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Introduction: Overcoming the Crisis of EU Enlargement

Marko Kmezić*

The thematic focus of the first issue of *Contemporary Southeastern Europe* scrutinizes the state of the European Union's (EU) enlargement process after Croatia's accession to the EU.¹

The goal of this volume is to explore the EU-integration process in the Western Balkans region during a period of declining support for enlargement. Articles in this special issue aim to expand knowledge and scholarship in this area, but also to influence policy-led discussions in order to reinvigorate the EU integration process. So, instead of viewing enlargement as the fulfillment of formal criteria, this volume will focus on how and if the enlargement process can overcome the "enlargement fatigue" and skepticism towards the EU membership of the Western Balkans whilst having a transformative effect. This introduction provides a brief overview of the processes of European integration as well as the current challenges that the region faces, including political and socio-economic transformation in the (potential) EU candidate countries, coupled with external leveraging on the part of the EU, which has been beset by a combination of enlargement fatigue and internal debate on the future of the Eurozone, in the midst of the global economic crisis.

At the Thessaloniki summit in 2003, the European Council declared that "the future of the Balkans is within the European Union."² This political commitment taken by heads of states and prime ministers of EU member states was a clear promise and provided for a strong incentive to the societies of the region from the EU and seemed to entail the promise that the future of the region will be stable, prosperous, and within the EU.

Since then, the Western Balkans has experienced more than a decade without armed conflict. The violence of the previous decade has left its traces however, not only in terms of death and displacement, but also through delaying the region's ability to catch up in terms of the democratization processes that be-

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¹ All chapters in this special issue were initially presented and discussed at the conference "Overcoming the Crisis of EU Enlargement: Leaving EU's Waiting Room" in November 2011, organised by the Centre for Southeast European Studies at the University of Graz. The conference was supported by the European Fund for the Balkans, the Österreichische Gesellschaft für Europapolitik, Südosteuropa Gesellschaft, Europe Direct Steiermark, the City of Graz and the Land Steiermark.

² European Council. 2003. *Declaration of the EU-Western Balkans Summit*, PRES/03/163. Thessaloniki: European Council. (accessed: 18 March 2014).

gan a decade earlier the rest of post-communist Central and Eastern Europe, whilst controversies over the past continue to haunt political debates. As a result, out of the countries termed the “Western Balkans” only Croatia managed to join in 2013 and this some 13 years after the Stabilization and Association process was launched. The rest of the region remains still distant from accession for the foreseeable future and some countries remain blocked altogether. In addition to the challenges of political and economic transformation, Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia remain weak states with dysfunctional institutions, notwithstanding the considerable diversity among them.³

With Croatia joining the EU, the opening of the accession negotiations with Montenegro and Serbia, and the Kosovo-Serbia agreement, 2013 appears to have been a good year for the EU in the Western Balkans. Nevertheless, although the dynamics of the EU integration processes seem to have introduced a new phase of political relations in the region, debates about the wars of the 1990s remain highly contested and ethno-nationalist rhetoric remains potent in parts of the region. In Bosnia and Herzegovina, most reforms and requirements for closer ties with the EU fail due to uncompromising political elites, while in Macedonia, the Greek veto for accession negotiations provides a cover for the current government to delay reforms. Macedonia managed to avoid a full-scale war and to reduce inter-ethnic tensions through the largely successful implementation of the Ohrid Framework Agreement of 2001, but democracy is far from being fully consolidated.⁴ Though an EU candidate since 2005, the country’s Euro-Atlantic integration has been stalled by Greece’s veto as a result of the on-going dispute over the country’s name, a conflict which remains deadlocked despite efforts of international mediators. As a result, the name dispute has contributed to the rise of a destabilizing strand of populist politics in the domestic arena. In addition, the implementation of the Ohrid Framework Agreement has not transformed relations between Macedonians and Albanians and some reforms resemble a Potemkin village. Finally, Bosnia-Herzegovina and Kosovo remain at least partially internationally administered territories with high levels of inter-ethnic contestation.⁵

³ See among others Marko, Joseph. 2007a. *Constitutions and Good Governance: Challenges for Reconstruction and EU-Integration*, in *Regional Cooperation, Peace Enforcement, and the Role of the Treaties in the Balkans*, edited by Bianchini, Stefano / Marko, Joseph / Nation, Robert Craig and Milica Uvalić. Bologna: A. Longo Editore, 65-78; Kostovicova, Denisa and Bojičić-Dželimović, Vesna (eds.). 2008. *Transnationalism in the Balkans*. New York: Routledge; Ramet, Sabrina P. and Peter Wagner. 2010. Post-socialist models of the rule in Central and Southeast European words, in *Central and Southeast European Politics since 1989*, edited by Ramet, Sabrina P. Cambridge: Cambridge University Press, 9-37.

⁴ Irwin, Zachary T. 2010. *Macedonia since 1989*, in *Central and Southeast European Politics since 1989*, edited by Ramet, Sabrina P. Cambridge: Cambridge University Press, 328-57.

⁵ See in Marko, Joseph. 2008. The New Kosovo Constitution in a Regional Comparative Perspective, *Review of Central and East European Law* 33, 437-50; Marko, Joseph. 2007b. Constitutional Reform in Bosnia and Herzegovina, *European Yearbook of Minority Issues* 5, 207-18; Weller, Marc. 2009. *Contested Statehood: Kosovo’s Struggle for Independence*. New York: Oxford University Press; Tansey, Oisín. 2010. *Regime-Building: Democratization and International Administration*. New York: Oxford University Press; Bieber, Florian. 2010. *Bosnia and Herzegovina since 1990* in *Central and Southeast European Politics since 1989*, edited by Ramet, Sabrina P. Cambridge: Cambridge University Press, 311-27.

Serbia, after the dissolution of the common state with Montenegro in 2006 and Kosovo's declaration of independence in 2008, is today governed by the parties that ruled during the Milošević era of the 1990s. While the current government has been more effective in tackling negotiations with Kosovo, its willingness and ability to conduct domestic reforms remains less clear. The situation is similar in Montenegro. Having gained independence in 2006, Montenegro has nearly completed its state-building processes. However, the country's newly achieved independence did not result in the swift resolution of key challenges which Montenegro still faces today, in particular weak governance and the widely perceived corruption and clientalism.⁶ Albania however, did not have to cope with a violent state dissolution as was the case with the Yugoslav successor states and did not have to undergo a phase of reconstruction and reconciliation. Consequently, Albanian society has faced fewer challenges to a democratic consolidation process, but has nonetheless experienced very slow democratic and economic transition and is still hampered by a high level of internal political polarization between the ruling elites, the dominant influence of informal centers of power, and high levels of corruption throughout all branches of government.⁷

Despite rapid growth in the 2000s, effective economic reform has often been delayed so that the economies of the Western Balkans are not fully capable of withstanding the competitive pressures of the EU market. Throughout much of the region economies remain undeveloped, dependent on aid, loans and remittances and are prone to high levels of state intervention coupled with low levels of institutional complementarity with other EU markets. For years, consumption in the Western Balkans has been higher than production and has been financed primarily by foreign investment. Unemployment runs at very high levels especially among the youth and has further increased in the wake of the global and European economic crisis. The private sector remains underdeveloped while the majority of the working population continues to be employed in state owned enterprises. The structural changes which have taken place have primarily favored the expansion of services rather than production. Considering the role of the institutional framework developed during the transition, the 2008 global financial and economic crisis has only deepened already existing economic problems in the region by adding two further external shocks: reduced capital inflow from abroad and the collapse of export demand. Bartlett and Prica suggest that variability in "demands for export, [...] access to credit, and in inflows of foreign investment and remittances"⁸ were the main cause of the impact of the crisis in the region. While the entire Western Balkans experienced rather modest overall decline in GDP during the crisis, in most countries industrial production and exports fell more steeply, while the unemployment rate particularly increased in Bosnia and Herzegovina (27,2%) and Serbia

⁶ Trivunović, Marijana / Devine, Vera and Harald Mathisen. 2007. *Corruption in Montenegro 2007. Overview over Main Problems and Status of Reforms*. Bergen: Chr. Michelsen Institute.

⁷ Fischer, Jürgen B. 2010. *Albania since 1989: the Hoxhaist legacy*, in *Central and Southeast European Politics since 1989*, edited by Ramet, Sabrina P., Cambridge: Cambridge University Press, 421-44.

⁸ Bartlett, Will and Ivana Prica. 2011. The Variable Impact of the Global Economic Crisis on South East Europe. *Economic Annals* 56(191), 7-34.

(19,2%).⁹ Consequently, the crisis has also had a wider social impact, resulting in increased poverty and lower living standards of the citizens of the Western Balkans and growing social discontent, reflected in recent protests across the region, in Bosnia and Herzegovina in particular. Additionally, the crisis of the Eurozone has deprived the countries of the region with its most potent role models (Greece, Italy) for economic growth and political stability. At the same time the economic and political instability in Hungary, Romania and Bulgaria reduce the appeal of EU integration.

Moreover, enlargement is also under threat from the EU itself: opinion polls display growing skepticism among citizens in EU member states towards further enlargement. In spring 2013 more EU citizens (53% to 37%) opposed enlargement than supported it. The highest levels of skepticism can be found in Austria, the Netherlands, Finland, France and Germany, where three quarters of citizens oppose enlargement.¹⁰ While much of this rejection is directed towards Turkey, it reflects the member states' internal political debate which is increasingly colored by recent experiences of high levels of immigration (or at least the perception) from those states which joined the Union through the 2004 enlargement wave as well as immigration by asylum seekers from the Western Balkans. Despite of the temporary restrictions for the influx of workers from Romania and Bulgaria, the enthusiasm for future enlargement depends upon the perceived likelihood of large-scale immigration to the EU from future member states. Furthermore, reports of corruption and misadministration from Southeastern Europe color the perception in many EU countries. An additional factor, is the domestic consideration over the effective cultural and religious integration of candidate countries should they accede to the Union.

After the Croatian accession to the EU, the enlargement perspectives for the rest of the Western Balkans are remote and there is a real risk that EU enlargement might be stalling. It took Croatia six years to conclude formal negotiations after it started them back in 2005 and it took nearly another two years for the final accession phase before the full membership. Even Montenegro and Serbia, who commenced their formal negotiations in 2012 and 2014 respectively, are not likely to join before 2020. Citizens of the Western Balkans, with the exception of Croatia, thus will have to wait for more than 20 years since the launch of the Stabilization and Association Agreement in 1999 and 30 years since the end of Communism to join the EU - in the case of Bosnia and Herzegovina and Kosovo, it is likely to be closer to 40 years. At the same time the EU continues to play a strategic game of conditionality stretching or "moving the goal posts."¹¹ This suggestion, of course, plays into the hands of domestic 'gatekeeper elites' who are not interested in quick EU membership. For example new economic elites, who are content with a quick profit-maximizing logic against EU rules enforcing more competition, or political predatory elites, both in power and opposition, who will avoid rule adoption and implementation

⁹ Statistical Bulletin. No. 3, 2011. Zagreb: Centre for Public Employment Services of South East European Countries.

¹⁰ *Standard Eurobarometer*, No. 79, Spring 2013, T84. 2013. (accessed: 19 February 2014).

¹¹ Kochenov, Dimitry. 2007. *The Failure of Conditionality: Pre-accession Conditionality in the Fields of Democracy and the Rule of Law: A Legal Appraisal of EU Enlargement*. PhD-thesis. Groningen: Rijksuniversiteit Groningen.

if they fear negative consequences for their support in the next elections. In conclusion, the momentum generated immediately following the democratic changes in the region in 2000 has stalled and the current situation can be best described as the consolidation of unconsolidated democracies. The latest edition of the Freedom House *Nations in Transit* report presents a record of stagnation and backsliding in all key governance indicators across the countries of the region. While governments seemingly identify themselves with the EU and their countries' accession, a large number of *formal* and *informal* economic and political elites continue to manipulate ethno-nationalist mobilization for their own private economic interests and the preservation of political power. Despite the initial steps that have been made, the reconciliation after the violent conflicts of the 1990s is far from complete and conversely elite-level political decision-making in some cases is still driven along the old ethno-national lines and these are also reflected in widespread public attitudes. In addition to the continuing enlargement fatigue in many member states, EU institutions are currently preoccupied with the economic and financial crises and the very survival of the Eurozone. Many EU member states only seem to pay lip service to enlargement and make use of their veto powers to delay the accession process thus shifting the decision making power from Brussels and the European Commission towards the capitals of EU member states. Furthermore, a major change inside EU institutions that is expected after the 2014 European elections possibly bringing about a much more EU-skeptic European Parliament. At the same time some governments in the Western Balkans seem to be only half-heartedly committed to joining the EU. Bearing this in mind, one of the bigger challenges in the region in the years to come will be to keep elites and citizens motivated to continue the reforms process. While EU accession continues on autopilot amidst the crisis, it is not clear that it will be able to integrate the countries of the region fast enough or even if it does, whether it will be able to have a transformative effect as previous enlargements have had.

These facts indicate the need, timeliness and usefulness of this volume on the state of European integrations in the Western Balkans. The different contributions to this volume seek to address these particular challenges of transition, reconciliation and internal change from various national, regional, and disciplinary perspectives. Seen from these varied viewpoints, the assessment of the European integration in the leftover SEE countries is directly related to the political, economic, and societal features, which “come together or conflict in the formulation of public policy”¹² in the (potential) candidate countries. Due to their interrelatedness and complexity, these processes have to be approached with regard to ‘broader theories of social change’ and with an interdisciplinary methodological approach which encompasses legal, political, social and economic component as we shall observe in various chapters in this volume.

Elena Bashenska's study on good neighbourliness in the EU enlargement process makes a contribution to the interdisciplinary debates of international law, Europeanization and political sciences in an attempt to point out inconsistencies and irregularities on the implementation of the condition of good neigh-

¹² Mungiu-Pippidi, Alina. 2008. *The EU as a Transformation Agent. Lessons Learned from governance reforms in East Central Europe*. Working papers 33. Hertie School of Governance. (accessed: 18 March 2014).

bourliness in the EU enlargement policy. By providing an explanatory analysis of the successful outcome of the good neighbourliness EU policy in Central and Eastern Europe compared with the 'more problematic SEE', Basheska concludes that it has in fact been the lack of strict and consistent conditionality that has allowed for some of the candidate countries from the 2004 enlargement to join the EU without solving their disputes or referring them to the International Court of Justice. Recognising the important role played by bilateral disputes, the European Commission dedicated more attention to 'bilateral questions' in the later accession rounds by introducing specific 'benchmarks' that negotiating state must meet in order to progress in the accession process. Based on the cases studies of Croatia and Macedonia Basheska argues that such an approach has merely opened up the arena for political influence of interested member states, leading to increasing abuse the existing asymmetry in the accession negotiation in order to force their self-driven political considerations.

Similarly, Dorian Jano's article explores the EU politics of conditionality and investigates if complying with EU requirements and norms is indeed a necessary condition for accession. On a sample consisting of five Southeast European countries, Jano has produced a qualitative comparative analysis taking into account the main political enlargement decisions, namely the decision to open the association negotiations and the accession negotiations.

Through his five qualitative analyses he highlights that on the demand side of negotiations, the applicant country needs to construct a functioning democracy, a free market economy and effective administration capable to take over the Acquis. His main conclusion relates to the supply side of the negotiating process as he defines the EU enlargement process as a 'two-fold process' in which the final outcome does not only depend on the (potential) candidates' compliance, but mostly to the willingness of the EU to accept the applicant country.

Shifting attention to the larger economic context, Ritsa Panagiotou's contribution considers the impact of the crisis on the Western Balkans, arguing the prospects of the Western Balkan's EU enlargement has been (negatively) influenced by the deterioration of the EU economy coupled with a growing 'enlargement fatigue'. Through a convincing analysis of three different pillars - namely the immediate effect of the global economic crisis on regional macro-economies, the repercussions of the Greek sovereign debt crisis, and finally the impact of the Eurozone crisis on the SEE economies - the author proposes that the global economic crisis had influenced the growth of Euro-scepticism in the countries of the Western Balkans. Moreover Panagioutou argues that the current crisis has challenged predominant Europeanization theories and the very essence of the EU transformative power. Bearing this in mind she concludes that it is unusually important that the EU maintains the credibility of the membership perspective not only for the sake of the EU integrations, but also for the recovery of weak Western Balkans economies.

Davide Denti's article analyzes Europeanisation within a 'limited-statehood' context thus contributing to the growing number of studies on adjectivised Europeanisation. The author introduces the concept of EU member-state building, with reference to the EU's purpose of building functional member states simul-

taneously with the process of their integration. Following the logic of state-building and EU integration Denti analytically observes that the current EU candidate countries are facing two often contradictory impulses stemming from the concurrent need for sovereignty concentration and sovereignty diffusion. Appropriately concluding that the top-down Europeanization study is not able to assist in this process alone, the author proposes that the EU should be more sensitive towards the particularities of local democracies in candidate countries by employing a complementary state-building approach.

Last but not least, Ardit Memeti presents in his chapter, judicial reform and rule of law enforcement as two crucial challenges ahead of the Western Balkans states on their European integration paths. The author focuses mostly on the top down approach describing how the interplay of various assistance-providing stakeholders is able to influence the process. Taking Macedonia as a case study Memeti argues for an increase of efficiency in assistance provided, placing it in direct correlation with the beneficiaries' accession progress. Based on the comprehensive analysis of the judicial reform based on the independence and efficiency benchmarks, he recommends that the financial assistance provided to the (potential) candidate countries within the IPA II must not be *ad hoc* and time limited. Instead, Memeti argues for the more holistic and comprehensive assessments of the judicial sector followed with a comprehensive plan, identification of priorities, and open dialogue with domestic stakeholders.

All five articles presented in this volume debate various obstacles that candidates for the EU enlargement are currently facing, due to a complex interplay of various political, socio-economic and historical legacies, as well as the enlargement fatigue on the side of the EU institutions. Despite apparent multidisciplinary of the proposed studies, all the authors are unequivocal regarding the need for further effort to be invested in Europeanization of the left-over Western Balkans countries. Two interconnected issues seem to be the shared conclusion of the authors featured in this volume; first that the EU should be more sensitive towards the regional and country specific particularities of the Western Balkans states, and second that the EU should be more convincing in sustaining the credibility of the membership promise. The authors share the opinion that the combination of these two decisive factors would enable remaining candidate countries from the Western Balkans to be more efficient and effective in strengthening their democracies and economies, whilst simultaneously meeting the conditions set, to become EU member states.

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