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Commentaries

New Series

THE WESTERN BALKANS AND THE FUTURE OF EUROPEAN ENLARGEMENT: POLITICAL TRANSFORMATION, ECONOMIC INTEGRATION AND THE GEOECONOMIC IMPERATIVE

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Introduction: Enlargement at a critical juncture for Europe

European Union enlargement has entered a decisive phase. Once regarded primarily as a process of institutional expansion and democratic consolidation, enlargement has increasingly become an essential component of Europe's strategic, economic and geopolitical response to a changing international environment. Intensifying global competition, the war in Ukraine, the reconfiguration of international supply chains and growing concerns about European economic competitiveness have fundamentally altered the context in which the Union approaches its future borders. In this environment, the integration of the Western Balkans is no longer simply a question of fulfilling Europe's longstanding commitment to the region's European perspective. It is also a strategic opportunity to strengthen the Union's economic foundations, consolidate its political influence and reinforce its position as a competitive global actor.

The 2026 Enlargement Pulse Colloquium, organised on November 11 by Fondazione CSF in partnership with the College of Europe in Tirana, the International Banks Division of Intesa Sanpaolo Group, Intesa Sanpaolo Bank Albania, the College of Europe and the College of Europe Alumni Association,building on the success of its inaugural edition which took place in Tirana on 21 November 2025, offers an important opportunity to examine these challenges. Its focus on the political and economic transformation of the Western Balkans, alongside the institutional adaptations required within candidate countries and the European Union, reflects the need for a more comprehensive understanding of enlargement. The central question is no longer simply whether the Western Balkans should join the EU, but how the accession process can become more credible, effective and mutually beneficial. This requires recognising that political reform and economic integration are not separate objectives. They are mutually reinforcing dimensions of a broader European transformation.

Ultimately, enlargement must deliver two interconnected outcomes: candidate countries capable of functioning as pluralistic market-economy democracies, and a EU institutionally and economically prepared to accommodate future members.

1. Enlargement as a geoeconomic project for Europe

The traditional understanding of enlargement has focused primarily on political conditions, particularly democracy, the rule of law, human rights and the functioning of market economies. These principles remain indispensable. However, contemporary geopolitical and economic developments require enlargement to be understood increasingly through a geoeconomic perspective. The Western Balkans occupy a strategically important geographical position, connecting several parts of Europe and

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providing opportunities to strengthen transport, energy, trade and industrial networks. Their integration would expand the European economic space, improve regional connectivity and create new opportunities for investment, employment and innovation.

The region also possesses important industrial capabilities, natural resources, human capital and entrepreneurial potential. These assets could contribute to the diversification of European supply chains and reduce excessive dependence on distant markets and suppliers. European companies could benefit from geographically close production facilities, skilled labour and opportunities for cooperation in manufacturing, automotive components, information technology, renewable energy, logistics and business services. Western Balkan economies, in turn, could gain access to investment, technology, expertise and larger markets.

However, achieving these benefits requires a strategic assessment of the region's economic assets and vulnerabilities. The EU and candidate countries should identify critical infrastructure, energy resources, industrial capacities, telecommunications networks and financial systems that are essential for long-term competitiveness. Such an approach is particularly important given the growing involvement of extra-regional actors. International investment can contribute positively to economic development, but excessive dependence on external financing, opaque infrastructure agreements and politically motivated investment can create strategic vulnerabilities.

The appropriate European response is not economic exclusion, but stronger engagement. The EU must become a more attractive and reliable partner by facilitating investment, supporting infrastructure development and strengthening cooperation between European and Western Balkan businesses. Enlargement should therefore be understood as an investment in Europe's collective economic resilience, industrial competitiveness and strategic autonomy.

2. Political transformation and the Rule of Law

Despite the growing importance of geoeconomic considerations, the political purpose of enlargement must remain central. The EU is fundamentally a political community based on democratic governance, institutional accountability, fundamental rights and the rule of law. Candidate countries must demonstrate that they can operate as pluralistic democracies with independent institutions, competitive political systems, accountable governments and effective legal frameworks.
A major challenge across the Western Balkans concerns the gap between formal legislative alignment and actual implementation. Adopting European legislation does not automatically guarantee independent courts, transparent public administration, media freedom or effective action against corruption. The accession process must therefore evaluate not only the adoption of European rules but also their practical impact on institutions and society. Corruption, cronyism and state capture remain particularly damaging because they undermine democratic competition and economic efficiency simultaneously. When political connections determine access to public contracts, investment opportunities or regulatory advantages, businesses cannot compete on equal terms. Smaller enterprises and independent entrepreneurs are especially disadvantaged.

Addressing these problems requires stronger judicial independence, transparent public procurement, professional public administration and effective anti-corruption mechanisms. The EU must maintain rigorous conditionality and ensure that progress is assessed through measurable

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results rather than political declarations. Geopolitical urgency should not become an excuse for weakening democratic standards. At the same time, conditionality must be predictable. Candidate countries need clear benchmarks, consistent assessments and credible rewards for implementing reforms. The credibility of enlargement depends as much on the consistency of European institutions as on the performance of candidate governments.

3. Connecting political and economic transformation

Political and economic transformation should be treated as two dimensions of the same process. A functioning market economy requires predictable institutions, independent regulators, enforceable contracts and fair competition. Equally, democratic accountability is difficult to sustain when economic opportunities are concentrated among politically connected groups. The Western Balkans therefore need economic reforms that address the institutional foundations of business activity.

Strengthening competition authorities, improving corporate governance, reforming state-owned enterprises and ensuring transparent state-aid procedures are essential priorities. Particular attention should be given to small and medium-sized enterprises, which are central to employment, entrepreneurship and economic diversification. Many SMEs continue to face difficulties accessing finance, navigating administrative procedures and meeting European regulatory standards. Digitalisation, simplified administrative processes and improved access to financial services can help reduce these obstacles.

Economic transformation must also generate inclusive growth. Increasing GDP and attracting foreign investment are important, but they are insufficient if citizens do not experience better employment, higher wages, improved public services and greater economic security. The objective should be to create competitive economies in which success depends on productivity, innovation and professional capacity rather than privileged political access.

4. Citizens, civil society and democratic participation

The credibility of enlargement ultimately depends on public confidence. Citizens across the Western Balkans must be able to associate European integration with tangible improvements in their everyday lives. These improvements include better employment opportunities, reliable public services, accessible healthcare, quality education, stronger rights and transparent institutions.

Recent civic mobilisations across the region demonstrate that citizens, particularly younger generations, increasingly demand accountability, transparency and meaningful participation in public decision-making. These developments should be recognised as important expressions of democratic engagement. European integration cannot be limited to negotiations between governments and European institutions; it must involve society as a whole.

Civil society should therefore be understood broadly, encompassing civic organisations, universities, youth organisations, independent media, professional associations and private-sector institutions. Civil society organisations can monitor reforms, defend fundamental rights and hold public authorities accountable. Universities and research institutions can provide independent analysis and develop the skills required for economic modernisation. Young people can contribute new perspectives on

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employment, innovation, education and environmental policy. Independent media are equally essential in ensuring transparency and encouraging informed public debate.

The private sector also has an important civic responsibility. Businesses depend on predictable regulation, fair competition and institutional integrity. Business associations and chambers of commerce can therefore contribute to reform discussions, identify regulatory barriers and promote responsible business practices. The EU should support this broader participation by ensuring that consultation is meaningful, independent organisations are protected and public institutions remain open to scrutiny.

5. The private sector and financial institutions as partners in Enlargement

The private sector is essential to translating European regulatory alignment into investment, innovation and employment. Businesses must be able to adopt European standards, modernise production, improve corporate governance and participate in European value chains. However, smaller companies often lack the financial and technical capacity required to complete this transition.

The EU should therefore strengthen programmes supporting SME modernisation, digitalisation, energy efficiency and access to European markets. Cross-border business partnerships can also help Western Balkan companies develop stronger industrial capabilities and become more integrated into European production networks. Banks and international financial institutions have an equally important role. They can connect institutional reforms with capital by financing SMEs, infrastructure projects, renewable energy and strategic investments.

Improved judicial efficiency, transparent property rights, predictable regulation and effective financial supervision can strengthen the investment environment and reduce uncertainty. International financial institutions can complement commercial financing through guarantees, technical assistance and long-term investment programmes.

However, financial support must be accompanied by transparency and accountability. Public-private partnerships should be based on credible feasibility assessments, sustainable financing and clear public-interest objectives. The broader objective should be to ensure that capital contributes to productive investment, economic diversification and employment rather than reinforcing existing concentrations of economic power.

6. Infrastructure, connectivity and strategic resilience

Infrastructure is one of the most important instruments for strengthening European integration. Modern transport networks, railway connections, electricity interconnections and digital infrastructure can reduce economic fragmentation and facilitate trade, investment and mobility. The Western Balkans require a coordinated approach to infrastructure development, with particular attention to cross-border connectivity and interoperability.

Energy cooperation is especially important. Renewable energy development, electricity transmission, storage capacity and energy efficiency can strengthen regional energy security while supporting the European green transition. Digital infrastructure also offers significant opportunities. Secure telecommunications networks, broadband connectivity, digital public services and technological innovation can support the development of more competitive economies.

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These investments should be considered strategic assets rather than isolated national projects. The EU should work with candidate countries to identify priorities, mobilise financing and ensure that infrastructure development follows transparent and sustainable standards. Stronger connectivity would not only benefit regional economies but also reinforce Europe's capacity to develop resilient supply chains and reduce strategic vulnerabilities.

7. Gradual integration and the future of EU Enlargement

One of the central challenges facing enlargement is the long period between the opening of accession negotiations and full membership. Gradual integration offers an opportunity to make the process more tangible by allowing candidate countries to participate progressively in selected areas of European cooperation. This could include greater access to elements of the Single Market, EU programmes, research initiatives, energy networks, digital services and dedicated investment instruments. Such participation would create incentives for reform, encourage businesses to adopt European standards and demonstrate the practical benefits of integration before accession.

However, gradual integration must remain conditional. Participation should depend on measurable progress in regulatory alignment, institutional capacity and effective implementation. It must also remain clearly oriented towards full membership. Intermediate arrangements should function as bridges to accession, not permanent substitutes for it.

At the same time, the EU must prepare its own institutions for future enlargement. Additional members will create challenges for decision-making, budgetary arrangements, parliamentary representation and the functioning of European institutions. The EU must therefore examine how its governance structures can remain effective and democratically legitimate in an enlarged Union. Enlargement and internal institutional reform should proceed in parallel. Candidate countries must demonstrate readiness for membership, while the Union must demonstrate its capacity to accommodate them.

Conclusion: Making Enlargement a credible European future

The future of European enlargement will depend on the ability of the EU and the Western Balkans to approach integration as a shared strategic transformation. The region offers considerable opportunities for Europe through its geographical position, human capital, industrial potential, natural resources and economic connections. Its integration could strengthen European competitiveness, diversify supply chains, improve connectivity and reinforce the Union's strategic position.

However, these benefits will only be sustainable if enlargement produces genuine political transformation. The endpoint must remain candidate countries capable of functioning as pluralistic market-economy democracies, grounded in the rule of law, accountable institutions and fair competition. Political conditionality must therefore remain rigorous, while economic integration should become more tangible through investment, employment, infrastructure and access to European markets. Civil society, universities, young people, businesses, banks and international financial institutions must be recognised as indispensable partners in this process.

The EU, for its part, must offer credible pathways towards membership, develop meaningful intermediate arrangements and reform its institutions to remain effective with additional members. Above all, enlargement must

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deliver visible benefits to citizens. People across the Western Balkans should experience European integration through better opportunities, stronger rights, improved public services and institutions that operate transparently and fairly.

In conclusion, enlargement is not simply about making the EU larger. It is about making Europe stronger, more resilient, more competitive and more democratic. The ultimate measure of success will not be the speed at which the Union expands, but whether enlargement creates a stronger European community founded on democratic values, competitive economies, shared prosperity and the confidence of its citizens.

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