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# FRONTIERS OF EUROPE: GREECE AND THE BALKANS

Special Session of the Club of Three  
Athens, 20/21 June 2024

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## INTRODUCTION

In June, the Club of Three held a special session in Athens on Greece and the Balkans. It followed an initial [online discussion](#) in 2021 entitled “The Balkans in an age of renewed great power competition: can the EU still be a stabilising force?”, chaired by Milicia Delevic of EBRD, with Carl Bildt and Majlinda Bregu (RCC) among the main speakers.

The “Frontiers of Europe” session in Athens had a particular focus on the Western Balkans and prospects for their EU integration in light of the new geopolitical environment in Europe since Russia’s invasion of Ukraine and the EU’s 2023

enlargement package and new Growth Plan for the so-called WB6 countries.

The enlargement process had completely stalled in recent years and the Western Balkans seemed locked in a negative cycle of economic difficulties and political instability. Could the new EU initiatives announced in November 2023 put the WB6’s integration process and hopes of a common future back on track? Some 35 senior figures from diplomacy, business, politics and think-tanks in France, Germany, the UK, Greece and the Western Balkans gathered at the Athens City Museum to address this question. The discussions at the museum



**Left:** Dora Bakoyannis (Athens City Museum)



**Right:** François Lafond (speaking), lunchtime discussion at the Greek Foreign Ministry

centered around three main themes: EU investment and growth; enlargement and geopolitics; migration and the rule of law.

A dinner was hosted at the residence of the German Ambassador on the Thursday evening, with Greek Defence Minister Nikos Dendias as keynote speaker. The event concluded with a lunchtime discussion hosted by Alexandra Papadopoulou, Deputy Greek Minister of Foreign Affairs, at the Foreign Affairs Ministry.

**Keynote address by Dora Bakoyannis, Member of the Greek parliament, former Greek Foreign Affairs Minister and Mayor of Athens**

Discussions on the Thursday afternoon began with a broad overview delivered by Dora Bakoyannis, taking stock of the present situation in the Western Balkans. Her keynote address was followed by an exchange of views with the meeting participants. Russia’s invasion of Ukraine had changed the way the EU looked at Europe



**Top left:** Christian Schmidt, Borko Stefanović and François Lafond (Friday sessions)  
**Top right:** Michael Maclay and Nikos Dendias (Thursday dinner)  
**Bottom left:** Lunchtime discussion, Greek Foreign Ministry; **Right:** Thursday session, Athens City Museum

**MEETING PARTNERS**

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and itself. It had begun to realise that, if it wanted to be a global power, it first needed to be a local power. This had created new momentum for the enlargement process.

During the discussion, there was debate as to whether Western Balkan issues were best tackled individually or whether they were inter-connected, comparable to a system of communicating vessels, and therefore required a holistic approach. Most believed in the latter. Each country had a stake in others through minorities spread-out across the region. The best chance of uniting them and bypassing their local issues was by joining the EU but hopes of this had long faded. As one participant put it: “the dream was dead”. And this had led to a resurgence of ethnic identity politics in the region.

The EU was largely to blame for leaving the Western Balkans in limbo although the WB6 had their share of responsibility especially with regard to lack of progress on the rule of law and market economy. The EU had lost all credibility in the region. One participant noted that the enlargement process was a strategic choice and not a technical exercise. Over the years, the EU had lost sight of the bigger picture.

The message coming out of Brussels, EU Member States and other European players like the UK was inconsistent and blurred.

In some WB countries, EU interlocuters were insisting on the rule of law while in others such as Serbia they seemed to show some degree of leniency.

As a Balkan country and one with a very long experience of the region, Greece was well placed to deliver a consistent message and act as an honest broker. But it needed the full backing of the EU for this.

According to a participant, it would be wrong to give priority for EU accession to countries of the region that were already NATO members. A regional balance had to be respected and Albania and Serbia were the two largest countries. The EU could not proceed with one without the other.

Historically, the Serbo-Croat relationship was also very important and there was a role that Croatia, as an EU Member State, could play as a Western Balkan champion.

The EU’s new Growth Plan for the Western Balkans adopted in 2023 was seen a step in the right direction. It brought back a bit of credibility on the part of the EU. In practice, the plan was mostly a symbolic gesture of intention rather than a convergence mechanism. In order to bring back hope of a European future, the EU needed to demonstrate its capacity to improve the lives of WB citizens and to deliver for them.



**THURSDAY 20 JUNE**

**SESSION I – INTEGRATION THROUGH GROWTH: WHERE ARE WE ON REGIONAL COOPERATION & EU INVESTMENT?**

**Chair: Margarita Mathiopoulos**

**Speakers: Sebastian Sosa | Majlinda Bregu | Marios Broustas | Petrit Selimi**

Economically, the Western Balkans had recovered from the Covid-19 crisis and the short-term outlook was generally positive. Inflation was going down and the state of public finances was improving. However, prospects for growth in the long run were weak due to a number of factors specific to the region: low productivity, young talent exodus, limited access to finance, corruption and political tensions. All of these seriously impacted investors' confidence.

Overall, the region had completely stagnated over the past two decades or so. Income per capita remained at just under 40% of the EU average. More worryingly, it was getting older before getting richer.

One participant from the Western Balkans noted that the prospect of EU membership was no longer a strong incentive to push for reforms and convergence. Although support for joining the EU remained high, it had dropped by 8% in recent years, which was significant and concerning, and 71% of young people wanted to leave the region.

There were some success stories however which might help to reverse this trend. Under the Common Regional Market initiative launched by the Berlin Process, roaming charges between the EU and Western Balkans had fallen sharply, the so-called "green lanes" had reduced waiting times at border crossings for the transport of goods, and the region's integration into the EU's SEPA payments system would decrease

transaction costs. These were the kind of concrete measures that really resonated with Western Balkans citizens and a lot more needed to be done. One of the participants was of the opinion that the next phase (2025-2028) of the Common Regional Market expected to be adopted at the Berlin Process Summit in October might not be a total game changer but it would at least help to bring the region closer together and fast-track its convergence process.

The best way of guaranteeing a prosperous future for the Western Balkans and of reversing the so-called "brain drain" it was experiencing was through investment and growth. With its €6bn Reform and Growth Facility, the EU's new plan for the region had the potential to double the size of its economies within ten years.

There was a whole Mittelstand of SMEs and family businesses that formed the backbone of WB economies and would helpfully benefit from this plan. The European Investment Bank was also playing an important role in improving access to finance for SMEs and startups.

As far as big infrastructure projects were concerned, some were of the opinion that the EU could not afford to simply consider factors such as return on investment. A geopolitical approach to economics was also required in order to counter foreign influences and revive the EU's appeal in the region.

By way of conclusion, a participant from the region pointed out that all the tools and instruments to deliver growth were in place. But unless the EU and its Member States showed more ambition on investment levels, it would be difficult for the region to move forward decisively. The sums committed as part of the new plan for growth were encouraging but insufficient.

#### **Thursday dinner, residence of the German Ambassador. Keynote address by Nikos Dendias, Greek Defence Minister**

During dinner, Nikos Dendias outlined the current security challenges facing Europe's Southeastern region. At the beginning of the 21<sup>st</sup> century, the West had made the wrong assumptions about our common future and the trajectory that countries like Russia and China were taking. Russia's invasion of Ukraine had forced Europe in particular to awaken to a brutal new reality that had been in the making for several years.

The Defence Minister broke down Greece's foreign policy interests into five main areas: its immediate neighbourhood (the Balkans); the wider region with Turkey, Israel and North Africa (Egypt and Libya); regions "beyond the horizon" (Africa and Asia); NATO and the USA; and last but not least: the European Union.

The war in Ukraine had led to a profound rethink of the way Greece's armed forces operated. The ambition was to change everything, starting with a modernisation of military equipment. The country was set to receive three new frigates from France, as well as Rafale fighter jets. It was also planning to modernise its fleet of submarines. Furthermore, its territorial armed forces were going to be restructured with mobile units better suited to modern warfare. The aim was to have this new army operational by 2030.

Technology and innovation was also a central part of the ongoing restructuring process, drawing lessons from the battlefield in Ukraine. Greece had created a Defence Innovation Centre whose role was to find technological solutions to the needs of the armed forces.

Faced with a significant threat from Russia, Europe had to speed up efforts to rearm, and fast. The rate of ammunition production in Russia was 3-4 times that of the EU. The fiscal pressure in countries like France and the UK however meant that going back to Cold War levels of defence spending was going to be extremely challenging. Despite its relatively small size, a country like Greece had major assets. It had more heavy tanks than France, the UK and Germany



**Left:** Marios Broustas (session I)



**Right:** Sebastian Sosa and Marianna Nathanail (speaking)

combined. War was also mainly about logistics and its port of Alexandroupoli was uniquely placed to supply Ukraine, bypassing the Dardanelles and Bosphorus Strait. Alexandroupoli had all the required infrastructure and was already an important NATO hub but it needed a major update. Greece was confident of receiving the necessary funding from NATO and the U.S.

During the discussion, concern was expressed at the prospect that, Trump or no Trump, the U.S would eventually disengage militarily from Europe by necessity rather than choice in the event of a conflict in Taiwan. There were also questions about the relationship with Turkey after the end of President Erdogan's term in 2028. A solution to the Cyprus issue was key to improved relations between Turkey and Greece. Both sides agreed on this but there was no prospect of a change in the current status quo for the foreseeable future. For Greece, the bigger question was the direction that the Turkish society was going to take after President Erdogan had left office: would it continue to embrace religious conservatism or reconnect with modernity?



**Top:** French Ambassador Laurence Auer (Thursday dinner)

**Bottom:** Petrit Selimi (speaking)

## LIST OF PARTICIPANTS

Laurence **AUER** *French Ambassador to Greece* | Dora **BAKOYANNIS** *Greek Parliament* | Majlinda **BREGU** *Regional Cooperation Council* | Marios **BROUSTAS** *Rothschild & Co* | Theodoros **DASKAROLIS** *Greek Ambassador to Germany (2015-20)* | Michael **DAVENPORT** *OSCE Mission in Kosovo* | Isabelle **IOANNIDES** *European Parliamentary Research Service* | Dimitris **KAIRIDIS** *Greek Parliament* | Jenny **KAPELLOU** *Hanns Seidel Stiftung* | François **LAFOND** *European expert* | François **LE GOFF** *Club of Three* | Matthew **LODGE** *British Ambassador to Greece* | Michael **MACLAY** *Club of Three* | Misa **MAJIC** *Court of Appeal, Belgrade* | Jovana **MAROVIC** *BiEPAG* | Margarita **MATHIOPOULOS** *ASPIDE Technology UK* | Marianna **NATHANAIL** *European Investment Bank* | Despina **POULOU** *Greek Foreign Ministry* | Edward **PREECE** *UK Home Office* | Anja **RICHTER** *Hanns Seidel Stiftung* | Sir Malcolm **RIFKIND** *King's College London* | Christian **SCHMIDT** *High Representative for Bosnia and Herzegovina* | Petrit **SELIMI** *Solargate, LLC* | Sebastian **SOSA** *International Monetary Fund* | Ana **STANIC** *E&A Law* | Borko **STEFANOVIC** *Serbian Parliament* | René **TROCCAZ** *French Envoy for the Western Balkans* | Ivan **VEJVODA** *Institute for Human Sciences* | Alida **VRACIC** *Popolari* | William **WELLS** *Rothschild & Co*

FRIDAY 21 JUNE

SESSION II – EU INTEGRATION AND ENLARGEMENT POST-COVID AND UKRAINE  
INVASION: A TRAJECTORY BACK ON TRACK?

Chair: Jovana Marović

Speakers: René Troccaz | Christian Schmidt | Borko Stefanović  
Michael Davenport

During the second roundtable session at the Athens City Museum, Western European speakers insisted on their continued commitment and determination towards the WB6's EU membership, and there was clear agreement that both the EU and the region could not afford to spend another 20 years in accession negotiations.

The war in Ukraine had dramatically accelerated the accession calendar. It remained to be seen whether the two tracks of the 2023 enlargement package (Ukraine/Moldova and the Western Balkans) would progress in tandem or separately.

In France, the position towards the Western Balkans had changed long before Russia's invasion of Ukraine. In 2019, a national strategy for the region had been adopted and reservations against the opening of accession talks with Albania and North

Macedonia were abandoned. There were still fears over the import of Western Balkan problems into the EU but the hope was that, thanks to new measures such as the 2023 Growth Plan, the WB6 would be in an irreversible position to join the EU by 2027.

Several participants called for a new approach to accession, reflecting the ongoing thinking in the EU on changes to the enlargement process. In the spring, the European Commission had put the idea of qualified majority voting and differentiated integration on the table.

A step-by-step approach was mentioned several times during the discussions. This meant for instance that some candidate countries could first join the EU single market. But this was rejected by some representatives of the region. For them, access to the single market would mean



Left: Borko Stefanović (speaking), session II; Right: René Troccaz (speaking)

moving away from full EU membership and this was exactly what the region’s autocrats wanted: trade with the EU without the rule of law. EU accession could not be done by appeasing them. The EU had to stick to the merit-based approach.

According to a participant from Serbia, there was no doubt that the country under President Vučić was moving away from the EU on democratic values and the rule of law. Corruption and violence were exploding, and many young people were attracted to far-right extremism. Internationally, Serbia had complex links with its partners and neighbours. It had not backed Western sanctions against Russia. At the same time, it was contributing hugely to Ukraine’s war effort. A news report had revealed that a third of the ammunition used by Ukraine, worth \$855m, had come from Serbia.

**Keynote address by Dimitris Kairidis, Member of the Greek parliament and Minister for Migration 2023-24**

As one of the main EU entry points in the southeast, Greece had experienced a very significant increase in the number of migrants arriving on its soil in recent years. The war in Syria, and now in Gaza, had caused a large influx of migrants from the Middle East. Greece’s response had been strongly criticised at times, with accusations of human right violations.

Under difficult circumstances, the current government was aiming to pursue what was described as a pragmatic and sensible migration policy, striking a balance between polarised views on this issue within society.

It was clear that a country like Greece would not be able to sustain the growth it needed without migrant workers. At the same time, large parts of the population did not want migrants. The only way to increase public acceptability of legal migration was to

effectively tackle illegal migration, and on this governments across Europe were failing. The system for handling refugees and asylum seekers in particular was broken. It was very difficult to distinguish between asylum seekers and illegal economic migrants who were arriving in large numbers through extremely well-organised and well-resourced smuggling routes. This had led some governments to extra-territorialise the processing of asylum claims.

Despite these extreme challenges, the view during the discussions in Athens was that downgrading human rights was not the way forward to successfully tackle illegal migration. This was the direction that far-right populists wanted to take but there was a path towards an effective migration policy within the rule of law, however difficult it might be.



**Top:** Dimitris Kairidis (speaking); **Bottom:** Ivan Vejvoda



## SESSION III – MIGRATION & REFUGEES, RULE OF LAW AND EXTERNAL THREATS

**Chair:** Malcolm Rifkind

**Speakers:** Edward Preece | Alida Vračić | Misa Majić

Real pressures were also felt at the other end of the migration routes going through the Western Balkans right up to the coasts of France and Britain. This had led to increased cooperation between the UK and Albania in order to tackle illegal migration and the criminal networks that were operating these routes. In 2022, migrants from Albania represented the largest group of small boat arrivals in England and the majority of foreign prisoners came from the Western Balkans. The two countries had since put in place very effective cooperation agreements and were running joint law enforcement operations. Over 5,000 illegal migrants had been returned to Albania as a result. In return, the UK was helping to improve prison standards in Albania, which was incidentally a criteria for EU accession, and it was contributing to the development of deprived areas where most migrants originated from. Kosovo had now joined these efforts in a trilateral initiative with the UK and Albania.

The Western Balkans was not just a source of migration or a transit region. Its demographic problems meant that it was also a recipient of migrants from unsuspected countries like India or Bangladesh to fill the gaps in public services left by mass departures from its own population. On average, the region was losing between 20,000 and 40,000 people per year. Some sectors risked collapsing. There were severe shortages of doctors, plumbers, engineers and programmers. This trend was not only affecting the WB6. Croatia, an EU Member State, was also forced to resort to migrant workers from far away regions.

Regarding the rule of law, the EU was urged by participants from the Western Balkans to stop condoning 'stabilocracies' known in the region as regimes with considerable democratic shortcomings but considered acceptable because of their stable nature.



**Left:** Edward Preece (speaking) and Malcolm Rifkind, final session



**Right:** Misa Majić

This was seen as a far cry from the original vision of EU integration, one participant noted, adding that these hybrid models should not be tolerated, even as an interim goal, because they were simply incompatible with EU values and would only lead to the gradual dismantlement of the democratic fabric of Western Balkan societies.

### **Friday lunch, Greek Ministry of Foreign Affairs. Keynote speech and discussion with Deputy Foreign Affairs Minister Alexandra Papadopoulou**

During its decade-long crisis which now seemed to be in the rear window, Greece had turned inwards and investment in the Western Balkans had declined as a result. Banks were now in a stronger position but the appetite for investment in the region was not at the level it had been before the crisis. The exodus of young talent was partly to blame but at the same time only investment would help reverse this trend. It was a difficult dilemma and more needed to be done to encourage investors back.

Greece was all too aware of the necessity to provide economic stability in the Western Balkans. Economic hardship had forced Athens to make very difficult decisions. It had had no other choice but to sell the port of Piraeus to Chinese investors – the only ones taking an interest at the time. Powers like China had taken advantage of the gaps left by EU and American investors. If the EU was serious about countering foreign influence, it needed to step in more readily than it had done so far in support of big projects.

Regarding enlargement, although hopes for fast accession had vanished, it was now firmly back on the agenda. Western Balkan representatives deplored that the renewed EU interest in the region was largely due to geopolitical events in Ukraine. Greece was supportive of this view and its position was

that enlargement to countries like Ukraine and Moldova could not be at the expense of the Western Balkans. Furthermore, enlargement and internal EU reform had to go hand in hand. The former could not be put on hold until the latter was completed.

Reviving hope in the region was going to be a very big task for the EU in the present geopolitical environment. There were also significant political and financial pressures within the EU itself. However, doing nothing would just prolong the frustration felt in the Western Balkans and put it durably on a downward trajectory.

Post-Brexit, the UK remained very committed to bringing the WB6, some of which were already NATO members, into the EU orbit. It was in Europe's strategic and geopolitical interest to do so and Britain was working in support of these efforts.



**Top:** Michael Maclay and Alexandra Papadopoulou

**Bottom:** The Deputy Foreign Minister (speaking)

## CONCLUSION

The “Frontiers of Europe” special session highlighted the more forceful role that Greece was hoping to play in the Western Balkan region in order to help restore credibility and trust vis-à-vis the EU and to make some real progress towards integration.

The EU was largely to blame for the complete stalemate in an enlargement process that had only been rescued and given new impetus because of Russia’s invasion of Ukraine. As a regional champion, Greece was adamant that Ukraine could not be prioritised over the Western Balkans. Both tracks had to be run in parallel.

Years of paralysis had left the Western Balkans in a severe demographic decline. The dream of EU accession had long faded and surveys showed that 71% of young people wanted to leave the region.

There were calls for a rethinking of the enlargement process. Some participants from Western Europe made the case for a step-by-step approach but this was rejected by representatives of the region who feared that this would bring the Western Balkans further away from full EU membership and a democratic path. For them, the EU had to stick to the merit-based approach.

What were described as ‘stabilocracies’ should not be tolerated, even as an interim objective, because they were simply incompatible with EU values and would only lead to the gradual dismantlement of the democratic fabric of societies.

The best way of guaranteeing a prosperous future for the Western Balkans, and of reversing the “brain drain” it was experiencing, was through investment and growth. In this respect, the new EU Growth Plan was a significant step forward but it

remained insufficient. There was a whole Mittelstand of SMEs and family businesses that needed to be nurtured and strengthened.

As far as big infrastructure projects were concerned, some participants were of the opinion that the EU could not afford to simply consider factors such as return on investment. A geopolitical approach to economics was also required in order to counter foreign influences and revive the EU’s appeal in the region.