western Balkan region has been particularly severe compared to other parts of Europe. Apart from Croatia and Albania, the region has struggled to maintain environmental sustainability standards. Air quality is a major concern, with citizens exposed to dangerously high levels of pollution. Furthermore, the recent conflict in Ukraine has led to a rise in electricity and derivative prices, posing additional challenges to the region's energy systems.

The assessment of the crime situation in the Western Balkans region has remained the same as in 2022. This means that various types of crime in the area continue to be a significant obstacle to achieving peace, security, and development in the region. Among the seven countries/territories, only three - Croatia, Albania, and North Macedonia - have shown moderate efforts, capacities, and results in fighting crime during the reporting period. The remaining four countries have performed poorly. Although some countries have shown improvement in specific sub-indicators and indicators, no government has made significant overall progress in the past year. In fact, the situation in some countries, such as Serbia, has worsened in several aspects.

Regarding political pluralism, the Western Balkan region has exhibited slight progress from the previous year. According to the BPI, six out of seven countries retained their previous scores, while Montenegro made notable headway from its problematic status to a fairly good ranking. Bosnia and Herzegovina, North Macedonia, and Serbia are still classified as problematic, while Albania and Kosovo are considered fairly good. Croatia stands out as the only nation to maintain good political pluralism for two consecutive years.

The Western Balkans suffered a double-dip recession, with a drop in economic output followed by a slight recovery and then another decline. This crisis exposed the weaknesses of the regional economies, including low economic development, deindustrialisation, inflexible labour markets, dysfunctional social protection systems, a significant informal economy, and high corruption rates. The only exception in the region



is Croatia, which has a high level of socio-economic development.

The Western Balkan Region still bests in the BPI domain of political violence, while it has received subpar scores in environmental sustainability and fighting crime. The region has achieved average scores in regional and international relations, state capacity, political pluralism, and socio-economic development. Although the absence of direct (armed) violence indicates a high level of negative peace, the region's positive peace (the absence of structural violence) remains between poor and average.

## POLITICAL VIOLENCE

State/Territory	Political Violence (low/medium/high)
<b>Serbia</b>	Medium intensity
<b>Croatia</b>	Low intensity
<b>Bosnia and Herzegovina</b>	Low intensity
<b>Albania</b>	Low intensity
<b>Montenegro</b>	Low intensity
<b>North Macedonia</b>	Low intensity
<b>Kosovo</b>	Medium intensity

Compared to the previous year (BPI 2022), the level of political violence in the region has slightly increased in 2023. However, the region remains mostly peaceful. Out of seven cases, only Kosovo and Serbia fit into the category of medium-intensity political violence, while all other entities belong to the 'low-intensity' group. This means that Kosovo and Serbia are facing a violent political crisis, while others are dealing with political disputes or non-violent crises. Serbia has moved from low to medium intensity of political violence, mainly due to its involvement in the escalation of violent conflict in Kosovo. However, there are no limited or full wars (high intensity of violence) in this region.

According to the Global Peace Index (GPI), all countries and territories in the Western Balkan region have been ranked as peaceful. Croatia (14<sup>th</sup>) is among the top 14 most peaceful countries worldwide, with a very high state of peace. North Macedonia (38<sup>th</sup>), Albania (40<sup>th</sup>), Montenegro (45<sup>th</sup>), and Bosnia and Herzegovina (61<sup>st</sup>) have retained their positions in the second group of high state of peace countries, while Kosovo (70<sup>th</sup>) remains in the third cluster of medium state of peace countries.

However, Serbia's position deteriorated in 2023, moving from the 'high state of peace' to the 'medium state of peace' cluster. Its ranking has dropped from 53rd in 2022 to 65th in 2023.

While the region is generally peaceful, each country and territory, apart from Croatia, carries a medium potential for conflict. This means that existing nonviolent conflicts could potentially turn violent, creating a need for caution. Political and ethnic conflicts are the two main types of disputes in the region, with political power and identity/territory being the main sources of contention. Serbia is currently dealing with a secessionist conflict over Kosovo, as well as a conflict between the government and the opposition. North Macedonia and Montenegro face both ethnic and political struggles. Albania, while not having any ethnic conflicts, is divided between the ruling regime and the opposition. Bosnia and Herzegovina's unique institutional design features two entities, three constitutive peoples, and a consociational democracy, which prevents any one political group from monopolising all the power. Although ethnic divisions and the ethnicisation of

political issues make Bosnia and Herzegovina more pluralistic than some other countries in the region, inter-ethnic conflicts occur more frequently and are more intense than intra-ethnic or non-ethnic (political) conflicts. Croatia, on the other hand, has a low potential for ethnic conflict with the Serbian minority. With Serbs only making up 3% of the population, their representatives are integrated into the Croatian regime. Political disputes between the government and the opposition remain without the potential for violent escalation.

Our assessment of the impact of radicalisation and extremism in Croatia suggests that it is of medium intensity, affecting society to a significant degree. Discrimination against the Serbian minority has been a longstanding issue since the 1990s and the start of the Yugoslav wars. In addition to Croatia, we have also identified a medium impact of radicalisation in Bosnia and Herzegovina, Montenegro, Serbia, and Kosovo. Albania and North Macedonia, on the other hand, are considered low-impact countries.

The only two cases with medium intensity of political terror (insecure polities) are Serbia and Kosovo. The Serbian government has some typical characteristics of an authoritarian regime, such as terror and oppression against the opposition, civil society organisations, and media. Somewhat different is the situation in Kosovo since its government is not as oppressive against the political

opposition as against the Serbian minority and their representatives.

## S ERBIA

According to our estimates, political violence in Serbia for 2023 was at a **medium intensity**, which is a deterioration from the previous year's low-intensity level. In the year 2023, Serbia did not engage in any armed conflicts, either internally or externally. However, the conflict with its seceded province of Kosovo has escalated, leading to violent incidents between KFOR soldiers and Serb protesters, as well as an unsuccessful armed rebellion by a Serb paramilitary group against the Kosovo police. The latter armed incident led the conflict to the brink of war. This conflict can be considered a violent crisis, primarily confined within the territory of Kosovo. There is a risk of further escalation, although the presence of NATO, the EU, and the UN in the province prevents the conflict from deteriorating into limited or full-scale war.

Apart from the conflict in Kosovo, another issue affecting Serbia is the ongoing conflict between the government and the opposition. Although this conflict is not violent, the deep polarisation between the two sides carries a high potential for violent behaviour. In 2023, there were widespread protests against societal violence in Belgrade. These protests were sparked by two mass shootings and called for the current government to



resign and new elections to be held. The elections were eventually held in December 2023 but were met with allegations of election fraud by the opposition (Serbia Against Violence coalition) and international observers. This led to another round of protests.

Discrimination against minority groups, including the Roma and LGBT populations or migrants, is also documented in Serbia. Violence against minority groups is occasional and usually sanctioned by the state. Additionally, state-backed extremist groups remain a problem in Serbia, posing a risk of violence.

Furthermore, the GPI has ranked Serbia as a medium state of peace country (65/163), which is a decline from the previous year when it was categorised as highly peaceful. That was mostly due to an assessed increase in organised conflict intensity, from low (2/5) in 2022 to medium (3/5) in 2023. The rise of political instability (3/5, GPI) and group grievance (7.8/10, FSI) has also been noted, while the levels of elite fractionalisation (8.6/10, FSI) and external intervention (7.1/10, FSI) remained the same as in 2022. As a result, Serbia's conflict potential is estimated as medium. Both PTS and GPI evaluate political terror in Serbia as 2/5, making it a borderline case between partially secure and insecure conditions. Still, high levels of political polarisation, group grievance, and repression of the opposition, media, and civil society kept Serbia in the category of an insecure state. The

number of extremist groups in Serbia has been on the rise for the previous few years, moving Serbia to a group of countries with medium impact.

## CROATIA

In 2023, Croatia remained the country with the **lowest intensity** of political violence in the region. Croatia has not been involved in any armed conflicts and has very low potential for conflict, both internally and externally. However, the effects of the war in the 1990s are still present in Croatian society, primarily seen through the discrimination of the Serbian minority. It has become commonplace for hate speech against Serbs to be heard in the public discourse of Croatia. In 2023, the Serbian National Council in Croatia reported that intolerance, discrimination, human rights violations, anti-Serb sentiment, and hate speech are still prevalent in Croatian society. Additionally, The UN Committee on the Elimination of Racial Discrimination called on Croatia to take "special measures necessary to eliminate the existing structural discrimination that affects the Roma and the Serb minority groups and remove all obstacles that prevent the enjoyment of their economic, social, and cultural rights."

On the other hand, representatives of Serbs have been participating in the government of Croatia since 2020, which fostered better relations between the state and the

Serbian minority and even opened the room for improvement of bilateral relations between Croatia and Serbia. Therefore, this conflict has a low potential for escalation since Croatia is a very homogenous state (91.6% are Croats), and Serbs make up only 3.2% of its population. Violence against other groups, such as migrants or Roma, is also documented. Human Rights Watch and other organisations reported the inhumane treatment of migrants on the Croatian border, including shootings, beatings, torture, and ill-treatment.

Croatia is ranked 14th on the GPI's list. It is categorised as a 'very high state of peace' among countries such as Iceland, Japan, and Switzerland, and in front of Germany, Netherlands and Belgium. Therefore, Croatia's conflict intensity is low. Discrimination against the Serbian minority in Croatia is recognised as a dispute by the CB (1/5), which is a decrease from the previous year (non-violent crisis, 2/5). Conflict potential is low as well since political instability is very low (1.5/5, GPI), with insufficient levels of fractionalisation of elites (4.4/10, FSI) and group grievance (4.3/10, FSI) for escalation. Political Terror in Croatia fits the category of full/limited security. PTS gives 1.5 out of 5 to the political terror in Croatia, while GPI rates it as 2/5. Although there is no impact of terrorism on Croatia (0/10, GTI), in this case, the indicator of radicalisation and extremism is evaluated as medium. The reason for that are far-right groups and their discriminatory

rhetoric and hate speech online and offline towards ethnic Serbs and Roma.

## **B**OSNIA AND HERZEGOVINA

There were no significant changes in Bosnia and Herzegovina in terms of political violence in 2023. The country is still considered a 'frozen conflict', and its post-war reconstruction is still seen as 'war by other means'. However, political violence in 2023 was **low in intensity**, with no involvement in armed conflicts or other forms of mass political violence. Nevertheless, internal conflicts continued between the central government and the Republic of Srpska entity, as well as between Croat and Bosniak political elites in the Federation of Bosnia and Herzegovina. Bosnia has the highest conflict potential in the region, but the presence of EUFOR and external interventionism by the EU/NATO has helped to mitigate this. However, external interventionism also poses a risk to the sustainability of the state, as it makes Bosnia completely dependent on the international community. The unlimited 'Bonn powers' of the High Representative have also been a catalyst for internal conflicts in Bosnia and Herzegovina. The current High Representative is even considered *persona non grata* by the Republic of Srpska government.

National minorities in Bosnia are institutionally discriminated against, and there are reports of repression against political opposition, media, and civil

society organisations. However, acts of political terror against the population by the state are rare. There have been documented instances of ethnic violence, discrimination, and widespread, mutually exclusive, extremist narratives between the three groups. Bosnia has recently been associated with over 200 foreign fighters in Syria and Ukraine, although there were no terrorist acts on its territory in 2023.

According to GPI's rankings, Bosnia is ranked 61st among highly peaceful states. However, GPI gives a 3/5 value to the internal conflict within Bosnia, while CB considers it a dispute with a value of 1/5. This difference highlights the notion of deeply rooted conflict with low intensity and medium potential. Other indicators that confirm this include political instability (3.5/5, GPI), political elites' fractionalisation (8.7/10, FSI), group grievances (6.4/10, FSI), and external intervention (7/10, FSI). The PTS and GPI evaluate political terror in Bosnia as 2/5, which is a slight increase from 2022. Nonetheless, Bosnia is considered a state with full/limited security. Bosnia has no impact of terrorism on its territory (0/10, GTI). However, due to its involvement in ethnic divisions and violence, radicalisation and extremism in Bosnia are considered to have a medium impact.

**A** **LBANIA**  
The 2023 brought a complete pacification of the political crisis in Albania that started in 2019. During the

period from 2019 to 2021, Albania experienced extensive protests, civil disobedience, boycotts, riots, and even insurgency. By 2022, the intensity of the crisis had waned, leading to its complete transformation into a political dispute by 2023. The conflict between the government and the opposition was resolved in 2023, resulting in the de-escalation of political violence in Albania to a **low intensity**. Despite a few isolated incidents in the Albanian Parliament, which were instigated by the opposition, and the placement of the opposition leader under house arrest after being accused of corruption, the dispute remained entirely peaceful in 2023. However, the deep political polarisation that exists in Albania continues to pose a medium-level potential for conflict.

Conversely, ethnic polarisation in Albania is very low due to its ethnic homogeneity, where less than 2% of the population belongs to national minorities. However, according to the 2011 census, over 15% of residents did not declare their ethnicity, which could be interpreted as ethnic discrimination as a result of the 'Albanisation' of minorities during the communist era. The difficulty in determining the number of Serbs or Greeks living in Albania arises from state-forced changes to their first and last names. Reports of discrimination against the Roma and Balkan-Egyptian communities have also been recorded. Additionally, some instances of violence and intimidation against media

personnel have been reported, while women and LGBT individuals continue to face discrimination and harassment.

According to the Global Peace Index (GPI), Albania is a highly peaceful country, ranked 40th in the world. Conflict Barometer (CB) evaluated the conflict between the Albanian government and the opposition in 2022 as a non-violent crisis (2/5), which is a clear improvement from 2021's violent crisis (3/5). The intensity of this conflict further decreased during 2023, transforming it into a political dispute (1/5). GPI and FSI record a slight increase in the political instability of Albania (2.625/50, but also a decrease in group grievance (3.5/10) and external intervention (5.5/10), while the fractionalisation of elites remained the same (6.2/10). The lowest group grievance in the region confirms that ethnic conflict potential in Albania is very low. However, the level of fractionalisation of the elites and the recent history of the government-opposition clashes give this country a conflict potential of medium value. Political Terror Scale (PTD) and GPI give Albania a 1.5/5 grade for political terror, leaving it in a 'full or limited security' group. Albania is entirely free of terrorist acts (0/10, Global Terrorism Index (GTI)), with rare violent incidents against minorities. Consequently, it is a country with a low impact of radicalisation and extremism.

## MONTENEGRO

In 2023, both presidential and parliamentary elections were held in Montenegro, which resulted in the defeat of the regime that had been in power for over 30 years. The year started with tense and confrontational positions, leading to a blockage of the political system. However, the election of a new president and a government helped to stabilise the political situation in the country, putting an end to a political crisis that began in 2020. The decrease in political violence in 2023 strengthened the position of Montenegro as a **low-intensity** country. Nonetheless, Montenegro still experiences polarisation between different ethnic groups, such as the Montenegrin and Serb groups, and the Serbian Orthodox and Montenegrin Orthodox churches. There is also division between members of the former and current regimes. Ethnically charged inflammatory language is still present in the public discourse of Montenegro.

Montenegro was committed in 2023 to upholding fundamental human rights as prescribed by international laws and legislation. However, there are still challenges when it comes to implementing these laws, particularly when it comes to the most vulnerable members of society. It is worrying that the number of femicides and cases of gender-based violence continues to rise. Although there has been some improvement in protecting journalists

and media workers, there are still many unresolved cases of past attacks.

Civil society plays a vital role that is acknowledged and promoted. However, the legal and institutional framework that regulates cooperation between state institutions and civil society needs improvement. Unfortunately, politicians, including those at the highest level, often belittle the work of civil society organisations. In some cases, verbal attacks against civil society have been reported, leading to isolation.

Montenegro belongs to the category of highly peaceful states, ranked 45th in the world (GPI). GPI gives a value of 2/5 to its internal conflict, while the CB for 2022 categorises it as a violent crisis (3/5). In 2023, the conflict shifted toward a non-violent crisis, making Montenegro a case of low conflict intensity. Nonetheless, levels of political instability (3/5, GPI), fractionalisation of elites (6.5/10, FSI), external intervention (6.3/10, FSI), and, in particular, of group grievance remained relatively or very high (9.3/10, FSI), preserving the level of medium conflict potential in Montenegro. PTS and GPI similarly evaluate the intensity of political terror in Montenegro, 1/5 and 2/5, respectively. Combined with 1.5/5 for violent demonstrations (GPI), that categorises Montenegro as a state of full or limited security. Montenegro is free of terrorism impact (0/10, GTI) but with a very high level of group grievance (among the highest in the world, according to FSI), which still makes it

susceptible to radicalisation and extremism (medium impact).

## **N**ORTH MACEDONIA

The year 2023 proved to be a turbulent one for North Macedonia as the country was troubled by intense political polarisation between the government and the opposition. The bitter conflict between the two sides dominated the political scene, resulting in a stagnant Parliament that struggled to pass important reform laws and make necessary changes to the Constitution. The opposition has insisted on snap elections as soon as possible, claiming the government has been delegitimised by betraying national interests and fostering widespread corruption. The constitutional change that would see the country's Bulgarian minority mentioned in the preamble in the list of state-founding peoples remained one of the boiling political issues in 2023. The political crisis was resolved through the agreement between the government and the opposition to form an interim government that would organise new elections in 2024.

In 2023, the conflict between the Albanian minority and ethnic Macedonians over subnational predominance persisted, while ethnic tensions were generally low throughout the year. Despite political and ethnic conflicts, there were no violent incidents in North Macedonia in 2023, which made

it an example of **low-intensity** political violence.

North Macedonia is generally considered to be a country that supports media freedom, creating an environment that allows journalists to report critically on current events. However, despite this overall positive outlook, there have been several instances where journalists have faced attacks, threats, and intimidating behaviour. These incidents can create a sense of fear and uncertainty for journalists, potentially inhibiting their ability to report accurately and effectively.

According to GPI, North Macedonia is considered the second most peaceful country in the region after Croatia, ranked 38th overall. Even though CB qualified ethnic and political conflicts in Macedonia as a violent crisis (3/5) in 2022, there were not many manifestations or escalations of these conflicts in 2023. FSI gave group grievance and external interventionism in Macedonia medium grades, 5.4/10 and 4.9/10, respectively, which is a slight decrease from the previous year. However, the fractionalisation of elites remained the same: 7.3/10. These values indicate that there is a medium potential for internal and external conflicts.

Moreover, PTS gave Macedonia 1.5/5 points, while GPI evaluated political terror as 2/5, violent demonstrations as 1.25/5, and political instability as 2.75/5. Despite political instability, all other values are considered low, which determines Macedonia as a state of full or

limited security. It is also a state without any impact of terrorism (0/10, GTI), with a low level of minority discrimination and rare violent incidents. Therefore, it has a low radicalisation and extremism impact.

## **K**OSOVO

The situation with Kosovo stayed unchanged in 2023. Kosovo remains an internationally disputed territory, with Serbia and more than half of the UN member states not recognising its independence. This ambivalent status has been the main cause of political violence between Kosovo and Serbia for over two decades. Although the year 2023 saw the EU-mediated Agreement on the path to normalisation between Kosovo and Serbia, it also witnessed an escalation of violence following the Serb boycott of local elections in North Kosovo. Clashes between Serbs and KFOR soldiers in May 2023 led to multiple injuries, while an armed ambush for Kosovo police in September caused four casualties. As a result, political violence in 2023 is evaluated as of **medium intensity**.

The reluctance of the government in Pristina to fully implement previous agreements from the Belgrade-Pristina dialogue, including the establishment of the Community of Serbian Municipalities (CSM), only fosters this escalation of violence. Being discriminated against and a subject of constant violence, the Serbian minority in Kosovo is concerned with its security and existence, asking for

additional guarantees – CSM being one of them. Office for Kosovo and Metohija identified 179 ethnically motivated attacks on members of the Serbian minority in Kosovo and their property in 2023. Perpetrators of these attacks were both members of Kosovo's security forces and civilians. Only the presence of KFOR and EULEX prevents this conflict from spiralling into high-intensity violence. In addition, members of other minorities and journalists faced threats, indirect pressure, obstruction, online violence, and attacks.

According to the GPI, Kosovo is ranked 70th and belongs to a medium state of peace cluster. Although CB categorised the Kosovo conflict in 2022 as a non-violent crisis (2/5), the series of

violent incidents transformed it into a medium-intensity conflict in 2023. GPI confirms that assessment, giving Kosovo 3/5 points for organised internal conflict and 4/5 for political instability. Further escalation of conflict is not likely because of the presence of international peacekeeping forces. Therefore, conflict potential is evaluated as a medium. Even though GPI and PTS give low scores to the intensity of political terror in Kosovo (1/5 and 1.5/5), state-supported repression of minorities, particularly Serbs, determines Kosovo as an insecure entity. Intense ethnic polarisation and ethnically motivated violence give radicalisation and extremism in Kosovo a value of medium impact.

## REGIONAL AND INTERNATIONAL RELATIONS

State/Territory	Regional and International Relations (poor/fair/good/harmonic)
<b>Serbia</b>	Fair
<b>Croatia</b>	Good
<b>Bosnia and Herzegovina</b>	Poor
<b>Albania</b>	Fair
<b>Montenegro</b>	Good
<b>North Macedonia</b>	Good
<b>Kosovo</b>	Poor

Regional and international relations in the WB region in 2023 were overall fair. The increase in non-armed interventions mostly influenced the assessment. Both regional actors and great powers conducted interventions through proxies and foreign policy pressures.

As for regional relations, the WB highly depends on ethnopolitics. This means the unresolved territorial disputes from the breakup of Yugoslavia are based on either a demand that ethnic and political units should be congruent or on a demand that the ethnic principle should not be the sole criteria for establishing political units. We relate a couple of processes to this issue: the ongoing secession of Kosovo, mutual ethnic antagonisms in Bosnia and Herzegovina, the tendency to promote territorial pretensions toward the neighbouring states (e.g., Greater Albania), disputes about the rights of institutions related to a certain ethnic group. Although Belgrade and Pristina verbally adopted the normalisation agreement and its annexes in Ohrid in

March, Kosovo remains the single most important issue for peace in the WB.

The potential for escalation into an armed conflict was the highest in September when Serbs from northern Kosovo a group of a heavily armed group of Serbian men from Northern Kosovo clashed with Kosovo police and then barricaded themselves in the Serbian Orthodox Monastery of Banjska, leaving four dead. BPI 2022 warned about this kind of escalation and continues to warn that each crisis in Kosovo immediately spills over to the rest of the WB. Therefore, whenever there were requests for Greater Albania or increased activities related to Kosovo, the fragility of the situation immediately involved central Serbia, BIH, and Croatia. Every time there was an ethnically motivated action in one WB country, it triggered the system of communicating vessels that exacerbated the already antagonised ethnic politics.

On the positive side, we saw a significant but temporary release of tensions between Croatia and BIH related to the BIH electoral law. Montenegro also



successfully overcame tensions related to the change of government and census implementation, which is why both Montenegro's and Croatia's regional and international relations improved from fair to good. Overall, regional cooperation remains on a medium level, with a duplicated regional cooperation agenda of the Open Balkan initiative and the Berlin Process.

Finally, the war in Ukraine significantly influenced the complicated ethnoterritorial dynamics in the region, as great powers perceived the entire WB through the potential for proxy conflict with each other. Therefore, there were foreign policy pressures by the EU and the US to impose sanctions against Russia (on Serbia and BIH), and there were also constant attempts to discredit Serbian (or Serbian proxy) politics in Kosovo, Montenegro, and BIH as being pro-Russian. Also, the ethnic instability was a chance for Russia to influence the politics in the region and divert attention from the intervention in Ukraine. As long as there is a reason for a broader confrontation of great powers, the WB will see an increase in mutual ethnic antagonisation and an increase in foreign interventions.

## **S** ERBIA

The external relations of the Republic of Serbia in 2023 were overall **fair**. Serbia was subject to both regional and great powers' non-armed intervention. On the regional level, two events (armed clashes in

northern Kosovo and the war in Ukraine) resulted in Serbia being subject to foreign policy and proxies' pressure and conducting regional foreign policy pressure with the help of its proxies. Great powers' non-armed intervention in Serbia was also a constant in 2023, either through foreign policy pressure or pressure through proxies. While regional cooperation highly depended on the events related to Kosovo and Ukraine, Serbia maintained a medium level of cooperation, with signs of improvement in relations with Montenegro and Croatia.

Serbia was subject to regional and great powers' non-armed intervention in 2023. We could see regional intervention in foreign policy and through proxies concerning Kosovo's secession efforts. Although the year started with signs of improvement in Belgrade-Pristina relations, mainly after the verbally adopted normalisation agreement and its annexes in Ohrid in March, the rest of the year was marked by violent clashes in the northern part of Kosovo. In May, a group of Serbs violently clashed with KFOR after claiming the illegitimacy of the local elections in April. In September, a group of heavily armed men clashed with Kosovo police and then barricaded themselves in the Serbian Orthodox Monastery of Banjska. The group fled the Monastery to Central Serbia, where the organiser, a deputy leader of the Serbian minority political party in Kosovo, was questioned and detained shortly before being released. Since the armed clash left four dead, Serbia was publicly pressured by the EU and the countries from the region to apprehend and persecute those who were being held

responsible for the crisis. BIH remains the only Western Balkans country that does not recognise Kosovo due to the influence of the representatives of the Serbian people in BIH. Other countries constantly emphasised their support for Kosovo's independence, while Albanian officials from Kosovo were prone to showing signs of support for irredentism and the creation of Greater Albania. In late 2023, Serbia unexpectedly decided to recognise vehicle license plates issued by Kosovo, continuing its ambivalent approach to the Kosovo crisis.

Great powers' non-armed intervention remains related to the consistent linkage (by the EU, the USA, and Russia) between Kosovo's disputed independence and the ongoing war in Ukraine. The EU and NATO exerted their foreign policy pressure through acts that required Serbia to align its foreign policy with the EU by adopting economic and political sanctions against Russia. However, compared to 2022, this pressure was slightly reduced in exchange for the increased pressure on Serbia to recognise Kosovo's de facto independence, as publicly framed by the president of the European Commission in a visit to Belgrade in October. The EU and USA prioritised a normalisation agreement between Belgrade and Pristina as a first step towards homogenising the rear of NATO in the context of foreign policy relations with Russia. The EU's public threats to withdraw economic investments from Serbia, previously tied to foreign policy non-alignment, temporarily softened, reflecting the EU's pragmatic approach. Serbia still depends on Russian and Chinese foreign

policy support in the OUN to keep Kosovo outside that international organisation. Russia also has leverage over Serbia because of the high energy dependency of the WB country on Russian energy. Nevertheless, in 2023, Serbia started its energy diversification project by finishing a gas interconnector to Bulgaria that will allow access to gas from Azerbaijan in the LNG terminal in Greece. In 2023, the Serbian energy sector also suffered significant consequences from the cyber-attack in late 2023 when the Qilin hacker group, which attacks non-CIS countries' critical infrastructure, encrypted the Serbian electric company data and threatened to publish classified information they obtained through the attack.

As for regional cooperation, Serbia's activities remain at a medium level. The "Open Balkan" initiative involving Serbia, North Macedonia, and Albania demonstrated a grassroots desire for enhanced regional cooperation. Additionally, a noticeable reduction in hostile public rhetoric between Serbian and Croatian officials fostered a modest improvement in bilateral relations between the two countries.

## ROATIA

The external relations of the Republic of Croatia in 2023 were overall **good**. Its score has enhanced compared to 2022, mainly because Croatia was dedicated to improving its bilateral relations with BIH and Serbia. Croatia's regional cooperation thus changes from medium to strong. Croatia is involved in a non-armed regional intervention as it practices

public propaganda pressure towards BIH and Serbia and is an object of such pressure in terms of memory politics related to the war in the 1990s. While Croatia can still exercise pressure through proxies in Bosnia, it put its capabilities on hold in 2023 while waiting for the saga of BIH electoral law to wrap up. By being both a NATO and an EU member, Croatia itself is a part of the Great Powers' bloc, meaning there was no intervention in Croatia by the Great Powers.

On the regional level, Croatia was not subject to foreign policy pressure or pressure through proxies. Its relations with neighbouring countries, BIH and Serbia, were improved in 2023. In 2022, the event that exacerbated Croatia-BIH relations was the imposition of the new BIH electoral law by the Office of the High Representative in BIH. The representatives of the Bosniak people accused Croatia of using its influence in the European Union to undermine the BIH political system and promote an ethnonationalist and exclusivist approach to politics in Bosnia by supporting the OHR decision. They claimed the imposed law change disproportionately benefited the Croat community in one of the entities, namely the Federation of BIH. However, in 2023, we saw several bilateral meetings between BIH's and Croatia's top officials and even a joint governmental session of BIH and Croatia in Zagreb. In all cases, the electoral law formulation was emphasised as BIH's internal issue. However, in September, Croatia's president confirmed its interest in formulating the law by calling for its adoption through the OUN's GA platform, thus maintaining at least

public propaganda pressure on its neighbour. Public propaganda pressure was also mutually exchanged between Serbia and Croatia during the summer months as the anniversary of Operation Storm was approaching. Serbia perceives this Operation as the most significant ethnic cleansing in Europe after WWII, while Croatia celebrates it as the biggest national victory. Regardless, Croatian and Serbian officials exchanged mutual interest in improving bilateral relations, while the countries' prime ministers met at least twice during 2023.

Croatia is the only EU member in the assessed region. EU membership is the strategic goal of all WB countries, which is why Croatia maintained its dominant position in terms of regional cooperation. However, unlike in 2022, when it used such a position to influence regional cooperation dynamics not necessarily in a positive manner, the country's officials in 2023 repeatedly voiced their support for the acceleration of its neighbours' EU accession, which is why we can assess its level of regional cooperation as strong. Croatia was not subject to great powers' intervention since its foreign policies are aligned with EU and NATO goals. Croatia could be seen as the only country in the WB region that is a full member of the Great Powers' bloc.

## **B** OSNIA AND HERZEGOVINA

The external relations of Bosnia and Herzegovina in 2023 were overall **poor**. The country still hosts a military mission but has also been subjected to regional and great powers' non-armed intervention. BIH's multi-

ethnic composition and attached ethnopolitics render it susceptible to foreign influences alongside the existing foreign influence embodied in the Office of the High Representative. BIH was subject to Croatian, Serbian, UK, and USA foreign policy and proxy pressure, embodied in a continuing struggle over the new electoral law negotiations in the Federation of BIH. The level of its regional cooperation has seen some bilateral improvements in 2023 but remained weak due to the inability of the political elites to construct a single foreign policy on which the three dominant peoples would agree. BIH gained EU candidate status in late 2022 but has not started membership negotiations yet. In late 2023, the EU Commission gave a conditional recommendation for opening negotiations only once BIH meets the necessary criteria, which might happen in 2024.

BIH was subject to regional and great powers' non-armed intervention. The country hosts a military mission led by the European Union that oversees the implementation of the Dayton Agreement. Like in 2022, the mission did not use arms in 2023. However, the overlapping regional and great powers' non-armed interventions have been constant in BIH politics, emphasised in 2023 by two processes. The first one concerns negotiations for the new BIH electoral law. The OHR gave the parties an ultimatum to agree upon the content of the new law until mid-2024, or else the

new law would be imposed on the country. This led to dissatisfaction due to the foreign involvement because the largest ethnic groups perceived the OHR as an undemocratic and imperial actor. President of the Republika Srpska also announced that the entity will create its separate electoral law without consulting the other ethnic parties. Bosniaks viewed the meddling in the legislative procedure as an example of foreign policy pressure by the great powers (mainly the USA and the UK), which used the OHR as their proxy, and through foreign policy pressure of Croatia, which maintained its influence on the OHR through the EU.

The second significant process is embodied in the enduring antagonisms between the three constitutive ethnic identities. The antagonism peaks every year when Serbs celebrate January 9th as the official Republika Srpska Day, which is perceived in the rest of the country as unconstitutional and offensive. On the other hand, Serbs take it offensive that others dare to take a stance on the date selection. Whether a government from the region sends a representative to the celebration (like Serbia or Montenegro) or not is considered either meddling in the internal affairs and foreign policy pressure or merely showing their respect to one of the BIH's entities. BIH is highly dependent on Serbia's and Croatia's foreign policies because it is a multi-ethnic state composed also of Serbs and Croats.

Therefore, the conflict in Ukraine still influences the degree of BIH's and

EU's foreign policy alignment as much as it influenced Serbia. While the government in Sarajevo often claims to have imposed sanctions against Russia, one entity, the Republic of Srpska (RS), still rejects such an idea. BIH's internal and foreign policy both depended on the conundrum that included the process of Kosovo's secession from Serbia and the linked secessionist aspirations of the RS. Thus, besides the pressure from Croatia, the EU, the UK, and the USA, BIH also depended on Serbia's foreign policy and its proxies in BIH. BIH still rejects membership in the "Open Balkan" initiative. However, Republika Srpska would like to join, which is also the consequence of the divergent voices that stem directly from the numerous proxy and foreign policy influences. The destiny of BIH is directly attached to regional foreign policy dynamics, which is why the country has maintained a poor level of regional cooperation. The EU candidate status in 2022 did not evolve into membership negotiations in 2023. However, the EU's cautious formulation of "conditional recommendation" for membership talks is still only a signal by the EU that this WB country remains within its sphere of influence.

**A** **LBANIA**  
In 2023, Albania's external relations were **fair**. The country was a proponent of mild regional propaganda, suggesting its support for the Greater Albania project. This propaganda was based on

statements by Albanian officials and their diplomatic efforts favouring Kosovo's secession and "the inevitability" of the future Albanian unification. Consequently, Albania engaged in non-military regional intervention through foreign policy pressure and influence through proxies. Albania pursued a somewhat ambivalent regional foreign policy, resulting in a moderate level of regional cooperation, which can be seen in its verbal abandonment of the Open Balkan initiative while (re)starting the Berlin process. Similar to 2022, Albania experienced non-military intervention from a major power embodied in a cyberattack that is, once again, attributed to Iran.

Albania is ethnically one of the most homogeneous countries in the Western Balkans (WB) region, which limits neighbouring countries' ability to pressure Albania into making foreign policy decisions against its will. Regional intervention in Albania and by Albania primarily took the form of relatively mild public propaganda related to the Greater Albania project. Albania is a constant promoter of the project and is being represented, particularly in Serbian media, as the leading proponent of the idea alongside Albin Kurti, Kosovo's prime minister. In February, the Albanian prime minister Edi Rama stated that the unification of all Albanians is a logical consequence of the Belgrade-Pristina normalisation process. However, Rama emphasised that his vision of unification differs from Kurti's, meaning that Rama relies more on the EU integration process as a means to an end. Still, Albania

remains one of the key promoters of Kosovo's secession campaign.

Cumulatively, Albania was conducting foreign policy pressure and pressure through proxies, which we assess as a non-armed regional intervention. Although the Albanian prime minister maintained good personal relations with the Serbian president, this bond suffered a setback in July when Rama announced that the Open Balkan "fulfilled its mission". This was understood in the regional media as Albania's withdrawal from the initiative. However, Rama claimed his statement was misinterpreted, that he could not close the initiative but only meant the country is now focusing on a broader, similar process of regional integration mediated by the EU, commonly known as the "Berlin process". Thus, an ambivalent Albanian regional policy led to a medium level of regional cooperation.

As for the intervention of the great powers, we can say Albania now faces frequent cyberattacks that are being attributed to Iran in 2023. The attacks were aimed at the Albanian parliament, a cell phone provider, and Air Albania. A network of Iranian hackers now regularly conducts attacks due to Albania hosting a large Iranian exiled opposition group, MEK. Diplomatic ties between Albania and Iran continue to be severed. On the other hand, Albania is entirely aligned with the EU's foreign policy. It is a NATO member, a non-permanent member of the UNSC that supported resolutions against Russia's aggression in Ukraine while maintaining good relations with the USA. In 2023, the country continued accession

negotiations with the EU, which started in 2022.

## MONTENEGRO

The external relations of Montenegro in 2023 were **good**, which is a significant improvement from 2022. In 2023, we witnessed a non-armed regional intervention in the country as there were doubts that Montenegro was exposed to pressure from proxies. Parts of Montenegrin elites persevered in conducting public propaganda in which they linked a complex ethnoreligious political interplay with the narrative about the pro-Russian influence. In 2023, Montenegro's regional cooperation was strong, as it successfully managed pressure that stemmed from the regional countries concerning Montenegro's government formation and implementation of the 2023 census. Although Montenegro is a NATO member that aligned its foreign policy with the EU, the country was exposed to great powers' non-armed intervention, also seen in the two mentioned events.

Several events and ongoing processes influenced Montenegro's external relations in 2023. Although the second round of the presidential elections in April significantly influenced the parliamentary elections in June, the latter generated meddling efforts by the great powers and the region regarding public propaganda pressure and pressure through proxies. The war in Ukraine affected the country in such a way that

some elites from within and outside Montenegro framed the events in Montenegro as being significantly dictated by Russia. More specifically, there were pressures, both from the region and the great powers, to exclude some politicians from government formation negotiations, as they have been labelled either as Russian or Serbian proxies. In general, the country was subject to a non-armed regional intervention. At the same time, certain elites from Montenegro resorted to public propaganda that might also affect the countries in the region. Additionally, there were efforts aimed at postponing Montenegro's census implementation as there were fears that the census might be instrumentalised to change the country's foreign policy course if Serbs proved to be more numerous in comparison to the previous censuses. However, Montenegro's politicians proved more resilient than expected. The officials first managed to form a locally agreed government, neglecting or overcoming much of the foreign pressure. Then, the newly created government agreed on the census implementation that would minimally satisfy the voices concerned about its legitimacy.

The country has not been participating in the "Open Balkan" initiative but has remained dedicated to regional integration through the Berlin process. In December, Montenegro eased the measures aimed at freedom of movement in the Western Balkans and

accepted regional diplomas, professional qualifications, and certificates. The improved bilateral relations with Serbia, maintenance of good bilateral relations with other countries in the region and dedication to the Berlin process contributed to assessing Montenegro's regional cooperation as strong. Montenegro is a NATO member and is aligned with the EU foreign policy regarding its sanctions against Russia, but this does not stop the great powers from seeing Montenegro as potentially pro-Russian due to the highly complex ethno-religious power plays in the country.

## **N**ORTH MACEDONIA

The external relations of the Republic of North Macedonia in 2023 were overall **good**. North Macedonia continued demonstrating a willingness to implement hard decisions that unblocked its strategic foreign policy goals. North Macedonia continues to be the country with the most significant bilateral improvements in relations with other countries in the region. We assessed that its level of regional cooperation was strong. On the downside, NM was subject to a non-armed regional intervention through foreign policy pressure and pressure through proxies due to the ongoing fears of the Greater Albania promotion in the region, which mainly stemmed from Kosovo's prime minister. Bulgaria also continued to use the position of power in

2023 as an EU member to extract privileges for what is perceived as Bulgarian national interest in NM, which is why there was a non-armed intervention by a great power (EU) in 2023.

North Macedonia faced foreign policy pressure and pressure through proxies, which resulted in a non-armed regional intervention. The pressure stemmed from the fact that there was solid support for the Greater Albania project among the country's ethnic Albanians but also from the same aspirations of officials in Pristina. Albin Kurti, Kosovo's prime minister, promoted symbols of "ethnic Albania" while visiting NM's Albanian opposition parties in Tetovo, where he was also unofficially declared to be the "PM of all Albanians". This even led Ali Ahmeti, the Albanian representative in the NM government, to criticise Kurti for interfering in NM's internal relations. On the positive side, NM continued its cooperation with Serbia within the "Open Balkan" initiative, mainly visible in a project to establish an interoperable electronic road tolling system. NM also continued promoting good neighbourly relations and cooperation with Albania. In 2023, the two countries "agreed to pursue cooperation on defence, security, digitalisation, border control, improving child protection and using Albanian sign language in both countries". North Macedonia maintained a positive trend in resolving long-disputed issues with its neighbours, so we

assess its regional cooperation level as strong.

NM is a NATO member, and the EU considers it fully aligned with its foreign policy and stances on the war in Ukraine. NM is also negotiating membership with the EU. However, the negotiations are directly related to the NM-Bulgaria relations. While the talks were initially approved only after Bulgaria conditionally lifted its veto, asking NM to treat the Bulgarian minority as a constitutional category, in 2023, we witnessed Bulgaria endure in pressuring its neighbour with a never-ending set of conditions related to the language and minority issues. In February, the Bulgarian parliament issued a declaration that condemned the "anti-Bulgarian" campaign in NM. NM remained cooperative, but constant pressure from its EU neighbour led to fatigue and dissatisfaction with the EU accession process in large parts of NM's public. Although the condition that led to the starting of negotiations was fulfilled, how it was done and the consequences it left on public opinion created an impression that there was a non-armed intervention by a great power (EU). However, despite the potential democratic deficit in foreign policy decision-making, NM's foreign policy has steadily shown commitment to the peaceful resolution of foreign policy issues.



## KOSOVO

The external relations related to the territory of Kosovo in 2023 were overall **poor**. The territory was subject to regional foreign policy pressures and proxy pressure. The ongoing secession means that there is constant foreign policy and proxy pressure the government in Pristina is applying to Serbia. All this led to a non-armed regional intervention in 2023, but with a significant violent incident that led to four deaths in the surrounding areas of the Banjska Orthodox Monastery. Since the entire peace structure in the WB was repeatedly endangered by the events in Kosovo, its regional cooperation level is poor. Kosovo is a place of international military and civilian missions, while the entire negotiation mediation process depends on the involvement of great powers (mainly the EU and the US). Since the military mission did not have to use arms in 2023, although it violently clashed with civilian protestors in north Kosovo, the intervention of great powers remains non-armed. Kosovo remains with the highest risk of armed confrontation in the WB in 2024.

Kosovo is a disputed territory with an ongoing secession process, the most significant issue in the WB region. The fact that the entire fragile peace in the WB depends on foreign policy events related to Kosovo leads us to assess the territory's score as overall poor. Serbia and BIH are the two WB countries that do not perceive secession as legal, while of all

other WB countries, Albania is the most active proponent of Kosovo's independence. Thus, the territory of Kosovo was a place of constant foreign policy and proxy pressure in 2023, and the secession act is a continuous foreign policy and proxy pressure on Serbia's territorial integrity and sovereignty. There were several protests, road blockades, numerous mistreatments of Serbs in Kosovo, open non-armed clashes, and even an armed incident in 2023. In May, a group of Serbs violently clashed with KFOR after claiming the illegitimacy of the local elections in April. In September, a group of heavily armed men clashed with Kosovo police and then barricaded themselves in the Serbian Orthodox Monastery of Banjska. The group fled the Monastery to Central Serbia, where the organiser, a deputy leader of the Serbian minority political party in Kosovo, was questioned and detained shortly before being released. Since the armed clash left four dead, Serbia was publicly pressured by the EU and the countries from the region to apprehend and persecute those who were held to be responsible for the crisis. Regional intervention in Kosovo, thus, remained non-armed but with a significant event that nearly escalated into a broader armed conflict.

With the help of the EU/US mediators, Belgrade and Pristina agreed to accept each other's official car license plates in December, which only emphasises very dangerous "escalate to de-escalate" tactics by the parties

involved in the "normalisation process". In March, Belgrade and Pristina verbally adopted the normalisation agreement and its annexes in Ohrid, but with delays in implementing the agreed implementation dynamics. Mainly, Kosovo's pm continued stalling the establishment of the "Community of Serbian Municipalities," agreed upon in 2013 and confirmed in 2015 and 2023. Overall, Since the events in Kosovo were periodically endangering the peace

dynamics in the region, we assess the regional cooperation in Kosovo as poor. Kosovo was also a place with great powers' non-armed intervention in 2023. NATO has a presence in Kosovo through its KFOR military mission but did not significantly use arms in 2023, while the EU leads a civilian mission, EULEX. In general, the EU and the USA will probably dictate the future of the region's peace through their politics in Kosovo.

## STATE CAPACITY

State/Territory	State Capacity (low/medium/high)
Serbia	Medium
Croatia	High
Bosnia and Herzegovina	Low
Albania	Low
Montenegro	Medium
North Macedonia	Medium
Kosovo	Low

Overall, the state capacity in the Western Balkan typically ranges from low to medium, with Croatia increasing its score this year to high. The main reasons for this are conflicts and the transition from socialist to capitalist economies that took place in the 1990s and early 2000s.

Regarding state capacity, Croatia has shown the biggest progress in the region largely due to its reforms related to EU accession, ultimately securing a high score in state capacity. However, there are areas where Croatia can still make major improvements, one of which is resolving border disputes with most of the surrounding countries.

Serbia, Montenegro, and North Macedonia follow Croatia's trend with limited success. These countries perform well on many indicators but also have unaddressed problems. When it comes to Serbia, the biggest issue is Kosovo, where Serbia does not have any effective control. This is followed by border issues with other countries and internal contestation of its sovereignty in the south. Similarly to Serbia, Montenegro still needs to resolve its border issues and increase its

capabilities for wealth redistribution. The same applies to North Macedonia, which has a moderate score in most of the indicators and sub-indicators.

Albania and Bosnia and Herzegovina are countries with low state capacities. This can be attributed to violent conflicts and failed transitions. In the case of Bosnia and Herzegovina, the score is highly correlated with the presence of foreign troops, the border demarcation issues, and internal state contestation. In the case of Albania, while it has managed to improve its wealth redistribution, the biggest problem represents the state's lack of ability to provide adequate healthcare and education to its citizens.

Due to its internally and externally contested sovereignty, Kosovo has the lowest state capacity. This is reflected in various sectors, such as education and health, where Kosovo scores low on the state-capacity scale. Although the process of recognition seems to be the most important for Kosovo, reforms in other sectors also need to be significantly addressed.

## SERBIA

Serbia has a history of involvement in conflicts within Bosnia and Herzegovina and Croatia, stemming from the dissolution of Yugoslavia. Additionally, it faced conflict with NATO in 1999, leading to the presence of NATO troops in Kosovo and Kosovo's subsequent declaration of independence in 2008, which Serbia does not recognise. These conflicts have hindered Serbia's full membership in regional security organisations like NATO, but it has regained its membership in the United Nations and other international and regional bodies since 2000. Serbia also attained candidate status for EU membership in 2012.

Prolonged conflicts have had a detrimental effect on several state capacities during the socialist era. However, remnants of a robust welfare state are still evident, particularly in the healthcare and education sectors, where progress has been made over the last two decades. Nonetheless, Serbia has encountered challenges in wealth redistribution and support for socially vulnerable groups. Serbia has not had any significant improvements or declines compared to the previous year. As such, Serbia's state capacity is once again considered **medium**.

Regarding territorial control, Serbia's rating is again low due to border demarcation disputes with Croatia, and Bosnia and Herzegovina. The situation is complicated in Kosovo, where Serbian

sovereignty is contested, and foreign troops are stationed. There are also territorial claims from internal groups in the Preševo, Medveđa, and Bujanovac municipalities.

Regarding state provision, Serbia falls into the medium category. The country ranks poorly in wealth redistribution due to a high and rising Gini coefficient (35 in 2020, up from 34.5 in 2019) and a lack of progressive taxation that could tackle the rising inequality. Serbia receives a high score in healthcare because of investments in the sector (8.7% of GDP), broad access to universal healthcare, and its comprehensiveness. In education, Serbia scores at a medium level, considering the (now decreased) percentage of GDP allocated to education (3.1%, down from 3.6%) and completion rates for primary (98.5%), secondary (73.6%) and higher education (33%).

Support for vulnerable groups for 2023 in Serbia is again rated as medium. This assessment is based on the now even lower percentage of GDP spent on social assistance (averaging 1.2% of GDP from 2019 to 2020, a significant drop in comparison with the previous period), limited support for the elderly population as rated by experts, challenges in Roma inclusion (evidenced by high unemployment, lower educational attainment, and increased poverty rates among the Roma population), and relatively better support for vulnerable children, especially those in alternative

care (with 88.9% of such children placed in foster homes).

## **C**ROATIA

Croatia went through a period of violent conflict from 1991 to 1995. Since the cessation of hostilities, Croatia has substantially improved in rebuilding, development, and institutional reforms. By 2013, Croatia had become a member of the 26 European Union, NATO, and other significant international and regional organisations. Consequently, it is viewed as the most developed country in the region. Croatia possesses the capacity to enforce laws within its borders, but it still faces various border demarcation issues with neighbouring nations. Croatia has spent several decades establishing robust state capabilities to cater to its citizens and support vulnerable groups. Nonetheless, challenges such as improving the integration of the Roma population remain unresolved. However, Croatia has increased its investments in the education sector. As a result, Croatia is now assessed as having a **high** level of state capacity.

In terms of territorial control, Croatia regains a high rating. Although it has border demarcation disputes with Serbia, Bosnia and Herzegovina, and Montenegro, Croatia does not face internal sovereignty disputes nor host foreign troops on its territory.

Regarding state provision, Croatia's overall assessment has improved to a high. Croatia excels in

wealth redistribution due to its low, albeit slightly increased, Gini coefficient (29.5) and progressive taxation policies. Croatia is rated at a moderate level in healthcare based on the level of investment in the sector (5.64% of GDP) and the widespread and comprehensive coverage of universal healthcare. In the education sector, Croatia has increased its score to high due to the more significant percentage of GDP allocated to education (5.2% compared with 3.9% according to the previous data) and completion rates for primary (97%), secondary (70.7%), and higher education (36.6%).

Croatia's support for vulnerable groups is also considered medium and is unchanged from the 2022 analysis. This evaluation is derived from the percentage of GDP allocated to social assistance (averaging 3.23% of GDP from 2012 to 2017), the quality and coverage of service provided to the elderly population (rated as moderate by experts), significant challenges related to Roma inclusion (with high unemployment rates and less than 50% of the Roma population completing compulsory education), and strong support for vulnerable children, especially those in alternative care (with 73% of such children living in foster homes).

## **B**OSNIA AND HERZEGOVINA

Bosnia and Herzegovina endured a violent conflict

lasting from 1992 to 1995, resulting in around 100,000 casualties. As a consequence of this conflict, foreign troops have been stationed in the country since 1995, and Bosnia and Herzegovina remains ethnically divided. Unlike Croatia, Bosnia and Herzegovina has faced numerous challenges in its post-war development. Its constitutional and legal framework hinders comprehensive reforms in the state sector. While Bosnia and Herzegovina holds candidate status for EU membership and is a member of relevant international and regional organisations, it has not yet become a NATO member. Similar to many other countries in the region, Bosnia and Herzegovina grapples with border demarcation issues with its neighbouring nations.

Given these circumstances, Bosnia and Herzegovina exhibits weak state capacity, particularly evident in its support for vulnerable groups, including the elderly, children, and the Roma population. These challenges also extend to managing its healthcare and higher education sectors. If structural issues persist, it is unlikely that Bosnia and Herzegovina will significantly improve the provision of services to its citizens. Furthermore, investments in education have decreased, lowering the overall assessment of Bosnia and Herzegovina's state capacity as **low**.

In terms of territorial control, Bosnia and Herzegovina maintains a low rating. The country faces border

demarcation issues with Serbia and Croatia, and foreign troops have been present on its territory since the conclusion of hostilities in 1995. Regarding disputed sovereignty from internal groups, Bosnia and Herzegovina is rated as moderate due to its constitutional structure, claims by the Croatian ethnic group for federal state reforms, and calls for independence from Republika Srpska

Concerning state provision, Bosnia and Herzegovina's overall ranking is once again low. The country performs poorly in wealth redistribution due to a high Gini coefficient (32.7) and the absence of progressive taxation. In terms of healthcare, Bosnia and Herzegovina is rated at a moderate level due to substantial investments in the sector (6.3% of GDP) and a relatively low rate of universal healthcare coverage and its comprehensiveness. In the education sector, Bosnia and Herzegovina has lost its moderate score and is now at a low level, reflecting the significant drop in the percentage of GDP allocated to education (3.8%, down from 4.6% in the last index), as well as the completion rates for primary (91.4%), secondary (69.1%), and higher education (28.4%).

Bosnia and Herzegovina's support for vulnerable groups retains its low rating. This assessment is based on the percentage of GDP allocated to social assistance (averaging 2.79% of GDP from 2014 to 2017), the quality and extent of service provided to the elderly population

(characterised as low), challenges related to Roma inclusion (with high unemployment rates and less than 43% of the Roma population completing compulsory education), and support for vulnerable children, with only 30% of those in alternative care residing in foster homes.

## **A** **LBANIA**

In contrast to other Balkan countries, Albania was not part of the former Yugoslavia and did not undergo violent conflicts during the 1990s. However, its transition from communism and a command economy was prolonged and marked by significant disruptions. The most critical period was in 1997 when Albania experienced a state collapse. Since then, progress has been made in re-establishing state provisions and services. Albania is active in all relevant regional and international organisations, having been a NATO member since 2009 and a candidate country for the EU.

While Albania does not face state control issues, it lags in providing adequate support to the most vulnerable segments of society. This deficiency directly results from the earlier state collapse and the protracted transition period. A similar situation is observed in the education and healthcare sectors, where substantial room for improvement exists. While Albania has tackled wealth inequality somewhat, this is not significant enough to affect the overall

state capacity, making the comprehensive evaluation of Albania's state capacity rated **low**.

Regarding territorial control, Albania maintains its high score. The country does not have border demarcation issues with neighbouring nations. Moreover, Albania does not contend with disputes over its sovereignty from internal groups or host foreign troops on its territory.

Concerning state provision, Albania's overall ranking is low. Compared to the previous year, Albania has ascended to a high rating for wealth redistribution due to the combination of a lowered Gini coefficient (29.4) alongside progressive taxation. In terms of the state's ability to provide healthcare, Albania is rated low due to low investments in the sector (3.36% of GDP) and limited universal healthcare coverage and its comprehensiveness. In the education sector, Albania scores low due to its low, albeit slightly higher, percentage of GDP allocated to education (3.3%, up from 3.1% in the previous index) and the completion rates for primary (96.5%), secondary (46.4%), and higher education (33.2%).

Albania's support for vulnerable groups is rated as low. This assessment is based on the percentage of GDP allocated to social assistance (averaging 1.9% of GDP from 2018 to 2020), the quality and extent of support for the elderly population (characterised as low by experts), and the challenges related to

Roma inclusion (including a high unemployment rate of 54%, less than 44% of the population completing compulsory education, and 22% more Roma living in absolute poverty than others). Unfortunately, the level of support for vulnerable children could not be assessed due to a lack of data for this indicator.

## **M**ONTENEGRO

Following the dissolution of the Socialist Federal Republic of Yugoslavia, Montenegro became part of the Federal Republic of Yugoslavia and later the State Union of Serbia and Montenegro. It declared its independence in 2006, a decision that Serbia accepted. Since then, Montenegro has gained international and regional recognition, joining all relevant international and regional organisations, including NATO in 2020. Additionally, it achieved candidate status for EU membership in 2010.

Montenegro does not host foreign troops on its territory, but it does have unresolved border demarcation issues with some neighbouring countries. While making progress in various areas, notably in education, as part of its EU accession process and reforms, and, as of recently, even the support for vulnerable groups through increases in social assistance, Montenegro still needs to enhance its state capacities, particularly ensuring a more equitable distribution of wealth among its citizens. Montenegro's overall state capacity is considered **medium**.

Montenegro retains a high rating for territorial control, with only minor border demarcation issues concerning the Prevlaka peninsula in relation to Croatia. The country faces no internal disputes over sovereignty, and no foreign troops are stationed within its borders.

In terms of state provision, Montenegro's overall ranking is unknown. It scores low in wealth redistribution, primarily due to a high Gini coefficient (36.8). While progressive taxation has been introduced, it remains too limited in its progressiveness to tackle the issue of the rising Gini index sufficiently. Montenegro's ability to provide healthcare has been improved. It is thus considered high, with substantial investments in the sector (7.4% of its GDP) and enhanced coverage and comprehensiveness of universal healthcare. In the education sector, Montenegro has dropped to a medium score due to the marginally lower percentage of GDP allocated to education (4%, down from 4.2% previously) and decent completion rates for primary (97.5%), secondary (62.7%), and higher education (38.4%).

Montenegro's support for vulnerable groups has improved, and the country thus receives a medium rank. This assessment is based on the significantly increased percentage of GDP allocated to social assistance (averaging only 1.8% of its GDP from 2018 to 2020, a three-fold increase compared to the 2010-2018 period), the quality and



extent of support for the elderly population, which is described as low, the challenges related to Roma inclusion (including a 23% unemployment rate, 31% of the population completing compulsory education, and 28% more Roma living in absolute poverty than others), and support for vulnerable children, which is scored as medium because 46.3% of children in alternative care are placed in foster homes.

## **N**ORTH MACEDONIA

North Macedonia has largely avoided conflicts that have taken place in the countries of former Yugoslavia. However, it experienced internal violent conflict between Macedonian and Albanian ethnic groups in 2001, resulting in the new constitutional and power-sharing agreement. It has also experienced a bitter dispute with Greece over its name, which has led to delays in membership within international and regional organisations until the name change in 2019. Since then, North Macedonia became a member of NATO in 2020 and received the status of candidate for EU membership in 2022.

Notwithstanding all these adverse developments, North Macedonia performs moderately concerning most indicators related to state capacity. The areas where the most considerable improvement could be made relate to support for the elderly population and

welfare sector reform. North Macedonia's overall score in state capacity is **medium**.

Regarding the control of its territory, North Macedonia retains its medium rating. North Macedonia has no border demarcation issues and no presence of foreign troops on its territory, but it has internal problems regarding power-sharing between Macedonian and Albanian ethnic groups.

Regarding state provision, North Macedonia's overall rank is once again medium. North Macedonia rates medium in redistribution due to the Gini score (31.4) and the fact that, despite speculation, it has not yet adopted progressive taxation. Regarding the state's capacity to provide healthcare, North Macedonia rates it as medium due to the medium investments in the sector (5.5% of its GDP) and the medium rate, coverage, and comprehensiveness of universal healthcare. In the sector of education, North Macedonia scores medium due to the percentage of GDP invested in education (3.9%) and the completion rate of primary (93.6%), secondary (68.3%) and higher education (39.7%).

North Macedonia's support for vulnerable groups is again rated as medium. This score comes from the percentage of GDP spent on social assistance (1.80% of its GDP on average in the period 2018-2020), the quality and coverage of support for the elderly population which, in experts' opinion, is rated low, the limited degree of Roma

inclusion (unemployment of 49%; 69% of the people with completed compulsory education; and 24% more Roma live in absolute poverty than others), and the support for vulnerable children which is scored as medium because 66% of children who live in alternative care live in foster homes.

## **K**OSOVO

Kosovo declared its independence in 2008 following a two-decade-long conflict with Serbia. This conflict led to the presence of NATO troops on Kosovo's territory and a protracted state recognition process. Despite not becoming a UN member and facing limitations in participating in various international and regional organisations due to objections from Serbia and some UN Security Council permanent members, Kosovo has encountered internal challenges, particularly related to its Serbian population disputing sovereignty in their respective areas.

Historically, Kosovo has been the least developed part of the former Socialist Federal Republic of Yugoslavia. The material destruction during conflicts, along with prolonged instability, significantly hindered Kosovo's state capacity. Currently, Kosovo scores very low in various critical state capacity areas, particularly in healthcare and education. Although some progress has been made regarding equitable growth and social inclusion, significant advancements are

still needed. Kosovo's overall state capacity is rated as **low**.

In terms of territorial control, Kosovo is still assessed as low. Serbia disputes Kosovo's sovereignty, and many countries worldwide do not recognise it. Kosovo is not a member of the UN or other relevant international organisations. Foreign troops have maintained a strong presence in Kosovo since the end of hostilities in 1999. Internal disputes persist in the northern region, where the Serbian population opposes the central government.

Regarding state provision, Kosovo's overall ranking remains low. While Kosovo demonstrates medium wealth redistribution due to a low Gini coefficient (29) and limited progressive taxation, its capacity to provide healthcare is rated as low. This is due to insufficient investments in the sector (1.6% of GDP) and low rates of universal healthcare coverage, given Kosovo's significant lack of. In the education sector, Kosovo receives a low score due to a now lower percentage of GDP allocated to education (4.4%, down from 4.6%) and limited completion rates for secondary (considered low by estimates) and higher education (29.1%). Unfortunately, data for the completion rates of primary education is not available.

Kosovo's support for vulnerable groups is again rated as medium. This assessment is based on the percentage of GDP allocated to social assistance (averaging 4.6% of GDP from 2017 to

2018), the quality and extent of support for the elderly population, which experts describe as low, the challenges related to Roma inclusion (including a 49% unemployment rate and 60% of the

population completing compulsory education), and low support for vulnerable children, which is rated as low because 41% of children in alternative care reside in foster homes.

## ENVIRONMENTAL SUSTAINABILITY

State/Territory	Environmental Sustainability (low/medium/high)
<b>Serbia</b>	Low
<b>Croatia</b>	Medium
<b>Bosnia and Herzegovina</b>	Low
<b>Albania</b>	Medium
<b>Montenegro</b>	Low
<b>North Macedonia</b>	Low
<b>Kosovo</b>	n/a

The Western Balkans enclose many intertwined habitats that know no political borders. If one country has a low capacity to protect its ecosystems, negative externalities will be felt in another. This region has a seriously threatened environmental sustainability. We evaluated this BPI domain as poor both overall and for each indicator.

First, the summer of 2023 broke all previous temperature records at the global level, and the world boiled in July and August. A disastrous heat wave nicknamed Cerberus that hit South Europe brought one of the most intense and prolonged temperature extremes to the WB region. These ever-galloping weather events showed all the fragilities of countries' inadequate levels of resilience and preparedness. Natural resources resilience grapples with rapid weather shifts from flash floods to lengthier periods of dry conditions, exacerbated by critically low wastewater treatment. Lake Prespa, one of the oldest lakes in Europe, epitomises these dire dynamics in 2023. Despite efforts acknowledged by international indices on species protection, mismanagement

of old forests (e.g. Mavrovo in North Macedonia or Fruška gora in Serbia) significantly decreases biodiversity levels. There are protests against announced infrastructure that might aggravate these frailties across the region, for instance, in Montenegro against undersea exploration of fossil fuels and small hydropower plant constructions in North Macedonia, Bosnia and Hercegovina, and Serbia.

Second, air quality delves at an all-time low and citizens of the Western Balkans continue being exposed to severely unhealthy air quite more than citizens of other parts of Europe. Due to over-reliance on outdated, anachronistic coal industry and inefficient individual combustion plants, more than 30,000 people die prematurely in the region. The air quality context is daunting in Serbia, Bosnia and Herzegovina, North Macedonia, and Montenegro, where political elites avoid discussions regarding pollution. During the last two years, pollution increased for all three regulated pollutants - sulphur dioxide, PM particles, and nitrogen oxides. Also, five years have passed since the

implementation of air pollution regulation standards (that were put in place in compliance with the Treaty on the Establishment of the Energy Community on January 1<sup>st</sup>, 2018), but sulphur dioxide emissions from TPPs included in the national reduction plans (NERP) of North Macedonia, BiH, Serbia, and territory of Kosovo still exceeded five to six-fold than allowed. Of all the components of the domain, if air quality continues to be avoided as a problem and continues to worsen, it has the most significant potential to provoke mass protests and undermine peace.

Third, tensions surrounding the war in Ukraine keep the issue of energy supply sustainability high on the political agenda. As in our previous evaluation, energy supply sufficiency was raised as a profound national and geostrategic priority in EU27 and Western Balkans. The WB governments placed energy security, which is just a fraction of the energy performance indicator, considerably higher than any other component of the entire environmental sustainability domain on their political agenda in 2023. Energy system performance ranked high in Albania and Croatia due to diversified industries and a higher percentage of renewables in total final energy consumption, and moderate in Montenegro.

**S**ERBIA  
Serbia's overall environmental sustainability in 2023 is **low**. Floods,

poor water treatment, and inadequate disaster preparedness undermined prospects for positive peace and good quality of life in the community. The country displayed a low capacity to meet the recommended air quality levels, especially concerning outdoor air pollution, one of the worst in Europe. Finally, the energy system performance indicator scored low because Serbia lags behind the region regarding energy sustainability, energy security, and renewable energy share in the total final energy consumption.

First, the resilience of natural resources in Serbia for 2023 was not encouraging. Although some international indices (e.g., the Eco Threat Report) showed a significant decrease in overall water-related risks compared to 2022, heavy rains led many rivers to overflow across Serbia in January and June. During winter days, floods were severe in southern Serbia, particularly in Novi Pazar, which declared a day of mourning for the loss of two lives. Half a year later, heavy rainfall caused significant damage to critical infrastructure (such as damage to the University Clinical Center block in Kragujevac or the bridge on the Ibarska highway near Kraljevo), pushing 56 cities and municipalities to declare an emergency. These events showed a low level of preparedness for natural disasters, striking during the supercell storm in July that wreaked havoc in Novi Sad. Water risks are only amplified by a continuously low commitment to wastewater treatment, making Serbia one of the worst-performing countries in the WB and Europe (having only 14.7% of the population connected to at least secondary wastewater treatment). Regarding

species protection and tree-cover loss, the context in Serbia mainly remained the same as in 2022. The country performed moderately on international indices, but there were many protests against massive infrastructure projects in biodiversity-important areas. A clash of activists and police in Šodroš (Novi Sad) and Savski nasip (Belgrade) indicates the vital concern of citizens over decision-makers' plans for zones that should be safeguarded and preserved.

Second, together with North Macedonia, Serbia remained the lowest-performing country in the region in terms of its ability to provide the needed air quality and reduce the impact of air pollution on human health. The country ranks sixth in the region in greenhouse gas emissions per capita (20.0 EPI score) and outdoor air pollution (1478.49 SP index). Based on the data of the automatic monitoring of air quality in Serbia, provided by the Environmental Protection Agency and regulatory local governments, the air pollutants exceeded both average annual concentrations and the allowed number of days with transboundary average daily concentrations throughout 2023. Also, citizens of several municipalities exhibited considerable frustration due to the unsatisfactory level of consistency regarding air quality monitoring. This led some local associations to take matters into their own hands and establish a network of particulate pollution sensors, like the informal group of citizens "Air for all of Us" did in Stara Pazova.

Third, Serbia remains in a lower-performing group of WB countries with energy sustainability and renewable energy

share in the total final energy consumption. A crucial political step was taken in 2023 when the new gas interconnector between Serbia and Bulgaria started operating. This project promises to diversify Serbia's energy system and security and reduce its dependence on Russian gas by giving it access to exports from Azerbaijan. However, many other critical events relevant to this indicator led us to rate it as low. The Secretariat of the Energy Community sent an introductory letter to Serbia regarding its violation of the Large Combustion Plants Directive (LCPD) in the case of the Morava thermal power plant, which is managed by Elektroprivreda Srbije (EPS). TPP continues to operate despite the permitted number of working hours expiring within the opt-out mechanism. Furthermore, public controversy arose when the government released the proposed Integrated National Energy and Climate Plan in July. Civil society organisations protested that this document suggested Serbia may achieve its carbon neutrality only during the last quarter of the 21st century instead of 2050 at the latest, which was the previous goal. Such a proposition showcases alarmingly low levels of climate and energy policy ambitions at a time of increasing need to address the impacts of climate change on energy system performance.



We evaluated Croatia's overall environmental sustainability as **medium**. The country scored low in natural resources resilience, moderate in air quality sub-indicators, and high in energy system

performance. The resilience of natural resources indicates that the country has the highest protection of species in the region and treatment of wastewater. Conversely, it shows the high risk of flooding and exacerbates massive tree-cover loss. Air quality is probably the best in the region but is still insufficient for the EU average, struggling to maintain minimum standards. Lastly, Croatia scored best in the region for energy system performance, mainly due to high energy security and efforts to increase renewable energy share in the total final energy consumption.

First, Croatia's natural resources resilience indicator fell from moderate to low in 2023. This country performs best in the region concerning species protection (SP index 84.45) and wastewater treatment (although further improvements are necessary in this area as 31.39% of the population is connected to at least secondary wastewater treatment). However, despite international indices implying that the risk of floods decreased compared to 2022, severe floods hit many parts of Croatia in May. Water levels of the Korana and Zrmanja rivers broke previous records, threatening many households and agricultural estates. Moreover, large-scale tree cover loss continues to undermine biodiversity and overall environmental resilience. Soaring energy prices and the uncertainty of the availability of other energy sources are exacerbating further deforestation as citizens turn back to traditional wood heating. Some veteran associations report multiple illegal conducts in the business of Hrvatske šume and even claim

that public enterprise partakes in the destruction of healthy forests for the interests of investors in bioelectric plants. Furthermore, one of the biggest environmental disasters in recent times happened in October in Osijek, when a catastrophic fire broke out at a private company's plastic landfills. Bales of plastic, located on several thousand square meters and five meters high, burned for ten days. Smoke from the fire was visible from the satellite. The polluting effects spilt over into neighbouring Bosnia and Herzegovina.

Second, Croatia has the lowest outdoor air pollution compared to other WB countries, according to the Social Progress Index (776.53). It performs moderately in terms of greenhouse gas emissions per capita (EPI 40.90). Although the air quality in Croatia is relatively better than in countries of the region, it still falls among the worst in the EU27, which is why we rated this indicator as moderate. The government has reduced some key air pollutants in recent years. Still, the European Commission launched an infringement procedure in July due to exceeding values for PM10 and PM2.5 above the EU limit. The Commission concluded that the country has shown limited and slow progress in improving air quality. Nevertheless, the fire mentioned above at a private company in Osijek dangerously polluted the air in the last quarter of the year.

Third, the energy system performance indicator remained high in 2023. Croatia tops others in the region regarding energy security (World Energy Trilemma-WET score 75.8) and the proportion of the population with primary reliance on clean

fuels and technology for cooking, heating, and lighting in urban and rural areas (more than 95%). It is second only to Albania regarding renewable energy share in the total final energy consumption (32.37%). Croatia has ambitions to become the next “strategic regional energy hub” for Hungary, Slovenia, and Austria. To fulfil this goal, the government launched the construction of the Zlobin-Bosiljevo gas pipeline in November 2023. This large infrastructure project aims to strengthen the security of supply, reduce dependence on Russian gas, and enable the transport of gas from the LNG terminal on Krk to the countries of Central and Southeastern Europe. Moreover, according to the Croatian Energy Market Operator (HROTE), 2023 was one of the most successful years for Croatia in meeting the Green Agenda's goals. The share of domestic green energy in electricity production exceeded 59 per cent, including 41 per cent from hydropower plants alone. HROTE's executive stressed that low-carbon sources account for more than 70 per cent, which makes it a formidable result at the European level.

## **B** OSNIA AND HERZEGOVINA

We evaluated the overall environmental sustainability of Bosnia and Herzegovina as **low**. The country scored low on every indicator. Very low scores on the international species protection index, together with large piles of waste that, during wet weather, end up in the Drina River, threaten the resilience of the current state of natural resources that are already affected by rising temperatures in the region. The second

indicator shows the country's low capacity to meet the recommended air quality levels with outdoor air pollution and GGE. The energy system performance indicator is shaped mainly by the fact that Bosnia and Herzegovina performs the weakest in the region in terms of energy sustainability and energy security.

First, the Natural Resources Resilience indicator remained low in 2023. Although Bosnia and Herzegovina still has somewhat better results than its neighbours in the broader context of tree-cover loss, its species protection score ranks among the worst in the region. Like Serbia and Croatia, BiH has reduced the risk of floods according to international indices. Still, heavy rains and unstable weather conditions, which hit the Western Balkans in mid-May 2023, showed the levels of preparedness for natural disasters at an alarmingly low level. The residents of Bosanska Krupa experienced floods for the second time in five months and were mostly left alone to repair the consequences of flood damage after river Una overflowed. Citizens constantly complain about the lack of adequate initiatives for flood protection. They highlight the need for projects such as embankments and retaining walls rather than the landscaping of promenades that local governments have focused on. Moreover, the resilience of natural resources is particularly threatened by industrial plants that discharge their wastewater directly into Bosna, Neretva, and even Jablanicko Lake. The Government of the Federation of Bosnia and Herzegovina has so far postponed three times the obligation of industrial plants to purify



wastewater before discharging it into rivers. This year was also marked by protests by citizens against the additional construction of hydroelectric power plants to preserve Neretva, one of the coldest rivers in the world and a biodiversity hotspot. Of particular concern are the mega-piles of waste deposited in unregulated and poorly managed riverside landfills that end up in the Drina watercourses between Bosnia and Herzegovina, Serbia, and Montenegro during winter and wet weather.

Second, Bosnia and Herzegovina performed very low capacity to achieve recommended air quality levels and reduce the impact of air pollution on human health in the region, both in terms of GGE per capita (EPI score 27.2) and outdoor air pollution (SP index 1415.34). Human Rights Watch emphasises that BiH's outdated reliance on coal kills thousands of people every year, while the authorities do little to prevent the problem or even warn people about the risks to their health. The World Bank estimates that around 3,300 people in Bosnia and Herzegovina die prematurely every year as a result of air pollution, which is the fifth-highest death rate in the world. On top of that, the thick smoke that spread from the fire in the plastic disposal factory in Osijek moved to Bosnia and Herzegovina in the following days, heavily polluting the air and the environment. The Federation received a loan of 50 million dollars from the World Bank to improve air quality in four cantons, Sarajevo being one of them. The capital city was one of the most polluted cities in the world during winter months. The EU Energy Community reported that BiH has

maintained low environmental standards regarding above-the-ceiling levels of sulphur dioxide, nitrogen oxides, and dust from large combustion plants. This issue has not been legally resolved due to strong political fragmentation along entity lines, which has paralysed much-needed reforms and extended the problem into 2024.

Third, the energy system performance indicator remained low. Although Bosnia and Herzegovina has achieved significant surpluses of electricity for several years in a row (due to the low capacity of its industry) and sold a large part to Croatia, Serbia, and Switzerland in 2023, the country ranks sixth in the region in terms of energy sustainability (WET rank 83) and energy security (WET score 59.8). Compared to other WB countries, BiH performs moderately on renewable energy share in the total final energy consumption (37.71%) but has the most minor percentage of the population with access to clean fuels and technology for cooking, heating, and lighting (41%). The country still does not have a law on gas utilisation nor a state regulator that could control, among other things, the issue of monopoly, which is why it seriously lags behind European regulations. However, the initiatives in this regard, proposed by the Presidency, reached a dead end in the Republika Srpska entity in 2023. The absence of such legislation, followed by non-compliance with the Second Energy Package in the gas sector, the Sulphur and Fuels Directive, as well as the Third Energy Package for electricity and gas, represent some of the reasons why the country has been under the

sanctions of the European Energy Community from the end of 2020.

## **A** **LBANIA**

We evaluated Albania's overall environmental sustainability as a **medium** due to the moderate air quality and low capacity to ensure natural resource resilience. The country scored high in energy system performance, being one of the best-performing countries on the indicator. The resilience of natural resources is severely affected by widespread deforestation and low wastewater treatment. We evaluated the air quality in Albania as moderate because the country has the lowest GGE per capita and ranks second by performance in the region in achieving recommended air quality for its citizens. The energy system performance scored high due to diversified and solid energy sustainability and security.

First, the Natural Resources Resilience indicator remained low. Albania's wastewater treatment improved from 13% to 19.46% but still lags seriously behind the region (only North Macedonia has a smaller proportion of safely treated domestic wastewater flows). Also, the country is second only to Croatia in deforestation, suffering a 6.5% loss in total tree cover over the past two decades. These tendencies occur even in regions of pivotal biodiversity importance, such as habitats of the critically endangered Balkan lynx. Prolonged heatwaves facilitated wildfires in south Albania, especially around the County of Fier. Moreover, the country continued to perform moderately regarding species protection, ranking fourth in the region

(Species Protection Index score 59.91). According to international indices, it exhibited the highest risk of floods (2.77/5). The issue that sparked a significant public debate in 2023 pertains to constructing an airport in Vloa. It will be within a protected area and close to one of the most important coastal wetlands and an ornithological reserve. Since decision-makers strive to rebrand Albania as a "high-end eco-tourism country", they perceive this project as particularly important to incite a tourism boom and decisively depart their image in this sector from that of a closed state legacy during Enver Hoxha times. However, many citizens and ecologists are protesting the construction, claiming that the airport in Valona does not make ecological or infrastructural sense. Also, the so-called Bern Convention of 1979 – the Council of Europe's Convention on the Conservation of European Wildlife and Natural Habitats appealed to the Albanian government to suspend airport construction.

Second, Albania performed moderately in achieving recommended air quality levels and reducing the impact of air pollution on human health in the region. Albania has by far the lowest GGE per capita in the region (EPI score 61.50), primarily due to its over-reliance on hydropower. Also, it is second only to Croatia in achieving recommended air quality for its citizens (SPI 839.52). Considering Tirana stands as one of the most polluted cities in the country, and significant discontent belies its citizens' perception of air quality, Albania made some of the highest considerations for air quality improvement in its Nationally Determined Contribution (NDC)

in 2023. The state highlighted the impact of poor air quality on citizens' respiratory and cardiovascular diseases and advocated that the situation be improved by introducing evermore renewable energy sources.

Third, compared to other WB countries, the energy system performance in Albania remained high in 2023. According to WET, Albania ranks first in the region on energy sustainability and second to Croatia on energy security (WET score 64.6). Also, 83% of the population has access to clean fuels and cooking, heating, and lighting technology, which ranks this country in second place in the region (right behind Croatia). On top of that, Albania has the leading renewable energy share in the region's total final energy consumption (44.58%). The construction of the largest solar power plant in the Western Balkans, Karavasta, is underway. This country predominantly relies on hydropower plants - they participate in the domestic system with more than 99 per cent, the highest level in Europe. However, contemporary impacts of climate change and rising temperatures, coupled with poor management in recent decades, resulted in hydropower lakes operating under conditions of limited capacity and, often, lower water levels. Regardless, the officials continue to issue new permits for hydropower plants. Also, in 2023, a controversy broke out with Montenegro over constructing several small hydroelectric power plants on the Cijevna river from the Albanian side, which is highly protected on the Montenegrin part of the stream.

## MONTENEGRO

We evaluated Montenegro's overall environmental sustainability as **low**. The country scored moderate on natural resources resilience and energy system performance indicators. However, it demonstrated a low capacity to achieve recommended air quality levels and reduce the impact of air pollution on human health, especially in terms of outdoor air pollution. The energy system performance indicator scored moderate because Montenegro is positioned in the middle of the region's countries regarding energy sustainability and security, even being second-best in terms of renewable energy share in the total final energy consumption.

First, the natural resources indicator improved from low to moderate in 2023. In terms of the percentage of safely treated domestic and industrial wastewater (55.27%) and tree loss (EPI score 24.10), the country performed moderately in ensuring the resilience of its natural resources. Moreover, the extreme weather in 2023 did not bring as much adversity to Montenegro citizens as it did in Croatia, Serbia, and BiH. Nevertheless, a heavy storm in November caused flooding in Rožaje, Tivat, and Bijelo Polje. To solve "investment fires", which often occur on forest land in the most attractive tourist locations, such as Luštica, Podgorica, Bar, Budva, Ulcinj, and Skadar Lake, the Parliament adopted stringent laws in 2023. The legal amendments prohibited any change of purpose of burned forest land to construction for the next 30 years from the date of the fire, potentially ameliorating this issue in the long run.

Activists believe that is a necessary period for the forest to be fully restored. Newly elected officials stressed "the disastrous" management of forests for decades and hoped changes to forest law would help them prevent the following profit-motivated fires. These changes in law enforcement and control were the main reasons we improved the assessment of Montenegro's capacity to protect natural resources. However, its score on international indices of species protection is still the lowest compared to countries in the region (Species Protection Index 50.81).

Second, even though Montenegro had slightly better results on the outdoor air pollution sub-indicator (1324.12) than Serbia, North Macedonia, and Bosnia and Herzegovina, we assessed its capacity to achieve the recommended air quality levels as low. The country displays moderate results on the GGE per capita sub-indicator (30.60 EPI score), ranking fourth in the region. Still, unhealthy ambient air pollution prevailed in the final indicator score. According to the latest estimates of the European Environmental Protection Agency, air pollution contributed to the premature death of 1,060 inhabitants of Montenegro in 2022, of which 920 were caused by PM particle pollution, 90 by nitrogen dioxide and 50 by ground-level ozone. Air pollution is severe in Pljevlja, whose heating improvement in 2023 was declared a project of national interest. However, officials postponed the project to 2025/2026 a few months later.

Third, we evaluated the energy system performance indicator as moderate because, according to the WET scoring

system, Montenegro ranks third in terms of energy sustainability (42) and energy security (64.1) in the region. Also, the share of renewable energy in the total final energy consumption is 39.56, just behind Albania. On the flip side, the population share with primary reliance on clean fuels and technology is only 62% (SDG 7.1.2), significantly lower than the regional average. At the end of 2023, thermal power plant Pljevlja, which accounts for almost 40% of total domestic electricity production, exceeded its working hours permit under the Energy Community's opt-out mechanism (allowed from 2018 to 2023). But Montenegro followed in the BiH footsteps (in the cases of Tuzla 4 and Kakanj 5 TE units), adopting law amendments that legalise the continuation of the TPP. Such a move could trigger reduced credit or reputational ratings and financial losses due to a potential trial for unfair competition by the Energy Community or the European Commission. During 2023, many environmental organisations opposed the announced construction of a liquefied natural gas (LNG) terminal in the Port of Bar and the exploration of undersea natural gas deposits.

## **N**ORTH MACEDONIA

We evaluated the overall environmental sustainability of North Macedonia as **low**. The country scored moderate in natural resources resilience and low in air quality and energy system performance. Although North Macedonia has the worst wastewater treatment in the region, the country has signalled political will to build capacity in the area, securing EU financial

investment in 2022. The political will to tackle the issue, coupled with the country's average performance in protecting species and preventing floods, influenced the moderate score of the first indicator. On the other hand, we rated air quality as low because North Macedonia has by far the worst performance on the outdoor air pollution sub-indicator in the region. Third, the energy system performance scored low because the country has the lowest percentage of renewable share in total final energy consumption and lags behind other countries of the region in terms of energy security.

First, we rated the resilience of natural resources as moderate mainly because the country has a moderate performance on the species protection index (64.06). It improved its position since the last evaluation, taking third place in the region. However, several long-term trends seriously impact the resilience of natural resources in North Macedonia. Compared to other countries in the region, North Macedonia has moderate results on international indices regarding tree cover loss (EPI score is fourth in the region at 22.30). However, according to Global Forest Watch, it has suffered a 5.5% loss of total tree cover for the last twenty years. This result comes close to Albania's, so these countries launched a joint project to restore and preserve vital forests starting in 2023. Flood risks decreased, but the proportion of safely treated domestic wastewater flows fell alarmingly low (4.862%). This comes at times when Lake Prespa, one of Europe's oldest lakes, shrinks at startling paces, reaching its lowest point in centuries. UNDP warns that

many species are at risk of extinction due to the devastation of this distinct habitat through harmful agricultural activities, untreated waste, and erosion. Other water-related worries of citizens is the announced construction of two small hydropower plants on the Došnica River near Gevgelija. Activists and locals assume that the building will harm the biodiversity of the river and the surrounding mountain ecosystem. They also object to how the investors obtained permits from the authorities.

Second, North Macedonia has hazardous outdoor air pollution (SP index 2083.70), which is detrimental to the health of many citizens. About two-thirds of the citizens of Skopje burn wood and often use inferior-quality fuel in their stoves. There are reports that some residents who cannot afford even these fuels burn garbage. Moreover, European air quality data revealed that the capital city has three of the most polluted districts in Europe. Political commitment to enable citizens to switch to cleaner fuels is fragile. Also, during 2023, the city of Bitola was covered with thick smog mainly due to the activities of the Bitola REK mining and energy complex. This robust industrial facility has contributed to dangerously high levels of PM pollution by exploiting the poor-quality coal that powers its operations. North Macedonia has fair results for the GGE per capita sub-indicator (EPI score 47.20), second only to Albania. Still, consistently high levels of outdoor air pollution dominate the final low score of the indicator.

Third, we evaluated the energy system performance indicator as low because

North Macedonia ranks fifth in energy security (60.2), fourth in energy sustainability (53 EPI score), and performs worst in the region on renewable energy share in the total final energy consumption (20.26%). However, this country has some of the most ambitious climate plans in the region. It has committed to stopping using coal by 2027, substantially increasing renewable energy share in total energy consumption (to 38%) and diversifying its energy sector through infrastructure for wind and solar energy sources. At COP28 in Dubai, North Macedonia launched a just energy transition investment platform to steer its long-term commitment to decarbonising the electricity sector justly and sustainably. Finally, experts from the Macedonian

Academy of Sciences and Arts, the international organisation The Nature Conservancy, and the NGO Eco-awareness mapped locations suitable for the future infrastructure for renewable energy sources. These locations primarily encompass degraded land in former mining communities, an approach similar to the construction of Oslovej Solar Park.

## **K**OSOVO

The data that we used throughout the comparative study of WB countries were not available for the territory of Kosovo for the year 2023.

## FIGHTING CRIME

State/Territory	Fighting Crime (poor/moderate/strong)
Serbia	Poor
Croatia	Moderate
Bosnia and Herzegovina	Poor
Albania	Moderate
Montenegro	Poor
North Macedonia	Moderate
Kosovo	Poor

The overall assessment of fighting crime in the region remains unchanged from 2022. This means that significant scales of different types of crime in the Western Balkans continue to pose a critical obstacle to achieving regional peace, security, and development. Only three out of seven countries/territories – Croatia, Albania, and North Macedonia – demonstrated moderate capacities, efforts, and results in fighting crime during the reported period. The achievements of the remaining four are estimated as poor. Although some countries, such as Montenegro, North Macedonia, and Albania, scored better in some sub-indicators and indicators than in 2022, no government made significant overall progress during the previous year. Moreover, in some places, such as Serbia, the situation worsened in several aspects. While Croatia remains the best-ranked, the entire region remains susceptible to all kinds of crimes, from conventional to organised and state crime. The region remains trapped in a damaging cycle fuelled by the enduring consequences of conflict, political instability, ethnic

tensions, widespread poverty, and limited job prospects. This cycle, perpetuated by criminal activity, thwarts significant strides towards peace and development at local, national, and regional levels.

While violent crime rates in the Western Balkans persist at approximately the European average, the occurrence of two mass shootings in Serbia in May, alongside a disturbingly high incidence of domestic and gender-based violence throughout the region, raises significant concerns regarding the escalation of violent behaviour and criminal activity. Of particular concern, however, is the pervasive and varied presence of transnational organised crime, which follows historical trafficking routes from Asia to Western Europe through various channels. The prevalence of drug, arms, and human trafficking, as well as activities such as money laundering, investment fraud, and tax evasion, remains notably high across the entire region, with no discernible reduction in any country during the reported period. Despite variations in severity among different cases, the involvement of state actors and

politicians in criminal networks also remains evident throughout the region.

Regarding the fighting crime capacity, states in the region continue to suffer from similar weaknesses, primarily related to the lack of a strong, effective, and independent judiciary. While the situation varies somewhat among states, the judiciary in the region has yet to be freed from external interference by politics or business interests. Although some states have taken additional steps in judiciary reforms during 2023, most have been slow to progress and have not yielded satisfactory results. Moreover, certain legislative developments in some states, such as Serbia and Bosnia and Herzegovina, warn that the process is not linear but susceptible to regressive tendencies. Levels of corruption in the judiciary and throughout the public sector continue to impede each country's full potential in utilising human and material resources for combating crime. Despite variations among states, there is no substantial lack of resources; however, their appropriate and efficient utilisation remains a concern. States experiencing democratic backsliding further weaken regional capacities for fighting crime during the reported period, as law enforcement agencies and the security sector are under the firm control of the ruling regimes.

Finally, citizens across all observed countries and territories appear to be aware of the concerning levels of crime and the weak capacities of the state,

perceiving law enforcement agencies as being highly influenced by political elites and organised crime. Trust in the judiciary and prosecutors is at its lowest in all states. Although confidence in the police is not strong, it remains at a similar level to previous years, with approximately half of the population trusting the police. However, people in the Western Balkans region, much like in 2022, seem to assess their sense of safety somewhat independently of the crime situation. Citizens in most Western Balkan countries feel relatively safe, in some even safer than residents of European nations with lower crime rates. Nevertheless, the unprecedented events in May have instilled fear and mistrust in institutions in Serbia and throughout the entire region, which has yet to be reflected in surveys. Moreover, heightened tensions in ethnically divided societies during 2023 have likely further diminished trust in law enforcement authorities and feelings of safety, as these tensions tend to align with ethnic divisions.

**S** **ERBIA** Fighting crime in Serbia in 2023 is evaluated as **poor**. No significant progress was made in 2023 in any aspect, and some sub-indicators deteriorated the situation. Although the declining trend in some aspects of conventional crime continued, two mass shootings in May, together with disturbingly high levels of domestic and gender-based violence, marked 2023 as one of the most violent years



in Serbia in decades. The level of organised crime in the country remains alarmingly high, while the resilience to it remains very low, placing Serbia among the worst-ranked countries according to the newest Organized Crime Index report published in 2023. Judicial and law enforcement agencies continue facing challenges in impartially investigating and prosecuting organised crime and high-level corruption due to government interference, discretionary powers of court leaders and prosecutors, and strong political influence. Democratic governance in the security sector has not improved. While the data on citizens' trust in law enforcement institutions and safety perceptions following the May events have not yet been available, some developments, such as the massive protests against violence across the country, signal that the feeling of safety in 2023 significantly decreased among the citizens.

The crime scale indicator for Serbia is evaluated as poor. According to the available national statistics, a decline in some types of conventional crime has continued. During 2023, for instance, there were the fewest thefts in Serbia in the last two decades. Two mass shootings which occurred in May, however, significantly impacted the level of the homicide rate. The inclusion of minors and young individuals among both the perpetrators and the victims heightens the overall sense of disturbance and concern. Apart from this, the majority of homicides remain family-related crimes, while there are almost no mafia-style killings. Domestic violence has taken a prominent place in crime statistics in 2023 as well, and children and

women are undoubtedly the most common victims of these crimes. The scale of organised crime in Serbia also remains among the highest in Europe. During 2023, Serbia remained among the key countries of origin and transit of drug trafficking, illicit arms trafficking, human trafficking, and financial crimes in the region, while some new forms of organised crime, such as illegal logging market and cybercrime, also increased. What is particularly disturbing is the level of both registered and unregistered juvenile crime, especially in drug trafficking.

The state's capacity to fight crime is still evaluated as poor. The primary reason for this is inefficient state prosecution and a weak judiciary, highly susceptible to political interference. Despite public statements denouncing organised crime from high-ranking officials, enforcing legal measures targeting organised crime remains ineffective, particularly in cases sensitive to political interests. These state-embedded actors also extensively engage in white-collar organised crime, particularly in public procurement. The Serbian police continued operating without a director in 2023. Democratic governance in the security sector continues declining, and the controversies regarding the draft of the new Law on Police remain unresolved. The feeling of safety is evaluated as poor. Trust in the judiciary remains very low, with approximately a third of the population evaluating its work positively, while confidence in the police remains at the same level as in 2022. While the data on safety perceptions after the May events have not been available, some developments, such as

massive protests on the streets of Belgrade and several other cities, send a strong signal that these incidents have led to decreased trust in institutions (such as the police or prosecution), heightened perception of risks to national security (from illegal possession of weapons), increased fear of crime (danger of murder, school violence, etc.), and a sense of reduced safety in public spaces.

## CROATIA

While certain sub-indicators have shown improvement in 2023, Croatia's efforts in combating crime are still considered **moderate**. Despite making significant strides compared to other regional counterparts, various forms of organised crime persist as substantial challenges. Although the legal and institutional frameworks are robust, and resources are relatively abundant, the law enforcement system remains inadequately effective and autonomous. The susceptibility of the judiciary to political and economic influences remains a critical vulnerability in Croatia's law enforcement efforts. Despite political upheavals and ongoing challenges to democratic quality, Croatia's institutional and legislative structures in the security sector remain comparatively strong within the Western Balkans region. Despite low trust levels in the judiciary and prosecutors, Croatian citizens generally feel safer than their counterparts in other EU nations. As a result, Croatia's crime situation lies between the most successful EU countries and those in the Western Balkans in terms of the prevalence

and severity of various crimes and the state's ability to combat them.

The crime scale in Croatia in 2023 is evaluated as medium. The rates of the major types of conventional crime remain below the European average. However, similar to the rest of the region, the scale of family-related violence and sexual violence remains worryingly high. The scales of organised crime in Croatia predominantly stem from its position as a transit country for drug and human trafficking roads towards the West. International criminal elements remain the predominant players in Croatia's human smuggling market, although the involvement from local individuals is far from negligible. Although the involvement of government-associated individuals in financial misconduct and recent corruption cases indicates an escalating issue of power abuse and widespread corruption within the governmental structure, the level of state crime in Croatia remains relatively small. Despite some improvements, Croatia's overall capacity to fight crime on its territory remains moderate. Although the presence of a dedicated unit tasked with prosecuting organised crime and corruption cases, the overall functionality of Croatia's judicial system is contentious. While implementing anti-corruption measures and legislative reforms to enhance governmental transparency, abuse of power and varying levels of corruption remain significant challenges.

Recent media revelations of corruption scandals and irregularities in connection with the naming of the chief prosecutor have further underscored these

challenges. While Croatia maintains a robust law enforcement framework, with the number of police officers and judges per capita remaining among the highest in the EU, political and economic pressures within various sectors and public offices persist as a concern. The nation's borders, especially the extensive and porous one with Bosnia and Herzegovina, continue to be vulnerable to trafficking operations, with Croatia acting as an extension of the Balkan trafficking networks. In recent years, numerous incidents of mistreatment of migrants by the Croatian border police have been reported, leading to heightened scrutiny of their actions. The overall feeling of safety is marked as high primarily due to a remarkably high perception of safety among the citizens of Croatia. In 2023, Croatia was best ranked among all the EU countries based on the percentage of citizens who felt safe walking during daylight and night. However, the gap between the feeling of safety and trust in institutions persists in 2023 as well. Confidence in the Croatian judiciary is notably the lowest among EU member states, both among ordinary citizens and businesses. The level of police is not significantly above the regional average either.

## **B** OSNIA AND HERZEGOVINA

The level of violent crime in Bosnia and Herzegovina is **moderate**, reflecting typical patterns of the region. While homicide, theft, and robbery rates align with European averages, domestic and gender-based violence persist as significant concerns. The country's role as a transit hub for illicit trafficking from Asia and the Middle East to

Western Europe underscores the prevalence of organised crime. Inadequate seizure rates by law enforcement, stemming from corruption and fragmented police forces, have led to the proliferation of new smuggling routes, resulting in increased drug trafficking and the availability of heroin, cocaine, cannabis, and precursor chemicals. State crime, including corruption and abuse of power, further undermines governance and societal trust, with poor state capacity to combat crime. Although legislative improvements have been made, deficiencies persist in the legal framework and infrastructure necessary for effective crime control and border cooperation. Despite the adoption of strategies to address organised crime and corruption, limited progress has been made in implementation, exacerbating the sense of insecurity among Bosnian residents.

The level of violent crime in Bosnia and Herzegovina is assessed as moderate, with rates and characteristics typical of the region. While homicide, theft, and robbery rates are not significantly higher than European averages, domestic and gender-based violence persist as serious issues. Organised crime remains a significant concern, as Bosnia and Herzegovina serves as a crucial transit country for illicit trafficking of humans, drugs, weaponry, timber, and other goods from Asia and the Middle East to Western Europe. The inadequate seizure rates by law enforcement, attributed to corruption and the lack of cohesion among police forces, have enabled the emergence of fresh smuggling routes. Consequently, there has

been an increase in drug trafficking and the availability of heroin, cocaine, cannabis, and precursor chemicals, whether for transit purposes or local consumption. State crime, including corruption and abuse of power, poses challenges to governance and societal trust.

The state's capacity to combat crime is evaluated as poor. Despite legislative improvements, deficiencies persist in the legal framework, infrastructure, and human resources required for effective crime control and border cooperation with neighbouring countries. In September 2023, Bosnia and Herzegovina amended the Law on the High Judicial and Prosecutorial Council (HJPC) to establish a system for verifying asset declarations of judges, prosecutors, and HJPC members, albeit with alterations compared to the version consulted by the Venice Commission, further impeding the asset declaration system's effectiveness. Judicial independence and impartiality did not improve, and executive and legislative authorities failed to adopt additional safeguards in 2023. While strategies and action plans were adopted to address organised crime, terrorism, and money laundering, their implementation remains limited, with insignificant progress in preventing and repressing corruption, including at high levels. Financial investigations and asset seizures are mainly ineffective, and operational cooperation between law enforcement agencies fighting organised crime is hindered by non-harmonized criminal legislation, weak institutional coordination, and limited

intelligence exchange. Democratic oversight of the security sector is challenging within the complex institutional system, exacerbated by frequent political crises. Consequently, Bosnian residents exhibit low confidence in the legal system and security forces compared to neighbouring countries, resulting in widespread insecurity and dissatisfaction with safety levels.

## **A** **LBANIA**

The evaluation of crime-fighting efforts in Albania for 2023 is deemed **moderate**. While levels of violent crime, such as homicide rates and domestic violence, surpass the regional average, the overall crime scale in society is lower than in some neighbouring countries. Despite Albania's status as a significant transit country for illegal drug and human trafficking in the Western Balkans and towards the EU, intensified efforts and enhanced capacities in combating organised crime and corruption have yielded some positive outcomes, leading to reductions in domestic consumption, production, and trade of illicit goods. Despite commendable efforts by law enforcement agencies, investigations and prosecutions often fail to target high-ranking members of criminal organisations and political patrons, resulting in limited convictions. Corruption remains prevalent in various sectors of public and business life, with preventive measures showing limited effectiveness, especially in vulnerable areas. However, akin to the broader region, citizens maintain a moderate level of trust in law enforcement and a moderate

perception of safety despite these ongoing challenges.

Crime levels in Albania are assessed as medium. Conventional crimes, particularly homicide rates, are among the highest in the region. Despite intensified state efforts, violence against women and girls remains alarmingly prevalent. Albania continues playing a significant role as a transit country for illegal drug and human trafficking in the Western Balkans. Women and children constitute the majority of trafficking victims, primarily subjected to sexual exploitation in Western Europe. While irregular crossings have decreased due to Greece's stricter border controls, Albania remains a transit hub for individuals smuggled from the Middle East and North Africa to the West. Although law enforcement efforts have reduced domestic heroin, cocaine, and cannabis production and consumption, Albania remains a key source country for the EU, employing both sea and land routes for drug trafficking. Furthermore, Albania has emerged as a source of cyber-dependent crimes in Europe, with over 10% of such incidents originating from the country.

State capacity to combat crime is deemed moderate. The recent initiatives targeting corruption, enhancing transparency in public services, procurement, and recruitment, and encouraging public involvement in local decision-making are giving results. Recent initiatives to tackle corruption, improve transparency in public services, procurement, and recruitment, and promote public participation in local decision-making are yielding positive results. However, corruption and a lack of transparency persist

across various sectors. Despite judicial reform progress, concerns persist over internal and external interference, resulting in backlogs and diminished technical capabilities, hampering judicial efficiency. While law enforcement agencies have achieved commendable results in combating drug trafficking and criminal groups, investigations often fail to target higher-ranking criminals, leading to limited convictions. Organised crime infiltration into state institutions, especially border police, facilitates drug trafficking protection. Nevertheless, citizens maintain solid trust in the police and feel reasonably safe, resulting in a moderate overall safety perception.

## **M**ONTENEGRO

Fighting crime in Montenegro is evaluated as **poor**. Montenegro still grapples with a significant crime problem, marked by high rates of organised crime, trafficking in cigarettes and drugs, and violent crime, mainly attributed to feuding mafia factions. Recent revelations of mafia ties to politicians and state institutions underscore the pervasive nature of criminal influence. Despite efforts to combat corruption, including appointing a special prosecutor and reforms in the judiciary, challenges persist due to inadequate resources and incomplete reforms. While there have been democratic strides, concerns linger regarding government integrity, exemplified by alleged connections between high-ranked politicians and a jailed cryptocurrency businessman. Overall, while most citizens perceive Montenegro as relatively safe, addressing

systemic crime and corruption remains critical for fostering societal trust in institutions. While there are signals that public confidence in specific law enforcement institutions might be growing, the perceptions of police and judiciary corruption remain widespread.

The crime scale in Montenegro is evaluated as high. The violent crime rate remains high, primarily due to the conflict between rival mafia groups, with the most considerable homicide rate in the region. The rate of organised crime is also very high, as Montenegro remains a crucial transitory destination for the trafficking of cigarettes and drugs of different kinds. Recently leaked conversations of mafia leaders from the “Sky” network further corroborate the longstanding connections between mafia groups, politicians, and state institutions, underscoring the prevalence of organised crime within governmental structures. Although many of these connections originated during the rule of the Democratic Party of Socialists (DPS), recent investigations into high-level corruption, exemplified by the arrest of a former interior state secretary, suggest that such illicit practices persisted beyond 2020, following the dissolution of the previous regime’s decades-long power monopoly. State capacities for fighting are evaluated as poor. The election of a special prosecutor, who had recently received the State Department’s Award for the fight against corruption, contributed to the relative consolidation of prosecution, while the election of three Constitutional court judges made this institution functional again.

Despite efforts, the implementation of judiciary reform in Montenegro remains lacking, hindering the effective combat against organised crime and posing a significant obstacle to Montenegro’s progress on its EU accession path. Montenegro’s judiciary and broader security sector continue to grapple with inadequate human and material resources, presenting ongoing challenges. While democratic progress was made in 2023 with the election of the first non-DPS president through direct elections, the emergence of scandals, including alleged connections between the new prime minister and imprisoned crypto-currency businessman Do Kwon, raises concerns about the government’s capacity to address high-level corruption effectively. Finally, the feeling of safety among citizens is still assessed as a medium, while most citizens still perceive Montenegro as a relatively safe place. Even though almost half of the population believes that police are involved in corruption and under the influence of organised crime, citizens still find the police generally efficient in protecting citizens’ safety. Solid support which citizens give to presidents and prime ministers elected in 2023, as well as high support of citizens to the work of recently elected special prosecutor might, however, indicate that there is a growing trust among citizens in certain institutions.

## **N**ORTH MACEDONIA

Fighting crime in North Macedonia is evaluated as **moderate**. While official statistics for 2023 indicate no significant increase in violent

crime rates, persistent concerns surround domestic violence. The country continues to serve as a transit point for drug, human, and weapons trafficking, with a noticeable uptick in domestic drug consumption. The reported rise in juvenile involvement in the drug trade poses a serious challenge. State crime involving political elites in financial and tax-related offences remains prevalent, notwithstanding some positive developments in 2023. Ongoing efforts to combat organised crime face obstacles, including moderate state capacity and limitations in deploying specialised investigative measures, particularly within customs and financial police departments. The judiciary still encounters difficulties, including delays in implementing reform strategies and apprehensions regarding political interference. Widespread corruption impacts high-level corruption trials, prompting amendments in the Criminal Code that could further impede prosecution efforts. Despite these challenges, North Macedonia demonstrated some progress in judicial capacity during 2023, and external pressure contributes to the functional enhancement of its crime-fighting capabilities while citizens maintain a moderate perception of safety.

The level of violent crime in North Macedonia is assessed to be moderate. While there are indications of an increase in violent incidents within society, official statistics for 2023 suggest no significant changes in violent deaths, thefts, and robberies. Nevertheless, domestic violence and juvenile crime, particularly in the drug trade, remain

substantial concerns. North Macedonia continues to serve as a transit country for the illegal trafficking of drugs, humans, and weapons across the region, primarily acting as a conduit for heroin and cocaine destined for Bulgaria, Greece, and Turkey. Additionally, there has been a noted uptick in domestic drug consumption, especially concerning cannabis, attributed to its accessibility and affordability. State involvement in crimes, notably financial crimes, investment fraud, and tax evasion by political elites, persists despite some positive developments.

The state's capacity to combat organised crime is considered moderate. Ongoing efforts to strengthen national law enforcement include continuous reforms targeting specialised departments within the Ministry of Internal Affairs to address specific criminal activities. However, the customs administration and financial police lack adequate resources to employ specialised investigative measures, hampering anti-organized crime efforts. Further enhancements are needed to improve law enforcement effectiveness in combating specific crimes such as money laundering and financial offences. Concerns over potential political interference arose following the contentious removal of the President of the Judicial Council in May 2023. Additionally, implementing a new judicial reform strategy to improve institutional performance has been slow-moving, with minimal progress in implementing human resource strategies for the judiciary and prosecution services. Delays in court promotions exacerbate efficiency issues. Widespread corruption remains a

significant challenge, leading to delays and setbacks in high-level corruption trials. Amendments to the Criminal Code have reduced penalties for corruption-related crimes, potentially affecting ongoing cases and hindering authorities' ability to investigate and prosecute such offences effectively.

Despite these challenges, North Macedonia has the region's lowest proportion of pre-trial detainees, indicating an increasing capacity within the judiciary to handle criminal cases efficiently. Achieving democratic governance and oversight in the security sector is hindered by political party agendas and ethnic factionalism, yet functionality is sustained through external incentives and pressures. North Macedonia's NATO membership has spurred reforms to enhance transparency in public activities and transactions. Despite widespread perceptions of corruption undermining trust in the criminal justice system and law enforcement, citizens still regard North Macedonia as a moderately safe place to live, resulting in a medium level of perceived safety.

**K**OSOVO  
Fighting crime in Kosovo remains **poor**. Kosovo faces persistent challenges in combating crime, with high rates of homicides, robberies, and pervasive issues like domestic violence, femicide, and sexual assault. Organised crime, notably trafficking of counterfeit goods, firearms, and drugs, remains a significant concern, with criminal organisations having deep political connections. Despite

international support, Kosovo's capacity to fight crime is inadequate due to limited resources and widespread corruption in the public sector and judiciary. Efforts to establish an effective judicial system continued in 2023 but remain hindered by politicisation and lack of independence. While some anti-corruption legislation exists, implementation remains challenging, and progress in investigating and prosecuting organised crime is slow. Inter-ethnic distrust complicates security perceptions, with Albanian citizens feeling relatively secure, while Serbs express minimal confidence in institutions, exacerbated by recent violent incidents. Addressing these issues requires urgent action to strengthen law enforcement, enhance judicial integrity, and build community trust to improve overall safety in Kosovo.

Kosovo's crime rate remains high. While the rates of homicides and robberies in Kosovo fall within the average range for the region and Europe, significant challenges persist regarding domestic violence, femicide, and sexual assault. Organised crime remains a pervasive issue, with high levels of activity, including the trafficking of counterfeit cigarettes, illegal firearms, and drugs. Notably, many prominent criminal organisations, spanning both the Serbian and Albanian communities, seem to have entrenched connections across all levels of the political spectrum.



The capacities for fighting crime are assessed as poor. Despite the substantial support from international partners, human and material resources are still insufficient for efficient fights against different types of crime in society. Efforts to effectively address rampant crime within society face significant obstacles due to pervasive corruption within the expansive public sector, a politicised judiciary, and law enforcement authorities lacking operational independence. Kosovo is still in the initial phases of establishing an effective judicial system, with minimal advancement observed during the assessment period. It remains imperative to enhance the existing mechanisms, ensuring the justice system's integrity, accountability, independence, and efficiency. The Minister of Justice and the heads of the primary justice system institutions signed a Joint Commitment Statement and Action Plan on justice reforms in March 2023. Still, prompt action is necessary to yield concrete outcomes. Regarding the combat against corruption, Kosovo finds itself at a transitional stage with some groundwork laid, albeit limited progress recorded during the evaluation period. Corruption persists as a significant concern despite the Assembly's adoption of substantial anti-corruption legislation and advancements in the legal framework for criminal confiscation. Implementing anti-corruption laws requires considerable attention, and although there have been improvements

in the Agency for Prevention of Corruption's performance, the preventive measures outlined in the legislation are yet to be fully deployed. In the battle against organised crime, Kosovo remains at an early phase, with minimal headway made in investigating and prosecuting organised crime cases.

While Kosovo has implemented a new police organisational structure and bolstered intelligence and analytical capabilities, law enforcement operations against organised crime persist. The potent tools outlined in the Criminal Code and the Law on extended confiscation powers have not been fully utilised. Despite the substantial roles of EULEX and KFOR in overseeing law enforcement and security governance, surpassing the influence of domestic civil society, critical political figures still evade and circumvent the established oversight mechanisms. Assessing the sense of security among citizens in Kosovo proves challenging due to the intricate governance structure and widespread inter-ethnic distrust. Generally, Albanian citizens in Kosovo report feeling secure, exhibiting some of the highest levels of trust in the police within the region. Conversely, the Serbian community residing south of the Ibar River maintains minimal confidence in Kosovo's institutions and experiences unease. While the situation was previously better in northern Kosovo, a series of violent incidents in 2023 involving clashes between Serbs and Albanians, with the

involvement of KFOR, have substantially eroded the sense of safety among Serbs and their trust in institutional

mechanisms. Overall, the feeling of safety remained low in Kosovo.

## POLITICAL PLURALISM

State/Territory	Political Pluralism (bad/problematic/fairly good/good)
<b>Serbia</b>	Problematic
<b>Croatia</b>	Good
<b>Bosnia and Herzegovina</b>	Problematic
<b>Albania</b>	Fairly Good
<b>Montenegro</b>	Fairly Good
<b>North Macedonia</b>	Problematic
<b>Kosovo</b>	Fairly Good

Compared to the previous year, political pluralism in the Western Balkan region has slightly improved. Out of the seven countries included in the BPI, six scored the same as in 2022, while Montenegro improved its position from being problematic to fairly good. Bosnia and Herzegovina, North Macedonia, and Serbia remain categorised as problematic, while Albania and Kosovo are deemed fairly good. Croatia is the only country that has maintained good political pluralism for the second year in a row.

Most countries in the region have civil liberties scores at a medium-high level, with Croatia being the exception with a high-level score. However, Serbia and Bosnia and Herzegovina fall under the medium-low category. Freedom of expression is thriving in Croatia, Montenegro, and North Macedonia, while it remains limited in the other four countries. Unfortunately, news outlets in Albania, Bosnia and Herzegovina, Kosovo, and Serbia display bias towards either the government or the opposition. Journalists in these countries face job insecurity, low salaries, and are vulnerable to political

pressure, intimidation, and even physical attacks. While this is not completely unheard of in the other three countries, it is much rarer. Apart from Croatia, freedom of association and assembly is either limited or restricted in the Western Balkans region. The situation is most dire in Serbia, where peaceful demonstrations against violence in society, including large-scale protests due to alleged election fraud, were met with force and violent assaults on several protesters in 2023.

The majority of countries in the region conduct free (and fair) elections, with Bosnia and Herzegovina and Serbia being the exceptions. The state elections held in Bosnia and Herzegovina in 2022 were riddled with issues, including widespread distrust in the government, doubts about the secrecy of votes, procedural irregularities during vote counting, and biased media coverage. Additionally, the interference of the High Representative further undermined the democratic integrity of Bosnian institutions, as it favoured one of the constitutive peoples over the other. On the other hand, the Serbian

parliamentary elections held in 2023 were characterised by significant polarisation between the ruling government and the opposition. There were numerous irregularities, such as media bias, pressure on public sector employees, organised voter migration, and misuse of public resources. Such issues contributed to a lack of confidence in the electoral process, which is concerning for the country's democratic future.

The level of political polarisation varied across different countries in the region. In Bosnia and Herzegovina and North Macedonia, it remained high, while Croatia experienced a low level of polarisation. Albania and Kosovo remained in the middle. However, Serbia saw an increase in polarization from medium to high in 2023, with a growing divide between the government and opposition, fuelled by incidents of violence and accusations of election fraud. On the other hand, Montenegro experienced a decrease in political polarisation thanks to well-managed and free elections that resulted in a new president and government, ultimately ending the political crisis in the country.

## **S** ERBIA

In recent years, political pluralism has drastically deteriorated in Serbia, being assessed in 2023 as **problematic**. This decline has been visible through significant erosion of political rights and civil liberties, and immense pressure on independent media,

political opposition, and civil society organisations.

Despite constitutional guarantees of press freedom, various factors continue to pose a threat to media independence. These factors range from the possibility of legal action or criminal charges against journalists for non-libel offences to opaque media ownership structures, political editorial influence, direct pressure and intimidation tactics towards journalists, and a pervasive culture of self-censorship. Reporters Without Borders (RSF) characterized the media environment as “polluted by propaganda, influence peddling and fake news”. Citizens are generally able to exercise freedom of assembly, though several ongoing prosecutions were launched against activists associated with the political opposition. Throughout 2023, there were numerous peaceful demonstrations against violence in society, including large-scale protests caused by alleged election fraud. Some of these demonstrations, however, were met with force by private security agencies and masked individuals allegedly linked to the government, resulting in the violent assaults of several protesters.

Parliamentary elections held in December 2023 were characterized by significant polarisation between the ruling government and the opposition. Observers reported numerous irregularities during the campaign and on election day. OSCE and ODIHR noted in their preliminary findings and conclusions report that “fundamental freedoms were generally respected in the campaign, but it was marred by harsh

rhetoric, bias in the media, pressure on public sector employees and misuse of public resources". These issues included an unfair advantage given to pro-government parties due to their disproportionate media access, pressure on public sector employees and minority groups, such as the Romany population, to support the incumbent party, organised voter migration, notable discrepancies in campaign financing, and the misuse of administrative resources. All these factors together made for an unequal electoral environment and provided undue advantages to the ruling party.

Serbia has been rated as partially free by Freedom House (FH) with a score of 60 out of 100. Nations in Transit (NIT) categorises Serbia as a transitional or hybrid regime with a score of 46/100. According to FH, Serbia's freedom of expression is assessed as 3 out of 4, while Reporters Without Borders (RWB) gave Serbia a problematic score of 59.16. The country's freedom of association and assembly is estimated as 2 out of 4, indicating a medium-low level of civil liberties. FH graded elections as 2 out of 4, while the Fragile State Index (FSI) gave political polarisation a score of 8.6 out of 10, confirming that the elections are only partly free and political polarisation is high.

## ROATIA

Croatia is a parliamentary republic that conducts regular free elections. While civil and political rights are generally respected, corruption in the public sector remains a serious issue. Roma and ethnic Serbs continue to face discrimination, along

with the LGBT+ community. Despite this, political pluralism in Croatia is evaluated as **good** for the year 2023.

The media in Croatia is highly polarised but generally free from overt political interference or manipulation. However, journalists often face threats, harassment, and occasional attacks, sometimes even at the hands of police, which has led to an atmosphere of self-censorship. On a positive note, freedom of assembly is protected and respected in Croatia. Citizens are free to form and participate in various political parties.

The last presidential and parliamentary elections were held in 2020 and were deemed free and fair. However, the Croatian Democratic Union (HDZ) has dominated politics and draws support from the Catholic Church, veterans, and a growing number of conservative nongovernmental organisations (NGOs). While candidates and voters can express their political choices freely, public officials may be influenced by patronage networks and become aligned with parties or special interest groups.

Eight parliamentary seats are reserved for ethnic minorities, including three for ethnic Serbs. Nevertheless, marginalised groups such as Roma and Serbs are underrepresented in terms of their political interests. During the last election campaign, ethnic Serb candidates were harassed.

FH estimates Croatia as a free country, giving it a score of 84 out of 100. NIT determines Croatia as a semi-consolidated democracy with 54/100. Freedom of expression in Croatia is estimated as 3.2/4 and 71.95/100 (satisfactory) by FH and RWB,

respectively. Freedom of association and assembly in Croatia received the highest grades for 2023 (4/4, FH), resulting in a high level of civil liberties. Elections are considered free and fair (4/4, FH), while political polarization is low (4.4/10, FSI).

## **B**OSNIA AND HERZEGOVINA

The political situation in Bosnia and Herzegovina is facing serious challenges due to the lack of cooperation among the nationalist leaders from Bosniak, Serb, and Croat communities. Other communities' participation in politics is almost non-existent. Corruption is rampant in the government and other areas of society, which makes political pluralism in the country **problematic**.

Freedom of expression is legally guaranteed but limited in practice. Journalists face political pressure as well as harassment, threats, and occasional assaults in the course of their work. There is a large private media sector, including outlets that are affiliated with local political parties and those that belong to major international news networks. Freedom of assembly is generally respected in BiH, and peaceful protests are common. However, demonstrators sometimes encounter administrative obstacles or police violence, and organisers can become targets of police or political harassment. The nongovernmental organisation (NGO) sector in BiH remains robust but is sometimes exposed to government pressure and interference, with conditions more difficult in the RS.

The most recent general elections in Bosnia and Herzegovina took place in the year 2022. An election-monitoring mission conducted by OSCE found that while the polls were competitive, there were several shortcomings in the electoral framework. The mission highlighted concerns regarding the general distrust in the government, uneven participation of women, doubts about the secrecy of votes, procedural irregularities during vote counting, and biased media coverage. Additionally, the mission noted that ethnic segregation was becoming more profound, leading to divergent views on the future of the country, which could potentially hinder the proper functioning of democratic institutions. The issue of ethnic representation in the constitution and electoral laws has become a bone of contention due to its perceived lack of fairness. Nevertheless, the interference of the High Representative by amending the Federation of Bosnia and Herzegovina's constitution and election law also undermined the democratic integrity of Bosnian institutions, disproportionately favoured the Croat nationalist HDZ BiH, and failed to adequately address the totality of the outstanding constitutional and electoral cases facing the Bosnian state.

As per the FH report, Bosnia and Herzegovina is a partially free state with the lowest score in the region, which is 52 out of 100. NIT categorises Bosnia as a transitional or hybrid regime, with a score of 37 out of 100. Freedom of expression is considered problematic, with a score of 65.43 out of 100 by RWB and a score of 2.5 out of 4 by FH. The freedom of association and assembly also

received a low score of 2.3 out of 4 by FH, determining civil liberties in Bosnia to be at a medium-low level. The evaluation of elections is the lowest in the region, with a score of 1.6 out of 4 by the FH, while political polarisation is the highest at 8.7 by the FSI.

## **A** **LBANIA**

Albania has a history of holding competitive elections, but political parties are often divided and centred around prominent individuals. The country generally respects the freedom of expression and assembly. However, corruption and bribery are still prevalent issues that the government is working to address, especially in the judiciary system. Overall, Albania is considered to have a **fairly good** level of political pluralism.

Although the constitution guarantees freedom of expression, the presence of strong business, political, and media interests hinders the growth of independent news outlets. Most news outlets are considered biased towards either the government or the opposition. Reporters face job insecurity, low salaries, and remain vulnerable to lawsuits, intimidation, and even physical attacks by those who do not want to be scrutinized by the media. Still, people are generally allowed to assemble freely. In 2023, the opposition organised several protests and events, some of which turned violent.

The political landscape in Albania is characterized by sharp polarisation between the two main parties, namely the Socialists and Democrats, who are often driven by personality-based rivalries. While citizens have the freedom to make their own political

choices, powerful economic actors exert significant influence in Albanian politics through their control of media outlets and involvement in electoral campaigns. There are also instances where criminal organisations and corrupt actors have been known to exploit this influence to further their own interests.

Local elections were held in Albania in 2023, resulting in a clear victory for the ruling party. The Office for Democratic Institutions and Human Rights (ODIHR) reported that the elections were generally well-administered and competitive with the participation of key political forces. Nonetheless, the process was marked by ongoing polarisation between the main political parties and deep division within the opposition. Contestants were able to campaign freely, but issues relevant to local communities were not adequately addressed. There were concerns over the misuse of state resources at both central and local levels, allegations of pressure on public-sector workers and voters, and claims of vote-buying.

Albania has been classified as a partly free country by FH, with a score of 67 out of 100. The freedom of association score is 3.2 out of 4. On the other hand, RWB considers Albania problematic, with a score of 57.86 out of 100 regarding the exercise of this freedom. NIT categorises Albania as a transitional or hybrid regime and gives it a score of 46 out of 100. The level of civil liberties in Albania is medium-high, with a relatively limited freedom of association and assembly, scoring 3 out of 4, according to FH. Elections are considered free with a score of 3 out of 4 by FH,

and political polarisation is average with a score of 6.2 out of 10 by FSI.

## MONTENEGRO

In 2020, an opposition coalition took over from the Democratic Party of Socialists, ending their three-decade rule. However, since then, there has been a lot of political and institutional instability in Montenegro due to an unpredictable parliamentary majority and a paralysed Constitutional Court. This situation continued until the parliamentary and presidential elections held in 2023. The new government managed to stabilise the situation and promote political pluralism, which earned Montenegro a **fairly good** score. However, corruption remains a problem in politics and the judiciary. Despite persistent issues within the judicial system, civil liberties are generally respected, and Montenegro has dynamic media and civil society.

There are several independent media outlets in Montenegro, but they tend to have a biased and confrontational approach to certain topics. However, the absence of external pressures during 2022 and 2023 has reduced the prevalence of internal censorship within media organisations and self-censorship among journalists. Nevertheless, journalists who report on corruption and organised crime still face the risk of violence. Citizens generally enjoy freedom of assembly. There was a decrease in incidents of violence, excessive police force, and interference with demonstrations in 2023. Most NGOs were able to operate without any hindrance. The new government recognised civil society actors as

strategic partners in crafting government reforms.

It has been reported by ODIHR that the presidential and parliamentary elections conducted in 2023 were competitive and well-managed despite taking place during a prolonged institutional and constitutional crisis and a highly polarised environment over issues such as church affiliation and national identity. The electoral campaigns respected basic freedoms and were free from any interference, giving voters a wide range of options to choose from. However, the legal framework governing the elections has several gaps and ambiguities that undermine its effectiveness.

Montenegro is a country that is classified as partly free by FH, with a score of 67 out of 100. It is considered a transitional or hybrid regime by the NIT, with a score of 46 out of 100. Montenegro's freedom of expression is satisfactory, receiving one of the highest grades in the region, with a score of 74.28 out of 100 by RWB, and a rating of 3 out of 4 by FH. However, freedom of association and assembly is somewhat limited, with a score of 3 out of 4 by FH. Overall, civil liberties in Montenegro have a medium-high level. Elections in Montenegro are considered to be free, with a score of 3 out of 4 by FH. Political polarisation currently has a score of 6.5 out of 10 by the FSI, indicating a medium level with a declining trend.

## NORTH MACEDONIA

North Macedonia is a parliamentary republic where the formation of unstable government coalitions



is quite common, along with early elections. Despite efforts to combat it, corruption and clientelism remain a challenge for the government. Although the media and civil society play an active role in public discourse, journalists and activists still face intimidation and pressure. The political climate in 2023 has continued to be very divided between the ruling party and the opposition regarding some crucial matters, keeping political pluralism on a **problematic** level.

The world of media is highly divided based on political affiliations, and private media organisations are often linked with political or commercial interests that impact their content. Incidents of physical attacks on journalists are still being reported. NGOs generally operate in a safer environment, and public institutions are more responsive to civil society work. Though, NGOs, particularly those that receive foreign funding, face pressure from the opposition and their supporters.

The most recent parliamentary elections took place in 2020 and ended in a near draw. The government was established with the help of smaller left-leaning and ethnic minority parties. With the 2021 local elections, there has been an improvement from the previous years, as instances of vote buying, intimidation, and other misconduct have been reported less frequently. While OSCE observers praised the election as being well-managed and free, they criticised last-minute changes to the electoral framework.

The political crisis that has been ongoing for some time finally culminated in 2023, and it was temporarily resolved through an agreement between the government and

the opposition. The agreement was about holding snap elections in 2024. The deal came after a prolonged disagreement between the two main political blocs over the exact election dates. For nearly two years, the opposition has been calling for snap elections as soon as possible. They have claimed that the government has been delegitimised by betraying national interests and by fostering widespread corruption. The government has responded by saying that it will grant the opposition's wish on the condition that they support a key constitutional change that is currently in parliamentary procedure. The change requires a 2/3 majority and would see the country's Bulgarian minority mentioned in the preamble in the list of state-founding peoples.

North Macedonia is considered partly free by FH (68/100) and transitional or hybrid regime by NIT (48/100). Its freedoms of expression, association and assembly are rendered as free or somewhat limited (3/4, FH, 74.35/100, satisfactory, RWB). Civil liberties in Macedonia are at a medium-high level, while elections are considered free (3/4, FH). Nonetheless, the level of polarisation (7.3/10, FSI) is still relatively high.



Kosovo has conducted credible and relatively well-administered elections. However, deeply rooted corruption has had negative impacts on various public institutions. Journalists in the country continue to face intimidation, particularly on social media platforms. The interference and dysfunction in the judiciary have considerably

affected the rule of law in Kosovo. Despite these challenges, political pluralism in Kosovo is still considered **fairly good**.

The constitution of Kosovo protects press freedom, and there are multiple media outlets in the country. However, there have been instances of undue influence on editorial lines. Journalists are continuously facing physical attacks, threats, and obstacles in their work. According to the Association of Journalists of Kosovo (AGK), between January and September 2023, there have been 60 recorded incidents against journalists. NGOs often face pressure to limit criticism of the government, but most are still able to engage in advocacy work without interference.

During elections, voters in Kosovo are still influenced by corruption and clientelism, as well as pressure from powerful business interests. The Serbian authorities still exert their influence on the platform of the Serb List and the political decisions of Kosovo's ethnic Serbs in general. Key political figures in Kosovo have ties to organised crime and high-level corruption, which have a strong impact on politics and have been instrumental in the installation of key leaders.

In general, the right to assemble is respected, however, demonstrations can

sometimes be restricted due to security concerns. Tensions escalated in May 2023 when ethnic Albanian mayors assumed office in north Kosovo municipalities after local elections that had largely been boycotted by the ethnic Serb community. Succeeding protests resulted in NATO forces clashing with protesting ethnic Serbs in the north, injuring at least 50 Serbs and 25 NATO soldiers. In September, a Kosovo police officer was killed by a group of heavily armed Serb gunmen. Kosovo security forces shot three of the group dead and arrested at least eight others, and Serbia increased military deployments at its border with Kosovo.

Kosovo is a country that is partially free, with a score of 60 out of 100 on the FH index and is considered a transitional or hybrid regime with a score of 38 out of 100 on the NIT index. Freedom of expression is a concern in Kosovo, with a score of 68.38 out of 100 on the RWB index and a score of 2.5 out of 4 on the FH index. However, there is a somewhat higher score for the freedom of association and assembly with a score of 3 out of 4 on the FH index. Elections in Kosovo are considered free, with a score of 3 out of 4 on the FH index. Unfortunately, there is no data available for the level of polarization in Kosovo.

## SOCIO-ECONOMIC DEVELOPMENT

State/Territory	Socio-Economic Development (low/medium/high)
<b>Serbia</b>	Medium
<b>Croatia</b>	High
<b>Bosnia and Herzegovina</b>	Low
<b>Albania</b>	Medium
<b>Montenegro</b>	Medium
<b>North Macedonia</b>	Medium
<b>Kosovo</b>	Low

No European region suffered more significant economic consequences than the Western Balkans due to a double-dip recession. The drop in economic output during the financial crisis was followed by a slight recovery, with GDP growth of 2 per cent, after which, according to the World Bank, another period of decline in real economic growth followed.

This crisis has further highlighted the weaknesses of the regional economies. The structural problems of almost all the region's economies are the low level of economic development, inflexible labour markets, a dysfunctional social protection system, deindustrialisation, a significant share of the informal economy in GDP, and significant rates of corruption. Particularly remarkable has been the (rarely present) high unemployment rate of 25 per cent or more (which shows a decreasing trend) that was recorded in several regional entities (BiH, Kosovo, NM, Serbia). An additional problem is the unemployment of young people and women.

Global pandemics have also negatively affected the region's actors

through the closure of businesses due to a drop in domestic or foreign demand for their products and interruptions or stoppages in global production chains, leading to job losses in the formal and informal economies. The loss of jobs of domestic citizens in other countries (especially in the European Union) and travel restrictions resulted in a drop in remittances, which in the region's countries make up about 10% of GDP. Fiscal incentives and monetary policy aimed at increasing liquidity reduced the adverse effects of this crisis. Still, they inevitably led to increased fiscal deficits and public debt in the region's economies.

The conflict in Ukraine and a prolonged crisis will also negatively affect the region. The global slowdown and increase in the price of energy and food fuel inflation produce negative consequences for the population's purchasing power, the business activities of companies, and the labour market. An additional effect of these activities is the further worsening of the social position of the most vulnerable groups of the

population. At the same time, the growth prospects of regional economies remain modest.

The level of socio-economic development of the region is rated as medium. This represents the expected result considering the average values of socio-economic development for four regional actors (Albania, Montenegro, North Macedonia, and Serbia), two poor results (Bosnia and Herzegovina and Kosovo), and only one high outcome (Croatia).

The economic outlook of regional economies is mainly rated as intermediate, with one bad result (Kosovo) and only one good (Croatia). Nevertheless, the overall results should also be interpreted through the different contexts in which individual actors exist and operate, from Croatia, which has achieved a high degree of international economic integration (as a member of the European Union and the Eurozone), to actors that are not sufficiently integrated into regional and global financial markets (such as Bosnia and Herzegovina and Kosovo). When predicting prospects, one should also consider the exposure of regional actors to external events such as the deterioration of global financial conditions leading to increased financing costs, a decrease in foreign demand, the war in Ukraine, and the energy crisis.

The inequality-adjusted Human Development Index of economies in the region can be understood as high,

globally. However, it should be remembered that regional actors (except Croatia) have an IHDI among Europe's lowest.

As for Economic Equity, none of the regional actors meet the conditions for winning a high value of this sub-indicator. This data is not surprising when considering their significant unemployment and poverty levels. However, we should not ignore that during 2022, unemployment in the observed entities declined to a historic minimum, according to World Bank data, which led to significant labour shortages in specific sectors.

According to the sources used, corruption in the region is widespread. Except for Croatia and Montenegro, the level of corruption in the region ranges from medium to high and represents an important issue that impacts various aspects of people's daily lives. Based on the Corruption Perception Index for 2023, Bosnia and Herzegovina and Serbia have the lowest scores in the region.

Bearing in mind the thesis that economic development and peace are often mutually reinforcing, improving the level of socio-economic development in the observed entities strengthens the resistance of societies to internal and external crises, increases the density of social cohesion among citizens, and positively affects their attitudes about the standard of living and happiness, which certainly improves the conditions for the

establishment of positive peace in the region.

## **S**ERBIA

The global financial crisis of 2008, and especially the Eurozone crisis that followed, exposed the structural weaknesses of the economies of the Western Balkans (including Serbia): low level of economic development, deindustrialisation, inflexible labour markets, dysfunctional social protection system and significant rates of corruption. The global Covid-19 pandemic had a relatively moderate impact on Serbia's economy and population. After this crisis, a strong recovery followed, with a growth rate of 7.4 per cent in 2021 and 2.5 per cent in 2022. However, an economic challenge for Serbia is the Ukrainian crisis and its consequences for the energy sector and the availability of electricity and gas. A significant inflation growth rate of 15.1 per cent in 2022 also negatively affected the poor and vulnerable groups of the population. A noteworthy problem in the medium term may be the rising cost of financing debt obligations because of unfavourable development in the international capital market. The expected structural reforms have been slowed, with some progress in infrastructure development, fiscalisation and domestic capital market development.

The level of socio-economic development in Serbia is rated as **medium**. This rating was determined by the average values of almost all used indicators and sub-indicators (economic outlook, equity (economic equity and social equity)), with a

high indicator value related to the level of corruption.

Bearing in mind the sensitivity of the economic system in Serbia to external shocks, the intermediate value of the economic outlook represents a good score. As for social equity observed through the IHDI, a medium result was recorded. The sub-indicator related to economic equity also gave a medium result due to the medium level of unemployment (observed concerning entities in the region) and the average level of wealth inequality. However, in Serbia, a significant number of poor people has been recorded (concerning the national poverty line), which negatively affects the general assessment in this domain. A particular problem is the level of corruption noted in various reports and relevant indexes. Thus, e.g. according to the level of perception of corruption, Serbia is in the second half of the list out of 180 countries and territories. An additional problem is a negative trend that Serbia has on this scale, which fundamentally affected the value of this indicator. Also, Serbia's poor result in this field is visible in the Control of Corruption indicator created by the World Bank and in the indicator based on low levels of corruption in the Positive Peace Report.

## **C**ROATIA

The global financial crisis of 2008 had a significant impact on the decline in the rate of economic growth, producing a recession that lasted until 2014. The crisis pandemic produced a substantial drop in GDP during 2020 (the economy contracted about 9 per cent), with a rapid

recovery during 2021 thanks to the successful tourist season of that year. The GDP growth rate was 13.1 per cent, the second highest in Europe (behind Ireland). According to World Bank data, the economy grew at a rate of 6.3% in 2022. The fact that Croatia adopted the euro and joined the Schengen area on January 1, 2023, with the possibility of more significant use of European Union funds, should reduce recessionary pressures in the future. Also, these changes are expected to stimulate the growth of the overall tourism sector, which represents about a quarter of the GDP and employs about 13% of the total workforce. However, the structural problems of the Croatian economy are still present, such as relatively low productivity (compared to the EU average), declining and ageing population, and emigration of the working-age population. Another challenge for Croatia is the Ukrainian crisis and its impact on the prices of energy and food, along with a significant increase in the inflation rate, which produces negative consequences for people's daily lives, especially for vulnerable groups.

The level of socio-economic development in Croatia is estimated as **good**. This rating was determined by the above-average values of almost all used indicators and sub-indicators (economic outlook, equity (economic equity and social equity)), with a low indicator value related to the level of corruption.

A good value of the economic outlook represents a positive value, bearing in mind the relatively high GDP per capita, the good value of the trade balance, and next to the second worst value of the debt/GDP ratio

compared to other entities in the region. However, since Croatia is a member of the EU, has joined the Eurozone and is also a beneficiary of significant grants from EU structural and investment funds, especially from the Next Generation instrument, it is in a more favourable economic position than other economies in the region. A high value of the IHDI meant a high value of the Social Equity sub-indicator. In contrast, the average values of poverty (below the national poverty line) and wealth inequality led to a medium value of the Economic Equity sub-indicator. However, the unemployment rate, compared to other entities, is low. The level of corruption was assessed as low due to Croatia's good results in the CPI, Global risk index, V-dem, and the Control of Corruption indicator created by the World Bank.

## **B** OSNIA AND HERZEGOVINA

The global financial crisis in Bosnia and Herzegovina produced a decline in fundamental macroeconomic indicators during 2009. A reduction in GDP and GDP per capita was recorded for the first time after the end of the war in B&H, while the unemployment rate increased, which was in line with the expected results during the recession. The pandemic has harmed the economy, raising the unemployment rate, reducing income from remittances, and worsening employees' working conditions and income in the informal economy. The tourism sector suffered the most significant losses, but a drop in production was also recorded. During 2021 and 2022, there was a substantial recovery, with GDP growth of 7.5

and 4.1 per cent, respectively. Nevertheless, the structural problems of the BiH economy (institutional and economic fragmentation, i.e. the absence of a single economic space, low level of economic development, high unemployment, many employees in the informal economy, a significant level of corruption) are still very present, creating adverse effects on people's daily life. The Ukrainian crisis and the prolonged inflationary pressure, partly based on the rise in energy prices, harm the country's economic prospects.

The level of socio-economic development in Bosnia and Herzegovina is rated as **low**. This rating was determined by the medium and low values of almost all used indicators and sub-indicators (economic outlook, equity (economic equity and social equity)), with a medium value of indicator related to the level of corruption.

The intermediate value of the economic outlook represents an understandable value considering (in relative terms) the average value of GDP per capita, the average value of the trade balance, and the second-best value of the debt/GDP ratio of other regional entities. However, it should be borne in mind that the country's low external debt indicates insufficient integration into global financial flows. In relative terms, a low value of IHDI meant a low value of the Social Equity sub-indicator. In contrast, the high poverty rate (below the national poverty line) and a high unemployment rate led to a low Economic Equity sub-indicator value despite the average value of wealth inequality. Because of this, the low value of the Equity

indicator has been reached. The level of corruption was assessed as low due to Bosnia and Herzegovina's poor score in the Corruption Perceptions Index, Global Risk Index, V-dem, and the Control of Corruption indicator created by the World Bank.

## **A** **LBANIA**

The global financial crisis of 2008 had a limited impact on Albania's economy, partly due to insufficient integration with global markets and the underdevelopment of domestic financial markets. Before this, Albania faced two financial crises, the pyramid savings crisis of 1997 and the financial crisis of 2002, which had predominantly internal causes and produced negative consequences for the inhabitants' daily lives. The coronavirus pandemic significantly negatively impacted the Albanian economy, increasing the unemployment rate, reducing income from remittances, and worsening the working conditions and income of those employed in the informal economy (which is around 32% of the total number). The number of people living in poverty also increased by about 4% (i.e., by about 112,000 people), with women bearing a disproportionate risk. During 2021 and 2022, a rapid recovery occurred (GDP growth rate of 8.5% and 4.9%, respectively), but the Ukrainian crisis and rising inflation hurt the country's economic outlook. A particular danger for the country can be the existence and growth of fiscal pressure due to the increase in government expenditures for households and small and medium-sized enterprises, contributing to the growth of

public debt. Vulnerable groups are under pressure due to the slowdown in economic growth and limited budget resources.

The level of socio-economic development in Albania is rated as **medium**. This rating was determined by average values of almost all used indicators and sub-indicators (economic outlook, equity (economic equity and social equity)) and level of corruption.

The intermediate value of the economic outlook represents an acceptable value, bearing in mind the relatively low GDP per capita, the average value of the trade balance, and the third worst debt/GDP ratio compared to other entities in the region. The average value of IHDI meant the medium value of the Social Equity sub-indicator. In contrast, the medium value of unemployment and wealth inequality led to the medium value of the Economic Equity sub-indicator. However, the poverty rate (below the national poverty line) has been very high. The level of corruption was assessed as medium due to Albania's improved results in the Global Risk Index, Index of Public Integrity, TRACE Bribery Risk Matrix, and the Control of Corruption indicator created by the World Bank.

## **M**ONTENEGRO

The 2008 global financial crisis had significant consequences for Montenegro, creating a recession and a drop in public revenues, which, along with substantial fiscal expenditures aimed at solving social problems, led to the creation and growth of the budget deficit and

increasing public debt ratio. The crisis pandemic had significant negative consequences for economic growth in 2020, with a drop in GDP of 15.3%. One of the reasons for this result is that the economy of Montenegro is primarily based on tourism, and during 2020, a drop in visits by more than 80 per cent was recorded. However, the Montenegrin economy experienced a rapid recovery during 2021 and 2022, growing at 13% and 6.4%, respectively. However, structural problems are still present: low level of economic development, low productivity, high unemployment rate, and significant level of poverty. The high share of the informal economy and the growing public debt due to borrowing (in China) due to highway construction are quite specific to Montenegro. An additional problem for Montenegro's economic prospects could be the Ukrainian crisis, which has led to an increase in energy prices, a food crisis, and high inflation, which can significantly affect tourism, with negative consequences for the country's budget revenues and, therefore also for pensioners and other sensitive groups.

The level of socio-economic development in Montenegro is rated as **medium**. This rating was determined by the combination of average and low values of used indicators and sub-indicators (economic outlook and the level of corruption), with a low value of indicator related to equity.

The intermediate value of the economic outlook represents a positive score, considering, in relative terms, the second-highest GDP per capita in the region, the second-worst value of the trade balance, and



the worst value of debt/GDP ratio compared to other entities in the region. A particular problem is the significant value of Montenegro's external debt, which has a decreasing value and contributed substantially to this indicator's adopted value. Nevertheless, it should be mentioned that Montenegro is exposed to additional challenges of political instability due to significant political polarisation in the country and possible fiscal risks. A high value of the IHDI meant a high value of the Social Equity sub-indicator. In contrast, the high poverty rate (below the national poverty line) and unemployment rate led to a low value of the Economic Equity sub-indicator despite the average value of wealth inequality. The level of corruption was assessed as low due to Croatia's good results in the Corruption Perception Index, Global Risk Index, V-dem, and the Control of Corruption indicator created by the World Bank. During the last three years, the results of the newly appointed prosecutorial and judicial actors in investigating high-level corruption cases have been noticeable. Still, their judicial epilogue remains to be seen.

## **N**ORTH MACEDONIA

The global financial crisis of 2008 significantly impacted the already fragile state of North Macedonia's economy. There was a drop in GDP and a decrease in foreign trade, which, along with the economic crisis in the European Union as North Macedonia's main trading partner, led to a decline in investments and remittances. The global pandemic hit North Macedonia at a

time when it was without fully functioning institutions (due to the existence of an interim government and dissolved parliament), worsening the already difficult economic situation, especially for the most sensitive groups of the population. The government has taken various stimulus measures for individuals with the lowest incomes (salaries and pensions), including direct payments. However, the effects of these measures have been limited. There has also been a notable share of the informal economy that official statistics cannot capture. During 2021 and 2022, the country's economy was significantly recovering, with GDP growth of 4 and 2.1 per cent, respectively.

Solving the structural problems of the North Macedonian economy implies building new and improving existing institutional capacities in creating and implementing adequate economic policies. Critical economic problems in the country are low economic development, significant structural unemployment (especially among women and young people), low productivity, informal economy, etc. The rise in energy and food prices due to the Ukrainian crisis further complicates the position of the most vulnerable groups of the population while growth prospects remain modest.

The level of socio-economic development in North Macedonia is estimated as **medium**. This rating was determined by the average and low values of almost all used indicators and sub-indicators (economic outlook, equity (economic equity and social equity)), with a medium indicator value related to the level of corruption.

The intermediate value of the economic outlook represents a positive score, the third worst GDP per capita in the region, the average value of the trade balance, and the third best value of debt/GDP ratio compared to other economies in the region. In relative terms, a low value of the IHDI meant a low value of the Social Equity sub-indicator. In contrast, high poverty (below the national poverty line) and unemployment rates led to a low value of the Economic Equity sub-indicator despite the average value of wealth inequality. Because of this, the low value of the Equity indicator has been reached. The level of corruption is rated as medium due to North Macedonia's average score in the Corruption Perceptions Index, Global Risk Index, V-dem, and the Control of Corruption indicator created by the World Bank.

## **K**OSOVO

The global financial crisis had moderate consequences for Kosovo's economy, but the global pandemic had significant adverse effects, with a decrease in GDP of 5.3 per cent in 2020. Those most affected by the Covid crisis were vulnerable population groups, the unemployed, people without health care, and those working in the "second economy".

Economic recovery followed in 2021 and 2022, with GDP growth of 10.5 and 5.2 per cent, respectively, which was dominantly based on export growth and increased domestic demand. The structural problems of Kosovo's economy have been low economic development,

high unemployment (especially among young people), low productivity, poor infrastructure, a large share of the informal economy, significant poverty, etc. However, the Ukrainian crisis produced additional negative consequences, with imported inflation becoming a substantial problem due to the reduction in the purchasing power of the domestic population and the distortion of the competitiveness of domestic enterprises due to the rise in food and energy prices. Kosovo's high dependence on international trade points to its sensitivity to external shocks.

The level of socio-economic development in Kosovo is assessed as **low**. This rating was determined by the low and medium values of almost all used indicators and sub-indicators (economic outlook, equity (economic equity and social equity)), with a medium value of indicator related to the level of corruption.

The bad value of the economic outlook represents the expected result, taking into account the worst value of GDP per capita in the region, the worst value of the trade balance, and the best value of the debt/GDP ratio concerning other economies in the region. However, it should be remembered that the country's low external debt indicates insufficient integration of the entity into global financial markets. There is no data for the value of IHDI. Still, considering the relatively low value of HDI, it can be concluded that it is certainly not high, so it does not decisively affect the overall

value of the indicator. The high poverty rate (below the national poverty line) and the high unemployment rate led to a low value of the Economic Equity sub-indicator despite the average value of

wealth inequality. Therefore, a low value of the Equity indicator was reached. The level of corruption is assessed as low, taking into account the results of Kosovo in the indices for which there are data.

