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## EXECUTIVE SUMMARY

UK policy towards the Western Balkans has been tied to the EU enlargement policy since the 1990s. Since the Brexit vote, the UK has been exploring policy alternatives, and in July 2018 the UK Government hosted the 'UK-Western Balkans Summit'. This brief explores potential directions of the UK's post-Brexit policy towards the Western Balkans, and makes recommendations on how the UK could go beyond security co-operation and provide support for socio-economic development in the Western Balkans to the mutual benefit of both sides.

# The UK's Policy on the Western Balkans Post-Brexit

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The EU has developed a policy to support the gradual integration of the six Western Balkan countries (see Figure 1) and their 18m people. Albania, Montenegro, North Macedonia and Serbia are official EU candidates, while Bosnia and Herzegovina, and Kosovo are potential candidates.

Figure 1: Western Balkans map



Source: 'The UK and the future of the Western Balkans' (Jan 2018), Available online

## The UK-Western Balkans Summit July 18

The UK government focused on three aims:

1. **Strengthening security co-operation** to tackle corruption and organised crime networks operating in the Western Balkans, with a focus on human trafficking, illegal drugs, firearms, terrorism, violent extremism;
2. **Increasing economic stability** to improve the business environment and investment, encourage entrepreneurship, address youth unemployment, and promote regional interconnectivity;
3. **Facilitating political co-operation** to support the Western Balkans resolve bilateral disputes, overcome ethnic conflicts, and strengthen the rule of law.

The UK announced that from 2020-21 it will increase funding to the region to £80m and double the UK staff working on the region on security issues affecting the UK and the Western Balkans post-Brexit. This is with a view to strengthen the region's response to organised crime, human trafficking, corruption and money laundering. Additionally, research suggests that another key concern for the UK government is to prevent illegal drugs reaching UK streets and stop organised crime originating from the Western Balkans.

## Tackling corruption and organised crime

Western Balkan governments have been encouraged to commit to addressing corruption and establish specific actions to that effect. However, relevant action plans have been criticised for their lack of sufficient enforcement.

This brief argues that the UK could play a significant role in addressing the challenges of corruption and organised crime in the Western Balkans in two ways.

First, the UK could introduce travel bans against leaders from the region if it has credible information that these officials have been involved in corrupt activities or gross violation of human rights. A similar approach has been adopted by the US under section 7031(c) of the Department of State, Foreign Operations, and Related Programs Appropriations Act 2019.<sup>1</sup>

Second, the UK could increase efforts to confiscate criminal property held by Western Balkans leaders in the UK. It is estimated that £23bn-£57bn of illicit money from all over the world is laundered in the UK annually and only 26p of every £100 of this money is confiscated.<sup>2</sup> If the UK manages to seize a larger proportion of these assets, it would disrupt corrupt activities and reduce incentives to engage in corruption in the future.

References:

- [1] 'Foreign Corruption and Human Rights Violators in FY2019 (2019) The U.S. Congressional Research Service, Available online
- [2] Hoxhaj, A. (2020) The EU Anti-Corruption Report: A reflexive Governance approach. Forthcoming Routledge.

A portion of the confiscated funds should be returned to the respective countries of origin on condition it is invested in improving education, strengthening the civil society, tackling poverty and supporting job creation schemes for young people.<sup>3</sup> The UK may also consider using seized funds to build new operational capacities in the areas of police and judicial cooperation based on new bilateral agreements post-Brexit to counter threats originating from organised crime networks. This approach would send a message that the UK is not a safe haven for corrupt leaders and their assets and demonstrate tangible support for the ordinary citizens of Western Balkan countries.

### Investment in and trade with the region post-Brexit

During the 2018 summit, little attention was paid to the scarcity of UK business investment in the Western Balkans and the low volume of trade (see Table 1). If the UK is to build sustainable, mutually beneficial bilateral relationships with the Western Balkans post-Brexit, its policy must go beyond security concerns and embrace economic and trade cooperation.

**Table 1: UK trade with the Western Balkans<sup>4</sup>**

	EXPORTS	IMPORTS
<b>Serbia</b>	£204m	£169m
<b>Bosnia and Herzegovina</b>	£57m	£57m
<b>North Macedonia</b>	£51m	£770m
<b>Albania</b>	£4m	£24m
<b>Kosovo</b>	£0m	£3m
<b>Montenegro</b>	£0m	£22m
<b>Total</b>	<b>£316m</b>	<b>£1.045bn</b>

[3] Hoxhaj, A. (2019) Civil society needs support to fight corruption and organised crime in the Western Balkans, LSE Blog, [Available online](#)

The EU accounts for over 72% of the region's total trade, exceeding €54bn in 2018. Under Stabilisation and Association Agreements (SAAs), the EU granted preferences to the region in 2000 allowing nearly all exports to enter without customs duties or limits on quantities.

Post-Brexit, if the UK is no longer a part of the EU Customs Union and the Common Commercial Policy, it should seek to establish a new free trade agreement with the Western Balkans as the UK will no longer be part of the SAAs. The UK could involve the Western Balkan diaspora to encourage investment and trade, particularly in agriculture, tourism and pharmaceuticals. This might also have the beneficial side effect of breaking down monopolies in Western Balkan markets.

### The UK and European integration of the Western Balkans

Since the 2016 referendum, the UK's political influence on European integration has been reduced. As the UK will no longer have a say on which countries might join the EU in the future, its political leverage in the Western Balkans, as a potential facilitator of their joining the EU, has diminished. At the same time, the EU has increased its influence over security and the promotion of democracy and the rule of law in the region through its EU Enlargement and Neighbourhood Policy.<sup>5</sup> For example, in May 2019, the European Border and Coast Guard Agency launched its first joint operation outside the EU with Albania, marking a new era of border cooperation between the EU and Western Balkan partners.

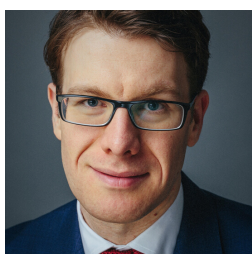
Therefore, as the Western Balkans' main national interest is EU membership, and since the UK will have little influence over this, the UK needs to explore how to develop a more sustainable relationship with the region that goes beyond the security concerns that dominated the UK-Western Balkans Summit in 2018.

[4] House of Lords (2018) Report on The UK and the future of the Western Balkans, [Available online](#); Office of National Statistics (2018) Who does the UK Trade with? [Available online](#)

[5] European Commission (2018) 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans', [Available online](#)

## POLICY RECOMMENDATIONS

- 1 Develop a policy towards the Western Balkans that supports the socio-economic development of the region and is not primarily focused on security.
- 2 Review the effectiveness of UK mechanisms to confiscate criminal property and institute a travel ban against leaders involved in corruption, human rights violations and organised crime.
- 3 Support the return of the recovered funds to the country of origin to contribute to the wider public good.
- 4 Negotiate new agreements that facilitate effective police and judicial cooperation with the Western Balkans to fight transnational organised crime networks.
- 5 Establish a new free trade agreement with the Western Balkans post-Brexit. Involve the diaspora of the Western Balkans in the UK to establish and nurture these new trade relations.



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Hoxhaj, A. (2020) *The EU anti-corruption report: a reflexive governance approach*, Routledge



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