



European
Commission

The Western Balkans in 2035

The future in four scenarios



EU cooperation with the Western Balkans offers unparalleled opportunities. The Agenda for the Western Balkans will open these opportunities to students, researchers, innovators and cultural operators so that they access new markets, become more competitive and build sustainable prosperity. It is a positive and forward-looking vision for all.

Mariya Gabriel EU Commissioner for Innovation, Research, Culture, Education and Youth



JOINING THE COMMON MARKET

Appeasement in the WB6 enabled EU accession of the first three economies until 2035. Foreign Direct Investments (FDIs) increased, which further contributed to the integration of WB6 economies into higher-tier European value chains. SMEs also benefit from an **increased knowledge and technology transfer** and closer connection with the diaspora and business communities in Europe. Simultaneously, many traditional companies were forced to shut down as they were unable to meet EU regulations and compete with EU peers. The freedom of movement within the EU did not prevent the **exodus of well-educated professionals** and researchers.



LOOKING BEYOND EU BORDERS

EU enlargement is not a political priority anymore. The geopolitical vacuum in the region was soon filled by competing economic and military interests from Russia, China, Turkey, the Arab countries and the United States. Foreign powers invest primarily in the exploitation of natural resources in WB6, but they also provide internationalisation and export opportunities for selected WB6 companies and sectors. Non-European governments have also started to invest in the educational and vocational sector, resulting in significant **privatisation within the education sector**.



While EU accession remains an unmet milestone for the WB6, a Regional Economic Area could be established by 2035. It fosters economic revival, yet aggravates social and geographical disparities with attractive labour markets in economically vibrant areas. While investments continue to come mostly from European companies, their peers from Eurasia and Asia are raising their FDI to the WB6. **Business R&D experiences a strong upswing** at the expense of economically less relevant research fields. Eventually, some universities' faculties reorient themselves and start to offer tailor-made cooperation with companies.



'Haunted by the inertia of the past' is the title of a report published by a think tank in May 2035. The bleak status quo can mainly be traced back to the standstill in EU accession talks. This is the result of the limited political determination of WB6 leaders to initiate sustainable reforms in important economic sectors in order to improve national RD&I systems and solve bilateral disputes. Recognising their potential, the WB6 are trying to modernise the business sector by **introducing accelerator and support programmes**.



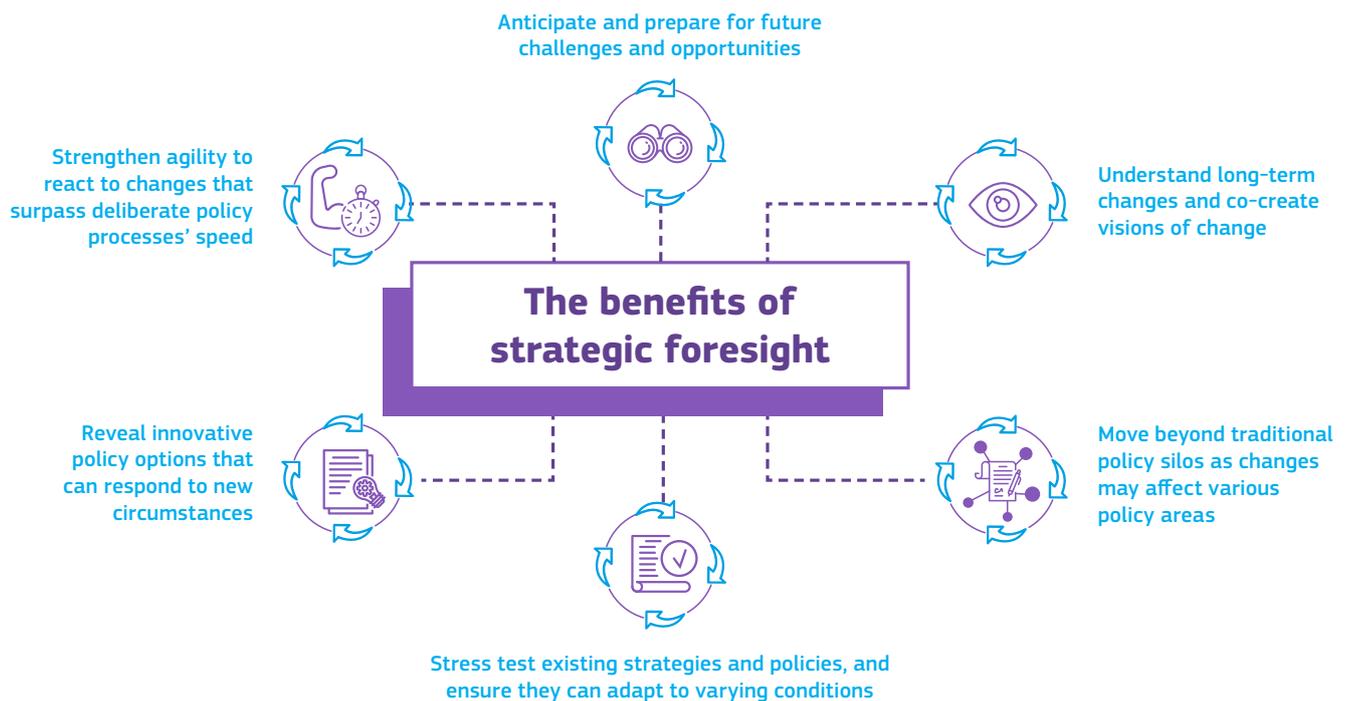
PUTTING BUSINESS FIRST

PROLONGING THE PAST

What is the strategic foresight^[1] initiative and how will the Western Balkans benefit?

COVID-19 has caused major disruptions to the Western Balkan economies and the consequences are evident in all parts of society. **Small and medium-sized enterprises (SMEs) are struggling hard** and looking for ways to respond to the still unfolding situation. **Foresight can help to cope with such uncertainties and understand the implications for SMEs and policymakers in the long term.** Lessons learned in today's pandemic could be used to inform tomorrow's policy actions. Furthermore, foresight can support the WB6's Smart Specialisation Strategies as it combines participatory approach with systematic exploration of the future that go beyond the strategies' medium-term focus.

On behalf of the European Commission, the International Service Facility is conducting a foresight study in the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo^[2], Montenegro, North Macedonia, Serbia). The study aims to **design regional and national scenarios for 2035** that will be co-created together with stakeholders from the private sector, civil society, academia and government. **The scenarios will support policymakers in creating an enabling environment for innovation policies to thrive and decide on priorities for strategic investments.**



Outlook to the final Report (September 2021)

- Complete regional and national scenarios
- Results of workshop discussions with wide range of stakeholders on implications of WB6 scenarios
- Co-created roadmaps to jointly address future challenges
- Tangible policy recommendations for each of the WB6

[1] Strategic foresight helps prepare for the unexpected. It uses collective intelligence in a structured and systematic way in order to anticipate developments and better prepare for change. Foresight is not about predicting the future, but about exploring different plausible futures that could emerge and the opportunities and challenges that come with them.

European Commission (2020), Strategic Foresight - Charting the course towards a more resilient Europe

[2] *This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

[Here](#) you can find more information on the European Commission's work on Foresight.

