

CHALLENGE EUROPE

Yes, we should!

EU priorities
for 2019-2024

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FUTURE

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The European Union and the Balkans: In the same boat

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MAIN RECOMMENDATION ► The EU should strengthen and diversify the ways in which it reaches out to its allies in the Balkans, who share the same problems and interests.

WHAT TO DO:

- Involve all Balkan governments and parliaments as observers in selected meetings and intensify bilateral contact with member states about policy issues of mutual concern.
 - Mandate a specific Commissioner for Balkan enlargement.
 - Balkan governments should clean up their democratic record.
 - The EU should provide more financial and technical support to the Balkans.
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In the 1990s, the European Union (EU) was confident that its socio-economic and political order held universal appeal and could be a model for the rest of the world. The end of the Cold War marked the triumph of democratic capitalism over communism and validated the West's efforts to promote democracy, peace, and trade to its neighbours. Likewise, it heartened surrounding countries – until 2004/2007 in Central and Eastern Europe and still today in the Balkans¹ – to try to emulate the West “as the shortest pathway to freedom and prosperity”.² The focus then fell squarely on the type of institutions and policies that needed to be transferred and copied, respectively.³

But if for three decades the EU has been preoccupied by how to transform its vicinity, the main concern today is

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how the West itself is being transformed by modern-day challenges: globalisation, aging societies, migration, and so on. These seem to throw the Union's political, economic, and social model ever more into question. The way forward, however, is not to quarantine the 'patient' behind hard borders. Instead of retreating into navel-gazing – like the French President Emmanuel Macron suggested at the Sofia Summit in 2018 when he called for consolidation before enlargement – the EU should strengthen and diversify the ways in which it reaches out to its allies in the

Balkans, who, in any case, share the same problems and interests.

The upcoming European Parliament (EP) elections, which pave the way for a new EU leadership, as well as the discussions on the future of the Union and the Strategic Agenda for 2019-2024, which will take place at the Sibiu Summit in May and will be finalised at the EU Summit in June 2019, represent a concrete opportunity for the Union to recalibrate and reinforce its relationship with the Balkan countries.

Two in one 'rocking' boat

THE EUROPEAN UNION'S PROBLEMS...

Confronted with a multitude of internal and external threats over the past years,⁴ Europeans seem to have become sceptical about their sacred concepts, with negative spill-over effects also for the EU's enlargement policy towards the Balkans.

For example, the manner in which market capitalism and democracy – cornerstones of the European project – are put into practice came under severe fire during the global financial economic crunch and, in particular, the sovereign debt crisis. Unregulated and powerful financial markets were blamed for lopsided wealth distribution, rising unemployment, and the loss of future perspective (especially among young generations). Likewise, the dysfunctional and irresponsible banking system was criticised for costing governments too much to keep afloat.⁵

As a way out, 'bankrupt' EU economies accepted drastic austerity programmes insisted on by their European partners and the International Monetary Fund in

exchange for loans, while stronger EU economies agreed to pour substantial loans into bailout funds for struggling countries (and their banks). None of these responses were expressly 'authorised' by people. Without democratic legitimacy, the recipe adopted strengthened voters' impression that they had lost their ability to change policies despite retaining capacity to change governments. The temporary resolution of the Greek crisis, above all, became the most powerful demonstration that there is no alternative (TINA) to the EU's economic policies, which, for many, meant that European democracy had been rendered "code for the political importance of citizens"⁶.

But when it rains, it pours. So next came the refugee/migration crisis, which transformed the EU's core notions – like open borders, tolerance, and human rights – to core vulnerabilities, undermining the European liberal consensus.⁷ Before long, the language and practice of fundamental rights were betrayed, non-Christian refugees were warded off with razor wire fences, arson attacks were carried out on asylum centres,

'illiberal democracies' were proclaimed, and populists were both surpassing the establishment at the ballot box and inspiring it in national parliaments because, if nothing else, it was suddenly possible – as well as apparently acceptable – to do so.⁸

A sense of unity and readiness for collective action did eventually emerge, for example, in response to the financial crisis, the irregular inflow of people, terrorism, climate change, or trade protectionism.⁹ However, for the most part, the crises of recent years have sown divisions: the Eurozone crisis split the Union along a north-south axis; the UK's decision to renounce EU membership in a referendum highlighted the core-periphery cleavage; Russia's invasion of Ukraine pitted those daring against those hesitating to confront Putin; and the plight of refugees/migrants reopened past East-West schisms.¹⁰ In addition, they made EU capitals more assertive about which aspirant countries in the Balkans should advance towards accession and under what conditions¹¹, and increased European citizens' hostility towards potential new entrants.¹²

...ARE THE BALKANS' PROBLEMS

Seeing the Union's expansion to the Balkan region – ironically already a geographical enclave in the EU, surrounded as it is by member states – as not only a secondary policy concern in times of crises but also as a more general risk for the overall efficiency of EU decision-making disregards historical experience. The Union's largest 'widening', which happened to Central and Eastern Europe, Malta, and Cyprus, and saw no fewer than 10 countries become new members in 2004 followed by two more in 2007, did not hamper the functioning of the EU, not even during the five years in which it functioned on the basis of the Nice Treaty; the Lisbon Treaty was negotiated subsequently, and the new diversity within the Union was accommodated. By comparison, the Balkans' collective population of about 18 million – less than Romania's 19 million people – makes the fuss about enlargement essentially much ado about nothing.

Moreover, fearing that enlargement would simply import the region's problems into the EU fails to recognise that the borderline between the 'European' and 'Balkan' nature of today's challenges is increasingly grey and uneven, not least due to the region's already advanced level of integration with the EU.

In economic terms, the signing of Stabilisation and Association Agreements with all the Balkan countries has enabled free trade relations and a gradual harmonisation of national legislations with the EU *acquis*. By now, the

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Union is the Balkans' main trading and investment partner. Yet, the promise of economic growth and prosperity through EU integration has not materialised. In fact, the Balkan countries' economic woes have been compounded by the cold winds blowing from the Union: as the EU's business and banking activity in the Balkans contracted during the crisis, the region saw a steep rise in (youth) unemployment and state debt,¹³ akin to the situation in many member states. While economic and social convergence depends on the Balkan countries' will to undertake structural reforms, the region remains vulnerable to European and global economic shocks.

Unable to generate growth on their own and faced with a rapidly aging population, the Balkan countries have been gazing into a future of unrelenting socio-economic deprivation, which has driven the majority of the region's better educated young people to emigrate to affluent countries in north-west Europe. By the end of 2013, 5.7 million people originating from the Balkans lived abroad, bringing the region's average emigration rate to 31.2% – ranging from 18.2% in Serbia to 45.3% in Montenegro.¹⁴

Things are not that different in the EU, which is also aging. The continent's median age is expected to increase from 37.7 years in 2003 to 52.3 years in 2050, casting doubt on the future of European prosperity. The CEE member states, in particular, struggle hard to sustain their welfare systems given their declining populations.¹⁵

Despite Europe's demographic weakness, the EU panicked about immigration during the refugee/migration crisis and enlisted the support of the Balkan countries to stave it off. Since 2015, the Balkans have been a transit region for those seeking entry into the Union via the Eastern Mediterranean route from Turkey to the EU. The Balkan countries' role in helping the EU manage the inflows of irregular migrants has been

crucial and has demonstrated that the Union's ability to cope with the pressure and provide organised and safe reception of refugees/migrants, heavily relies on the region's capacity to process and manage arrivals. Although the Balkan countries have so far proven to be constructive partners in this context, the humanitarian solidarity of the region can be tested by economic insecurity, as "Eastern Europe's compassion deficit"¹⁶ has shown.

Migration is, of course, not the only security threat that both the EU and the Balkans face: geopolitical instability in the neighbourhood, the unpredictability of big global players (see also the contribution of Giovanni Grevi in this publication), terrorism, radicalisation, organised crime, cyber-attacks, as well as the region's own unresolved war legacies, are *inter alia* part of the reality that keeps the two sides on red alert. A relegation of enlargement to the bottom of the EU's list of priorities or a slowdown in the process will clearly be counterproductive, because it may allow other actors – most notably Russia – to meddle in the region and cosy up with countries like Serbia (which refused to join EU sanctions against Moscow), but also Montenegro and Bosnia-Herzegovina, frustrating the EU's efforts to guarantee Europe's security.

Finally, although the democratic consolidation of the Balkan countries is a fundamental pillar of the Union's strategy for the region and is rigorously pursued by the EU with an enhanced conditionality, the Balkan democracies are either stagnating or backsliding.¹⁷ The fragility of the Balkan political systems has as much to do with the cynical ploys of local political elites (who rule unchallenged) as with the failure of the European model of representative democracy promoted in the region (which, as in the EU itself, stems from a lack of meaningful policy choices).

When monitoring the Balkans' compliance with the democratic Copenhagen criteria,

for example, the EU scrutinises issues as diverse as asylum and border control and the fight against corruption and organised crime. However, the EU's careful watch seems to have a blind spot when it comes to Balkan strongmen. The European Commission's latest Strategy for the region acknowledges the problem of 'state capture' in the Balkans, but autocratically-minded leaders continue to govern with impunity throughout the region. Without a democratic *acquis* to bring to bear on power monopolies, party organisation and competition, or informal practices, it is hard to imagine that such Balkan politicians will simply pay heed to European democratic requirements when disregarding them is precisely what sustains their power. The worrisome degree of personal rule evident in the Balkan countries gives rise to feelings of *déjà vu*: consider Hungary and its Prime Minister Viktor Orbán, who over the years morphed from a pro-European liberal into an advocate of illiberal democracy.

At the same time, the technocratic and executive bias of the accession process means that law-making in the region sidesteps policy deliberation and translates into the mere adoption and implementation of EU-compatible standards. Decision-making is conducted outside electoral politics and tied to EU conditions rather than public demands. As such, the Balkan polities become democracies without choices¹⁸, in which elites cite external pressure (like the EU, courts, or media) to evade their campaign promises and governing responsibility because, after all: TINA. The fact that the capacity of political parties to offer meaningful policy alternatives has been severely curtailed by the EU integration process discredits representative institutions in the eyes of the people, fuels public distrust in politicians and cools popular engagement with conventional politics – the exact same dynamics which are also at play in the member states.

Rowing in the same direction?

As in many long-term relationships, after more than 15 years, the EU and the Balkans resemble an old couple: the passion seems to be fading and the two sides are taking each other for granted. However, in strategic, political, and economic terms, the EU and the Balkans are in the same boat, because they share common interests and problems. This interdependence begs for joint action if they are to successfully navigate in today's complex and unpredictable world. More specifically, this means that in the next five years, the EU should not only renew its politico-institutional makeup but should also step up its engagement with the Balkan aspirants, as follows:

- The EU should involve all Balkan governments and parliaments as observers in

selected meetings, including of the Council of Ministers and working groups, the European Council,¹⁹ and in particular in debates about reforms in areas such as the Single Market, the eurozone, strategic infrastructure projects, security, or migration, asylum, and immigration. The same goes for the Union's efforts to tackle structural challenges like 'brain drain', lack of human capital, poor education, and aging societies, because joint problems require joint solutions.

This strategy should already be put in practice at the upcoming Sibiu Summit in May, where the EU should invite Balkan leaders to contribute their thoughts about the future of Europe, and should spell out meaningful and systematic ways of engagement with the Balkans on the basis of shared values and

interests. The EU's next Strategic Agenda (EUCO) and Strategic Priorities (next Commission) should reflect the Sibiu Summit's conclusions on the Balkans.

Offering the Balkan countries a seat at the table, on a consultative basis, could foster a sense of togetherness and partnership, helping to dispel the growing perception in the region that the EU uses conditionality as an excuse to keep the Balkans out.

Moreover, engaging routinely with Balkan policymakers could shift the focus away from questions relating to accession dates, the technicalities of the European integration process, and other regional or country-specific 'hot potatoes', towards more tangible and relevant policy work for Europe's common future. This could impel civic and political forces in the Balkans to reflect more carefully on their country's own vantage point, as well as looking for like-minded counterparts, including among their neighbours, to formulate joint – and thus more effective – regional policy stances. Deliberation and thinking about common responses to concrete common challenges could then replace the currently hollow policy imitation in the Balkans.

Repeated interactions between representatives of the EU and the Balkans, at all levels and around policies of mutual concern, could also help to raise awareness on both sides regarding each other's ideas and stakes on any given subject matter. While this could improve the diplomatic dexterity of the Balkan countries in their preparation for accession, making them into better future member states, it could also offer EU capitals an insight into the aspirants' readiness to play a constructive role in a larger and more heterogeneous Union.

In parallel, the Commission should develop more intense bilateral contacts with member states around the Balkans, such as by organising meetings with foreign ministries and national parliaments to discuss enlargement, and should coordinate better with other EU-level actors (like the European External Action Service (EEAS), (European) Council, EP, European Economic and Social Committee, Committee of the Regions, and Regional Cooperation Council), as well as with civil society. This will allow the Commission to build bridges and restore trust between the member states and the countries of the region, as well as to expand the pool of data informing its country reports for a more reliable assessment in the eyes of the EU capitals, which hold the final say on the dossier.²⁰

► The EU should mandate a specific Commissioner for Balkan enlargement (see the contribution of Paul Ivan in this publication) in the new politico-institutional cycle to reinforce

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the Union's commitment to completing the brief of the dossier. In this case, the EEAS rather than the Commission could become the key 'institutional anchor' dealing with Turkey and Neighbourhood Policy, which might also help to assuage European citizens' fears of endless EU 'widening'.

This new Directorate General for Balkan Enlargement should devise concrete benchmarks to measure the fulfilment of the accession criteria in the fields of the rule of law and fundamental rights. This approach should replace the existing rule of law monitoring mechanisms that include later accession dates, the use of safeguard clauses, and post-accession monitoring.

The EU should also invest more in developing horizontal civil society structures by providing Balkan civil society organisations (CSOs) with expertise, technical support, and regional and international networking opportunities. To keep the transparency and accountability of Balkan political elites in check, the EU should also commission regular 'shadow' reports on the state of democracy to CSOs from the region.

The EU should use its pre-accession scrutiny of the rule of law in the Balkans as a testing ground for its own plans to devise a benchmarking system that can be used in the EU member states too. Developments in countries like Hungary, Poland, Romania, or Italy are undermining the credibility and leverage of the Union's democratic conditionality for the region. The EU should lead by example and ensure that the best practices expected from the Balkan countries are followed in the member states.

Likewise, the EU should remember to always act like a credible partner. This means delivering whenever the Balkan countries have done their share, including, for example, by opening accession talks with North Macedonia and Albania, and granting Kosovo visa-free travel once the predefined conditions have been met.

► As for the Balkans, the governments of the aspirant countries in the region – squeezed between civil society demands and an uncompromising European Commission, should clean up their democratic record: ensuring the rule of law, guaranteeing media freedom, and fighting corruption and organised crime, among others. The member states will not accept any corners to be cut when it comes to the consolidation of the Balkan democracies seeking to join the club.

Moreover, in the process of achieving the status of functioning market economies that have the ability to sustain competitive pressure and market forces – a *sine qua non* for EU membership – they should improve their respective development strategies and create regional frameworks for the development of the Balkans as a future region within the EU. In this sense, the Union should provide more financial and technical support to the Regional Economic Area and Connectivity Agenda for the Balkans, to encourage trade liberalisation and integration in the region.

Additional structural funding should be agreed upon in the EU's next Multiannual Financial Framework (MMF) and should be seen as investment in the Union's future trade, energy, and transport infrastructure. This option should be discussed in the run-up to the Western Balkans Summit in Poznan this summer. Germany, which has so far assumed a leadership role on enlargement and will hold the presidency of the Council of the EU in the second half of 2020, when the final agreement on the MFF might happen, should consider making this issue one of its presidency priorities.

The interdependence between the EU and the region goes beyond geographic proximity, as underscored more recently by the financial, economic, and refugee/migration crises, the illiberal democracy trend in the EU, and Russia's interference on the Union's borders. Anchored in the bosom of Europe, the Balkans are natural

allies for the member states – not least since traditional allies of the EU (like the US and UK) seem to be in retreat – and take the brunt of the decisions and developments inside the Union. As a result, the Balkans should be able to make their voices heard in the EU and, in so doing, they could supply a fresh perspective to those in the member states pondering the future of European

integration. The EU should not squander the opportunity of consolidating its political space by strengthening and diversifying cooperation with the Balkan countries.

¹ Turkey is also a 'candidate country' but its accession talks with the EU have come to a standstill since the country has moved further away from the EU reform path.

² Krastev, Ivan and Holmes, Stephen (2008), "[Explaining Eastern Europe: imitation and its discontents](#)", *Journal of Democracy*, Volume 29, Issue 3, pp. 117-128.

³ Krastev, Ivan (2017), *After Europe*, Philadelphia: University of Pennsylvania Press.

⁴ On the EU's 'poly-crisis' see New Pact for Europe (2017), [Re-energising Europe: A package deal for the EU27. Third report New Pact for Europe](#).

⁵ Corina, Stratulat and Claire, Dhéret (2012), "[A tale of modern-day capitalism and democracy: in view of the protests](#)", Brussels: European Policy Centre.

⁶ Krastev, Ivan (2017), *op. cit.*, p. 67.

⁷ *Ibid.*, pp. 38-39.

⁸ Stratulat, Corina (2016), "[The enemy within: are modern European democracies afraid of introspection?](#)", Brussels: European Policy Centre, p. 2.

⁹ For example, as the contributions of George Pagoulatos and Marie De Somer of this publication argue, reforms of the European Monetary Union (EMU) have taken place and the number of illegal arrivals via the Mediterranean routes have been steadied, respectively. However, the EMU is far from completion and the member states are a long way from introducing structural reforms or mustering the solidarity needed to respond to future inflows of refugees/migrants.

¹⁰ Krastev, Ivan (2017), *op. cit.*, p. 44. See also the contribution of Janis A. Emmanouilidis in this publication.

¹¹ Balfour, Rosa and Stratulat, Corina (ed.) (2015), "[EU member states and enlargement towards the Balkans](#)", Brussels: European Policy Centre.

¹² According to Eurobarometer (November 2018), enlargement is the least popular policy surveyed, 43%, "for" versus 45%, "against".

¹³ See, for example, [www.tradingeconomics.com](#) and Reljić, Dušan (2016), "[Western Balkans' EU path: political and economic deadlocks](#)", *European Western Balkans*.

¹⁴ Petreski, Marjan *et al.* (2016), "[The size and effects of emigration and remittances in the Western Balkans: forecasting based on a Delphi process](#)"; Vracic, Alida (2018), "[The way back: brain drain and prosperity in the Western Balkans](#)", European Council on Foreign Relations.

¹⁵ Krastev (2017), *op. cit.*, pp. 6, 46-47.

¹⁶ Krastev, Ivan (2015), "[Eastern Europe's compassion deficit](#)", *New York Times Opinion*, 8 September 2015.

¹⁷ According to the "[Freedom in the World 2019](#)" Report of the Freedom House, all Balkan countries are still only 'partly free', a situation confirmed by the Bertelsmann Stiftung (ed.) (2018), "[Transformation Index BTI 2018: Governance in international comparison](#)".

¹⁸ Krastev, Ivan (2002), "[The Balkans: democracy without choices](#)", *Journal of Democracy*, Volume 13, Number 3, pp. 39-53.

¹⁹ Balkans in Europe Policy Advisory Group (2018), "[New Balkan Partnership](#)", Biepag, pp. 13-14.

²⁰ Balfour and Stratulat (ed.) (2015), *op. cit.*, p. 234.