

THE BALKAN PEACE INDEX 2022

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Authors

Nemanja Džuverović

Goran Tepšić

Aleksandar Milošević

Tijana Rečević

Miloš Vukelić

Sanja Vojvodić

Jelena Pejić Nikić

Milan Varda

Design

Kristina Pavlak

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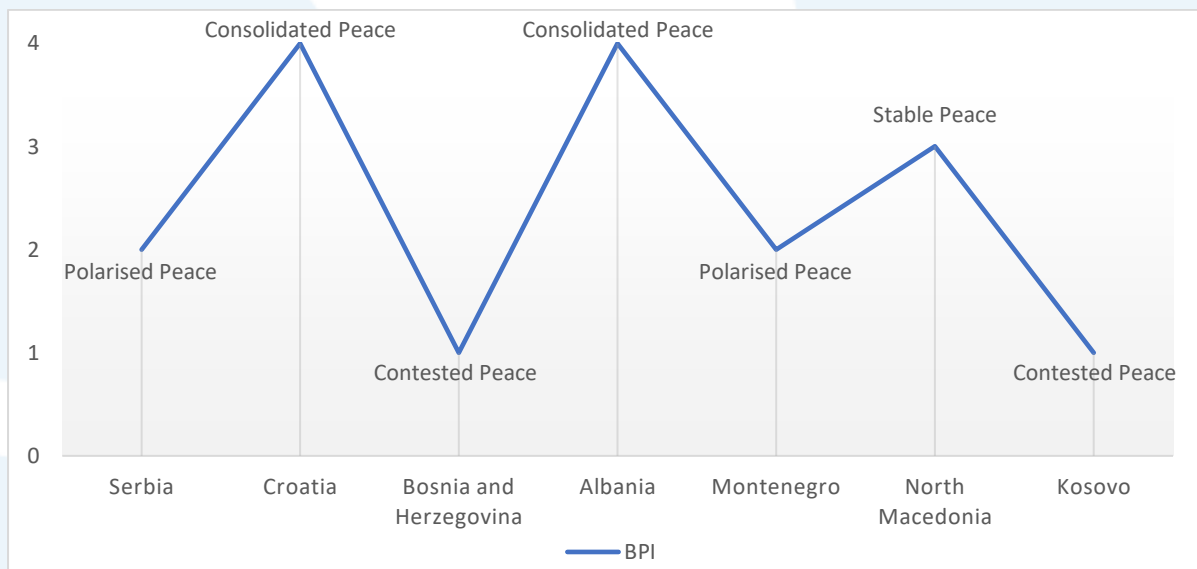
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THE STATE OF PEACE IN THE WESTERN BALKANS

From a global perspective, the Western Balkans is regarded as a highly peaceful region. It has been free of armed conflicts for more than twenty years. Although still burdened by the 1990s war legacy and political and ethnic conflicts, it displays low levels of political violence. In 2022 only Kosovo* was affected by the violent crisis, while all other conflicts in the region, including the highly polarised one in Bosnia and Herzegovina (BiH), are estimated as political disputes or non-violent crises. Therefore, on the Balkan Peace Index (BPI) scale, Kosovo and Bosnia are ranked as contested peace, Serbia and Montenegro as polarised peace, North Macedonia as stable peace, and Albania and Croatia as consolidated peace.



Kosovo and Bosnia remain neuralgic issues of the region. Both are cases of permanent political crisis since the sovereignty of the former is contested from the outside, while the sovereignty of the latter is disputed from the inside. Clashes between the Albanian majority and Serbian minority in Kosovo, the Serbian and Kosovo government, or between Republika Srpska and the central government in BiH, and Croatian and Bosniak representatives in the Federation of BiH, are the main causes of instability in the region. Although long-lasting crises, these two cases have little potential to escalate into limited or full wars. The main reason for that is the presence of international peacekeeping forces that can contain the possible spread of violence. However, these conflicts can spark occasional violent incidents.

* 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.

BPI estimates regional cooperation as satisfying, although most regional actors conducted interventions through proxies and foreign policy pressures. Again, the disputed status of Kosovo, and the interference of Croatia and Serbia in the internal issues of Bosnia and Herzegovina, have limited the potential of cooperation in the region. A profound political crisis in Montenegro has also caused many turbulences in the region. On the positive side, there were some successful regional initiatives regarding the status of the Orthodox Church in Montenegro and Macedonia, or the 'Open Balkan' community.

Another challenge for the peace in the region is state capacity. In particular, Kosovo, Bosnia and Herzegovina, and Albania are estimated as having a low capacity for supporting vulnerable groups, state provisions in education, health and redistribution, or control of territory. Bosnia and Kosovo are specific cases since they host foreign troops on their territory and cannot control it effectively. Serbia is another case of low state control capacity, for it considers Kosovo its integral part and cannot exercise sovereignty over it.

The Western Balkan region is one of the most severely affected by climate change in Europe. Notwithstanding Croatia and Albania, all other countries and territories have performed poorly in terms of environmental sustainability. The air quality seems to be at an all-time low, and citizens of the Western Balkans are being exposed to severely unhealthy air pollution quite more than inhabitants of other parts of Europe. The current tensions surrounding the war in Ukraine, which led to a substantial increase in the prices of electricity and derivatives, also affected the performance of the energy systems in the region.

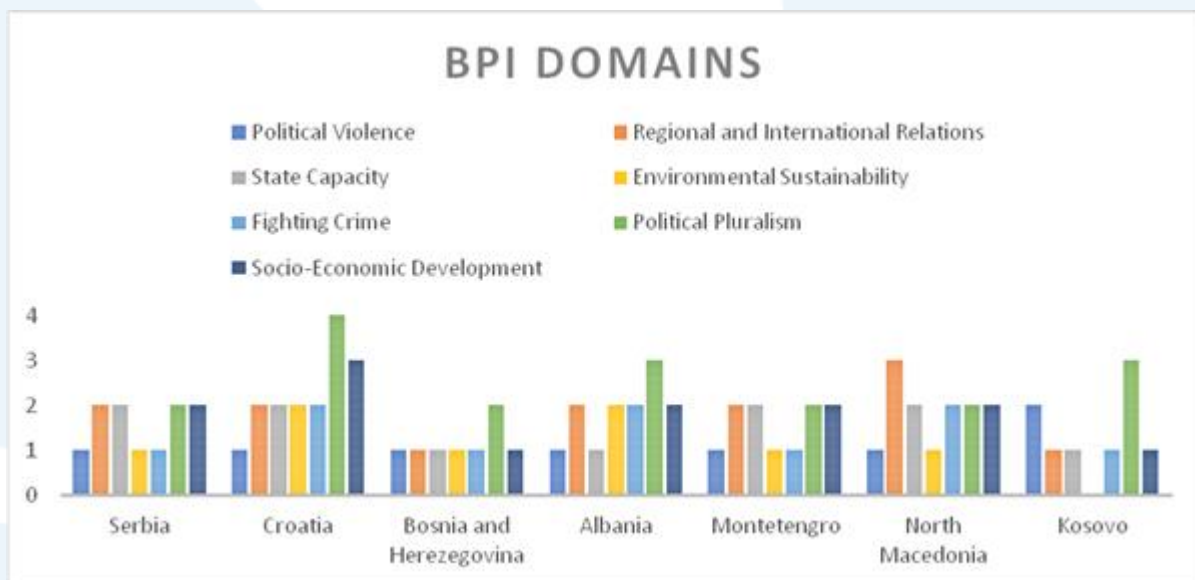
Fighting crime in the Western Balkans remains a severe impediment to regional peace, security, and development. The overall capacities, efforts and results in fighting crime have been estimated as poor in four out of seven countries/territories in the region for the reported period, with the rest three having only moderate success. While Croatia does stand out in progress made, the entire region remains susceptible to all kinds of crimes, from conventional, via organised to state crime. Post-conflict legacy, political instability, inter-ethnic tensions, and, above all, poverty and lack of employment opportunities keep the region in a vicious circle in which criminality does not allow any significant progress in the consolidation of the peace and development on the local, national, and regional level.

Political pluralism in the region is restricted. Freedoms of expression, association, and assembly are mostly limited. Elections are partly free or free but generally unfair, with medium or high levels of political polarisation. The only exception is Croatia, which has a high level of protection for freedom of expression and media, association and assembly, free and fair elections, and a low level of polarisation.

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).

Out of seven BPI domains, the Western Balkan Region performed excellently in only one – political violence. At the same time, it gained poor scores in domains of environmental sustainability and fighting crime and average scores in regional and international relations, state capacity, political pluralism, and socio-economic development. That is to say that the region can be considered highly peaceful in terms of negative peace or the absence of direct (armed) violence. Nonetheless, the level of positive peace (the absence of structural violence) remains between poor and average, although with an upward trend.



POLITICAL VIOLENCE

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

Political violence in the Western Balkans is relatively low in intensity. Among the seven cases considered by the Balkan Peace Index (BPI), only Kosovo is classified as experiencing a medium level of political violence, while all the other entities fall into the 'low intensity' category. Kosovo faces a violent political crisis, whereas the others are grappling with political disputes or non-violent crises. Notably, there are no limited or full-scale wars with high-intensity violence in this region.

Other indices, such as the Global Peace Index (GPI), corroborate our assessment of political violence intensity in the region. GPI ranks all Western Balkan countries and territories as peaceful. Croatia, in particular, is ranked 15th and belongs to the top 15 most peaceful countries globally, indicating a very high state of peace. North Macedonia (36th), Albania (41st), Montenegro (48th), Serbia (53rd), and Bosnia and Herzegovina (58th) are included in the second group characterized by a 'high state of peace.' Only Kosovo, ranked 71st, falls into the third group with a 'medium state of peace' as per the Balkan Peace Index.

While most of these countries are generally peaceful they all possess a moderate conflict potential, with Croatia being the exception. This means there is room for further escalation, and these mostly nonviolent conflicts could turn violent. Two types of conflicts affect this region: political conflicts, primarily over political power, and ethnic conflicts revolving around issues of identity and territory. Serbia grapples with a secessionist conflict concerning Kosovo and an internal conflict between the government and the opposition. North Macedonia and Montenegro also face ethnic tensions, such as those between Macedonians and Albanians or Montenegrins and Serbs, in addition to political struggles. Albania, although free of ethnic conflicts, experiences deep divisions between the ruling regime and the opposition. Bosnia and Herzegovina's unique institutional design, featuring two entities and three constitutive peoples under a consociational democracy, makes it impossible for one political group to monopolize power. Paradoxically, ethnic divisions and the politicization of ethnic issues in Bosnia make it more pluralistic than other regional countries, but this also leads to more frequent and intense inter-ethnic conflicts. Croatia's ethnic conflict with the Serbian minority is of low potential, given that Serbs make up only 3% of the population, and their representatives are integrated into the Croatian regime.

Similarly, political disputes between the government and the opposition in Croatia lack the potential for violent escalation.

Nevertheless, we have assessed that radicalization and extremism have a moderate impact on Croatian society. The Serbian minority in Croatia has faced continuous discrimination since the 1990s and the onset of the Yugoslav wars, resulting in the normalization of anti-Serb narratives in public discourse. Similar moderate impacts of radicalization are identified in Bosnia and Herzegovina, Montenegro, and Kosovo. Serbia and North Macedonia are classified as 'low impact' countries, although they are on the verge of moving to the next group on the impact scale.

Serbia and Kosovo are the only two cases with a medium level of political terror, indicating insecure political environments. The Serbian government exhibits typical characteristics of an authoritarian regime, including the use of terror and oppression against the opposition, civil society organizations, and media. The situation in Kosovo differs somewhat, as its government is not as oppressive toward the political opposition as it is toward the Serbian minority and their representatives. Kosovo stands out as a unique case within the BPI, given that its sovereignty is disputed by Serbia and more than 90 UN member states, including two permanent members of the UN Security Council. Furthermore, Kosovo is the sole case in the region with a medium level of political violence, primarily due to its secessionist conflict with Serbia and the oppression that is facing the Serbian minority.

SERBIA

Political violence in Serbia is currently at a **low intensity level**. Serbia is not involved in any armed conflicts, either within its borders or with other nations. However, in 2022, there was an increase in conflict with Kosovo, a region that has declared independence but is still disputed by Serbia. This conflict can be described as a violent crisis, with the violence occurring solely within Kosovo's territory. The presence of NATO, the EU, and the UN in Kosovo ensures that the conflict is unlikely to escalate into a full-scale war. Nevertheless, there is a certain risk of further escalation.

Another significant conflict in Serbia is the political polarization between the government and the opposition. Although this conflict is not characterized by physical violence, the deep divisions within the country pose a high potential for violent behavior, especially with upcoming negotiations regarding Kosovo's final status. In 2022, instances of violence against journalists and civil society organizations were reported. For example, during the 'graffiti war', some activists from civil society organizations were violently prevented from repainting a mural of Ratko Mladić. Discrimination against minority groups, particularly the Roma and LGBT population, as well as migrants, has also been documented. However, violent incidents against these groups are sporadic and usually

sanctioned by the state. For instance, approximately 5000 police officers protected the EuroPride event in 2022 from anti-LGBT protesters. It's worth noting that extremist groups in the country are mainly under state control.

According to the Global Peace Index (GPI), Serbia is considered a highly peaceful nation, ranking 52 out of 163 countries, with low conflict intensity. The Conflict Barometer (CB) categorizes Serbia's conflicts as non-violent. However, Serbia exhibits a moderate level of political instability (rated 2.75 out of 5 in GPI) and relatively high levels of elite factionalization (8.6 out of 10), group grievances (6.8 out of 10), and external intervention (7.1 out of 10), according to the Fragile State Index (FSI). Consequently, Serbia's potential for conflict is assessed as moderate. The Political Terror Scale rates Serbia at 2 out of 5, while the GPI evaluates political terror in Serbia as 2.5 out of 5, positioning it on the border between partially secure and insecure conditions. Nevertheless, due to high levels of political polarization, group grievances, and repression of the opposition, media, and civil society, Serbia is now categorized as an insecure state. Although the number of extremist groups in Serbia has been on the rise in recent years, they are mostly marginalized entities with ties to the state. Furthermore, Serbia has no incidents of terrorism (rated 0 out of 10 on the Global Terrorism Index), indicating a low impact of radicalization and extremism within the country.

CROATIA

Croatia stands out for having the **lowest level of political violence** in the region. The country is not engaged in any armed conflicts, both internally and externally, and has a very low potential for conflict. Nevertheless, the aftermath of the 1990s war still lingers in Croatian society, primarily evident in the discrimination faced by the Serbian minority. Hate speech against Serbs has become normalized in public discourse in Croatia. In 2021, the Serbian National Council identified 506 cases of hate speech and violence against Serbs in Croatia. In 2022, Croatian representatives in the City Council of Vukovar voted to discontinue the official use of the Serbian language and Cyrillic script in the city. According to the 2021 census, the Serbian population in this city fell below 30%, no longer meeting the criteria for language rights under minority legislation. However, representatives of Serbs have been involved in the Croatian government since 2020, which has improved relations between the state and the Serbian minority and even created room for better bilateral relations between Croatia and Serbia. Consequently, this conflict has a low potential for escalation, given Croatia's high level of homogeneity (91.6% are Croats), with Serbs making up only 3.2% of the population. There have also been documented instances of violence against other groups, such as migrants or Roma, including inhumane treatment on the Croatian border, involving shootings, beatings, torture, and ill-treatment, as reported by Human Rights Watch and other organizations.

Croatia holds the 15th position on the Global Peace Index (GPI) list, falling into the category of a 'very high state of peace,' alongside countries like Iceland, Japan, and Switzerland. As such, Croatia experiences low levels of conflict intensity. Discrimination against the Serbian minority in Croatia is classified as a non-violent crisis by the Conflict Barometer (CB). The potential for conflict is also low, given the country's very low political instability (rated 1.375 out of 5 on the GPI) and limited levels of elite factionalization (4.4 out of 10, according to the Fragile State Index (FSI)) and group grievances (4.6 out of 10, FSI) that might lead to escalation. Political terror in Croatia is within the realm of full/limited security. The Political Terror Scale rates political terror in Croatia at 1 out of 5, while the GPI scores it at 1.75 out of 5. Despite having no impact of terrorism in Croatia (0 out of 10 on the Global Terrorism Index), the indicator of radicalization and extremism is considered medium. This is primarily due to widespread discrimination against the Serbian minority, which includes violent attacks, property damage, and various forms of hate speech. Part of this issue involves far-right groups and their propagation of extremist narratives, particularly those centered on denying the genocide committed against Serbs in Croatia during the Second World War.

BOSNIA AND HERZEGOVINA

Bosnia and Herzegovina, despite being a deeply divided society, where the post-war rebuilding process is often likened to a 'continuation of war by other means', experiences relatively **low-intensity** political violence. The country is not embroiled in any armed conflicts or widespread political violence. However, it remains divided along ethnic lines, lacking consensus on crucial political matters. There is a secessionist movement in Republika Srpska, and within the Federation of Bosnia and Herzegovina, there's ongoing conflict between Bosniak and Croatian political factions. This makes Bosnia a country with one of the highest potentials for conflict in the region, although this potential is somewhat mitigated by the presence of EUFOR and external intervention by the EU and NATO. It's worth noting that while external intervention has contributed to peace in Bosnia, its long-term reliance on international support may jeopardize the sustainability of the state, making it heavily dependent on the international community. National minorities in Bosnia (those not belonging to the constitutive ethnic groups) face institutional discrimination. Reports also indicate repression against political opposition, media, and civil society organizations. However, instances of violent acts (political terror) by the state against the general population are rare. Nevertheless, acts of ethnic discrimination, violence, and the prevalence of extremist narratives among the three ethnic groups are well-documented. Bosnia has been associated with over 200 foreign fighters involved in conflicts in Syria and Ukraine, though no acts of terrorism occurred on its territory in 2022.

According to the Global Peace Index (GPI), Bosnia is ranked 58th, classifying it as a highly peaceful state. However, it assigns a score of 3/5 for the internal conflict within Bosnia. In contrast, the Conflict Barometer (CB) categorizes this conflict as a dispute (rated 1/5). This difference highlights the presence of a deeply entrenched conflict with low intensity and moderate potential. Other indicators align with this assessment, such as political instability (rated 3.25/5 on the GPI), fractionalization among political elites (scoring 8.7/10 on the Fragile State Index (FSI)), group grievances (scoring 6.3/10 on FSI), and external intervention (scoring 7.3/10 on FSI). The Political Terror Scale rates political terror in Bosnia as 1/5. Similarly, the GPI assigns 1.5/5 points for violent demonstrations and political terror in Bosnia. Consequently, Bosnia is considered a state characterized by full/limited security. Terrorism has no significant impact on Bosnia's territory (rated 0/10 on the Global Terrorism Index). However, due to its association with networks of foreign fighters, particularly amidst ethnic divisions and violence, radicalization and extremism within Bosnia are assessed to have a moderate impact.

ALBANIA

From 2019 to 2021, Albania faced a political crisis marked by widespread protests against the government, civil disobedience, boycotts, riots, and even insurgent activities. Numerous instances of violence occurred between law enforcement and protesters. Although the crisis subsided in 2022, tens of thousands of people once again gathered in November to protest against corruption and the country's rising cost of living. The conflict between the government and the opposition had calmed in the previous year, resulting in a **low-intensity** level of political violence in Albania. While the possibility of new violent protests against the government remains, the likelihood of armed conflict in Albania is low.

Albania is a relatively homogenous country, with less than 2% of the population officially belonging to national minorities. This limits the potential for ethnic polarization and conflicts. However, the 2011 census revealed that over 15% of residents did not declare their ethnicity, which could indicate a legacy of ethnic discrimination stemming from the communist era's "Albanisation" policies, including state-imposed changes to individuals' first and last names. For example, determining the number of Serbs or Greeks living in Albania is challenging, as they face difficulties in reclaiming their original names. Occasional reports also cited discrimination targeting members of the Romani and Balkan-Egyptian communities. Additionally, some instances of violence and intimidation against media personnel were reported, while women and LGBT individuals continued to face discrimination and harassment.

According to the Global Peace Index (GPI), Albania ranks 41st globally and is considered a highly peaceful country. The Conflict Barometer (CB) assessed the conflict between the Albanian government and the opposition in 2021 as a violent crisis (rated 3/5).

The intensity of this conflict decreased in 2022, shifting it into a non-violent crisis (rated 2/5) or even a dispute (rated 1/5) according to CB's classification, both indicative of low-intensity conflicts. GPI and the Fragile State Index (FSI) rate Albania's political instability at 2.25/5, fractionalization among elites at 6.2/10, group grievances at 3.8/10, and external intervention at 5.8/10. The relatively low level of group grievances in the region supports the notion that ethnic conflict potential in Albania is low. However, the degree of fractionalization among elites and the recent history of government-opposition clashes contribute to a moderate conflict potential in the country. The Political Terror Scale and GPI both assign Albania a grade of 2/5, placing it in a category of 'full or limited security,' albeit closely bordering on an insecure condition. Albania is free from terrorist acts (rated 0/10 on the Global Terrorism Index) and experiences rare instances of violent incidents against minorities, indicating a low impact of radicalization and extremism within the country.

MONTENEGRO

Following the 2020 parliamentary elections and the formation of Montenegro's first government without the Democratic Party of Socialists, which marked a significant departure in the country's post-communist history, Montenegro plunged into a severe political crisis. This crisis also fueled inter-ethnic tensions between Montenegrins and Serbs. From 2020 to 2022, Montenegro witnessed changes in its government, with the latest one holding power for only four months until August 2022, albeit continuing in a 'technical mandate' capacity.

While the conflicts involving the former and current regimes, Serbian and Montenegrin orthodox churches, and various other actors were predominantly non-violent or characterized by a **low intensity** of political violence in 2022 (with only a few violent incidents occurring between police and protesters), the political crisis led to a deadlock and institutional crisis. This included the blockade of parliament, government, and the constitutional court, thereby creating a potential for further escalation of violence in Montenegro. The state's inability to effectively manage the political situation also created space for the radicalization of the population and the emergence of various right-wing groups. Incidents involving violence or threats of violence between members of major groups in the country or targeting minority groups, such as threats against the Muslim population, were documented. Additionally, the use of ethnically charged inflammatory language and disinformation by media and politicians further contributed to this radicalization.

Montenegro is classified as a highly peaceful state, ranking 48th globally on the Global Peace Index (GPI). GPI assigns a score of 2/5 for its internal conflict, whereas the Conflict Barometer (CB) for 2021 categorizes it as a violent crisis (rated 3/5). In 2022, the conflict transitioned to a non-violent crisis or a low-intensity conflict. Nevertheless,

Montenegro exhibits medium levels of political instability (rated 3/5 on GPI), fractionalization among elites (scoring 6.5/10 on the Fragile State Index (FSI)), external intervention (scoring 6.6/10 on FSI), and the highest level of group grievance in the region (scoring 9.8/10 on FSI), signifying a medium conflict potential. Both the Political Terror Scale and GPI similarly rate the intensity of political terror in Montenegro at 1/5 and 2/5, respectively. Alongside a GPI score of 1.75/5 for violent protests, Montenegro is categorized as a state experiencing 'full or limited security'. Although Montenegro is free from terrorism impact (rated 0/10 on the Global Terrorism Index), it faces substantial polarization and group grievance (among the highest in the world, according to FSI), rendering it susceptible to radicalization and extremism, with a medium impact.

NORTH MACEDONIA

Following the 2018 Prespa Agreement, Macedonia adopted the prefix 'North' and severed its historical ties with Greek Macedonia (Hellenic civilization). This treaty resolved a longstanding external conflict with Greece, paving the way for North Macedonia's NATO accession in 2020. The recognition of Albanian as an official language in 2019 further strengthened the power-sharing arrangement between Macedonians and Albanians, as established by the Ohrid Agreement in 2001, and eased their internal conflicts. During a period marked by significant reforms from 2017 to 2022, ethnic Albanian parties played a pivotal role in providing crucial support to the Macedonian government. As a result, political violence in North Macedonia decreased to a **low intensity** during this time.

However, Macedonia remains a segregated society where ethnicity is frequently exploited for political gain. The clear delineation of political parties along ethnic Macedonian and Albanian lines hinders any efforts to integrate the two communities. Incidents of low-level ethnic hate-driven violence have persisted or even increased over the past two years. Civil society organizations have reported a rise in hate speech targeting members of different ethnic groups and the LGBT population. Additionally, an ongoing external conflict with Bulgaria led to constant tensions throughout 2022. Bulgaria's opposition has blocked North Macedonia's EU accession, contesting its identity, language, and history. Consequently, North Macedonia continues to be a post-conflict country with the potential for re-emerging or intensifying internal and external conflicts.

In terms of global rankings, the Global Peace Index (GPI) places North Macedonia as highly peaceful country, ranking it 36th, and second in the region only to Croatia. Although the Conflict Barometer (CB) classified the ethnic conflict in Macedonia as a violent crisis in 2021, it deescalated in 2022, shifting to a non-violent crisis or a low-intensity conflict. The Fragile State Index assigned medium scores for group grievances and external interventionism in Macedonia, with ratings of 5.7/10 and 5.2/10, respectively, and a relatively high score for the fractionalization of elites, 7.3/10. These values support the assessment of

a medium potential for both internal and external conflicts. The Political Terror Scale rates Macedonia at 2/5, while GPI scores political terror at 1.5/5, violent demonstrations at 1.75/5, and political instability at 2.75/5. Despite political instability, all other indicators are low, categorizing Macedonia as a state experiencing 'full or limited security'. Moreover, Macedonia is free from any impact of terrorism (rated 0/10 on the Global Terrorism Index), with a low level of minority discrimination and infrequent violent incidents. Consequently, it exhibits a low impact of radicalization and extremism.

KOSOVO

Kosovo stands out in the region due to its unique status. In 2008, it declared independence from Serbia, but Serbia refuses to recognize this and considers Kosovo as part of its territory, leading to an ongoing dispute over Kosovo's statehood. Among the other countries covered by BPI, only Bosnia and Herzegovina do not acknowledge Kosovo's independence, while the rest recognize it as a separate nation. This secession lies at the heart of the conflict between Kosovo and Serbia, which has resulted in varying levels of political violence for over two decades.

The past year witnessed a fresh escalation of violence in Kosovo, stemming from disputes over identification documents and license plates, and culminating in a crisis in North Kosovo. Consequently, political violence in 2022 is categorized as having a moderate level of intensity. The reluctance of the government in Pristina to fully implement the Brussels Agreement of 2013, which includes the establishment of the Community of Serbian Municipalities (CSM), exacerbates this escalation. The Serbian minority in Kosovo, facing discrimination and enduring constant violence, is deeply concerned about its safety and existence, demanding additional safeguards, with CSM being one of them. In the last two years (2021-2022), the Office for Kosovo and Metohija identified 278 ethnically motivated attacks on members of the Serbian minority in Kosovo and their property. These attacks were carried out by both members of Kosovo's security forces and civilians. The presence of KFOR and EULEX (international peacekeeping forces) is the primary factor preventing this conflict from escalating into high-intensity violence. Additionally, members of other minority groups and journalists have also encountered threats, indirect pressures, obstruction, online harassment, and physical attacks.

Kosovo is the only case in the region that does not fall into the category of very high or high state of peace groups, as per the Global Peace Index (GPI). It is ranked 71st and is placed within a medium state of peace cluster. While the Conflict Barometer classified the Kosovo conflict in 2021 as a non-violent crisis with low intensity, a series of violent incidents in 2022 elevated it to a **medium-intensity** conflict. GPI validates this assessment by awarding Kosovo 3/5 points for organized internal conflict and 4/5 points for political instability. The presence of international peacekeeping forces makes a further escalation of

the conflict unlikely, resulting in a medium conflict potential evaluation. Although GPI and the Political Terror Scale assign low scores to the intensity of political terror in Kosovo (1/5 and 1.5/5, respectively), state-supported repression of minorities, particularly Serbs, characterizes Kosovo as an insecure entity. Intense ethnic polarization and ethnically motivated violence contribute to a medium impact rating for radicalization and extremism in Kosovo.

REGIONAL AND INTERNATIONAL RELATIONS

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

Regional and international relations in the Western Balkans (WB) region in 2022 can be characterized as generally satisfactory. The increase in non-military interventions played a significant role in shaping this assessment. Both regional actors and major global powers engaged in interventions through intermediaries and diplomatic pressures.

When it comes to regional relations, the Western Balkans heavily relies on ethnopolitics. This means that unresolved territorial disputes stemming from the breakup of Yugoslavia often revolve around either the demand that ethnic and political units should align perfectly or the insistence that the ethnic principle should not be the sole criterion for establishing political entities. Several ongoing processes are linked to this issue: the continuing secession of Kosovo, mutual ethnic tensions in Bosnia and Herzegovina, a tendency to promote territorial claims toward neighboring states (e.g., Greater Albania), and disputes over the rights of institutions affiliated with specific ethnic groups (primarily related to Orthodox churches in North Macedonia and Montenegro, and Croats in Bosnia and Herzegovina).

Despite an agreement reached in late 2022 between Pristina and Belgrade regarding the mutual recognition of license plates, Kosovo remains the most pressing issue for peace in the Western Balkans. The potential for escalation into an armed conflict was particularly high in August and December when Serbs in northern Kosovo blocked main roads in response to what they perceived as unnecessary violence and fear tactics by the Pristina government. While the clashes ultimately resulted in verbal assurances from mediators (the USA and the EU) that Serbs would not face further illegitimate actions from the Albanian side, the crisis extended into 2023. This Kosovo crisis also spilled over into Bosnia and Herzegovina, where Serbs demanded a similar principle be applied, granting them the right to secession based on ethnic dominance in the Republika Srpska entity. Croatia expanded its influence in Bosnia and Herzegovina in 2022 through the EU and the Office of the High Representative (OHR) when the latter imposed a new election law, which was considered unfair and unconstitutional by Bosniak political elites.

On a positive note, there was a significant reduction in tensions in North Macedonia in 2022 following the Macedonian Orthodox Church gaining independence from the

Serbian Orthodox Church. Similarly, there was a decrease in tensions in Montenegro, particularly in terms of external politics, after the government signed a "Fundamental Agreement" with the Serbian Orthodox Church. These events, along with the establishment of the "Open Balkan" initiative involving Albania, North Macedonia, and Serbia, contributed to a medium level of regional cooperation instead of a poor one.

Finally, the war in Ukraine significantly impacted the complex ethno-territorial dynamics in the region, as major powers viewed the entire Western Balkans through the lens of potential proxy conflicts with each other. Consequently, there were diplomatic pressures by the EU and the US to impose sanctions against Russia (on Serbia and Bosnia and Herzegovina). Additionally, there were ongoing efforts to discredit Serbian (or Serbian-proxy) politics in Kosovo, Montenegro, and Bosnia and Herzegovina as being pro-Russian. The ethnic instability also presented an opportunity for Russia to exert influence in the region and divert attention from its intervention in Ukraine.

SERBIA

In 2022, the Republic of Serbia experienced a **fair** overall external relations landscape, marked by both regional and great power involvement through non-military means. Regionally, Serbia faced external pressures and employed diplomatic strategies related to two significant events: Kosovo's ongoing secession efforts and the Ukraine conflict. These events influenced Serbia's foreign policy and regional interactions, including cooperation with neighboring countries.

Regional intervention in Serbia's foreign policy and the use of proxies were notably tied to Kosovo's secession efforts. This situation led to non-military clashes along the administrative boundary between Kosovo and central Serbia in 2022. While Bosnia and Herzegovina (BiH) is the only Western Balkans country that does not formally recognize Kosovo's independence, this stance is largely due to the influence of Bosnian Serb representatives. In contrast, other regional countries consistently voiced support for Kosovo's independence, with some Albanian officials expressing sentiments favoring irredentism and the potential unification of Kosovo with Albania.

Another significant factor shaping Serbian foreign and domestic policies in 2022 was the war in Ukraine. Great powers engaged in non-military intervention by linking Kosovo's disputed independence with the ongoing conflict in Ukraine. The European Union (EU), the United States (USA), and Russia all played a role in this linkage. The EU and NATO (and consequently the USA) pressured Serbia to align its foreign policy with the EU's stance, including adopting economic and political sanctions against Russia. These entities also pushed Serbia to engage in dialogue with Pristina, framing it within the context of the Ukraine conflict. The USA and the EU considered such an agreement as part of bolstering NATO's stance in its increasingly contentious foreign policy relationship with Russia.

Additionally, the EU employed economic proxies by threatening to withdraw investments from Serbia if its foreign policy diverged from EU positions. Serbia's non-recognition of Kosovo's

independence relies on foreign policy support from Russia and China within the United Nations. Russia holds leverage over Serbia due to the country's high energy dependence on Russian oil and natural gas supplies, effectively using energy companies as proxies in diplomatic negotiations.

Regarding regional cooperation, Serbia's activities were at a medium level. While the Kosovo issue and the Ukraine conflict influenced regional dynamics, the "Open Balkan" initiative involving Serbia, North Macedonia, and Albania indicated a genuine, grassroots desire to enhance cooperation in the region. Furthermore, Serbia improved its relations with Montenegro in 2022 after the Montenegrin government signed an agreement with the Serbian Orthodox Church (SOC).

CROATIA

In 2022, the Republic of Croatia's external relations were generally satisfactory (**fair**). It achieved a similar score to Serbia, albeit for different reasons. While Serbia faced external relations challenges due to its vulnerability to great power politics, Croatia's score hinged on its significant role in Western Balkans (WB) regional cooperation, which operated at a moderate level. If there are developments such as mutual understanding between Croatia and Bosnia and Herzegovina (BiH) on the electoral law issue and improved public relations between Croatia and Serbia in 2023, Croatia's external relations may be viewed positively, ranging from good to harmonious. Presently, Croatia participates in non-military regional interventions due to exposure to public propaganda pressure and engages in foreign policy pressure and proxy activities in Bosnia.

As a member of both NATO and the EU, Croatia aligns itself with the interests of these entities, thereby making it a part of their bloc. Consequently, there were no interventions in Croatia by great powers in 2022.

At the regional level, Croatia did not experience foreign policy pressure or proxy intervention. However, its relations with neighboring countries, specifically Bosnia and Herzegovina and Serbia, deteriorated in 2022. The key factor influencing Croatia-BiH relations was the Office of the High Representative's imposition of a new electoral law in BiH. Representatives of the Bosniak community accused Croatia of leveraging its influence within the European Union to undermine BiH's political system. They contended that Croatia's support for the OHR's decision favored the Croat community disproportionately within one of BiH's entities, the Federation of BiH. Given that Bosniak representatives lack the means to exert influence on Croatian foreign policy or impact the country's decisions through proxies, we assess that Croatia is influenced by Bosniak efforts through public propaganda pressure.

Public propaganda pressure was also evident in mutual exchanges between Serbia and Croatia following the Serbian president's denial of entry into Croatia. Serbia described this denial as a refusal of the president's unofficial visit to the WWII Jasenovac concentration camp memorial. This event led to mutual accusations and increased public propaganda pressure from both sides, further straining their already fragile public relations.

Moreover, Croatia engaged in non-military regional intervention by openly advocating and influencing changes to the electoral law in BiH. Croatia exerted influence through foreign policy (as an EU member) and proxy pressure (Croatian representatives in BiH). Croatia is the only EU member in the region under assessment. As EU membership is a strategic goal for all WB countries, Croatia maintained a dominant position in regional cooperation. However, it used this position to influence regional cooperation dynamics, which may not necessarily be viewed as positive, resulting in our assessment of a moderate level of cooperation.

BOSNIA AND HERZEGOVINA

In 2022, Bosnia and Herzegovina's (BiH) external relations were generally unsatisfactory (**poor**). The country hosted a military mission but was also subject to non-military interventions from regional and great powers. BiH's multi-ethnic composition and associated ethnopolitical dynamics rendered it susceptible to foreign influences, in addition to the existing foreign presence represented by the Office of the High Representative (OHR). Croatia, Serbia, the UK, and the USA exerted foreign policy and proxy pressures on BiH, particularly evident in the imposition of a new electoral law in the Federation of BiH in 2022. The level of regional cooperation remained poor due to the failure of political elites to establish a unified foreign policy that all three dominant ethnic groups would endorse. Despite achieving EU candidate status in late 2022, BiH seems far from resolving the significant challenge of overcoming existing antagonisms between its three major ethnic identities.

BiH was the subject of both regional and great powers' non-military intervention. The country hosts a military mission led by the European Union, tasked with overseeing the implementation of the Dayton Agreement, and this mission did not employ military force in 2022. However, continuous non-military interventions by regional and great powers have been a constant feature of BiH's politics, becoming more pronounced in 2022 due to two notable events.

The first event was the imposition of a new electoral law in the Federation of BiH by the OHR. Bosniak representatives criticized this law as an "illiberal putsch." These actions were carried out through foreign policy pressure exerted by great powers, employing the OHR as their proxy, and by Croatia, which used local proxies (ethnic Croat parties) and the EU to influence the OHR. BiH's foreign policy direction is highly influenced by the foreign policies of Serbia and Croatia because it is a multi-ethnic state composed of Serbs and Croats. Consequently, the conflict in Ukraine influenced the degree of alignment between BiH and the EU in foreign policy, just as it did with Serbia.

While the government in Sarajevo claimed to have imposed sanctions against Russia, one of BiH's entities, the Republic of Srpska (RS), rejected this idea. BiH's internal and foreign policies were intertwined with the complex issues surrounding Kosovo's

secession from Serbia and the related secessionist aspirations of the RS. In addition to pressures from Croatia, the EU, the UK, and the USA, BIH was also influenced by Serbia's foreign policy and its proxies within BIH. BIH chose not to participate in the "Open Balkan" initiative, reflecting the divergent opinions arising from various proxy and foreign policy influences.

BIH's future is intricately tied to regional foreign policy dynamics. Despite gaining EU candidate status in late 2022, the country's regional cooperation level remained poor. The candidacy was not the result of positive political developments within BIH but rather a signal from the EU that the Western Balkans remained within its sphere of influence, particularly considering the amicable relations between Russia and the RS.

ALBANIA

In 2022, Albania's external relations were generally satisfactory (**fair**). The country faced some mild propaganda from the regional countries, suggesting its support for the Greater Albania project. This propaganda was based on statements by Albanian officials and their diplomatic efforts in favor of Kosovo's secession. 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. In addition, Albania experienced non-military intervention from a major power following a cyberattack attributed to Iran.

Albania is ethnically one of the most homogeneous countries in the Western Balkans (WB) region, which limits neighboring countries' ability to pressure Albania into making foreign policy decisions against its will. Regional intervention in Albania primarily took the form of relatively mild public propaganda, suggesting that Albania supported the Greater Albania project. This propaganda appeared in Serbian, North Macedonian, Montenegrin, and Bosnian media. However, it was based on insinuations made by the Albanian president, who, unlike his predecessors, expressed openness to the idea of unifying all Albanians from various countries, including Montenegro, Kosovo, Serbia, and North Macedonia, during his inauguration. Additionally, joint sessions were held between the parliaments of Albania and Pristina, which Serbia perceived as provocative. Albania was also supportive of Kosovo's secession campaign. Collectively, these actions amounted to a form of foreign policy pressure and influence through proxies, characterized here as a form of non-military regional intervention.

On a positive note, the Albanian prime minister maintained good personal relations with the Serbian president. This led to Albania, Serbia, and North Macedonia jointly establishing the "Open Balkan" regional initiative. Albania's ambivalent regional policy resulted in a moderate level of regional cooperation.

Regarding intervention by great powers, Albania experienced a significant cyberattack in 2022, attributed to Iran. This attack involved ransomware and disk-wiping malware, disrupting Albanian public services and leading to the leakage of sensitive security information. Iran likely

conducted this intervention due to Albania hosting a large Iranian exiled opposition group known as MEK. This incident represents an example of non-military intervention by a major power. In response, Albania severed diplomatic ties with Iran.

Albania maintains alignment with the EU's foreign policy, is a member of NATO, holds a non-permanent seat on the UN Security Council (UNSC), and supported resolutions against Russia's actions in Ukraine. The country also maintains positive relations with the United States. In 2022, Albania initiated accession negotiations with the EU after overcoming years of stalemate. The EU decided to link Albania's and North Macedonia's accession negotiations, and when Bulgaria lifted its veto on North Macedonia's accession in June, it automatically unblocked Albania's path to EU accession.

MONTENEGRO

In 2022, Montenegro's external relations can be characterized as reasonably **fair**. The country experienced a form of non-military regional intervention, with some concerns about potential proxies' pressure. Certain segments of Montenegro's elites engaged in public propaganda, intertwining complex ethnoreligious politics with narratives about pro-Russian influence.

Montenegro's regional cooperation in 2022 reached a moderate level. The country managed to resolve its dispute with the Serbian Orthodox Church, leading to improved relations with Serbia. Nevertheless, there remained mutual distrust between certain Montenegrin political elites and pro-Serbian parties. This led to suspicions of potential proxies' pressure, as some accused the latter of being proxies for Serbia.

The ongoing conflict in Ukraine also influenced Montenegro's external relations. Certain elites within the country conducted public propaganda to portray events in Montenegro as an extension of Russian influence aimed at undermining the nation's European Union (EU) aspirations. Overall, Montenegro both experienced and engaged in non-military regional intervention.

Montenegro chose not to participate in the "Open Balkan" initiative, contributing to its moderate level of regional cooperation. Great powers' non-military intervention became evident during prolonged government formation. Both the EU and the US pressured Montenegro by warning of potential political consequences if the country implemented a newly adopted law that removed the requirement for the president's approval of the potential prime minister.

Despite its NATO membership and alignment with EU foreign policy regarding sanctions against Russia, Montenegro's complex ethnoreligious power dynamics raised concerns about potential pro-Russian leanings. In 2022, the country also suffered a significant ransomware cyberattack attributed to the pro-Russian "Cuba ransomware" group, disrupting online services temporarily.

NORTH MACEDONIA

In 2022, the external relations of the Republic of North Macedonia were largely positive (**good**), distinguishing it as the only country in the region with such a high rating. This was primarily due to the country's consistent efforts to implement challenging decisions that unlocked its strategic foreign policy objectives. Two key events in 2022 significantly influenced North Macedonia's foreign policy landscape: the commencement of EU accession talks and the resolution of a 55-year crisis resulting in the autocephaly of the Macedonian Orthodox Church. Regional cooperation in the country was strong.

However, North Macedonia did experience a form of non-military regional intervention, characterized by foreign policy pressure and the influence of proxies. This was mainly driven by concerns about Greater Albania aspirations in the region. The country faced external pressures, including EU vetoes used as leverage to advance foreign policy goals, which contributed to the perception of non-military intervention by the EU in 2022.

These pressures were linked to strong support for the Greater Albania project among ethnic Albanians in North Macedonia and the similar ambitions of officials in Tirana and Pristina. Some Pristina officials promoted symbols of an "ethnic Albania" that encompassed western parts of North Macedonia. On a positive note, North Macedonia collaborated with Serbia and Albania in the newly established "Open Balkan" project.

In 2022, the Macedonian Orthodox Church achieved autocephaly, gaining de facto independence from the Serbian Orthodox Church. North Macedonia made commendable progress in resolving longstanding disputes with its neighbors, contributing to its strong regional cooperation standing.

North Macedonia is a NATO member, aligning with EU foreign policy positions, especially concerning the Ukraine conflict. The country initiated EU membership negotiations in 2022, overcoming the Bulgarian veto by addressing concerns related to the Bulgarian minority. While North Macedonia's parliament met the condition, the process generated mixed reactions among its public, partially due to past experiences like the name change in 2019. While some perceived elements of non-military intervention by the EU, North Macedonia's foreign policy continued to demonstrate a commitment to peaceful conflict resolution, leading to the resolution of longstanding regional issues.

KOSOVO

In 2022, the external relations concerning Kosovo were generally unfavorable (**poor**). Kosovo faced foreign policy pressures from regional actors and experienced pressure through proxies. The ongoing secession of Kosovo created a continuous foreign policy and proxy pressure, particularly from the government in Pristina towards Serbia. Consequently, this situation amounted to a form of non-armed regional intervention in 2022.

Kosovo remained a focal point of instability in the Western Balkans (WB) region, consistently endangering the fragile peace in the area. Kosovo hosts international military and civilian missions, and the mediation process relies heavily on the involvement of great powers, notably the EU and the US. Although there was no military confrontation in 2022, the intervention of these great powers remained non-armed. Notably, Kosovo possesses the highest risk of armed conflict in the WB for 2023.

Kosovo's status as a disputed territory with an ongoing secession process is the most significant issue in the WB. Among the WB countries, only Serbia and Bosnia and Herzegovina (BIH) do not recognize Kosovo's secession as legal, with Albania actively advocating for Kosovo's independence. Consequently, Kosovo experienced constant foreign policy and proxy pressure in 2022, with the secession process serving as ongoing foreign policy and proxy pressure on Serbia's territorial integrity and sovereignty.

Throughout the year, there were various protests, road blockades, incidents involving mistreatment of Serbs in Kosovo, and occasional non-armed clashes. The confrontations near the administrative line between central Serbia and Kosovo at the end of 2022 posed a significant risk of conflict escalation. However, the situation eventually de-escalated after mediated negotiations.

Despite ongoing tensions and the deployment of Kosovo's special forces, direct armed confrontations did not occur in 2022. The signing of a "license plate" agreement between Belgrade and Pristina in late November, facilitated by EU/US mediators, helped mitigate potential conflicts and committed both parties to continue negotiations. While several versions of a potential "normalization agreement" were discussed in regional media, such an agreement did not materialize in 2022.

Given that events in Kosovo periodically threatened the peace dynamics in the region, the regional cooperation in Kosovo is assessed as poor. Kosovo also experienced non-armed intervention by great powers in 2022. NATO maintained a presence in Kosovo through its KFOR military mission, which did not involve the use of arms in 2022. Additionally, the EU led a civilian mission, EULEX. Overall, the EU and the USA are expected to influence the future of peace in the region through their policies in Kosovo.

STATE CAPACITY

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

Overall, the Western Balkan countries exhibit moderate to low state capacity, primarily stemming from conflicts that occurred during the 1990s and early 2000s, coupled with the simultaneous shift from socialist to capitalist economies.

Croatia has demonstrated substantial progress in the region, largely attributed to its reforms related to EU accession. Nevertheless, there remain areas where Croatia could make notable improvements, such as resolving border disputes with several neighboring countries.

Following Croatia's trajectory, Serbia, Montenegro, and North Macedonia have made some advancements but still face unresolved issues. In Serbia, the most significant concern lies with the territory of Kosovo, where effective control is lacking. Additionally, border disputes with neighboring countries and internal challenges to sovereignty in southern Serbia are prominent issues. Rising inequality is another concern in Serbia, with insufficient mechanisms in place to address this problem. Montenegro faces similar challenges, albeit to a lesser extent, including border disputes and the need to bolster wealth redistribution and support for vulnerable groups. North Macedonia shares these challenges as well.

Albania and Bosnia and Herzegovina exhibit lower state capacities, largely due to violent conflicts and unsuccessful transitions. Bosnia and Herzegovina's score is closely linked to the presence of foreign troops, border demarcation issues, and internal disputes over the state's legitimacy. Like many regional countries, both need to enhance their capabilities for wealth redistribution and support for vulnerable populations. Albania faces significant issues related to its state's ability to provide adequate healthcare and education services to its citizens.

Kosovo, characterized by internally and externally contested sovereignty, possesses the lowest state capacity among the Western Balkan nations. This deficiency is evident in various sectors, including education and healthcare, where Kosovo scores poorly on state-capacity metrics. While the recognition process remains a central focus for Kosovo, comprehensive reforms in other areas are also essential for substantial improvement.

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 recognize. These conflicts have hindered Serbia's full membership in regional security organizations 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 that were present 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. Overall, Serbia's state capacity is considered **medium**.

In terms of territorial control, Serbia's rating is low due to border demarcation disputes with Croatia and Bosnia and Herzegovina. The situation is especially 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 Gini coefficient (34.5) and a lack of progressive taxation. In healthcare, Serbia receives a high score because of increased investments in the sector (8.67% of GDP) and broad access to universal healthcare (covering 71% of the total population). In education, Serbia scores at a medium level, considering the percentage of GDP allocated to education (3.6%) and completion rates for primary (98.5%), secondary (73.6%), and higher education (33%).

Support for vulnerable groups in Serbia is also rated as medium. This assessment is based on the relatively low percentage of GDP spent on social assistance (averaging 1.60% of GDP from 2010 to 2020), limited support for the elderly population, 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).

CROATIA

Croatia went through a period of violent conflict from 1991 to 1995. Since the cessation of hostilities, Croatia has made substantial advancements in rebuilding, development, and institutional reforms. By 2013, Croatia had become a member of the

European Union, NATO, and other significant international and regional organizations. 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 neighboring 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 and increasing investments in the education sector remain unresolved. As a result, Croatia is assessed as having a **medium** level of state capacity.

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

Regarding state provision, Croatia's overall assessment is medium. Croatia excels in wealth redistribution due to its low Gini coefficient (28.9) and progressive taxation policies. In healthcare, Croatia is rated at a moderate level based on the level of investment in the sector (6.98% of GDP) and the widespread coverage of universal healthcare (encompassing 73% of the population). In the education sector, Croatia attains a moderate score due to the percentage of GDP allocated to education (3.9%) and completion rates for primary (97%), secondary (70.7%), and higher education (36.6%).

Croatia's support for vulnerable groups is also considered medium. 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 assistance provided to the elderly population (rated as moderate by experts), 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).

BOSNIA 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 organizations, 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 neighboring 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 the management of its higher education and healthcare sectors. As long as structural issues persist, it is unlikely that Bosnia and Herzegovina will significantly improve its provision of services to its citizens. The overall assessment of Bosnia and Herzegovina's state capacity is **low**.

In terms of territorial control, Bosnia and Herzegovina receives 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 medium. 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 (9.05% of GDP) and a relatively low rate of universal healthcare coverage (encompassing 65% of the total population). In the education sector, Bosnia and Herzegovina achieves a moderate score, reflecting the percentage of GDP allocated to education (4.6%) and completion rates for primary (91.4%), secondary (69.1%), and higher education (28.4%).

Bosnia and Herzegovina's support for vulnerable groups is rated as low. 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 assistance provided to the elderly population (characterized 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.

ALBANIA

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, some progress has been made in reestablishing state provisions and services. Albania is currently an active participant in all relevant regional and international organizations, 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 is a direct consequence of 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. The overall assessment of Albania's state capacity is rated as **low**.

Regarding territorial control, Albania is assessed as high. The country does not have border demarcation issues with neighboring nations. Moreover, Albania does not contend with disputes over its sovereignty from internal groups, nor does it host foreign troops on its territory.

Concerning state provision, Albania's overall ranking is low. It achieves a medium rating for wealth redistribution due to the combination of high Gini coefficient (33.2) with progressive taxation. In terms of the state's ability to provide healthcare, Albania is rated low due to low investments in the sector (5.23% of GDP) and limited universal healthcare coverage (only 62% of the total population). In the education sector, Albania scores low due to the percentage of GDP allocated to education (3.1%) and the completion rates for primary (95.5%), secondary (45.3%), 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 2.04% of GDP from 2014 to 2020), the quality and extent of support for the elderly population (characterized 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.

MONTENEGRO

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, becoming a full member of all relevant international and regional organizations, 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 neighboring countries. While making progress in various areas, notably in education, as part of its EU accession process and reforms, Montenegro still needs to enhance its state capacities, particularly in supporting vulnerable groups and ensuring a more equitable distribution of wealth among its citizens. Montenegro's overall state capacity is considered **medium**.

Montenegro receives 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 there are no foreign troops stationed within its borders.

In terms of state provision, Montenegro's overall ranking is medium. It scores low in wealth redistribution, primarily due to a high Gini coefficient (36.8) and a lack of progressive taxation. Montenegro's ability to provide healthcare is considered medium, with substantial investments in the sector (8.33% of its GDP) and moderate coverage of universal healthcare (67% of the total population). In the education sector, Montenegro receives a high score due to the percentage of GDP

allocated to education (4.2%) and favorable completion rates for primary (97.5%), secondary (72.6%), and higher education (38.4%).

Montenegro's support for vulnerable groups is rated as low. This assessment is based on the percentage of GDP allocated to social assistance (averaging only 0.60% of its GDP from 2010 to 2018), 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.

NORTH 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 negative developments, North Macedonia performs moderately with regard to 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**.

When it comes to the control of its territory, North Macedonia is rated as medium. 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.

With regards to state provision, North Macedonia's overall rank is medium. North Macedonia rates medium in redistribution due to the Gini score (31.4) and the lack of progressive taxation. When it comes to the state's capacity to provide healthcare, North Macedonia rates as medium due to the medium investments in the sector (7.25% of its GDP) and the medium rate and coverage of universal healthcare (68% of the total population). In the sector of education, North Macedonia scores medium due to the percentage of GDP invested in education (3.95%) and the completion rate of primary (93.6%), secondary (68.3%) and higher education (39.7%). North Macedonia's support for vulnerable groups is 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 2012-2020), the quality and coverage of support for the elderly population which, in experts' opinion, is rated low, the

degree of Roma inclusion (unemployment of 49%; 69% of the population 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 due to the fact that 66% of children who live in alternative care, live in foster homes.

KOSOVO

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

Regarding state provision, Kosovo's overall ranking is 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 (4.1% of GDP) and low rates of universal healthcare coverage (below 50%). In the education sector, Kosovo receives a low score due to a low percentage of GDP allocated to education (4.6%) and limited completion rates for secondary (considered low by estimates) and higher education (29.1%).

Kosovo's support for vulnerable groups is rated as medium. This assessment is based on the percentage of GDP allocated to social assistance (averaging 4.61% of GDP from 2014 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

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)
Serbia	Low
Croatia	Medium
Bosnia and Herzegovina	Low
Albania	Medium
Montenegro	Low
North Macedonia	Low
Kosovo	n/a

The region's environmental sustainability performed poorly both overall and in each specific indicator. Firstly, the indicator of natural resource resilience offers valuable insights warranting further analysis and research. Given that the entire region is one of the most severely impacted by climate change in Europe, with estimates projecting temperature increases by the end of the century, policies to prevent biodiversity loss are crucial, particularly in light of the RCC's findings regarding subtropical climate expansion northward. However, the overall inadequate state of waters, species, and tree cover reveals a lack of strong political will or commitment to safeguard these life-supporting systems, with the exception of Croatia. Water quality remains concerning due to more frequent droughts, floods, and insufficient wastewater treatment, notably in Serbia, North Macedonia, and Albania. The region also faces significant deforestation, despite the critical role of forests and tree cover in addressing climate change and preserving biodiversity.

Furthermore, air quality is at an alarming low. Citizens of the Western Balkans are exposed to unhealthy air pollution levels higher than other parts of Europe, resulting in a significant number of premature deaths annually, largely due to outdated coal industries and individual combustion plants. The economic cost of coal burning on health and productivity, estimated at around €11 billion per year, extends to neighboring EU member states. This issue is particularly concerning in Serbia, Bosnia and Herzegovina, North Macedonia, and Montenegro, where political elites have been reluctant to address it. Neglecting air quality could lead to mass protests, civil unrest, and jeopardize peace.

Lastly, the ongoing tensions related to the war in Ukraine, which caused a substantial rise in electricity and derivative prices, impacted the region's energy systems. Energy supply has become a critical national and geostrategic priority in both the EU27 and the Western Balkans. Energy security took precedence in the political agendas of Western Balkan governments in 2022. In terms of energy system performance, only Albania and Croatia received high ratings, thanks to diversified industries and a greater share of renewables in their total final energy consumption.

SERBIA

Serbia's overall environmental sustainability is rated as **low**, with three key indicators revealing significant challenges.

First, in terms of natural resource resilience, Serbia faces alarming trends. It has a high risk of floods and treats only 27% of its wastewater, falling short of international sustainability goals. Major cities, including Belgrade, Novi Sad, and Niš, still release untreated wastewater into rivers. While some international indices suggest moderate performance in species protection and tree-cover loss, local reports indicate an increase in deforestation and inadequate development of protected areas, especially after the state of emergency declaration in 2020. Ongoing protests against small hydropower plant construction in biodiversity-rich areas highlight concerns about natural resource resilience.

Second, Serbia's capacity to achieve recommended air quality levels and reduce the impact of air pollution on human health is extremely low, ranking worst in the region. High greenhouse gas emissions per capita and outdoor air pollution contribute to poor air quality. In 2020, Serbia's "Podunavska oblast" region recorded one of the highest rates of relative premature deaths due to air pollution in Europe, second only to North Macedonia's Skopski region. Air quality issues have frequently led to public outcry and protests.

Third, in terms of energy sustainability, Serbia ranks fifth in the region. While it performs moderately in energy security, the breakdown in the TENT Obrenovac power plant during a snowstorm in December 2021 caused significant financial and security damage, leaving thousands without heat and water for days. Serbia's energy insecurity was further exacerbated by the use of inferior coal quality and delayed power grid repairs. Serbia ranks third in the region for the proportion of its population relying on clean fuels and technology, with 80% using such resources.

CROATIA

Croatia's overall environmental sustainability is rated as **medium**. The country performs moderately in natural resources resilience and air quality indicators, while excelling in energy system performance.

In terms of natural resource resilience, Croatia displays a mixed picture. It boasts the highest level of species protection in the region and treats wastewater relatively well, though still below the EU average. On the flip side, Croatia faces a high risk of flooding, and despite efforts to combat deforestation, it experiences significant tree-cover loss. Severe droughts during the summer of 2022 exacerbated the problem as increased wood demand due to surging energy prices led to criminal acts of wood theft, particularly in private forests.

When it comes to air quality, Croatia fares better than its regional neighbors, with the lowest outdoor air pollution. However, it ranks among the lower-performing EU27 countries, falling short of maintaining minimum air quality standards. Efforts to address air pollution challenges, especially in the capital city of Zagreb, continue into 2023.

Croatia shines in terms of energy system performance, ranking second in the region behind Albania, which has a higher percentage of renewable energy in its total final energy consumption. Croatia's energy security also ranks first in the region, demonstrating a strong commitment to clean fuels and technology. Recent discussions sparked by a feasibility study by the NGO Green Action propose Croatia's transition away from gas and towards renewable energy sources by 2035, generating significant public engagement on energy sustainability commitments.

BOSNIA AND HERZEGOVINA

Our evaluation of Bosnia and Herzegovina's overall environmental sustainability reveals a **low** rating, with the country performing poorly on every indicator. These issues pose significant challenges to the nation's environmental health.

In the area of natural resource resilience, Bosnia and Herzegovina faces considerable hurdles. The country scores very low on the international species protection index and grapples with extensive piles of waste, particularly concerning as these waste accumulations can end up in the Drina River during wet weather. These problems further erode the resilience of already fragile natural resources, which are increasingly affected by rising temperatures in the region.

The air quality indicator also highlights a major concern, with Bosnia and Herzegovina exhibiting a low capacity to meet recommended air quality standards. This problem primarily stems from outdoor air pollution and greenhouse gas emissions (GGE). Sarajevo, in particular, is among the most polluted cities globally during winter months, raising severe health risks for its residents.

When evaluating energy system performance, Bosnia and Herzegovina's challenges persist. The country ranks poorly in terms of energy sustainability and energy security within the region. While it performs moderately in terms of renewable energy utilization, it lags behind other Western Balkan countries in providing access to clean fuels and technology for cooking. Environmental standards remain a concern, as high levels of pollutants from large combustion plants persist without adequate legal resolution, hindered by political fragmentation within the country. This ongoing issue extends into 2023, further compromising environmental sustainability in Bosnia and Herzegovina.

ALBANIA

Our evaluation of Albania's overall environmental sustainability places it in the **medium** category. This assessment takes into account the country's moderate air quality and its limited capacity to ensure the resilience of natural resources. However, Albania excels in terms of energy system performance, standing out as one of the region's top-performing countries in this regard.

The natural resource resilience in Albania faces significant challenges. The country struggles with low wastewater treatment, with only 13% of wastewater being treated. Given that water is a crucial natural resource and a source of energy through hydropower in Albania, this situation is cause for concern. Furthermore, the country has experienced dramatic deforestation, ranking second only to Croatia in terms of tree-cover loss. Excessive wood logging, often unauthorized, has played a

significant role in the degradation of forest areas. However, Albania performs moderately on the species protection index and flood risk.

In terms of air quality, Albania achieves a moderate rating. The country boasts the lowest greenhouse gas emissions per capita in the region, primarily due to its reliance on hydropower. It is also the second-best performer in the region in achieving recommended air quality standards for its citizens. However, Tirana, the capital city, contends with high pollution levels, especially during the winter months. The World Bank's data indicates that Albania had a relatively high rate of deaths per 100,000 inhabitants in 2019 attributed to environmental pollution factors compared to developing countries but lower compared to regional counterparts.

Regarding energy system performance, Albania stands out among Western Balkan countries. It ranks first in energy sustainability and second only to Croatia in terms of energy security, according to the Western Balkans Energy Transition score. A significant portion of the population in Albania, over 80%, has access to clean fuels and technology for cooking. Additionally, Albania leads the region in the share of renewable energy in its total final energy consumption, with 40.2%. However, like other nations, Albania faced energy price surges due to the conflict in Ukraine, which had a substantial impact on the energy stock market in 2022.

MONTENEGRO

Our evaluation of Montenegro's overall environmental sustainability places it in the **low** category. The assessment considers the country's low performance in natural resource resilience and air quality, with a moderate rating in terms of energy system performance. The Montenegrin coast faces serious threats from climate change and declining biodiversity, highlighting the need for increased efforts to protect species and ecosystems, which currently receive insufficient safeguards in the region.

First, Montenegro exhibits a remarkably low score on the species protection index (0.47), significantly below the regional average. This substantial biodiversity decline is evident even within protected areas. Factors such as climate change, overexploitation of wildlife, and habitat loss pose substantial threats to areas like Platamuni, Katič, and Stari Ulcinj. Montenegro lags behind Croatia and Bosnia and Herzegovina in wastewater treatment, with a rate of 45%. In terms of tree-cover loss, Montenegro performs moderately compared to other regional countries.

Second, Montenegro has a low capacity to achieve recommended air quality levels, with an SPI index of 1324.12. While it fares slightly better on this sub-indicator than Serbia, North Macedonia, and Bosnia and Herzegovina, there have been slight improvements in air quality from 2020 to 2021, as reported by the Montenegrin Environmental Protection Agency. This indicates some potential for gradual progress in the coming years, albeit at an insufficient pace. The country achieves moderate results on the GGE per capita sub-indicator, ranking fourth in the region. Nevertheless, the overall indicator score reflects significant concerns regarding unhealthy ambient air pollution, particularly in Pljevlja and Bijelo Polje.

Third, according to the Western Balkans Energy Transition (WET) assessment, Montenegro ranks third in the region for energy sustainability (42) and security (64.1). It also performs second-best in terms of renewable energy share in total final energy consumption (38.74), just behind Albania. Therefore, we rate the energy system performance indicator as moderate. However, it's important to note that only 62% of the population primarily relies on clean fuels and technology, a figure significantly lower than the regional average. During the energy crisis of 2022, caused by the conflict in Ukraine, Montenegro's energy sector, comprising eight companies, faced financial losses exceeding 29 million euros.

NORTH MACEDONIA

Our assessment of North Macedonia's overall environmental sustainability categorizes it as **low**. The evaluation reveals a moderate performance in natural resource resilience, coupled with low ratings in air quality and energy system performance. While North Macedonia faces significant challenges in wastewater treatment, there is a promising display of political will to address this issue, marked by securing EU financial investment in 2022. The country's commitment, alongside its average performance in protecting species and managing flood risks, contributes to the moderate rating of the first indicator. Conversely, the air quality is rated low, primarily due to North Macedonia's notably poor performance in outdoor air pollution, which ranks worst in the region. Finally, the energy system performance is marked as low because North Macedonia trails behind other regional countries in terms of energy security and has the lowest share of renewable energy in its total final energy consumption.

First, the natural resource resilience rating is moderate, primarily attributed to North Macedonia's performance in the species protection index (53.24), tree-cover loss (23.30), and flood risk management (2.68). However, the country records the worst wastewater treatment percentage in the region at only 9%. Consequently, it comes as no surprise that in 2022, the European Investment Bank signed a 50 million euro agreement to invest in North Macedonia's water sector. The investment aims to enhance infrastructure for water supply, wastewater treatment, and flood protection systems. The Macedonian Ecological Society also highlights a shortage of experts in biodiversity study, which affects environmental monitoring and conservation efforts. While North Macedonia has achieved satisfactory technical capacities for nature research, it faces challenges related to the insufficient number of well-trained young environmentalists, often attributed to brain drain.

Second, North Macedonia grapples with severe outdoor air pollution, as reflected in its SPI index of 2083.70, which significantly impacts public health. The Skopski region officially reported the highest relative premature deaths in Europe due to air pollution in 2020, with 265 per 100,000 inhabitants (closely followed by Serbia's Podunavska oblast with 263). Interestingly, North Macedonia performs second only to Albania in the GGE per capita sub-indicator (EPI score 47.20). Despite these moderate results, persistently high levels of outdoor air pollution contribute to the overall low air

quality rating. Citizens in Skopje, Tetovo, and Bitola frequently resort to public protests in front of government buildings to voice their concerns.

Third, according to the Western Balkans Energy Transition (WET) assessment, North Macedonia ranks fifth in energy security (60.2) and fourth in energy sustainability within the region (53 EPI score). However, it falls behind regional counterparts in terms of renewable energy's share in total final energy consumption, with a rate of 16.32%. The country demonstrates a substantial proportion of the population relying on clean fuels and technology, at 78% (SDG 7.1.2). It's worth noting that North Macedonia took the initiative to adopt the National Energy and Climate Plan in 2022, making it the first Western Balkans country to do so as part of its commitment to EU 2030 energy and climate goals.

KOSOVO

The data that we systematically used throughout the comparative study of WB countries were not available for the territory of Kosovo for the year 2022.

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

Addressing crime in the Western Balkans remains a significant challenge for regional peace, security, and development. In the reported period, the efforts and outcomes in combating crime have been generally inadequate in four out of seven countries/territories in the region, while the remaining three have achieved only moderate success. Although Croatia has made notable progress, the region as a whole continues to grapple with various types of crimes, including conventional, organized, and state-sponsored crime. The persistent issues of post-conflict legacies, political instability, inter-ethnic tensions, and, most notably, poverty and a lack of job opportunities create a vicious cycle in which criminal activity hinders substantial advancements in peace and development at local, national, and regional levels.

Surprisingly, the Western Balkans does not experience high rates of conventional crime, with the average regional homicide rate being lower than that of Europe in 2022. However, what continues to impede progress is the scale and nature of transnational organized crime, which operates along historical trafficking routes from Asia to Western Europe. Despite promising rhetoric, none of the regional governments has significantly reduced drug, arms, and human trafficking or money laundering within their territories. Furthermore, the involvement of state actors and politicians in criminal networks remains evident across the region during the reported period. Efforts to combat corruption and organized crime have been relatively mild, inconsistent, and influenced by electoral cycles. The ongoing global instances of violence and shifts in global power dynamics suggest that the situation could deteriorate further, especially concerning the problematic nexus between politics and organized crime in the region.

In terms of capacity for combating crime, the states in the region share similar weaknesses, particularly concerning the lack of a robust, efficient, and independent judiciary. Although the situation varies to some extent among the states, the region has not yet fully separated its judiciary from external political or business interference. While some high-profile corruption trials were initiated in the region in 2022, many lingered or ended with unsatisfactory outcomes. Such levels of corruption within the judiciary and the

broader public sector hinder each country's potential to harness its human and material resources effectively to combat crime. These resources, while not always abundant, have generally become more stable thanks to two decades of international support. However, democratic backsliding in the region has further weakened the capacity to combat crime, as law enforcement agencies and security sector entities often become susceptible to political manipulation by ruling parties.

Surprisingly, citizens in the Western Balkans tend to assess the crime situation independently of their sense of safety. Residents of all observed countries/territories generally feel relatively safe, sometimes even more so than residents of European nations with lower crime rates. This sentiment persists despite the widespread belief that political elites and organized crime have corrupted and influenced law enforcement agencies. Currently, citizens' dissatisfaction is primarily directed toward the judiciary and prosecutors, while their trust in the police remains reasonably intact. While the prevailing traditional political culture plays a significant role in this dynamic, ethnically divided countries often witness feelings of safety and trust in law enforcement authorities aligning with ethnic divisions.

SERBIA

In 2022, Serbia's efforts to combat crime are assessed as **poor**. While there has been a continued decline in 'traditional' violent crime over the past two decades in almost all categories in Serbia, a significant concern persists regarding organized crime. Serbia ranks poorly in the Organized Crime Index for Europe, primarily due to its geographical location and unfavorable social, economic, and political conditions. The country serves as both an origin and transit point for drug trafficking, human trafficking, and illicit arms trade. Recent global crises, triggered by conflicts in Syria and Ukraine, have further facilitated criminal activities and routes across Serbia. This organized crime environment is exacerbated by Serbia's overall political situation, characterized by a decline in the quality of the rule of law and democratic governance. The concentration of political power in the hands of the ruling party has affected the willingness of the prosecution and judiciary to address financial misconduct and other malpractices involving high-profile politicians. Consequently, the fight against organized crime in Serbia lacks systematic and sustained efforts. Despite citizens' awareness of these issues, they generally feel relatively safe in Serbia. Concerns related to organized crime and corruption have eroded trust in the judiciary but have not significantly impacted the traditionally strong trust in the police. In summary, the notable presence of organized crime in Serbia and the lack of political commitment to combat it remain substantial obstacles to both national and regional development.

The crime scale indicator for Serbia is considered medium. National statistics indicate a gradual decline in 'conventional' violent crime in 2022, with a homicide rate lower than the regional average and the European average. However, disturbingly high rates of family violence and violence

against women and girls persist. Serbia continues to face significant challenges related to organized crime, ranking among the highest in Europe, as indicated by the Organized Crime Index. In 2022, Serbia remained a key country of origin and transit for drug trafficking, illicit arms trade, human trafficking, and money laundering in the region. An increase in domestic production of synthetic drugs was also observed. The state's capacity to combat crime is assessed as poor, primarily due to an inefficient state prosecution and judiciary susceptible to political influence. While the police carried out several significant operations against various criminal groups involved in drug trafficking and money laundering during the reported period, case processing times and the percentage of unresolved cases remain unsatisfactory. Several cases implicating connections between the government and organized crime have gone unresolved. Furthermore, some crucial strategic documents, particularly those related to the fight against human trafficking, were not adopted in 2022. Democratic governance in the security sector continues to decline, with legislative developments and appointments in the security sector during 2022 failing to signal a reversal of this trend. Despite these challenges, the feeling of safety in Serbia is evaluated as medium, with most citizens considering it relatively high. Although many perceive the police as corrupt and influenced by political elites and organized crime, their level of trust in the police remains solid. Conversely, trust in the judiciary remains alarmingly low.

CROATIA

Croatia's efforts in combating crime are assessed as **moderate** and are on an upward trajectory. In comparison to other countries in the region, Croatia has made significant progress in preventing and addressing crime within its borders. However, the issue of organized crime remains a serious concern. The country continues to grapple with various forms of serious crime, including drug trafficking, human smuggling, and the associated violence, primarily due to its location on major trafficking routes toward Western Europe. Croatia shares lengthy borders with Bosnia and Herzegovina and Serbia, which are prone to infiltration by various criminal networks, hindering regional peace and prosperity. While Croatia has a solid legislative and institutional framework, along with sufficient material and human resources, its law enforcement system still lacks effectiveness and autonomy. The vulnerability of the judiciary to political and commercial influences is Croatia's major shortcoming. Consequently, numerous high-profile corruption trials involving senior officials often linger for extended periods and seldom lead to convictions.

Despite recent political turbulence and evident democratic backsliding, democratic oversight of the security sector in Croatia remains stronger than in most Western Balkans countries and likely compares favorably to certain EU nations. Despite a very low level of trust in the judiciary and prosecutors, citizens feel safe in Croatia, even more so than citizens in many EU countries. Thus, Croatia's current crime situation falls between the EU and the Western Balkans in terms of both its scope and its ability to combat it.

The level of crime in Croatia in 2022 is considered medium. National and EU statistics indicate that rates of homicide, robberies, and thefts remain below the European average. However, incidents of family-related violence, rape, and sexual violence have shown a slight increase in recent years in Croatia. Organized crime in the country is primarily driven by its location on major drug and human trafficking routes from Asia through the Western Balkans to Western Europe. While the majority of irregular migrants arrive in Balkan countries without assistance, many continue their journey through Croatia with the aid of smuggling groups, which may include domestic actors. Reports of harsh treatment of migrants by Croatian police have been issued by independent observers, even in 2022.

While state crime is not as prevalent as it was in the immediate post-war period, high-profile corruption remains a significant issue in Croatia. The main anti-corruption office, the Croatian State Prosecutor's Office for the Suppression of Organized Crime and Corruption, has been active in initiating and investigating cases, including those involving high-ranking politicians. However, the courts often fail to prosecute corruption due to external pressure from politics and business. Recent acquittals of well-known individuals accused of crimes further underscore the judiciary's lack of independence in Croatia. Therefore, despite having a high number of police officers and judges per capita, Croatia's overall capacity to combat crime within its borders is still considered moderate. This situation aligns with citizens' attitudes, as trust in the Croatian judicial system remains the lowest among all EU member states, both among ordinary citizens and businesses. Nevertheless, citizens generally feel safe, with Croatia ranking second in Europe based on the percentage of citizens who feel safe walking alone in the streets at night. Consequently, the overall feeling of safety is rated as medium.

BOSNIA AND HERZEGOVINA

Efforts to combat crime in Bosnia and Herzegovina are assessed as **poor**. A combination of a high crime rate and inadequate resources for addressing it has led to a lack of confidence among citizens that widespread crime and corruption can be effectively tackled in the near future. While the overall structure of crime is not significantly different from other countries in the region, Bosnia and Herzegovina's complex cantonal power-sharing arrangement presents challenges for effective law enforcement. Operational cooperation among law enforcement agencies across cantons and entities remains a systemic problem due to the lack of harmonized criminal legislation, weak institutional coordination, and limited intelligence sharing. Criminal organizations operating in the country exploit these weaknesses. Political interference in the police force is a persistent issue, and the judiciary struggles to ensure due process. As a result, citizens' trust in the country's judiciary is among the lowest in the region. The burden of the post-conflict legacy continues to hinder Bosnian society's resilience to various types of crime, perpetuating the cycle of poverty and criminality. The "special ties" that neighboring countries have with Bosnia and Herzegovina seem to impede rather than strengthen the country's capacity to combat crime effectively.

The level of violent crime is assessed as medium. While homicide rates and property crime are in line with regional averages, gender-based violence remains a serious concern due to deeply entrenched patriarchal norms. Bosnia and Herzegovina continues to serve as an important transit country for drug trafficking to Western Europe. It is also a key stop on routes used to transport illegal firearms into Europe from major arms suppliers like Serbia and Montenegro. Human trafficking, particularly for sexual exploitation and forced labor, remains a significant issue. While regional cooperation in blocking drug and human trafficking routes through Bosnia and Herzegovina has been successful on some occasions, overall capacities for preventing and combating organized crime remain poor. Several critical strategic documents and referral mechanisms were still not in place in 2022, and the legal framework for addressing organized crime remains unharmonized across the country. Despite a slight increase in the number of police personnel in 2022, their effectiveness in fighting crime remains inadequate due to susceptibility to political interference within both the police and judiciary. Despite a few high-profile corruption indictments during the reporting period, the overall success rate of the justice system in combatting serious crime remains very limited. Democratic oversight of the law enforcement and security sector is almost non-existent within the broader political and institutional context of Bosnia and Herzegovina. Consequently, citizens in Bosnia and Herzegovina have some of the lowest levels of trust in the legal system and the security apparatus in the region, resulting in an overall feeling of poor safety.

ALBANIA

Efforts to combat crime in Albania for 2022 are assessed as **moderate**. Some forms of conventional crime, such as homicide rates and domestic violence, remain higher than the regional average. However, the primary concern is organized crime, particularly drug and human trafficking, which drives other forms of criminal activity and violence in society. Albanian criminal networks play a significant role in transnational organized crime in the Western Balkans, posing threats to regional and international peace and security. During the reporting period, Albania has taken steps to enhance its institutional, strategic, and legislative framework, which should improve its ability to address these issues. While external pressure and support have contributed to these changes, they suggest a growing political will to combat crime in society. Corruption in the public sector and the judiciary remains a major obstacle to more significant progress. Nonetheless, there have been institutional improvements and an increase in prosecuted cases of corruption, some involving high-ranking officials during 2022. Like other countries in the region, Albanian citizens feel relatively safe despite considering organized crime and corruption significant security concerns.

The level of crime in Albania in 2022 is estimated as medium. Although gradually declining, the homicide rate remains the second-highest in the region, following Montenegro, according to UNODC. Violence against women and girls in Albania continues to be a serious concern, with more than half of the female population having experienced some form of violence, according to UN Women. Organized crime remains prevalent, as in other regional nations. Albania's role as a major

transit country for heroin and cocaine trafficking from Latin America and the Middle East makes drug trafficking the most common serious criminal offense. Despite international support, including from the EU and Italy, the cannabis market and domestic production remain issues. While some progress has been made in the strategic framework and budget allocation for combating human trafficking, particularly involving Roma, women, and migrant populations, resources for victim identification and prosecution of those responsible are still inadequate. Corruption in the judiciary and public sector remains a significant impediment to more robust crime prevention in Albania. Nevertheless, there have been improvements in institutional capacity and judiciary reform during the reporting period, with the establishment of the Specialised Structure for Anti-Corruption and Organized Crime, comprising the Special Prosecution Office and the National Bureau of Investigation. Criminal proceedings and financial investigations involving high-ranking state officials have been conducted. The vetting of judiciary members continues to yield results in the fight against corruption within the judiciary. Consequently, the judiciary's capacity is rated as moderate. While citizens perceive internal threats as the most significant security concerns, they maintain solid trust in the police and generally feel safe in Albania, resulting in an overall feeling of medium safety.

MONTENEGRO

Efforts to combat crime in Montenegro are assessed as **poor**. Despite recent political changes and governmental reforms that created an opportunity for progress, the results in tackling pervasive organized crime have fallen short of expectations. Illicit drug trafficking networks continue to drive various forms of crime and violence, often affecting neighboring countries as well. While there have been some improvements in investigating, prosecuting, and convicting cases related to corruption and organized crime, the judiciary's credibility and efficiency remain in question. State actors continue to be closely involved in various criminal activities.

To meet the necessary standards for EU accession, Montenegro must improve the human and material capabilities of its judiciary and the overall security sector. While the quality of democratic governance within the security sector is lacking, there have been some improvements in internal control systems and space for civil society and media oversight. Surprisingly, despite the prevalence of crime in society, people generally do not feel particularly unsafe. They still have confidence in the ability of the police to maintain citizens' security, even when they suspect police involvement in corruption or political influence. Overall, Montenegro's insufficient and ineffective fight against crime has significant adverse effects on peace, security, and development in the region, primarily due to spillover effects.

The crime scale in Montenegro is considered high. The country serves as a crucial transit route for trafficking cigarettes and various drugs, resulting in a significant presence of organized crime. Mafia-style groups, especially rival factions from the town of Kotor, dominate domestic and transnational criminal markets, leading to territorial disputes and violence. Violent confrontations

between these groups are common, with the cocaine market being particularly prone to violence. As a result, violent crime, including the highest homicide rate in the region, remains widespread.

The state's capacity to combat crime is evaluated as poor. Despite some improvements stemming from recent political changes, state actors continue to be deeply involved in criminal activities, with law enforcement, secret services, and politicians offering protection to criminal elements and their assets. While there have been some enhancements in the legislative framework and the appointment of new prosecutors, the judiciary still lacks the necessary capabilities to address the level and complexity of crime. Both human and material resources in the judiciary and the broader security sector remain insufficient.

There have been slight improvements in democratic oversight due to political changes. However, the overall feeling of safety among citizens is rated as medium. Although approximately half of the population believes that the police are corrupt and influenced by politicians and organized crime, citizens generally view the police as effective in ensuring their safety.

NORTH MACEDONIA

North Macedonia's ability to combat crime is assessed as **moderate**. In comparison to some neighboring countries, the level of organized crime in North Macedonia is slightly lower. While it plays a role in Western Balkans drug and arms trafficking routes, it is not among the primary transit points. Due to the diverse population, illicit markets are mainly controlled by loosely connected criminal networks, often formed along ethnic or familial lines. While there is less competition among these networks compared to other countries in the region, there has been a slight increase in violence and murders linked to criminal activities.

However, widespread corruption, particularly within the judiciary, remains the major obstacle to North Macedonia's progress in combating various forms of crime. Despite advancements in investigating high-level corruption cases, the process seems to have stalled. Many international supporters of judicial reform in North Macedonia argue for increased human and material resources in both the judiciary and the security sector to effectively tackle crime. Despite a crime situation no worse than the regional average, North Macedonia has the lowest level of public trust in the police in the region. Ethnic divisions in society significantly impact public opinion, including trust in law enforcement agencies. Therefore, achieving peace and good inter-ethnic relations in North Macedonia hinges on the speed and success of the state's efforts to combat crime.

The level of violent crime in North Macedonia is assessed as medium. Homicide rates and other major conventional crime types are around the European and regional averages, although not negligible. North Macedonia continues to serve as a transit country for illegal drug and weapons trafficking, albeit on a smaller scale than some neighbors. Human trafficking remains a significant concern, with no substantial progress made in key areas such as convictions and allocation of resources to combat it in 2022.

Nonetheless, high-level corruption and corruption within the judiciary are significant problems, enabling organized crime and eroding public trust in institutions. While there has been some progress in investigating and prosecuting corruption cases, including those involving high-ranking individuals, the judiciary needs to further enhance its human and material resources and integrity. Concerns arose in 2022 regarding the suspension of the Special Organized Crime Prosecutor and the selection of a replacement, expressed by both domestic and international actors.

Democratic governance and oversight in the security sector are challenging due to the complex power-sharing arrangement, often influenced by the interests of political parties and ethnic groups in power. The capacity to combat crime is, therefore, rated as barely moderate. Due to perceived high levels of corruption, citizens have limited confidence in the criminal justice system and the prosecutor's office in their ability to address crime. Nevertheless, despite not holding a highly favorable opinion of the police, citizens still consider North Macedonia a relatively safe country to live in, resulting in a medium level of perceived safety.

KOSOVO

The efforts to combat crime in Kosovo have been assessed as **poor** overall. Despite a significant international presence, the unresolved status of Kosovo contributes to an environment that fosters various forms of violent and conventional crime. The lack of effective government authority in Pristina over northern Kosovo creates a vacuum where crime prevention efforts are challenging, and there is a risk of escalating inter-ethnic violence. Furthermore, major criminal groups appear to have strong connections to political leadership in both Pristina and Belgrade. Kosovo is crisscrossed by routes used for drug, arms, and human trafficking, leading to high levels of organized crime and associated violence. The country lacks the necessary resources, both in terms of personnel and materials, to effectively address these issues, despite substantial ongoing assistance from international actors. Widespread corruption, particularly within the government and the judiciary, is a significant impediment, often resulting in improper influence from various political and criminal figures on investigations into organized crime. While Albanians in Kosovo generally feel safe and maintain a high level of confidence in the police and law enforcement agencies, the Serbian community tends to have very low trust in Pristina's institutions, especially the Kosovo police forces. In summary, the extent and nature of crime in Kosovo pose significant challenges to peace and development for the local population and the region as a whole. While the unresolved status of Kosovo plays a significant role in this situation, the root causes of high-level crime, particularly pervasive corruption, are multifaceted.

Kosovo has a high crime rate, although not all types of crime are equally prevalent. Homicides and robberies are approximately average for the region and Europe, but femicide, domestic violence, and sexual assault are major concerns. Organized crime,

encompassing the trade in counterfeit cigarettes, illegal weapons, and drugs, remains a significant issue. Most major criminal organizations, both among Serbs and Albanians, appear to have established ties to various levels of politics. The capacity to combat crime is generally considered poor. While Kosovo is not a party to significant international conventions addressing organized crime due to status-related issues, it unilaterally applies their principles in its criminal legislation. The legislative framework largely aligns with European standards for addressing various forms of serious crime. However, despite substantial international support, human and material resources remain inadequate. Widespread corruption in the extensive public sector, a politicized judiciary, and the lack of operational independence among law enforcement authorities hinder genuine efforts to combat crime effectively. Although EULEX and KFOR play significant roles in overseeing law enforcement and security sector governance compared to domestic civil society, key political actors often manage to evade this top-down oversight. Assessing the feeling of safety among citizens in Kosovo is complex due to the intricate governance system and pervasive inter-ethnic mistrust. Generally, Albanian citizens in Kosovo feel safe, with some of the highest levels of trust in the police in the region. Conversely, the Serbian community south of the Ibar River has little faith in Kosovo's institutions and feels uneasy. While they feel somewhat safer, Serbs living in northern Kosovo still have concerns, primarily due to major criminal organizations operating in that region.

POLITICAL PLURALISM

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

The region primarily faces significant limitations on civil liberties. Croatia stands out as an exception, with a high level of protection for freedom of expression, media, association, and assembly. It surpasses other Western Balkans countries in all these areas. Croatia became a European Union member in mid-2013, leading to different sources for its evaluation compared to other countries still undergoing annual assessments in the EU Enlargement process. Although EU reports have been critical of Croatia's rule of law and human rights, particularly regarding media freedom, it still scores higher than the other six countries.

Serbia has the lowest scores in sub-indicators covering three political freedoms and is the only country in the region with two restricted freedoms. These scores are assigned to entire countries, although distinctions can be made between capital cities and other regions, as well as between entities in Bosnia and Herzegovina or Northern Kosovo and the rest of Kosovo.

Four out of seven countries and territories face challenges with political pluralism. Montenegro and North Macedonia experience high political polarization that hindered state institutions throughout 2022. While all countries exhibit adverse political competition and a polarized political culture, the degree of polarization varies. The participation of the opposition in democratic processes or the blocking of institutions due to an impasse distinguished high from medium political polarization. In multi-ethnic countries like Bosnia and Herzegovina, North Macedonia, and Kosovo, ethnic divisions spill into the political sphere, perpetuating societal and political divisions. Except for Serbia, Albania and Kosovo also experience medium-level political polarization.

In 2022, only Bosnia and Herzegovina and Serbia held general elections, with local elections taking place in several municipalities in Montenegro and Albania. Croatia, North Macedonia, and Kosovo received scores based on evaluations of previous elections by international bodies such as OSCE/ODIHR. Croatia stands out with both free and fair elections. Four countries have free elections where a change of government is possible, but issues persist, including public officials' campaigning, dominant ruling parties, or the influence of other actors on voter choice. Serbia and Bosnia and Herzegovina have partly

free elections, characterized by weak electoral bodies seen as biased. In Bosnia and Herzegovina, the Office of the High Representative indirectly influenced the popular will by altering rules for post-electoral institution formation, while the outcome of the presidential race in the Republic Srpska entity was highly disputed.

SERBIA

Political pluralism in Serbia faces significant challenges (category **problematic**). Civil liberties are limited, with a medium-low level of enjoyment. The media landscape is polarized, with a pro-government public broadcaster and private media outlets often spreading fake news. Critics of the government, including independent media, investigative journalists, civil society representatives, activists, and opposition members, are subjected to smear campaigns, intimidation, verbal and physical attacks, SLAPP (Strategic Lawsuit Against Public Participation) lawsuits, financial pressure, and institutional influence.

The legal framework for political parties and civil society organizations is decent, but the regime tends to favor government-organized non-governmental organizations (GONGOs). In 2022, there were no mass protests as in previous years, but freedom of assembly faced restrictions due to political arbitrariness and controversial police conduct at public rallies. This was observed during civic ecological protests at the local level, where private security officers sometimes replaced the police, and during the contentious organization of Europride in Belgrade in September.

The elections in April 2022, including presidential, parliamentary, and local elections, were characterized by an uneven playing field. The ruling party dominated through biased media representation and campaigns by public officials. This assessment was shared by local watchdog organizations and international observers, including OSCE/ODIHR, the Council of Europe, and the European Parliament. Forming legislative and executive institutions faced significant delays, leading to the marginalization of these institutions in relation to the president-elect.

Opposition parties re-entered the Parliament for the first time since early 2019, although they remained marginalized. This helped reduce the usual high level of political polarization to a medium level in the country.

CROATIA

Political pluralism in Croatia is robust (category **good**). Civil liberties are both legally protected and effectively upheld. Citizens have the freedom to express their opinions, join associations, and assemble in public spaces without significant limitations. However, it's worth noting that there have been several SLAPP lawsuits against journalists, which have raised concerns about freedom of expression and media independence. There have also been disputes regarding the political independence of the public service broadcaster.

The elections in Croatia, including parliamentary and presidential elections in 2020 and local elections in 2021, were deemed free and fair. They were characterized by competitiveness, pluralism,

and professional management. Opposition parties achieved victories in these elections, including the presidential race and mayoral positions in major cities. Despite some increase in adversarial rhetoric among politicians, political polarization in Croatia remains at a low level.

These assessments align with findings from other reputable indices, such as Freedom in the World, Reporters Without Borders, the Council of Europe's safety of journalists platform, and CIVICUS monitor. It's important to note that Croatia's status as a European Union member since 2013 has led to distinct sources of evaluation compared to other countries in the region still undergoing annual assessments in the EU Enlargement process. While EU reports have been critical of certain aspects, especially media freedom, Croatia generally receives higher scores when compared to its regional counterparts.

BOSNIA AND HERZEGOVINA

Political pluralism in Bosnia and Herzegovina presents challenges (category **problematic**). The country's political system follows a consociational democracy, which is highly complex, shaped by the constitution annexed to the Dayton Peace Agreement in 1995, marking the end of the inter-ethnic armed conflict. Civil liberties, although partially protected, receive a moderate to high level of safeguarding. However, lower scores in this category are attributed to elections that are only partially free and a high degree of political polarization ingrained in the constitutional framework and local political culture.

Freedom of expression and media freedom are constrained due to the prevalence of partisan media, pressures on journalists, and attacks against them. Additionally, peer pressure discourages open discussions on sensitive topics that cross ethnic boundaries. Elections in Bosnia and Herzegovina are deemed partly free. Notably, parliamentary elections occur at state, entity, and canton levels, and in October 2022, they coincided with presidential elections at the state level and in the entity Republic Srpska.

Throughout 2022, the High Representative has exercised their Bonn powers multiple times, primarily concerning elections, including aspects like financing, electoral rules, and post-election institution formation within the Federation of BiH entity. However, the High Representative imposed a decision on election day after polls closed, a move considered unprecedented and undemocratic. The elections faced numerous irregularities, and the independence and professionalism of the Central Election Commission in conducting the elections and tallying the votes were contested by many stakeholders.

Bosnia and Herzegovina's federal structure, societal divisions, media landscape, and political organizations make it challenging to provide a uniform assessment. The level of protection for civil liberties and the electoral process can vary between its two entities. However, political polarization remains a persistent issue embedded in both the constitutional framework and local political culture, contributing to ongoing societal divisions. The involvement of the international community,

particularly the Office of the High Representative, has further complicated the situation, leading to a lower score in the elections category.

ALBANIA

Political pluralism in Albania is generally favorable (category **fairly good**). Civil liberties enjoy a medium to high level of protection. However, there are limitations on freedom of expression and media due to the influence of partisan media, smear campaigns, and intimidation targeting journalists. While freedom of association is typically respected, the conditions for an effective civil society are challenging. On the other hand, the freedom of assembly is generally upheld.

In 2022, several anti-Government protests took place primarily in response to high living costs. While these demonstrations were largely peaceful, occasional violent incidents occurred, leading to a disproportionate response from law enforcement. Elections in Albania are considered free. Both the Government and the President of the Republic are elected within the Parliament.

The most recent parliamentary elections were held in April 2021, following electoral reforms that facilitated the participation of opposition parties. These parties had previously boycotted the Parliament since 2019. The elections were competitive, though they were marred by irregularities, public officials' campaigning, and media bias. By-elections in six municipalities were conducted in March 2022 with uncontested results.

Albania has historically experienced high political polarization, often characterized by frequent parliamentary boycotts and sharp rivalry between the two major political parties. However, in the current parliamentary term, this polarization has decreased to a medium level. Despite internal conflicts within the largest opposition party impacting parliamentary proceedings, cross-party consensus has been achieved when necessary.

These assessments align with those of other relevant indices, including Freedom in the World, the Council of Europe's Safety of Journalists Platform, CIVICUS Monitor, and the annual report of the European Commission.

MONTENEGRO

Political pluralism in Montenegro faces challenges (category **problematic**). While civil liberties enjoy a medium to high level of protection, there are significant issues due to heightened political polarization that hindered the functioning of state institutions in 2022.

Freedom of expression and media in Montenegro is constrained by a polarized media landscape, incidents of attacks and intimidation against journalists, and public officials criticizing dissenting voices. While freedom of association is generally safeguarded, improvements are needed in how authorities engage with civil society organizations. The right to assembly is often exercised without major hindrance, but anti-government protests have faced selective law enforcement and, at times, excessive police force.

Local elections, including those in Podgorica and 13 other municipalities, ultimately occurred on October 23, 2022, following the declaration of the unconstitutionality of law amendments that had initially allowed for their postponement in July. The capital, Podgorica, also dealt with gerrymandering issues in August.

In 2022, Montenegro experienced two instances of governments being ousted through no-confidence votes, occurring in February and August. However, snap elections did not follow due to disagreements between the President and the parliamentary majority. A controversial law passed by the parliament to bypass the President in the prime minister's appointment process led to significant citizen protests. Political polarization in the parliament has hindered key appointments within the judiciary. A minority government in a technical mandate continued to make significant strategic decisions without full legitimacy throughout 2022. The Serbian Orthodox Church maintains a strong influence on Montenegro's political life, often acting as a divisive factor.

These overall assessments are attributed to heightened political polarization that has hampered the effective functioning of state institutions in Montenegro throughout 2022. Freedom of expression and media is restricted due to a polarized media landscape, attacks and intimidation targeting journalists, and officials' criticism of dissent. While freedom of association is generally protected, there is room for improvement in how authorities interact with civil society organizations. Freedom of assembly is typically upheld, but anti-government protests have faced selective law enforcement and, on occasion, excessive police force.

NORTH MACEDONIA

Political pluralism in North Macedonia faces challenges (category **problematic**). Civil liberties are generally safeguarded at a medium to high level. The country excels in the realm of freedom of association but experiences limitations in freedom of expression and media, as well as freedom of assembly. Despite these constraints, elections in North Macedonia are considered free and fair.

One significant factor impacting the overall assessment is the presence of high political polarization. In 2022, North Macedonia did not hold any elections. The incumbent president was directly elected in 2019, parliamentary elections occurred in July 2020, and local elections took place in October 2021. The latter resulted in the opposition party VMRO-DPMNE gaining power in many municipalities. Following the resignation of Zoran Zaev, his party colleague Dimitar Kovačevski became Prime Minister in January 2022. However, the SDSM (Social Democratic Union of Macedonia) refused the opposition's call for snap elections, leading to an active parliamentary blockade by VMRO-DPMNE since May.

While electoral rules in North Macedonia are generally sound, last-minute changes, hostile campaign rhetoric, and reports of pressure on voters, especially public employees, have raised concerns. Additionally, a French proposal aimed at resolving the country's EU accession deadlock, primarily driven by Bulgaria's persistent veto, further intensified societal and political polarization in 2022. Despite mass protests in the capital, the proposal was approved in mid-July, resulting in violent

incidents that caused injuries to numerous police officers and damage to the Parliament building. Several protestors faced legal charges as a consequence of these events.

These developments have heightened the perceived threat to Macedonian national identity within the EU accession process and deepened divisions between ethnic Macedonians and Albanians, particularly regarding their prioritization of EU integration.

KOSOVO

Political pluralism in Kosovo is relatively robust (category **fairly good**). Civil liberties enjoy a moderate to high level of protection. It's important to note that due to its disputed status, Kosovo is not party to certain UN and Council of Europe human rights conventions.

However, freedom of expression and media in Kosovo is constrained. The media landscape is divided along ethnic lines, journalists face smear campaigns and intimidation, and self-censorship is prevalent, particularly in North Kosovo. While citizens generally have the freedom to form or join political parties and civic groups, freedom of association is limited due to pressure on critical civil society organizations and harassment of rival political options, especially in North Kosovo.

Freedom of assembly is theoretically guaranteed but often restricted in practice, primarily for security reasons. There have been instances of violent incidents and detentions during protests, notably during Serb protests and barricades in late 2022, which necessitated international intervention to ensure security.

Kosovo has also refused to establish the Association of Serbian Municipalities, as outlined in the Pristina-Belgrade Brussels Agreement in 2013.

When it comes to elections, they are generally considered free and fair. The general and local elections in 2021 were well-organized and competitive, with exceptions in North Kosovo. These elections allowed for the functioning of democratic processes and offered an opportunity for a change in government. However, Kosovo's government declined to open polling stations for Serbian citizens to vote in the Serbian referendum and general elections in January and April 2022, drawing criticism from Serbian and international representatives.

Overall, political polarization in Kosovo is at a medium level, but the party landscape is divided along ethnic lines. Notably, in early November 2022, the Serb List withdrew from Kosovo institutions, including the government, parliament, municipal authorities, judiciary, and police in North Kosovo. This boycott has elevated tensions in Kosovo and raised questions about the legitimacy of Kosovo institutions in North Kosovo, where the Serbian population remains the majority.

SOCIO-ECONOMIC DEVELOPMENT

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

The level of socio-economic development in the region is assessed as moderate. This rating takes into account the average socio-economic development values of four regional actors (Albania, Montenegro, North Macedonia, and Serbia), two with poor results (Bosnia and Herzegovina and Kosovo), and only one with a high outcome (Croatia).

When evaluating the economic outlook of regional economies, most fall into the intermediate category, with one poor result (Kosovo) and only one good result (Croatia). However, it's important to consider that individual actors exist and operate within different contexts. For instance, Croatia benefits from a high degree of international economic integration as a member of the European Union and the Eurozone, while others like Bosnia and Herzegovina and Kosovo are not as integrated into regional and global financial markets. Predicting prospects should also factor in external events such as changes in global financial conditions, shifts in foreign demand, the Ukraine conflict, and the ongoing energy crisis.

Although the inequality-adjusted Human Development Index (IHDI) in the region is globally considered high, it's worth noting that regional actors (except Croatia) have IHDI values that rank among the lowest in Europe.

In terms of Economic Equity, none of the regional actors meet the conditions for achieving a high value in this sub-indicator. This is not surprising given the significant unemployment rates and poverty levels in the region. However, it's essential to acknowledge that in 2022, unemployment reached historic lows in the region, leading to significant labor shortages in certain sectors, according to World Bank data.

According to available sources, corruption is widespread in the region. Except for Croatia and Montenegro, corruption levels in the region range from medium to high, and it remains a significant issue affecting various aspects of people's daily lives.

SERBIA

The global financial crisis of 2008, and especially the subsequent Eurozone crisis, exposed the structural weaknesses in the economies of the Western Balkans, including Serbia. These weaknesses

include a low level of economic development, deindustrialization, inflexible labor markets, a dysfunctional social protection system, and significant corruption. The global Covid-19 pandemic had a relatively moderate impact on Serbia's economy and population. Following this crisis, Serbia experienced a strong recovery, with a growth rate of 7.4 percent in 2021 and an estimated growth rate of 3.2 percent in 2022. However, Serbia faces economic challenges due to the Ukrainian crisis and its implications for the energy sector, electricity, and gas availability. High inflation, reaching 15.1 percent in 2022, is also affecting the well-being of vulnerable population groups. In the medium term, rising debt financing costs due to unfavorable developments in the international capital market may become a significant issue. Expected structural reforms have been delayed, with some progress seen in infrastructure development, fiscalization, and the domestic capital market. Overall, Serbia's level of socio-economic development is considered **medium**.

This rating is based on the average values of various indicators and sub-indicators, including economic outlook, economic equity, social equity, and the level of corruption.

Given Serbia's sensitivity to external shocks, an intermediate economic outlook is viewed positively. Social equity, as measured by the Inequality-Adjusted Human Development Index (IHDI), is rated as medium. Economic equity, as indicated by the unemployment rate (in comparison to entities in the region) and wealth inequality, also received a medium rating. However, Serbia has a significant number of people living in poverty (compared to the national poverty line), which negatively impacts the overall assessment in this category. Corruption is a notable concern, with Serbia ranking 101st out of 180 countries and territories in the Corruption Perceptions Index (CPI) for 2022. Additionally, Serbia exhibits a negative trend in corruption perception, significantly affecting this indicator. Poor results related to corruption are evident in the Control of Corruption indicator by the World Bank and other indicators reflecting low levels of corruption in the Positive Peace Report.

CROATIA

The global financial crisis in 2008 had a significant impact on Croatia, leading to a decline in economic growth and a recession that lasted until 2014. The subsequent pandemic-induced crisis also resulted in a substantial drop in GDP in 2020, with the economy contracting by about 9 percent. However, a strong recovery was observed in 2021, mainly driven by a successful tourist season, with GDP growth reaching 13.1 percent, the second-highest in Europe, behind Ireland. Estimates suggest that the economy grew at a rate of 5.9 percent in 2022, but growth is expected to slow down to around 1.3 percent in 2023.

Croatia's adoption of the euro and its entry into the Schengen area on January 1, 2023, along with increased access to European Union funds, is expected to reduce recessionary pressures in the future. These changes are likely to stimulate growth in the tourism sector, which accounts for approximately a quarter of GDP and employs about 13 percent of the total workforce. However, the Croatian economy still faces structural challenges, including relatively low productivity compared to the EU average, a declining and aging population, and emigration of the working-age population.

Another challenge for Croatia is the Ukrainian crisis, which has impacted energy and food prices, leading to a significant increase in the inflation rate. This inflation has negative consequences for people's daily lives, particularly for vulnerable groups within the population. Overall, Croatia's level of socio-economic development is considered **high**.

This assessment is based on above-average values of most indicators and sub-indicators, including economic outlook and equity (both economic and social), with a low value related to the level of corruption.

A positive economic outlook is driven by relatively high GDP per capita, a favorable trade balance, and a debt-to-GDP ratio that, while not the best, is better than that of most other countries in the region. Croatia's EU membership and participation in the Eurozone, along with access to EU structural and investment funds, put it in a more advantageous economic position compared to other regional economies.

Social equity is rated high, indicated by a strong Inequality-Adjusted Human Development Index (IHDI). Economic equity, measured by poverty levels (below the national poverty line) and wealth inequality, is rated as medium. Croatia has a low level of corruption, as evidenced by good results in various corruption perception indices, including the Corruption Perceptions Index (CPI), Global Risk Index, V-Dem, and the World Bank's Control of Corruption indicator.

BOSNIA AND HERZEGOVINA

The global financial crisis had a significant impact on Bosnia and Herzegovina's economy in 2009. It led to a decline in key economic indicators, including GDP and GDP per capita. This marked the first such decline since the end of the Bosnian War. Additionally, the unemployment rate increased, which is typical during economic downturns.

The subsequent pandemic-induced crisis also negatively affected the economy. It led to a rise in unemployment, a reduction in income from remittances, and worsened conditions for workers in the informal economy. The tourism sector experienced substantial losses, and overall production decreased.

In 2021, there was a notable recovery with a GDP growth rate of 7.5 percent. However, Bosnia and Herzegovina's economy continues to grapple with structural issues, including institutional and economic fragmentation, low levels of economic development, high unemployment rates, a significant informal labor sector, and a notable presence of corruption. These challenges have adverse effects on the daily lives of the population.

The Ukrainian crisis and prolonged inflationary pressure, partly stemming from increased energy prices, have further strained the country's economic prospects.

Overall, Bosnia and Herzegovina's level of socio-economic development is assessed as **low**. This rating is based on medium and low values across most indicators and sub-indicators, including economic outlook and equity (both economic and social). The indicator related to the level of corruption has a medium value.

The intermediate economic outlook value is reasonable when considering factors such as the average GDP per capita, trade balance, and the second-best debt-to-GDP ratio in the region. However, it's important to note that the country's low level of external debt signifies limited integration into global financial markets.

The low value of the Inequality-Adjusted Human Development Index (IHDI) reflects limited social equity, while the average poverty rate (below the national poverty line) and high unemployment rate contribute to a low value in the Economic Equity sub-indicator, despite an average level of wealth inequality. This results in a low Equity indicator value.

The assessment of corruption is low due to Bosnia and Herzegovina's poor performance in various corruption perception indices, including the Corruption Perceptions Index, Global Risk Index, V-dem, and the World Bank's Control of Corruption indicator.

ALBANIA

The global financial crisis of 2008 had a limited impact on Albania's economy. This was partly because Albania was not highly integrated with global markets, and its domestic financial markets were underdeveloped. However, prior to this, Albania had faced two financial crises – the pyramid savings crisis of 1997 and the financial crisis of 2002. These earlier crises had mostly internal causes and had negative effects on the daily lives of the population.

The COVID-19 pandemic had a significant negative impact on the Albanian economy. It led to increased unemployment, reduced income from remittances, and worsened conditions for those employed in the informal economy, which constitutes around 32% of the total workforce. The number of people living in poverty also rose by about 4%, affecting a disproportionate number of women. In 2021, there was a rapid recovery, with a GDP growth rate of 8.5%. However, challenges like the Ukrainian crisis and rising inflation have negatively affected the country's economic outlook.

A specific concern for Albania is the existence and growth of fiscal pressure due to increased government spending on households and small and medium-sized enterprises. This contributed to the growth of public debt. Vulnerable groups are under particular pressure due to slower economic growth and limited budget resources.

Overall, Albania's level of socio-economic development is rated as **medium**. This assessment is based on average values across most indicators and sub-indicators, including economic outlook and equity (both economic and social). The indicator related to the level of corruption has a high value.

The intermediate economic outlook value is reasonable, considering factors like the relatively low GDP per capita, average trade balance, and the third-worst debt-to-GDP ratio in the region. The IHDI's average value indicates medium social equity. The medium value of unemployment and wealth inequality contributes to the medium value of the Economic Equity sub-indicator, despite a high poverty rate (below the national poverty line).

The assessment of corruption is high, reflecting Albania's poor performance in various corruption perception indices, including the Corruption Perceptions Index, Global Risk Index, V-dem, and the World Bank's Control of Corruption indicator.

MONTENEGRO

The global financial crisis in 2008 had significant consequences for Montenegro. It resulted in a recession, decreased public revenues, and, coupled with substantial fiscal spending to address social issues, led to the growth of the budget deficit and an increase in the public debt ratio. The COVID-19 pandemic in 2020 also had a major negative impact on economic growth, with a 15.3% decline in GDP. Montenegro heavily relies on tourism, and the sharp drop in visitors by over 80% during 2020 was a key factor in this economic downturn.

However, Montenegro experienced a rapid recovery in 2021, with a growth rate of 12.4%, the highest among the six Western Balkan economies, according to the World Bank. Nonetheless, persistent structural issues persist, including low economic development, low productivity, high unemployment, and a significant poverty rate. Montenegro also faces unique challenges, such as a substantial informal economy and a growing public debt due to borrowing from China for the construction of a highway.

Montenegro's economic prospects could be further affected by the Ukrainian crisis, which has led to higher energy prices, a food crisis, and significant inflation. These factors could substantially impact tourism, with ripple effects on the country's budget revenues and, consequently, vulnerable groups like pensioners.

Overall, Montenegro's level of socio-economic development is considered **medium**. This assessment combines average and low values across various indicators and sub-indicators, including economic outlook and equity (both economic and social). The level of corruption is rated as low, based on Montenegro's favorable performance in corruption perception indices such as the Corruption Perception Index, Global Risk Index, V-dem, and the Control of Corruption indicator developed by the World Bank. Notably, there have been notable outcomes from recently appointed judicial actors tasked with investigating high-level corruption cases, although the final legal outcomes are yet to be determined.

NORTH MACEDONIA

The global financial crisis in 2008 had a significant impact on North Macedonia's already fragile economy. It resulted in a drop in GDP, reduced foreign trade, and, coupled with the economic crisis in the European Union (North Macedonia's main trading partner), led to decreased investments and remittances. The subsequent global pandemic hit North Macedonia at a challenging time when its institutions were not fully operational, worsening the economic situation, particularly for vulnerable population groups.

The government attempted to address these issues by implementing various stimulus measures, primarily targeting individuals with the lowest incomes, including direct payments. However, the effectiveness of these measures was limited. Additionally, a notable portion of the economy operates informally, making it challenging to capture through official statistics. In 2021, there was a significant economic recovery in the country, with a GDP growth of 4%.

Addressing North Macedonia's structural economic problems requires the development and enhancement of institutional capacities for creating and implementing effective economic policies. Key challenges include low economic development, substantial structural unemployment (especially among women and youth), low productivity, and a prevalent informal economy. The Ukrainian crisis, resulting in higher energy and food prices, further complicates the situation for vulnerable population groups, while growth prospects remain modest.

North Macedonia's level of socio-economic development is considered **medium**. This assessment is based on a combination of average and low values across various indicators and sub-indicators, encompassing economic outlook and equity (both economic and social). The level of corruption is rated as medium, given North Macedonia's average performance in corruption perception indices such as the Corruption Perceptions Index, Global Risk Index, V-dem, and the Control of Corruption indicator developed by the World Bank.

KOSOVO

The global financial crisis had moderate consequences for Kosovo's economy, but the global pandemic had significant negative effects, resulting in a 5.3 percent decrease in GDP in 2020. The most impacted by the Covid crisis were vulnerable population groups, the unemployed, individuals without access to healthcare, and those working in the informal economy. However, the following year, in 2021, Kosovo experienced a GDP growth of 10.75%.

The economic recovery continued in 2021, with GDP growth of 10.5 percent, primarily driven by export growth and increased domestic demand. Kosovo's economy faces structural challenges such as low economic development, high unemployment (particularly among young people), low productivity, inadequate infrastructure, a sizable informal economy, and significant poverty levels.

Additionally, the Ukrainian crisis had further adverse consequences, causing imported inflation to become a significant issue. This resulted in reduced purchasing power for the domestic population and disrupted the competitiveness of local businesses due to rising food and energy prices. Kosovo's high dependence on international trade makes it vulnerable to external shocks.

The level of socio-economic development in Kosovo is assessed as **low**. This rating is based on a combination of low and medium values across various indicators and sub-indicators, encompassing economic outlook and equity (both economic and social). The

level of corruption is rated as low, considering Kosovo's performance in corruption perception indices for which data is available.

