

Today's Panel has a long title – “Regional Cooperation as a part of European Integration; Digitalisation – Bridging Gaps and Chance to Leapfrog” Besides Her Excellency the European Commissioner, and the Excellencies Prime Ministers and political leaders, we have on this panel some true experts on the details of digitalisation.

My contribution as a lawyer, with much more experience in matters of European integration and interstate cooperation will therefore touch upon these subjects more than on that of the digital economy. But first, I will still say some words on digitalization:

Digitalisation is already destroying workplaces – also in law firms.

However, fighting progress is not an option – Rather, we must adapt to changes and live with them. Because just as new technologies erase old business models, they also creates new ones.

The EU plays an important role in shaping digitalisation: The GDPR for example changed the fundamental rules of data protection and the handling of personal data.

The digital single market – another example – is of vital importance for the future of the European economy.

For me as a lawyer, the details of contracts between digital platforms and users are interesting – here, the EU is having large impact through regulations.

These may kill business models that rely on exploiting user data – but we should ask if these business models should have existed at all in the first place

Everything is in constant change – not only because of innovation but also regulation

There are undeniable dangers to both the economy and politics from big data and AI – we live in truly interesting times.

But now, let me come to the topic of the Western Balkans:

First, I would like to point out the importance of this region to the European Union – and vice-versa.

Without the Western Balkans, the process of European integration remains incomplete. We are increasingly reminded of this fact by the growing geopolitical influence of external actors – like Russia and China, to name just two. Two of my colleagues have just published an article on this subject for the Austrian National Bank – copies are available in this room.

At the same time, EU approval rates are higher in Western Balkan countries than in many member states.

I firmly believe that the EU must adjust its policies towards the region – not least to stay competitive with Russia and China: It is not enough to always demand reforms – while renegeing on promises of accession negotiations and moving the goal posts.

China's 16+1 format, for example, can become an attractive alternative for the Western Balkans if all the EU does is demand reforms while offering precious little in terms of real integration.

At the same time, it is clear that the EU is the natural destination for the region: The EU makes up almost 70% of imports to and over 80% of exports of the Western Balkans.

The picture is similar when it comes to foreign direct investments in the region, where EU Member States are leading by far.

To be clear, the Western Balkan states must stay on course with their reform efforts as well: there is much to be done in fields ranging from the harmonization with European law to the independence of the judiciary, the liberalization of markets such as energy and telecommunications, and in sensitive Chapters of accession negotiations such as Chapters 23 and 24.

One major field where the Western Balkans must make progress is regional cooperation: While the region is highly integrated with the EU economy in many aspects, it is much less economically integrated internally.

This is a lose-lose proposition for many reasons:

- The economies and markets of Western Balkan states are relatively small and foreign investors see it as a single region. The states have a lot to win by acting accordingly!
- The integration of regional value chains would ensure that value added remains in the region.
- Intra-regional joint ventures could build on the complementary strengths of different regional states.

Here, I might once again bridge the gap to digitalisation – because connectivity of the digital infrastructure is just as necessary for regional integration as connectivity of transportation and energy infrastructures.

We all know that the economy of the future will rest on a strong digital infrastructure and innovation driven by digital technologies.

Artificial Intelligence and Big Data are drivers of disruptive change in all kinds of fields where it was unimaginable a few years ago – my own field of legal advice included.

Thus the European Union digitalization strategy – including the Digital Single Market – is to be welcomed and should be strengthened even further.

Beyond this, I believe that the digital revolution can empower countries like those in the Western Balkans region to leapfrog entire stages of economic development.

They can go directly to a knowledge driven, high-value added model of economic development, like parts of India have done, but they will have to invest heavily in world-class education, and they will have to work together to achieve this goal. On their own, the countries of the region are too small to succeed in the global economy!

Lastly, this strategy will take persistence, as knowledge and skills do not materialise overnight

Regional economic integration is thus a path that should be pursued by all!

Therefore, I believe that the idea brought up by the President of Serbia, Aleksandar Vucic – to build a regional common market – deserves serious consideration!

On the other hand, decisions to erect new barriers of trade in the Western Balkans – in contravention to CEFTA rules – should be roundly condemned!

The people and economies of the region do not need less, but more openness, trade, exchange, and growth!

This brings me to my next point: regional cooperation on economic issues cannot work without political cooperation – and I believe 2018 has been an exceptional year in this regard!

We have seen some great success stories in the Western Balkans:

- The breakthrough between Macedonia and Greece in the name issue – after many years of standstill – has been a major success.  
As such, it must be honoured by the EU member states, who have always conditioned the opening of accession negotiations on this point.
  
- The justice reform in Albania is a similar success story: It is indeed going so well that it is already quoted as a best practice model by international observers.  
This too must be honoured by member states, which conditioned accession negotiations on the successful implementation of reforms.
  
- Even though it has been mostly interpreted differently, I see progress in Bosnia and Herzegovina as well:  
The election of Bosnian Serb leader Milorad Dodik to the three-person presidency can in my opinion be a chance for bringing the communities closer together.  
Now, President Dodik is holding a position – and responsibility – for the entire state for the first time, instead of representing the Serbian part of the country only.
  
- Montenegro is also very clearly on a path towards Euro-Atlantic integration, with the recent accession to NATO

The last thing I want to say is:

It is incredibly important that the EU member states speak with one voice – and keep their promises. Making compliments to leaders for their reforms while at the same time breaking promises of accession sends the wrong signals!

And this is not a problem of the EU – the Commission was unequivocally in favour of opening negotiations with Macedonia and Albania. It is the responsibility of the member states.

I travel to the Western Balkans a lot, and people are in favour of the European Union.

But at the same time, they are afraid of becoming the next Turkey – forever stuck just outside the gates of the EU. Let us not disappoint them!