
EU enlargement to the Balkans: shaken, not stirred

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BACKGROUND

As 2013 draws to a close, this year's twentieth anniversary of the European Council in Copenhagen, which laid out the conditions for entry of future member states into the European Union (EU), and the tenth anniversary of the Thessaloniki Declaration, which offered a clear membership perspective to the Balkan countries, invite reflection on the EU's enlargement policy.

Over the past decades, the prospect of European integration on the basis of strict eligibility criteria has undoubtedly helped the EU to anchor peace and security, above all in the conflict-torn region of the former Yugoslavia, and to support far-reaching democratic and economic reforms both in Central Eastern Europe and the Balkans. However, in recent years, under the pressure of a fundamental crisis inside the Union, and of daunting challenges in the post-war Balkan aspirants, the integration engine has begun to lose steam at a somewhat alarming pace.

In pure numbers, the historic accessions that brought in 2004 and 2007 – during the first decade after Copenhagen – no fewer than 12 countries into the EU's fold were followed by comparatively modest progress in the period since Thessaloniki, with only Croatia managing to squeeze through the Union's ever-narrowing doors in July 2013. Moreover, while the methodology of the process has become more exacting with each enlargement round, public opinion and political rhetoric in the member states have grown progressively more cautious towards newcomers, and started to turn attention away from – and, indeed, occasionally against – further EU widening.

But does this mean that EU enlargement to the Balkans is now living on borrowed time?

STATE OF PLAY

At present, more and more experts see the region as far off from disaster as from success. And in view of the European Commission's latest Progress Reports, published this October, it would be hard to argue with that assessment.

The 'frontrunners'

The Commission's reports strike a positive note for some of the EU hopefuls in the Balkans. First in line, Montenegro, which got the ball rolling on accession talks with the EU in June 2012, has completed screening meetings for all negotiating chapters, and has adopted action plans for Chapter 23 on Judiciary and Fundamental Rights and Chapter 24 on Justice, Freedom and Security. In line with the Commission's new approach to negotiations, work on these difficult areas of reform has to begin in the early stages of the process. Montenegro's progress towards EU accession now depends on the implementation of the benchmarks under these two chapters, as well as on the ability of the country to build the necessary administrative capacity to apply the *acquis*.

Serbia follows closely behind, after the country reached this April – under the auspices of the EU High Representative Catherine Ashton – a landmark deal on the normalisation of relations with Kosovo. The agreement

has persuaded the June European Council to give the green light for the opening of accession talks with Serbia. This September, the Commission has initiated the screening process and plans an intergovernmental conference on the country's accession by January 2014. However, prior to that, the negotiating framework with Belgrade will have to be adopted by the Council and unanimously confirmed by the European heads of state or government. Rumours about a German-British 'non-letter', which apparently demands that Serbia's talks on all chapters be connected with the country's normalisation of ties with Pristina and defined under a special provision, suggest that the pressure will not lessen, and Belgrade will need to implement the points agreed in the EU-sponsored dialogue if it hopes to advance its membership bid.

Albania comes next, though at some distance. After two consecutive 'NOs' in 2010 and 2011, and a conditional recommendation for 'candidate status' in 2012, this year the Commission endorsed Albania's membership application. The recent strides made by the country in building bi-partisan support for key reforms demanded by Brussels, as well as in managing the orderly conduct of the June general elections and the subsequent handover of power, have earned Albania the Commission's positive *avis*. However, to also gain the unanimous approval required now from the member states in the Council, the new leadership in Tirana will have to convincingly walk the walk – not just talk the talk – of European integration. The implementation of adopted laws and the completion of the five remaining political priorities on the list outlined by the Brussels executive in November 2010 are the immediate hurdles for Albania to clear on its EU path.

The 'laggards'

The situation of the rest of the Balkan aspirants is considerably less rosy. To the back of the EU membership queue is Bosnia-Herzegovina, which has long been trapped in ethnic and constitutional disputes, and has repeatedly failed to pull its weight in order to make headway. To be sure, the Commission's Structured Dialogue on Justice, launched with the country in June 2011, has produced some (limited) results in the overall restructuring of the judicial system. Yet, the inability of the political elites in Bosnia-Herzegovina to agree on a solution regarding the implementation of the Sejdic-Finci ruling continues to block the entry into force of the country's Stabilisation and Association Agreement (SAA), and is now also threatening to curb its access to significant and much-needed IPA funds. With EU progress ground to a halt, the political and economic prospects of Bosnia-Herzegovina seem to be waning by the day.

Keeping company to Bosnia-Herzegovina is Kosovo. Admittedly, the latter's relations with the EU have picked up momentum over the past years: since January 2012 Kosovo has been engaged in visa-liberalisation talks with the Commission and, in June 2013, it received authorisation from the Council to open negotiations on a SAA. In parallel, or more exactly, precipitating these upgrades, has been the good progress made by Pristina and Belgrade in the EU-sponsored dialogue. This refers especially to the April agreement between the two sides, which foresees a new legal status and the stabilisation of Northern Kosovo through local elections this month. Thus, Kosovo is not so much a 'laggard' considering these recent fast-moving developments but it 'lags behind' in so far as it still has a great – if not the longest – distance to travel from its previous position of complete regional isolation in order to catch up with its Balkan neighbours and approach the Union. The reform agenda for the European make-over of Kosovo requires a colossal domestic effort, as well as its sustained commitment to the process of normalising relations with Belgrade.

Placing the Former Yugoslav Republic of Macedonia (FYR Macedonia) – a candidate country since 2005 – at the tail of the group of Balkan aspirants might be counter-intuitive but FYR Macedonia has been held back by its intractable name dispute with Greece. For the fifth consecutive time, this year the Commission assessed FYR Macedonia fit to start accession talks. So far, the Commission's recommendation has been repeatedly ignored by the member states. To be able to pursue discussions and reforms in FYR Macedonia, in March 2012 the Commission introduced a so-called High Level Accession Dialogue with the country. This mechanism has allowed FYR Macedonia to advance on a number of policy priorities but, outside a formal accession track, the country has witnessed the emergence of deep divisions along party and ethnic lines, as well as a marked relapse in media freedom. While the Council's decision to open negotiations with FYR Macedonia depends on a breakthrough in the UN-mediated talks between Athens and Skopje, the EU appears unlikely to bear on the positions of the two sides towards reaching a long-overdue compromise.

And the common ills

In addition to these country-specific problems, a number of important issues cross-cut the Balkan region. Chief among these is the promotion of the rule of law, which remains a major challenge confronting all the Balkan aspirants. According to the Commission's latest Progress Reports, there is ample scope for improvement in the Balkan countries' efforts to safeguard an independent judiciary, fight corruption and organised crime, respect

human and fundamental rights, support the development of civil society, and build efficient public administrations. The EU aspirants have undertaken reforms in these areas, with various degrees of success and sincerity, but credible and sustainable progress is still very much a project *in fieri* throughout the region.

At the same time, the state of socio-economic affairs in the Balkans has acquired increased salience, particularly since the onset of the crisis in the EU. The region's low growth rates, soaring (youth) unemployment, decreasing European investment flows, and shrinking remittances tell a familiar story also in the member states, and have exposed inadequate economic development strategies in the Balkan countries. As also highlighted in the Commission's Enlargement Strategy 2013+, the region is in dire need of macroeconomic and fiscal as well as structural reforms and competitiveness programmes, and is yet to meet the Copenhagen economic criteria for membership: at present, none of the Balkan countries enjoys the status of a functioning market economy.

Last but not least, the recent history still casts a long shadow in the region. Unresolved border, statehood and minority issues continue to be political 'hot potatoes' and frustrate the process of regional cooperation and reconciliation in the Balkans. High-level efforts to establish good neighbourly and inter-ethnic relations within and between countries tend to be rare or short-lived, and often fail to resonate among communities on the ground. In the absence of genuine political will and effective grassroots regional initiatives to mend 'broken bridges', the Balkans is firmly stuck with the thorny task of someday properly dealing with its past.

PROSPECTS

The multiple and complex problems confronting the Balkan countries – individually or collectively – throw cold water on our best expectations about the Union's transformative leverage in the region over the past decade, even if things could be a lot worse. EU enlargement to the Balkans is not on its last legs but, in its current form, the process might be heading towards a bottleneck. Three main risks could get the dossier into a jam.

Two-tier enlargement

First, recent developments in the Balkan countries' quest for EU membership are shaping into a two-tier enlargement process. Differentiating between clusters of countries based on their level of preparedness to meet the accession conditions bode well as a strategy for the EU in its eastward expansion, after the 1997 Luxembourg European Council decided to relegate Bulgaria and Romania to a second group of aspirant countries. Such a formal distinction has not been made in the context of the Balkan enlargement – where the 'regatta approach' is the official formula – but the fact that the countries of the region are moving in two gears is becoming discernible.

The problem with this trend in the case of the Balkans is that, irrespective of the speed, the direction of the movement is not exactly the same between the 'forerunners' and 'laggards' in the region. While the former seem to be *en route* towards European integration, the latter appear mostly on a course that has the opposite sense – going away from the EU as the 'final destination'. The centrifugal tendency between the two sets of countries, exemplified most clearly by the regressions of Bosnia-Herzegovina and FYR Macedonia *vis-à-vis* the other Balkan aspirants, does not translate into constructive competitive pressures between the groups. On the contrary, it largely reinforces among the second-tier countries the feeling that they are being 'left out in the cold'.

In fact, the scope for mutual encouragement is rather limited also within the 'laggards' group. This is primarily due to the fact that single countries are confronted with idiosyncratic hurdles that make it difficult for them to relate and compare one to another. While Montenegro, Serbia and Albania are currently in the position to focus on the concrete accession tasks at hand and keep an eye on each other in that regard, the level playing field is too uneven and the countries otherwise preoccupied when it comes to Bosnia-Herzegovina (where the challenge is internal), FYR Macedonia (where the glitch is the impasse with Greece) or Kosovo (which has the lowest starting point in the region).

Without inter- and intra-group incentives, the EU should not allow the seeds of this two-tier-type of enlargement to sprout. To avoid a scenario in which the Union projects merely a 'passive leverage' on the 'laggards' because the membership prospect is simply too distant for them, the Commission should find creative ways to simultaneously engage all the Balkan countries in accession-related work, irrespective of their stage of integration with the EU.

Taking the Balkans for granted

Second, if the Union is to step up its engagement in the Balkans, the member states need to get on board with the enlargement project. Beneath the beating of European official breasts, in recent practice, the Council has

unseated the Commission as the driver of enlargement policy. The opinions of national parliaments – rather than those of the Brussels executive – have been increasingly determining key political decisions on enlargement. As a result, the process has been frequently derailed on grounds that are less relevant to outstanding challenges in the region and more pertinent to domestic politics in the member states.

The problem is not just that the process has been slipping away from established standards and procedures but also that the strategic logic in favour of enlargement has become volatile. With most member states apparently disengaging – often because of what they perceive as more pressing global developments and crisis-induced setbacks 'at home' – some other countries (like Germany or the UK) have taken the lead on the dossier, giving priority to certain Balkan aspirants and issues rather than to the region as a whole.

As the enlargement process becomes more unpredictable, it widens the gap between credibility and compliance in the Balkans. The absence of conflict in the region does not mean (sustainable) achievement. The EU capitals should not fudge their way out of the promise made to the Balkans, until the 'job' is done and the countries have been transformed into good member states. Hiding behind the crisis or specific resilient problems in the Balkans cannot be properly justified given the already high level of interdependence between the EU and the region, in terms of both opportunities and challenges. The member states need to be more pro-active if EU enlargement is to continue to be the main 'game in town' in the Balkans. Conversely, they should be prepared to brave competitors who are ready to invest in the region with 'no strings (that is, no conditionality) attached'.

Idle EU talk

Third, EU enlargement needs to speak louder to the people in the Balkan countries. The Commission's language – highlighting good governance and sustainable economic development in the region – is all well and good as an ambitious declaration of principles and intent but it struggles to inspire the Balkan people. To avoid disappointment, the EU should put a premium on policy priorities – be they of political or socio-economic nature – that are concrete and relevant to the lives of the citizens in the region.

The EU is right to worry about good governance in the Balkans. However, frontloading the rule of law can only go so far when the lack of political pluralism in some 'forerunners' appears to go unnoticed, and when the culture of consensus-building seems an abstract concept for many of the 'laggards'. Broad-brushed statements on democratic standards do the Balkan countries no favours: the EU needs to spell out its demands for inclusive democratic institutions and processes in the region with clear and measurable tasks, whose impact can be easily followed up on the ground and by civil society.

Likewise, the importance of putting the Balkan economies on healthy footing is a sound judgement by the Commission. The EU's new approach to economic governance and competitiveness in the region tries to look now to the future, laying emphasis on long-term policies and priority sectors. In most cases, nothing short of a major overhaul is in order. But some of the points on which the EU should insist further include the industrial modernisation of the region, a greater regional economic integration effort (in terms of infrastructure, energy, businesses, student exchanges, for example), and the goal of instilling a feeling of self-reliance among the people of the Balkan countries.

The success of the Balkans is also the EU's success. The same holds true for the region's failure. The sooner the member states grasp this interdependence, the better for all. Next year will mark the tenth anniversary of the 'big bang' enlargement and 25 years since the fall of the Berlin Wall, which paved the way for the European project. The EU should use this opportune moment to shake off its 'enlargement blues' and go back to making history – this time, in the Balkans.

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